



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

05 September 2023

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,

Sub:

1. Notice of the 36th Annual General Meeting (AGM) and Annual Report for the Financial Year 2022-23
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

Please find enclosed Notice convening the 36th Annual General Meeting (AGM) of the Company and Annual Report for the financial year 2022-23 scheduled to be held on Friday, the 29th day of September 2023 at 11.00 A.M. IST at the Registered office of the Company through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of Annual Report for the financial year 2022-23 for your information and records which is being dispatched to the shareholders of the Company.

The said Annual Report is also available in the website of the Company at www.vbshilpa.com

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:



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Particulars	Date
Record Date	Friday, 22 September, 2023
Book Closure	Saturday, 23 September – Friday 29 September 2023
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)	Friday, 22 September, 2023
Remote e-voting will commence on	26 September, 2023 at 9:00 am
Remote e-Voting will end on	28 September, 2023 at 5:00 pm
Date of Speaker Registration & Posting of queries	27 September – 28 September 2023
Day, date and time of AGM	Friday, 29 September, 2023 at 11.00 AM
Website of the service provider (KFin) for evoting	https://evoting.kfintech.com .

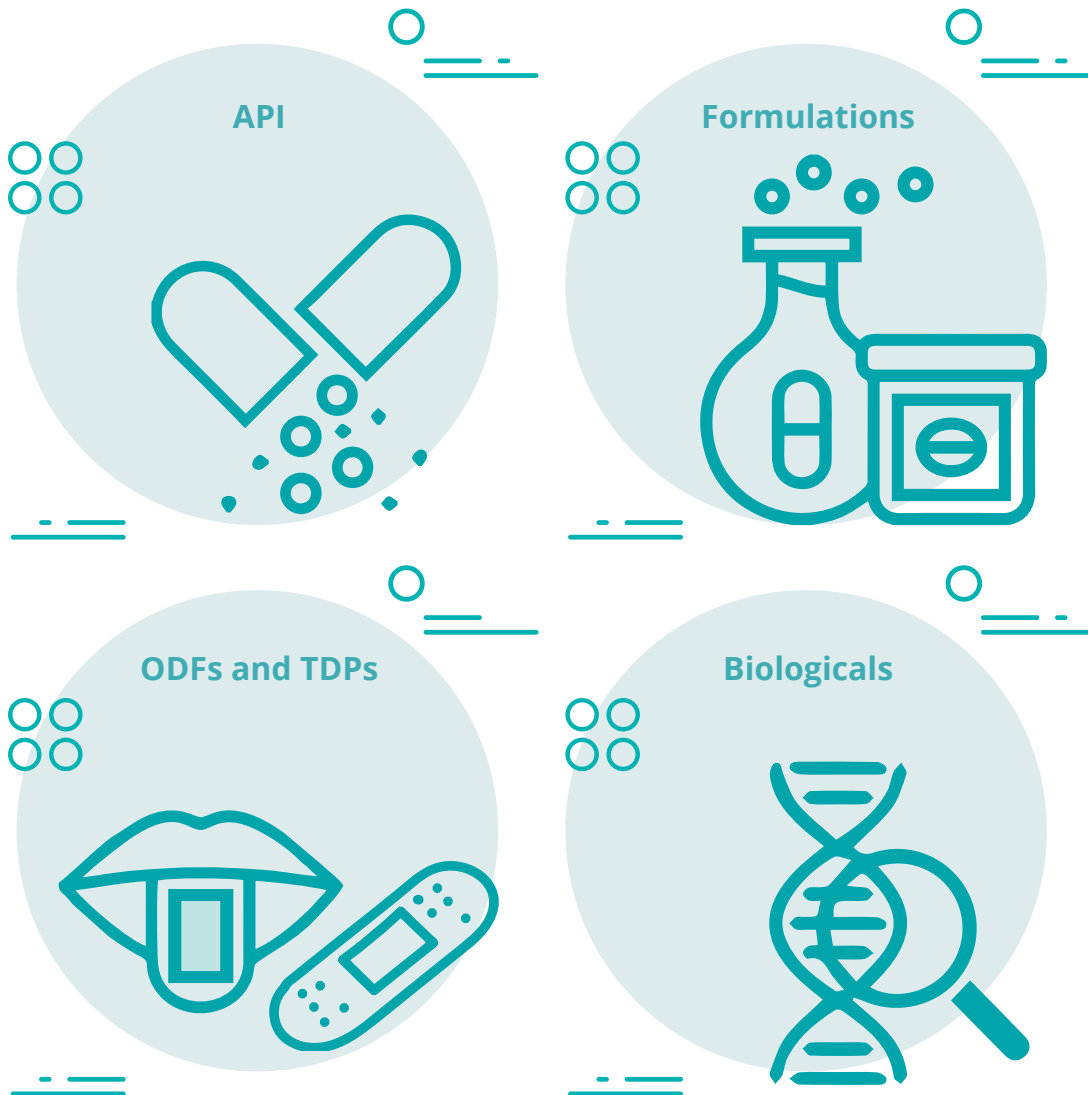
For and on behalf of
Shilpa Medicare Limited

Ritu Tiwary
Company Secretary & Compliance Officer



Innovating for
affordable healthcare

Shilpa Medicare Limited



Integrating | Innovating | Expanding

36th Annual Report 2022-23

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Integrating Innovating Expanding
Shilpa Medicare's transformative journey embodies its dedication to Integration, Innovation, and Expansion. The company has propelled pharmaceutical innovation by seamlessly integrating research and advanced technologies. Driven by unwavering excellence, global expansion has become attainable, touching countless lives. Centered on these core pillars, Shilpa Medicare advocates elevated healthcare standards, fuelling growth and enriching global well-being.

About Shilpa Medicare Limited

Shilpa was incorporated in 1987 at Raichur, Karnataka, India. Shilpa is one of the leading API and formulations manufacturers with strong capabilities in the therapeutic area of oncology. Shilpa supplies more than 30 oncology APIs including key products such as Capecitabine, Gemcitabine Hydrochloride, Pemetrexed, Axitinib, Erlotinib Hydrochloride and Irinotecan Hydrochloride for various international markets including USA, Europe, Japan, South Korea, Russia, Mexico, Brazil, and other emerging markets. On the non-Oncology API front, Shilpa derives revenues from select key molecules which amongst others include Ambroxol (Mucolytic agent), Tranexmic Acid and Ursodeoxycholic Acid.

While Shilpa's underlying expertise is in the field of APIs, it is also strengthening its position in formulation business with revenue generation from products such as Azacitidine, Pemetrexed, Capacitabine, Imatinib, Erlotinib etc. in domestic as well as various international markets. Shilpa's manufacturing capabilities encompass various dosage forms ranging from oral solids & injectable, orally dispersible films & transdermal patches.



Company Overview



Established presence in Active Pharmaceutical Ingredients (APIs) and Formulations for domestic & international markets



Pursuing niche growth businesses like Biologics, Transdermal Patches & Oral Dissolving Films Formulations



Robust research orientation resulting in innovative products



Best in class manufacturing and supply of high-quality affordable drugs



Very strong R&D background including development, pathway engineering and characterization of biologics

Message from the Chairman



Dear Esteemed Shareholder,

I hope this message finds you well.

The fiscal Year 2023 has been a period of contrasts for us. Our performance has been somewhat subdued due to pricing pressure, the aftershocks of the pandemic and challenges triggered by the Russia-Ukraine conflict. Nevertheless, we remain steadfastly focused on our strategic intent of pursuing leadership in complex Oncology Active Pharmaceutical Ingredients (APIs), while consistently optimising our manufacturing processes to deliver a better portfolio of products. We are also developing proficiencies in high-end Non-Oncology APIs in key global markets. The other research-backed segments where we are displaying emphasis are peptides, polymers and Contract Development

and Manufacturing Organization (CDMO) businesses. These are critical building blocks in our endeavour to create a balanced, innovative, and sustainable portfolio.

Our company is progressing up the value chain through the Formulation business, specialising in complex Oncology and Non-Oncology treatments on a global scale. In light of the United States Food and Drug Administration (USFDA) observations, key products are being commercialised through a site transfer. At the same time, we are redesigning our sales portfolio mix by expansions in international markets other than the US.

We are contemporaneously venturing into the development of value-added offerings via transdermal (TD) and oral

dissolving film platforms (ODF). There are also robust plans in place for the Biologicals division, with the intention to create an cohesive line-up that will contribute significantly to our future growth.

Our subsidiary, Shilpa Biologicals Private Limited (SBPL), has received a No Objection Certificate from the Review Committee on Genetic Manipulation, allowing us to conduct clinical studies for our Biosimilar Aflibercept with the Drug Controller General of India. This biosimilar, the first in India, fills a significant market gap. Our strategy involves conducting local and global clinical studies in therapeutic areas such as Wet Age-Related Macular Degeneration, Diabetic Retinopathy, and Diabetic Macular Edema, where India has high incidences.

Despite these exciting advancements, it's important to acknowledge the challenges that the Indian pharmaceutical sector faces. Even though the Indian government is making efforts to boost domestic pharmaceutical manufacturing through a production-linked incentive (PLI) scheme, the nation's pharmaceutical industry is still grappling with increased imports of raw materials, drugs, and medical devices, and a lower than anticipated uptake of the PLI scheme.

Our industry's hallmark is the mass production of high-grade generic drugs and vital medical supplies, priming us for forthcoming challenges. Nevertheless, to entrench our global pre-eminence, we must address existing gaps. This involves fostering research and innovation, optimising manufacturing costs, and facilitating partnerships among pharmaceutical entities to capitalise on mutual core competencies.

As we navigate through this phase of our journey, we are mindful of the significant challenges we face, such as the volatility in our financial performance owing to the extended resolution of the import alert at Jadcherla, the in our primary API business, and the envisaged contribution from new business lines currently in the investment phase. Nonetheless, rest assured, we are actively engaged in addressing these issues. While the fruits of our mitigation strategies may take time to discern, we remain confident in their long term efficacy and their role in fortifying our financial resilience. Our new business lines, still in their infancy and in the investment phase, are a testament to our commitment to future growth and diversification. We harbour optimism about their potential contribution to our revenue streams in the forthcoming years.

Our Board of Directors steadfastly monitor and ensures that the company adheres to Environmental, Social, and Governance (ESG) principles, a commitment that threads through our continuous innovation and efficiency enhancement journey. Including the statutory Business Responsibility and Sustainability Report (BRSR) in this annual report is a strategic move towards measuring our preparedness to integrate ESG principles into our operational matrix seamlessly. Beyond a mere assessment tool, the BRSR fortifies our commitment to transparency, providing our stakeholders with an all-encompassing insight into our sustainability endeavours. We perceive this initiative as an optimum platform to underscore our relentless dedication to responsible and sustainable practices, affirming our conviction that

progress must be charted with ethical integrity, social accountability, and environmental stewardship.

As we continue this exciting journey, your unwavering support and belief in our vision are appreciated. We remain committed to keeping you informed of our progress and look forward to sharing more exciting news in the near future.

Thank you for your continued trust and partnership.

Yours sincerely,

Omprakash Inani

Chairman

Our company is progressing up the value chain through the Formulation business, specialising in complex Oncology and Non-Oncology treatments on a global scale. In light of the United States Food and Drug Administration (USFDA) observations, key products are being commercialised through site transfers.

Review by the Managing Director



Dear Shareholders

I am delighted to take this opportunity to express my sincere gratitude for your ongoing trust and support for Shilpa Medicare. Your steadfast commitment and belief in our potential enable us to innovate and positively impact the pharmaceutical industry.

Navigating the aftermath of two intense years triggered by the pandemic and the geopolitical crisis, Shilpa Medicare is recalibrating its operational strategy to remain agile. While we continue to focus on improving our capabilities our renewed strategies are aimed at tackling external challenges like inflation and increased complexity. This transition is seen as an opportunity to deliver greater value, stay ahead of industry challenges, maintain our commitment to innovation and deliver

affordable healthcare. The emerging opportunities include accelerating our product innovations, ESG commitments, digitalisation and better resource allocations across our value chain.

On Performance:

In the fiscal year 2023, our revenue decreased to Rs 1,050 crore from Rs 1,145 crore during the corresponding period last year. EBITDA also fell to Rs 119.68 crore from Rs 218.10 crore. Furthermore, the full-year margin decreased to 11% from 19% in FY 2022, and a loss of Rs 32.47 crore was registered compared to a net profit of Rs 60 crore last year. Despite these challenges, we managed to generate positive operational cash flows. While the past year presented substantial challenges, we are committed to

improving our financial performance. With well-thought-out strategies to enhance operational efficiencies and implement robust financial strategies, we are optimistic about overcoming these difficulties and returning to a growth trajectory in the next fiscal year.

Despite ongoing global challenges, this year's operational performance showcases our continuous and persistent efforts to consolidate our position in Active Pharmaceutical Ingredients (APIs) and Formulations, in domestic and international markets. We have successfully maintained our established presence and continue to take steady steps in strengthening our market position.

I am delighted to share that our API business has made significant strides. We've broadened our market presence, filing over 200 Drug Master Files across various geographies and leveraged our expertise in diverse areas such as polymer, peptide, CDMO, import-substitute APIs, and capacity expansion.

In Formulations, our strategic remediation measures and compliance initiatives have elicited positive feedback from the US FDA, and thus we await a favourable resolution to the import alert on our Jadcherla facility. This facility has been cleared by Canadian authorities. Our other facility at Nacharam has been cleared by the US FDA already and we are consequently moving some product analysis work to this site. We continue focusing on complex formulation development for products in global markets. In addition to enabling site transfers for formulation sales into the US, we have explored the EU and ROW regions for our portfolio. Moreover, we have worked towards creating out-

licensing opportunities in order to tap our developmental capabilities.

UK MHRA's approval has enabled our film formulation and transdermal products to enter the UK market, bolstering revenue growth for us. Progress in developing biologicals and cost rationalisation efforts promise potential revenue generation in a profitable manner. With a robust portfolio, we're poised for a performance transformation in the coming years, focusing on managing cash flows, maximising revenue and the bottom line. Your continued support propels us to innovate and create value.

Our Strategies

Shilpa Medicare is committed to forging a leadership position in the manufacture of complex Oncology APIs, persistently optimising our processes to deliver an improved product portfolio. We are also developing proficiency in high-end Non-Oncology APIs for key global markets, alongside a growing emphasis on peptides and CDMO services, reflecting our dedication to research-backed segments.

Moreover, we are steadily ascending the value chain through our Formulations business globally, encompassing both complex Oncology and Non-Oncology areas. We are commercialising key products via a strategic site transfer, while our sales to international markets outside the US remain active and robust.

We invest in developing transdermal (TD) and oral dissolving film platforms (ODF) to enhance our offerings. Additionally, we are executing robust plans for Biologicals and aim to introduce an attractive product

line-up. Our progress and initiatives exemplify our dedication to innovation, operational excellence, and delivering value to our shareholders. Your continued trust fuels our mission to enhance healthcare accessibility worldwide.

Concluding Remarks

While navigating a complex and volatile landscape across its business segments, Shilpa Medicare has stood steadfast in its growth strategy and regulatory compliance. Our strong adherence to mandated processes and unwavering commitment to quality underlies our solid foundation for achieving strategic business expansion.

Our API business, known for its stronghold position, is again thriving in a dynamic market environment, enabling our growth agenda. Furthermore, our team's agility in defining comprehensive responses to business challenges in our other segments is ensuring sustainable business momentum overall. We are positioning the company to move up the value chain by pursuing complex and niche opportunities in a profitable manner. Towards this end, our R&D investments have been most instrumental.

We are cognizant of the necessity for predictability and visibility in our performance. To this end, we are committed to improving our operational and financial metrics through rigorous performance management, cost optimisation, strategic planning and transparent communication. Shilpa Medicare remains committed to upholding high standards of ethics and corporate governance and consistently striving for excellence in our operations.

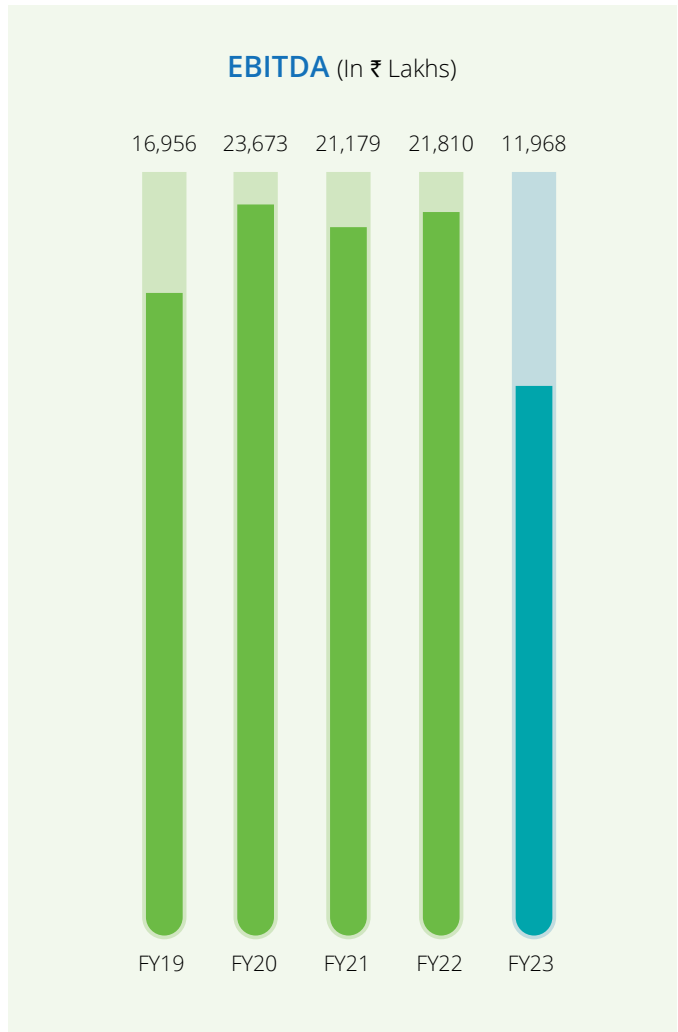
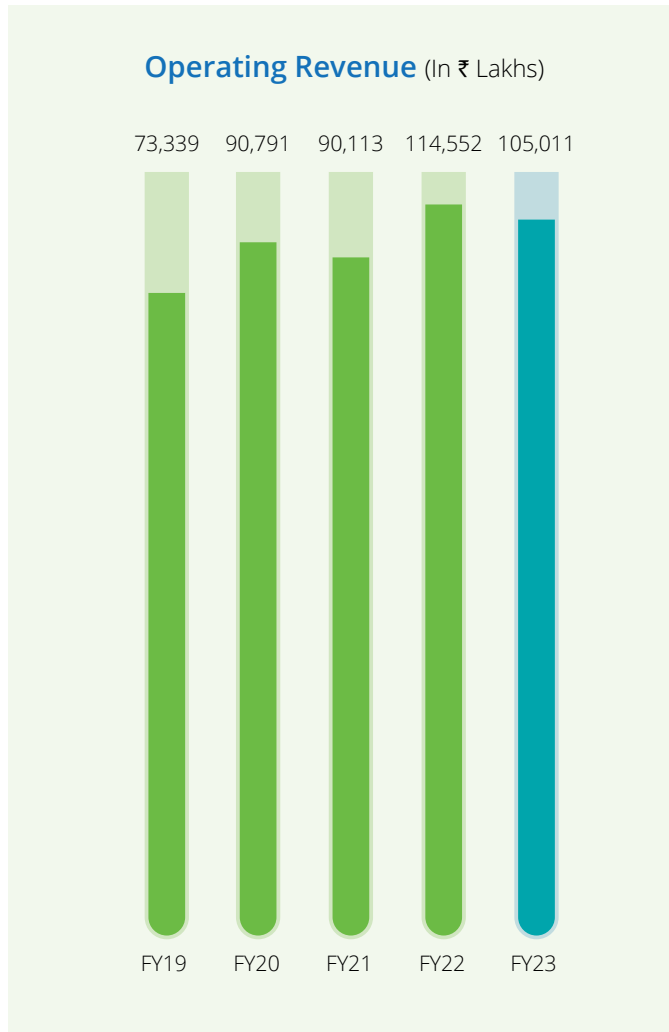
Our future endeavours will remain aligned with the principle of **वसुधैव कुटुम्बकम्** "vasudhaiva kutumbakam." i.e The World Is One Family. As a global community, we should strive to ensure affordable healthcare for every individual, transcending borders and disparities to foster a healthier and more equitable world. Our strategic and operational decisions will always echo our commitment to the health, well-being, and unity of the global community we serve.

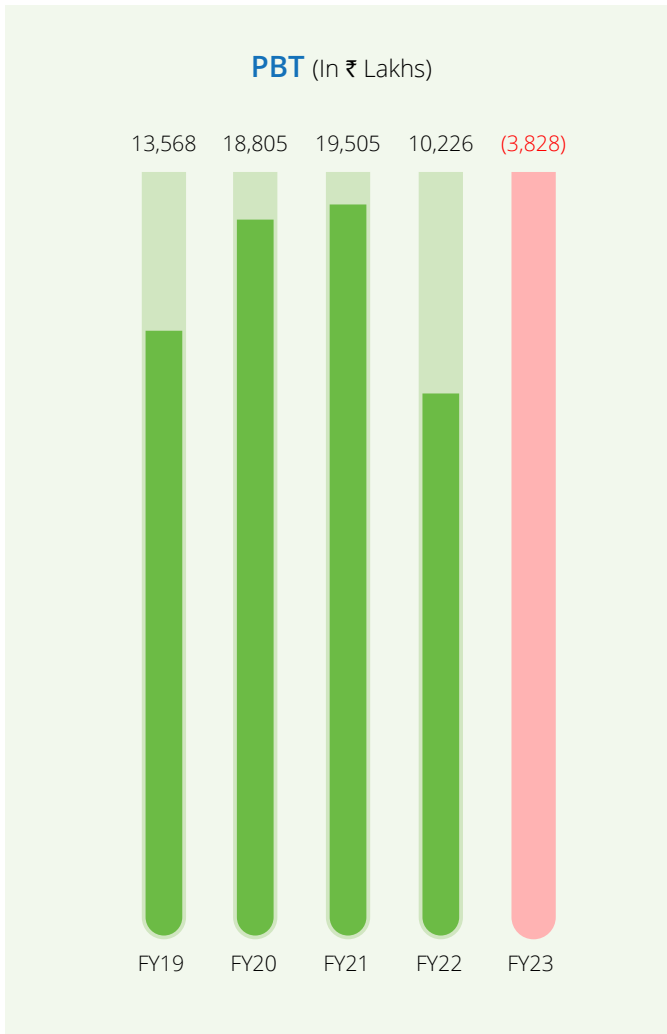
I sincerely thank our esteemed shareholders for their unwavering faith and support in our endeavours. We also thank the regulatory bodies for their guidance, ensuring we consistently uphold the highest compliance and quality standards. Our heartfelt thanks go to our dedicated employees, whose hard work, resilience, and ingenuity continue to drive Shilpa Medicare's growth and success. We express our appreciation to the Central and State Governments for their consistent support and enabling policies. Lastly, we acknowledge the pivotal role of our banking partners in aiding our financial stability and growth. Thank you all for being an integral part of our journey, as we continue to strive towards excellence in the pharmaceutical industry.

Yours Sincerely

Vishnukant Chaturbhuj Bhutada
Managing Director

Consolidated Financial Highlights





Active Pharma Ingredients

The company focuses on introducing generics that face significant barriers to entry, thus increasing access to these critical medications. Shilpa actively seeks collaborations with other companies to reach more patients and enhance its impact in the generics market.

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MEDICINE
HEALTH
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DOCTOR
SURVEY
RECIPE



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MEDICINE

Active Pharma Ingredients

Manufacturing Capabilities

Embedded within Shilpa operational fabric are cutting-edge API manufacturing facilities, globally endorsed regulatory approvals, and a steadfast commitment to safety and quality. The company's dedication to environmental consciousness is reflected in its waste treatment practices. With a focus on excellence, Shilpa ensures rigorous safety measures and employs advanced technologies in both manufacturing and containment. These endeavors synergize with their robust quality control unit, equipped with sophisticated instruments. The strategic expansion plans and futuristic outlook underline the company's unwavering pursuit of innovation and diversification in the API manufacturing domain.

Certified Excellence

Shilpa is adorned with ISO and DSIR certifications, exemplifying its dedication to the highest standards of quality and innovation.

Cutting-Edge Manufacturing

Operating from advanced API facilities in Raichur, India, Shilpa employs state-of-the-art technology to pioneer pharmaceutical production.

Safety-First Culture

Safety is paramount in Shilpa operations, reflected in meticulously designed facilities, extensive training, and vigilant emergency response teams.

Global Regulatory Validation

Shilpa API facilities have secured approvals from esteemed regulatory bodies such as USFDA, EU, and more, affirming its commitment to global benchmarks.

Strategic Growth

As a testament to its forward-thinking approach, Shilpa expands with larger reactors, bolstering non-Oncology product delivery and indicating a commitment to diversification.

Quality Control Mastery

With a robust quality control unit, Shilpa excels in method development, validation, and comprehensive testing, ensuring top-notch products.

Oncology Expertise

Shilpa's proficiency in segregating Oncology and Non-Oncology manufacturing stands as a cornerstone of its commitment to precision, safety, and sustainability.

Innovative Oncology APIs

Shilpa leads in complex Oncology APIs through research-driven strategies, showcasing continuous optimization and comprehensive CDMO/Peptides development.

Eco-Friendly Stewardship

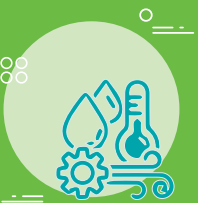
Demonstrating its environmental consciousness, Shilpa treats waste in a zero discharge facility, actively contributing to purification and reuse efforts.

Future-Ready Approach

With an unwavering dedication to excellence, innovation, and regulatory compliance, Shilpa embraces a future marked by groundbreaking advancements in API manufacturing.



Shilpa treats all waste in its ZERO discharge handling facility as an environmentally conscious organisation



The first company in India to invest in containment technologies specifically for manufacturing oncology drug substances in a controlled environment



Shilpa continues to expand its API capabilities. The company has recently introduced a new block with a volume of approximately 65KL

Active Pharma Ingredients

Research & Development

Shilpa's API R&D is a cornerstone of its global strategy, underscored by affordability, accessibility, and technological innovation in generics. With a focus on expanding the generics portfolio, complex API process development, flow chemistry advancements, self-dependency on KSM and intermediates, and continuous process technology improvements, the company holds a robust stance in the competitive pharmaceutical realm. Firmly committed to research and innovation, Shilpa contributes significantly to affordable medicine accessibility.

Generics Commitment

Shilpa champions generics to lower drug costs, ensuring early access and affordability. Its involvement in the generics market and collaborations widens patient reach.

Complex API Expertise

Excelling in complex API processes for Oncology and non-Oncology molecules, Shilpa adheres to international standards, crafting intricate generic formulations.

Flow Chemistry Advancements

Proficient in flow chemistry, the company showcases precision and efficiency in handling complex processes, strengthening its capabilities.

Self-Dependency Strategy

R&D endeavors in KSM and intermediates lead to self-dependency, reducing reliance on external suppliers and bolstering supply chain control.

Process Technology Excellence

Continuously optimizing existing APIs, Shilpa curbs manufacturing costs, ensuring cost-effective, globally competitive API production.





The company focuses on introducing generics that face significant barriers to entry, thus increasing access to these critical medications.

The company specialises in complex API processes, including those required for Oncology and non-Oncology molecules.

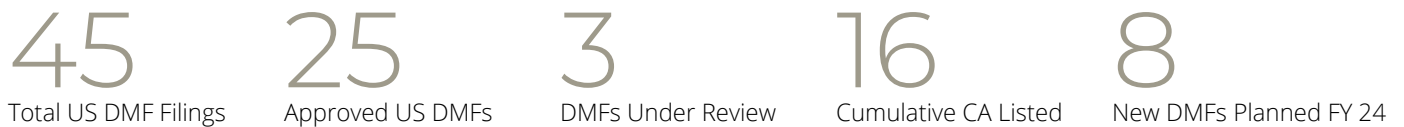
The company has already completed the development of two products for backward integration, enabling greater control and reliability in the supply chain.

Active Pharma Ingredients

Regulatory Filings

Shilpa's regulatory filings demonstrate the company's commitment to comply with global regulatory standards and ensure its APIs' safety and quality. The cumulative filings for US DMFs, CEPs with the EDQM, and EDMFs showcase the company's extensive engagement with regulatory bodies worldwide. The approved filings reflect the company's adherence to stringent regulatory requirements, while ongoing reviews and planned future filings signify continuous efforts to expand its regulatory approvals. Shilpa's regulatory compliance efforts position the company as a trusted and reliable API manufacturer in the global pharmaceutical market.

US DMF Filings:



CEP Filings with EDQM



EDMF (ASMF) Filings





Review of Performance in FY23

Overall, while the API business experienced marginal growth, with total revenue increasing from 747.7 crores in FY22 to 757.8 crores in FY23, the performance varied across different segments. Oncology showed a decline, CDMO services demonstrated significant growth, CRAMS experienced a substantial planned decrease and non-oncology and API others exhibited notable growth.

Oncology

The API business in FY23 for oncology products decreased from 447.5 crores in FY22 to 368.5 crores, reflecting a decline of 18%.

CDMO Service

The CDMO (Contract Development and Manufacturing Organization) service experienced significant growth from 5.8 crores in FY22 to 21.1 crores in FY23, indicating a substantial increase of 264%.

CRAMS

Conversely, the CRAMS (Contract Research and Manufacturing Services) segment witnessed a decline from 76.9 crores in FY22 to 29.6 crores in FY23, representing a negative growth of 62%. (ICE business which was transferred to earlier JV)

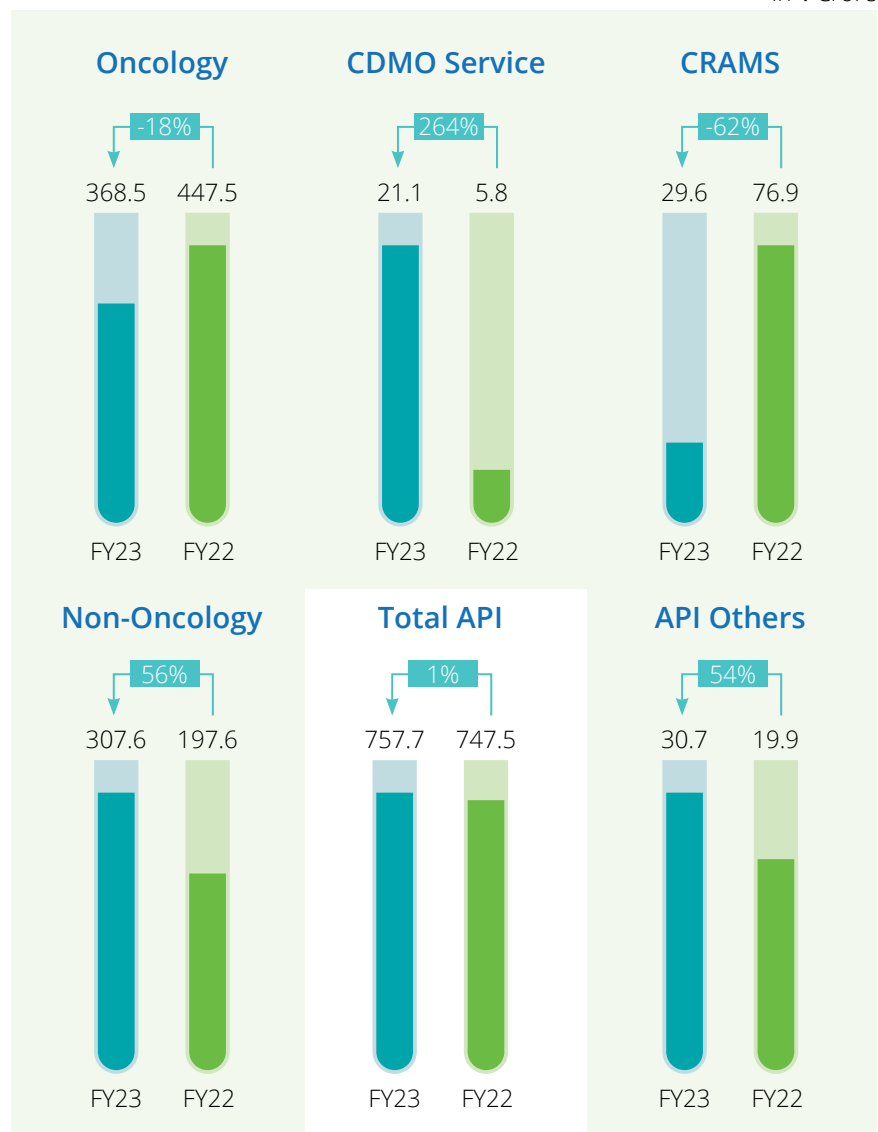
Non-Oncology

The non-oncology API business demonstrated growth, rising from 197.6 crores in FY22 to 307.6 crores in FY23, indicating an increase of 56%.

API Others

The API business in the "Others" category grew from 19.9 crores in FY22 to 30.7 crores in FY23, representing a growth of 54% year-on-year.

In ₹ Crore



Active Pharma Ingredients

Strategies and Expected Outcomes

Our strategic focus is on the growth of non-oncology and import substitute API segments, which hold significant potential for expansion. We aim to capitalise on market opportunities and drive revenue growth by targeting these specific areas.

Cost-Optimization Drive

Implementing cost-cutting measures to prioritize sustained improvement in cash flows, Shilpa aims to enhance operational efficiency and allocate resources strategically.

Production Capacity Enhancement

By increasing production capacity, Shilpa Medicare aligns itself to accommodate growth ambitions and capitalize on its capabilities to meet increasing demand.

Customer-Centric Expansion

Targeting existing API customers while expanding capabilities reinforces Shilpa's commitment to strengthening customer relationships, fostering growth, and solidifying its market position.

Regulatory Engagement

Shilpa's engagement extends beyond the US and Europe through 26 cumulative EDMF filings. With 22 approved and ongoing reviews for four, the company demonstrates compliance and ongoing regulatory commitment.

API Diversification and Expansion

Through significant investments in API, peptide, and polymer CDMO businesses, Shilpa expands and diversifies its offerings, ensuring innovation, staying ahead of the curve, and meeting evolving customer needs.

Focus on Complex Offerings

Emphasizing complex offerings within polymers for innovator clients, Shilpa Medicare aims to leverage specialized expertise to cater to specific market demands, positioning itself as a leading innovator within the industry.



By expanding our capabilities and strengthening relationships with our valued customers, we aim to further drive revenue growth and solidify our API market position.



We have made significant investments in our API, peptide, and polymer CDMO businesses



Finished Dosage Formulations

Shilpa Medicare's finished dosage formulation business stands as a testament to its commitment to healthcare excellence. With a profound focus on quality and innovation, Shilpa Medicare has successfully established itself as a prominent player in the pharmaceutical industry.

Finished Dosage Formulations

Manufacturing Capabilities

Shilpa Medicare's advanced Finished Dosage Formulation (FDF) Facility symbolizes innovation, patient comfort and compliance. With global regulatory approvals, diverse capabilities, secure packaging, and robust quality assurance, it offers stability and growth potential. This strategic asset aligns with the company's commitment to deliver value, seeking pharmaceutical sector excellence.

Regulatory Approvals:

Shilpa Medicare's FDF Facility has received approvals from various regulatory agencies, including EUGMP-AGES-Austria, ANVISA, Health Canada, PERU, Argentina, South Africa, and MEXICO COFEPRIS. These approvals testify to the facility's adherence to stringent quality standards and regulatory requirements.

Manufacturing Capabilities:

The FDF Facility comprises an Oral Solid Block with two commercial-scale tablet manufacturing lines and one commercial-scale capsule manufacturing line. The facility also has two blister packing lines and one bottle filling line. Fully automatic packaging lines are available for injectables in vial presentation, ensuring safe packaging, especially for oncology injectables. Serialisation, or Track and Trace, has been implemented to meet market requirements for commercial supplies. The state-of-the-art manufacturing capabilities also include ODF and TDP facility.

Utilities and Equipment:

The facility boasts a fully equipped Utility Block that includes essential systems such as water treatment (pre-treatment and post-treatment for purified water/WFI/pure steam), chillers, air compressors, boilers, diesel generators, HVAC (heating, ventilation, and air conditioning), and more. All process equipment in the facility adheres to 21 CFR Part 11 compliant SCADA systems, ensuring data integrity and regulatory compliance.

Laboratories:

Shilpa Medicare's FDF Facility houses fully equipped and approved chemical testing laboratories and a microbiology laboratory. These laboratories operate with trained and qualified staff, conducting comprehensive quality testing to ensure the manufactured products' safety, efficacy, and compliance.

Market Presence:

Shilpa Medicare has established a strong commercial presence in various developed, emerging, and domestic markets. The company offers a wide range of injectable and oral solid dosage forms, catering to the diverse needs of healthcare professionals and patients.

Capacity:

The FDF Facility has the capacity to manufacture between 1.5 to 3.0 million vials of injectables, depending on the product cycle and vial size. The facility can produce approximately 15 to 20 million units for oral solid dosage forms, depending on the product cycle.

All process equipment in the facility adheres to 21 CFR Part 11 compliant SCADA systems, ensuring data integrity and regulatory compliance.

1.5-3.0 million vials
Injectables Capacity

15-20 units
Oral Solid Dosage Forms

Shilpa Medicare's FDF Facility has received approvals from various regulatory agencies, including EUGMP-AGES-Austria, ANVISA, PERU, Argentina, South Africa, and MEXICO COFEPRIS.



Finished Dosage Formulations

Contract Manufacturing

Shilpa Medicare Limited specialises in contract manufacturing, offering a diverse range of products in multiple dosage forms, including tablets, capsules, liquid injections (aseptically and terminally sterilised), and lyophilised injectables. These products are manufactured for esteemed pharmaceutical organisations worldwide.

Quality is of paramount importance at Shilpa Medicare, and all contract-manufactured products adhere to stringent quality standards. Whether destined for the export market, including the United States, European Union, and emerging markets or for the domestic market, each product undergoes rigorous quality checks to ensure compliance and efficacy.

By leveraging its expertise, state-of-the-art facilities, and commitment to excellence, Shilpa Medicare provides reliable contract manufacturing services to meet the diverse needs of its global clientele. The company's dedication to maintaining high-quality standards across all manufactured products enables it to forge successful partnerships with reputed pharmaceutical organisations across the world.

Finished Dosage Formulations

Regulatory Filings

Particulars	Filed in FY 2022-23	Cumulative filed	Cumulative Status	Planning to file in FY 2023-24	Remarks
US Submissions	No Submissions	29 Submissions	13 - Final approvals 3 - Tentative approvals 13 - Under assessment	2	Pemetrexed Injection (Ready to Use) NDA is approved.
EU Submissions	3 New Submissions	28 Submissions	20- Final approvals 8 - Under assessment	4	Nil

Regulatory Inspections and Approvals

Russia - Feb 2021 (Approved),
Kenya - Nov 2021 (Approved),
Kazakhstan - Mar 2022 (Approved),
Health Canada - Sept 2022 (Approved),
Australia (TGA) - Sept 2022 (Response submitted, outcome awaited).

These inspections and approvals reflect Shilpa Medicare's commitment to quality and compliance. Successful inspections in Russia, Kenya, Kazakhstan, and Health Canada demonstrate adherence to regulatory requirements. Shilpa Medicare eagerly awaits the outcome of the Australian TGA inspection. These achievements reinforce the company's position as a trusted supplier, ensuring safe and reliable pharmaceutical products for global markets.

Finished Dosage Formulations

Domestic Business

Shilpa Medicare Ltd's Domestic Formulations Market is centred around their specialisation in oncology formulations, with a strong commitment to offering world-class drugs at competitive prices to cancer treatment facilities throughout India.

India's pharmaceutical sector faces growing cancer challenges with 1.32 million new cases and 0.9 million deaths annually. To combat this, a valued INR 4500 crore domestic oncology market with 18% growth focuses on innovative treatments. Immunotherapies and monoclonal antibodies bring promise, demanding further breakthroughs for diverse cancer types. Novel molecules and interventions expand options. Pharmaceutical firms must embrace patient-centered approaches, partnering with healthcare pros and fostering innovation to shape India's cancer treatment future, reduce the burden, and enhance patient lives.

The company has made substantial progress by establishing a strong field team and a dedicated medico-marketing division. Their primary goal is to smoothly share the latest scientific breakthroughs with stakeholders in the healthcare sector. A notable instance of their patient-focused strategy is seen in the creation of Capebel 1000 mg dispersible tablets, including Capecitabine. This innovation aims to improve treatment effectiveness and patient adherence. Leveraging their expertise, Shilpa Medicare has broadened its influence and emphasized educating medical professionals and caregivers about their inventive products. This underscores their commitment to creating a meaningful influence in the local formulations market.



Finished Dosage Formulations

Review of Performance

Europe Business

There was a significant decline in the Europe business, with revenue decreasing from 196.1 crores to 126.3 crores. This represents a reduction of 36%, mainly due to price erosion.

License Fee CDMO

License fees increased from 30.9 to 54.1 from FY22 to FY23 - growth of 75%. This marks a substantial growth of 75%. This shows we have a great R&D strength & pipeline products.

Rest of the World Business

Shilpa Medicare experienced strong growth in the Rest of the World business segment, with revenue growing from 9.2 crores in FY22 to 18.3 crores in FY23. This represents an impressive growth rate of 99%.

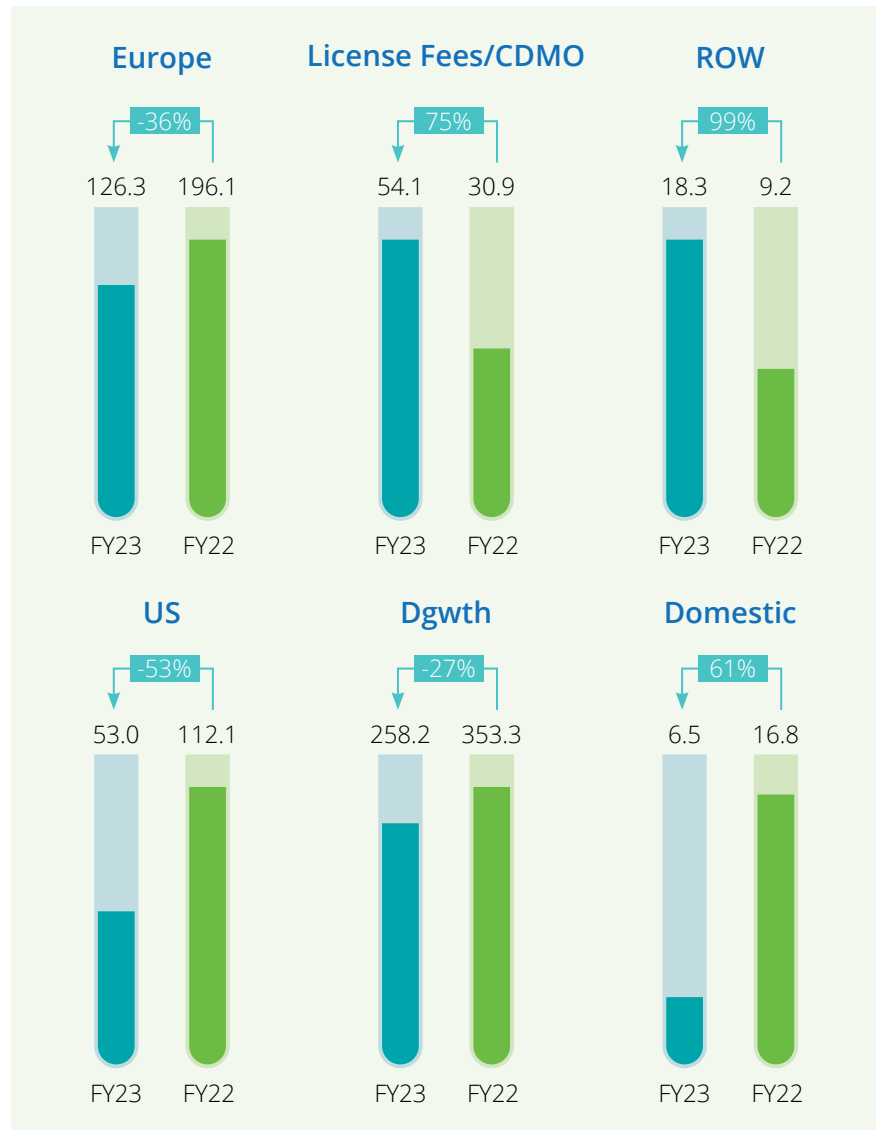
US Business

The US business witnessed a decline from 112.1 crores in FY22 to 53 crores in FY23. This represents a reduction of 53%, mainly due to price erosion.

Domestic Business

Shilpa Medicare experienced a decline in the domestic business segment, with revenue decreasing from 16.8 crores in FY22 to 6.5 crores in FY23. This represents a reduction of 61%.

In ₹ Crore





Emerging Business

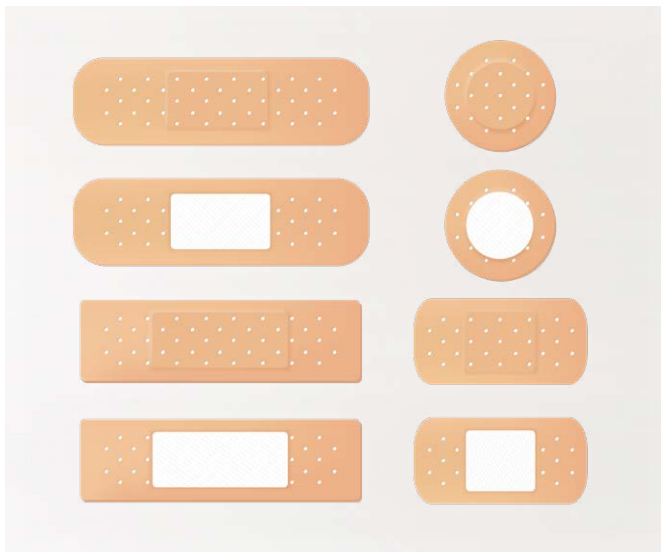
Shilpa Medicare is diversifying with innovative healthcare offerings like transdermal patches, oral films, biologicals, and biosimilar drugs. This strategic expansion underscores the company's commitment to advanced therapeutic solutions, catering to diverse medical needs.

Emerging Business

Transdermal Patches and Oral Film

Shilpa Medicare has established a state-of-the-art manufacturing facility, Unit VI, dedicated to the production of transdermal patches and oral films.

Transdermal patches and oral films have gained global acclaim as potent alternatives to traditional therapies in healthcare. Shilpa Medicare takes the lead with their cutting-edge Unit VI, a manufacturing haven for these innovations. With unwavering commitment to innovation and excellence, Shilpa Medicare seeks to deliver advanced medical solutions across various ailments. Quality stands tall as their Transdermal Patch and Oral Film Manufacturing Facility adheres rigorously to Good Manufacturing Practices (GMP) and holds MHRA (UK) approval for oral film products. Pioneering product execution includes ten oral film and one transdermal exhibit batches. Shilpa Medicare's certifications, encompassing GMP, ISO, and more, attest to their dedication. Registration by the UAE Ministry of Health underlines regulatory compliance, bolstered by COPP/WHO and UK MHRA endorsements. Shilpa Medicare, a beacon of medical progress.



Emerging Business

Biologicals

Shilpa Medicare acknowledges biologics' potential in India's market. Enter Shilpa Biologicals Pvt. Ltd. (SBPL), wholly dedicated to biologic development and manufacturing. SBPL targets Orthopedics & Rheumatology, planning Oriadali® launch (Adalimumab 40mg/0.4ml) for autoimmune disorders. Ambitiously eyeing 5% domestic market share, SBPL thrives.

Differentiators:

SBPL's 11-biosimilar pipeline spans autoimmune, ophthalmics, cancer. Approvals are sought, spanning Adalimumab, Aflibercept, Abatacept. Global reach is aimed, launching Oriadali® as a Humira biosimilar. Clinical trial nod for Aflibercept biosimilar; partnership strides, Russian deal for Aflibercept. SBPL's bio-driven future is clear, as quality audits, collaborations, and regulatory precision underline its progress. A biologic journey of significance, enhancing patient lives within India and beyond.



Board of Directors



Mr. Omprakash Inani
Chairman

Mr. Omprakash Inani has more than 39+ 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".



Mr. Vishnukant Chaturbhuj Bhutada
Managing Director

Mr. Vishnukant C. Bhutada holds Bachelor's Degree in Pharmacy and has 33+ 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.



Dr. Kamal K Sharma
Independent Director

Dr. Sharma has over four decades of experience in the pharmaceutical and chemical industries, having held a variety of senior management positions managing operations, corporate development and executive management within the pharmaceuticals and chemicals industries.

Dr. Sharma is a chemical engineer from Indian Institute of Technology (IIT), Kanpur, with a post-graduate diploma in industrial management from Jamnalal Bajaj Institute of Management Studies, Mumbai, and a Ph.D. in economics from IIT, Mumbai. He also holds an advanced management degree from the Harvard Business School, Boston.

Dr. Sharma also served as the President and Chief Executive of the life sciences and specialty group and member of the management board at RPG Enterprises Ltd, Mumbai.



Mr. Sharath Reddy Kalakota
Whole Time Director

Kalakota Sharath 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.



Mr. Hetal Madhukant Gandhi
Independent Director

Mr. Hetal Gandhi has over 36+ years of experience in the financial services industry that encompasses private equity investments, credit markets, investment banking and turnaround situations. He is a certified member of the Institute of Chartered Accountants of India. He 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.



Mr. Arvind Vasudeva
Independent Director

Arvind Vasudeva brings over 39+ years of professional work experience & being a certified CEO Coach he was a Business Head, a COO and a CEO for more than 18 years. He Holds degree in M. Pharm (Pharmaceutical Technology) and completed PG Diploma in Sales and Marketing 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.

He is Founder Trustee of Infection Control Academy of India (IFCAI) a not for profit organization dedicated to skill and Knowledge building in Infection Prevention and Control (IPC).



Dr. Anita Bandyopadhyay
Independent Women Director

Anita Bandyopadhyay holds Doctorate degree in Applied Psychology from Kolkata University and Executive MBA from SP Jain Institute of Management & Research, Mumbai. She is an acclaimed HR consultant with extensive expertise in Leadership Development, Talent Management, Performance Management, HR Processes and corporate succession planning. She has an amalgamation of strong conceptual knowledge with result-oriented application practice. She has serviced Pharmaceuticals, Glass Packaging, Education, Adhesives, Textile & Apparels Industries and has exposure to Manufacturing, Education, FMCG, Retail and B2B business sectors.

Corporate Information

Board of Directors:

Mr. Omprakash Inani - Chairman
 Mr. Vishnukant C. Bhutada – Managing Director
 Mr. Kalakota Sharath Reddy – Whole Time Director
 Ms. Sirisha Chintapalli – Independent woman Director¹
 Mr. Hetal Madhukant Gandhi – Independent Director
 Mr. Arvind Vasudeva – Independent Director
 Dr. Kamal K Sharma – Independent Director
 Dr. Anita Bandyopadhyay - Independent Woman Director

¹ Ceased to be Director w.e.f 28 September 2022

Board Committees.

Audit Committee

Mr. Omprakash Inani - Member
 Mr. Hetal Madhukant Gandhi – Chairman
 Ms. Sirisha Chintapalli - Member¹
 Mr. Arvind Vasudeva – Member²

¹ Ceased to be Member w.e.f 11 August 2022

² Appointed as Member w.e.f 11 August 2022

Nomination and Remuneration Committee

Mr. Omprakash Inani - Member
 Mr. Arvind Vasudeva – Chairman
 Mr. Hetal Madhukant Gandhi – Member¹
 Dr. Anita Bandyopadhyay – Member²

¹ Ceased to be Member w.e.f 11 August 2022

² Appointed as Member w.e.f. 11 August 2022

Stakeholders' Relationship Committee

Mr. Omprakash Inani - Chairman
 Mr. Vishnukant C. Bhutada - Member
 Ms. Sirisha Chintapalli - Member¹
 Dr. Kamal K Sharma - Member²

¹ Ceased to be Member w.e.f 11 August 2022

² Appointed as Member w.e.f. 11 August 2022

Corporate Social Responsibility Committee

Mr. Vishnukant C Bhutada - Member
 Ms. Sirisha Chintapalli – Chairman¹
 Mr. Kalakota Sharath Reddy – Member
 Dr. Anita Bandyopadhyay – Chairman²

¹ Ceased to be Chairman w.e.f 11 August 2022

² Appointed as Chairman w.e.f. 11 August 2022

Risk Management Committee

Mr. Vishnukant C. Bhutada - Chairman
 Mr. Kalakota Sharath Reddy - Member
 Mr. Arvind Vasudeva – Member
 Dr. Kamal K Sharma – Member¹

¹ Appointed as Member w.e.f 11 August 2022

Chief Financial Officer

Mr. Alpesh M Dalal

Company Secretary & Compliance Officer:

Ms. Ritu Tiwari

Secretarial Auditors:

Mr. D S Rao
 Company Secretary
 6-3-347-22/2, Flat No. 10, 4th Floor,
 Iswarya Nilayam, Dwarakapuri Colony,
 Punjagutta, Hyderabad
 Telangana, India - 500 082

Statutory Auditors:

Bohara Bhandari Bung and Associates LLP
 Chartered Accountants
 #12-10-89/1, Anagha Complex
 2nd Floor, above Canara Bank, Sath Kacheri Road
 Raichur

Internal Auditors

M/S BDO India LLP
 1101/B, Manjeera Trinity Corporate,
 JNTU-Hitech City Road,
 Kukatpally, Hyderabad – 500072 Telangana, India.

Cost Auditors

V.J. Talati & Co
 602, Silver Matruprabha Building, Cama Lane
 Kirol Road, Ghatkopar (West), Mumbai

Bankers

Standard Chartered Bank Ltd
 The HSBC Limited
 Axis Bank Ltd
 HDFC Bank Limited
 IDBI Bank Limited

Registrar and Share transfer Agent

M/s. Kfin Technologies 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 - Raichur

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

Works

DTA – Raichur*
 Shilpa Pharma Lifesciences Limited
 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% Export-Oriented Unit - Raichur *

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

Transferred to Shilpa Pharma Lifesciences Limited
 w.e.f Closing hours of 30 June 2022

SEZ Unit - Jadcherla

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

Manufacturing unit - Bangalore

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

Biologicals Unit: Dharwad

Shilpa Biologicals Private Limited
Plot No: 531, 532 (A), KIADB,
Belur Industrial Area, Dharwad – 580011,
Karnataka

Therapeutics Unit - Hyderabad:

Shilpa Therapeutics Private Limited
Plot No. 118, IDA, Phase III, Cherlapally,
Hyderabad – 500051, Telangana

Unit under Construction - Kadechur:

Shilpa Biocare Private Limited
Plot No: 286, 287 & 288, Kadechur Industrial Area,
Yadgir,
Kadechur – 585221, India.

R&D Units

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

Bangalore R&D

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

Hyderabad R&D

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

Ahmedabad R&D:

FTF Pharma Private Limited
Block No: 193(Part) + 211 (Part),
Xcelon Industrial Park,
Chak-de India Weigh Bridge Road,
Vasana Chacharwadi,
Tal: Sanand; Ahmedabad, Gujarat -382213.

Shilpa Advance Process Technologies Private Limited - R&D

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

Indian Subsidiaries:

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

Foreign Subsidiaries:

Shilpa Pharma Inc., U.S.A
Koanaa Healthcare Limited, UK
Koanna Healthcare GmbH, Austria
Koanna Healthcare Canada Inc.
Koanaa International FZ LLC, Dubai
Koanna Healthcare, Spain
Zatortia Holdings Limited, Cyprus¹
Makindus INC, USA
Indo Biotech SDN BHD, Malaysia
¹Ceased to be the Subsidiary Company

Joint Ventures:

Reva Pharmachem Private Limited
Shilpa Advance Process Private Limited
Shilpa AI Technology Private Limited

Associate Companies & Investment Entity

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

Research & Manufacturing Capabilities



Dharwad

Biologicals Manufacturing plant & R&D Facility



Jadcherla Unit

Formulations (Onco & Adjuvant Therapy, of Onco – Injectable & Oral)



Bengaluru Unit

TDS & ODF Manufacturing Facility & Formulation R&D



Hyderabad

Formulations (Oral Dissolving Films), Bio Analytical Lab, Pharmacovigilance Lab & Quality control lab



Raichur Unit I & II

API (Oncology – Non-ncology) and R&D, CRAMS, Peptide, Polymer



Ahmedabad

CRO & CDMO, R&D Formulation

Environment

The company is environmentally conscious all the waste is treated in its ZERO discharge handling facility with all downline supported systems like Stripper, MEE, ATFD, and Ficco Facco followed by Biological & RO systems to treat the waste & make it re-usable in applicable places. The company also planning to use organic waste to use as fuel in the furnace where inorganic metals are recovered.

The company has positioned fractional distillation columns, where solvents from products which requires to purify & separate to get pure material which can be used, with this all solvents are recycled.

The company is also investing in membrane technology where solvent recoveries are done without using natural resources.

The company gave high-level safety importance & designed to train all the employees involved to make them aware of

the risk involved, its consequences & mitigations required. All safety requirements of the facility are taken care of in design where safety is built into the system like Air handling units, rapture disc & safety vents, interlocks, alarms & firefighting systems.

Safety coordinators & safety squads are trained by the expert to help the industry in case of any issue & also neighbours.

189, 8069 KWH/Year energy saved through adopting latest technology and other energy conservation measures



Corporate Social Responsibility

In FY23 Shilpa's extensive range of CSR initiatives spans education, healthcare, environment, and sports, reflecting a dedicated commitment to fostering comprehensive community growth and positive transformation.

Education: Fostering Learning and Growth



Donation of Desks: The foundation's commitment to improving education has yielded transformative results through the donation of desks to Government Schools. This initiative has significantly enhanced the learning environment, benefiting 4977 children (2418 girls and 2559 boys) across 27 schools. The provision of desks has even led to an increase in new admissions, fostering educational opportunities.

Scholarships for Higher Studies: Empowering rural students, Shilpa has granted scholarships to four diligent individuals, enabling them to pursue higher education and unlock their potential.

Learning Essentials: Shilpa's dedication extends to equipping rural government school students with essential learning tools. The donation of notebooks, bags, and study materials to 608 students has paved the way for enhanced educational experiences.

Supporting Technical Education: The foundation has contributed to technical education by donating PUC science and civil engineering diploma books and study materials to four aspiring rural students.

Empowering Sports and Education: Shilpa's engagement goes beyond textbooks. By supporting "sports and education activities" initiated by the Education Department, the foundation has provided sustenance to students during events, enabling them to participate and thrive in various learning avenues actively.

Computer Learning: Recognizing the importance of digital literacy, Shilpa has donated computers and inverters to the Hosbelaku free computer coaching center. This initiative bridges the digital divide, enabling rural and economically disadvantaged students to explore computer education.



Promoting Holistic Health

Supporting TB Patients: Shilpa's compassion extends to healthcare, as demonstrated by the adoption of 200 TB patients in Raichur and Devadurga taluka. Health camps and the donation of nutrition powder for three months reflect the foundation's commitment to well-being.

Enhancing Healthcare

Infrastructure: Shilpa has donated an ambulance to the Chandra Health Education Empowerment Organization, which operates a hospital providing crucial services to patients.

Boosting Immunity: The foundation's efforts to improve immunity include the donation of vitamin films to Taluka health hospitals, the district TB cell in Raichur and Devadurga, and an old age home. This commitment to health strengthens communities at large.

Promoting a Green Environment

Green Raichur Project: Shilpa's commitment to sustainability is evident through its support for the Green Raichur organisation. By funding the plantation and maintenance of over 58,000 saplings in and around the city, the foundation contributes to a greener, healthier environment.

Sustainable Infrastructure: The donation of a tractor and a 5000-liter water tank to the Green Raichur organisation ensures the ongoing maintenance of planted trees, emphasising Shilpa's dedication to sustainable practices.

Nurturing Sports and Fitness

Fueling Sporting Events: Shilpa's engagement in sports is noteworthy. By sponsoring food for various sporting events organised by the Education Department, the foundation nourishes participants and encourages active participation.

Illuminating Tennis: Shilpa's contribution to sports infrastructure includes the donation of four floodlights to the Raichur City Tennis Association, promoting tennis and recreational activities within the community.

Community Involvement: Shilpa's commitment to fitness is evident through its participation in World Yoga Day. By donating 1000 T-shirts and track suits, the foundation empowers officials and individuals to embrace yoga and its benefits.

Facilitating Fitness: By renovating the gym room at the SP office in Raichur, Shilpa enhances the fitness and well-being of over 800 police officials, fostering a healthier and more active workforce.

Shilpa's diverse CSR activities encompass education, healthcare, environment, and sports, embodying a commitment to holistic growth and positive change within the community.

Management Discussion and Analysis

Global Pharma

The global pharmaceutical sector, central to healthcare and disease management advancements, is anticipated to breach the \$1.5 trillion mark by 2023. Pioneering this colossal industry are stalwarts like the United States and Europe, which together constitute over two-thirds of global pharmaceutical sales.

Emerging markets, particularly China, India, and Brazil, also play pivotal roles. India, aptly titled the 'pharmacy of the world,' is not just a significant exporter of generic drugs but also an indispensable node in the global pharma supply chain. The nation's vast manufacturing capabilities and cost-effective production have made it a go-to destination for global pharmaceutical needs.

China stands as a dominant force in the active pharmaceutical ingredients (APIs) market. However, the Chinese pharma sector grapples with challenges, including concerns related to intellectual property rights, quality assurance, and increasing scrutiny from global regulatory bodies. The overarching trends in the sector revolve around personalised medicine, integration of real-world data, burgeoning biopharmaceutical investments, and a surge in digital health platforms. Notably, the COVID-19 pandemic magnified the industry's significance while spotlighting vulnerabilities in global supply chains, prompting a re-evaluation of dependency matrices. Amidst this backdrop, the trajectory of the pharmaceutical realm remains marked by innovation, rigorous research, technological advancements, and the incessant tug of global geopolitics and market dynamics.

India Pharmaceutical Sector

The Indian pharmaceutical industry is a significant player globally, ranking third in pharmaceutical production by volume. It is renowned for its production of generic medicines and low-cost vaccines. In terms of its contribution to the Indian economy, the sector accounted for approximately 1.32% of the Gross Value Added in 2020-21, based on constant prices from 2011-12. The fiscal year 2021-22 saw a total annual turnover of ₹ 3,44,125 crore (USD 42.34 billion) in the pharmaceutical sector. In FY23, the Indian pharma market reached \$49.78 billion. While exports grew a modest 3%, the domestic market increased 7% year-on-year. Among export markets, emerging markets remained relatively flat, while developed markets recorded an 8% growth in FY23.

The major segments of the Indian pharmaceutical industry include generic drugs, over-the-counter (OTC) medicines, bulk drugs, vaccines, contract research and manufacturing, biosimilars, and biologics. India has established itself as a

global leader in the supply of vaccines such as DPT, BCG, and Measles, accounting for 60% of global vaccine production.

In terms of active pharmaceutical ingredients (APIs), India boasts 500 API manufacturers, representing approximately 8% of the global API industry. Furthermore, India is the largest supplier of generic medicines globally, producing around 60,000 generic brands across 60 therapeutic categories. It accounts for 20% of the global supply of generics.

Market size of India's pharmaceuticals industry is expected to reach ~US\$ 130 billion by 2030.

Indian Exports (USD Million)*

India's pharmaceutical exports totalled \$25.39 billion in FY23, a shade better than the previous fiscal but short of the \$27 billion target as headwinds, including the impact of the Russia-Ukraine war, hampered the pace of growth. Negative growth in the important market of Africa, on account of an economic slowdown, as well as in the CIS countries, primarily in Russia on account of the war and sanctions, were key factors that weighed in on the performance. An increase in raw material costs and withdrawal of GST exemption on ocean and air freight charges were among the headwinds despite which pharma exporters clocked year-on-year growth.

FY22 24594.27 USD million

FY23 25394.05 USD million

Year on Year Growth 3.25%

SWOT Analysis of India Pharma Sector

Strengths:

Manufacturing capabilities: India has a robust pharmaceutical manufacturing sector, with a wide range of production facilities capable of producing high-quality generic drugs at competitive prices. The country is known for its cost-effective production methods and has a vast pool of skilled labor.

Large market potential: India is the world's most populous country, providing a vast domestic market for pharmaceutical products. The growing middle class and increasing healthcare awareness are driving the demand for pharmaceuticals, presenting significant opportunities.

Regulatory compliance: The Indian pharmaceutical industry adheres to stringent regulatory standards, with many companies complying with international regulations like WHO, The U.S. FDA. This compliance enhances the credibility and acceptance of Indian pharmaceutical exports in global markets.

Research and development (R&D): India has a strong pharmaceutical research and development base, with several pharmaceutical companies investing in R&D activities. This allows for the development of new drugs, improved formulations, and cost-effective manufacturing processes, which can be leveraged for export opportunities.

Weaknesses:

Infrastructure challenges: Despite significant progress, India still grapples with infrastructure challenges such as inadequate logistics and transportation networks. Efficient cold chain systems and reliable supply chains are critical for pharmaceutical exports, and addressing these weaknesses can improve competitiveness.

Intellectual property concerns: India has faced criticism regarding intellectual property rights (IPR) issues. Some Indian pharmaceutical companies have been involved in disputes over patent infringements, which have raised concerns among international partners. Strengthening IPR protection can enhance India's reputation and trustworthiness.

Opportunities:

Growing global demand: The global demand for pharmaceutical products continues to rise, driven by population growth, ageing populations, and increasing healthcare expenditure. India can tap into these opportunities by expanding its export markets and catering to the evolving needs of the healthcare industry worldwide.

Emerging markets: There is a growing demand for affordable pharmaceuticals in emerging markets across Asia, Africa, and Latin America. India can leverage its cost-effective manufacturing capabilities to penetrate these markets and establish strong export partnerships.

Threats:

Intense competition: The global pharmaceutical market is highly competitive, with several countries, including China, emerging as formidable competitors. Indian pharmaceutical exporters face competition in price, quality, and regulatory compliance. Continuous innovation and maintaining high-quality standards are necessary to stay competitive.

Regulatory challenges: Compliance with different regulatory frameworks across various export markets can be complex and time-consuming. Keeping up with evolving regulations, documentation requirements, and product registrations can pose challenges for Indian pharmaceutical exporters.

Review of Operations – API

Shilpa Medicare focuses on launching generics with high entry barriers, and improving medication accessibility. The company eagerly collaborates with partners to expand its generics market presence.

API Manufacturing Capabilities

Shilpa boasts of two top-tier API manufacturing sites located in Raichur, India. A proficient team which supports operations across domains such as R&D, IPM, Production, Engineering, and Quality Assurance. API manufacturing highlights encompass state-of-the-art facilities, certifications, environmental safety, utility services, and quality control.

World-Class API Facilities

Shilpa's API facilities in Raichur uphold cGMP standards and have accreditations from prestigious regulatory bodies like USFDA, EU, Cofepris, PMDA, and TGA Australia to name but a few.

Oncology vs. Non-Oncology Manufacturing

Shilpa focuses on leadership in complex Oncology APIs through a research-driven model. Manufacturing for Oncology uses precise isolators to ensure production safety. These Oncology blocks can handle batches ranging from 500 gm to 350 kg.

Quality & Safety Certifications

Facilities at Shilpa maintain ISO 9001:2015, ISO 14001:2015, OSHAS 18001:2007, and DSIR certifications.

Containment Technology Investment

Shilpa remains India's pioneer in containment technologies for oncology drug manufacturing.

Waste Management

Waste undergoes processing at a ZERO discharge facility belonging to Shilpa. Treatment methodologies include Stripper, MEE, ATFD, and RO, ensuring minimal environmental effects.

Safety Focus

Safety features encompass air units, rupture discs, alarms, and firefighting systems. Dedicated safety teams exist on-site, and regular emergency drills are conducted.

Utilities and Water Systems

Continuous utility support, such as HVAC and air systems, gets provided at the facilities, with steadfast performance monitoring.

Quality Control

A robust quality control unit exists, equipped with instruments like LCMS, GCMS, and HPLC for thorough product testing.

Expansion

API capabilities are witnessing expansion with a new block for non-Oncology products, and introduction plans for Polymer and Peptide blocks are underway.

API R&D

Research is central to Shilpa's strategy, focusing on generic portfolio expansion, complex API processes, flow chemistry, and consistent technology enhancement. A strong commitment remains to the development of affordable medicine.

Generics Commitment

Grasping the pivotal role of generics in cost reduction, Shilpa supplies ingredients to pharmaceutical entities and collaborates extensively to amplify market presence.

API Process & Flow Chemistry Development

The R&D centre dedicates itself to the development of generics as per international standards, especially for Oncology molecules. The flow chemistry team has already showcased two products, aiming for more introductions in 2023-2024.

Self-reliance on KSM & Intermediates

Emphasis on self-reliance for starting materials and intermediates is evident, aiming to reduce dependency on external sources.

Process Technology Improvements

Optimisation of processes for cost-effective API manufacturing is a continual effort at the R&D front.

Regulatory Filings

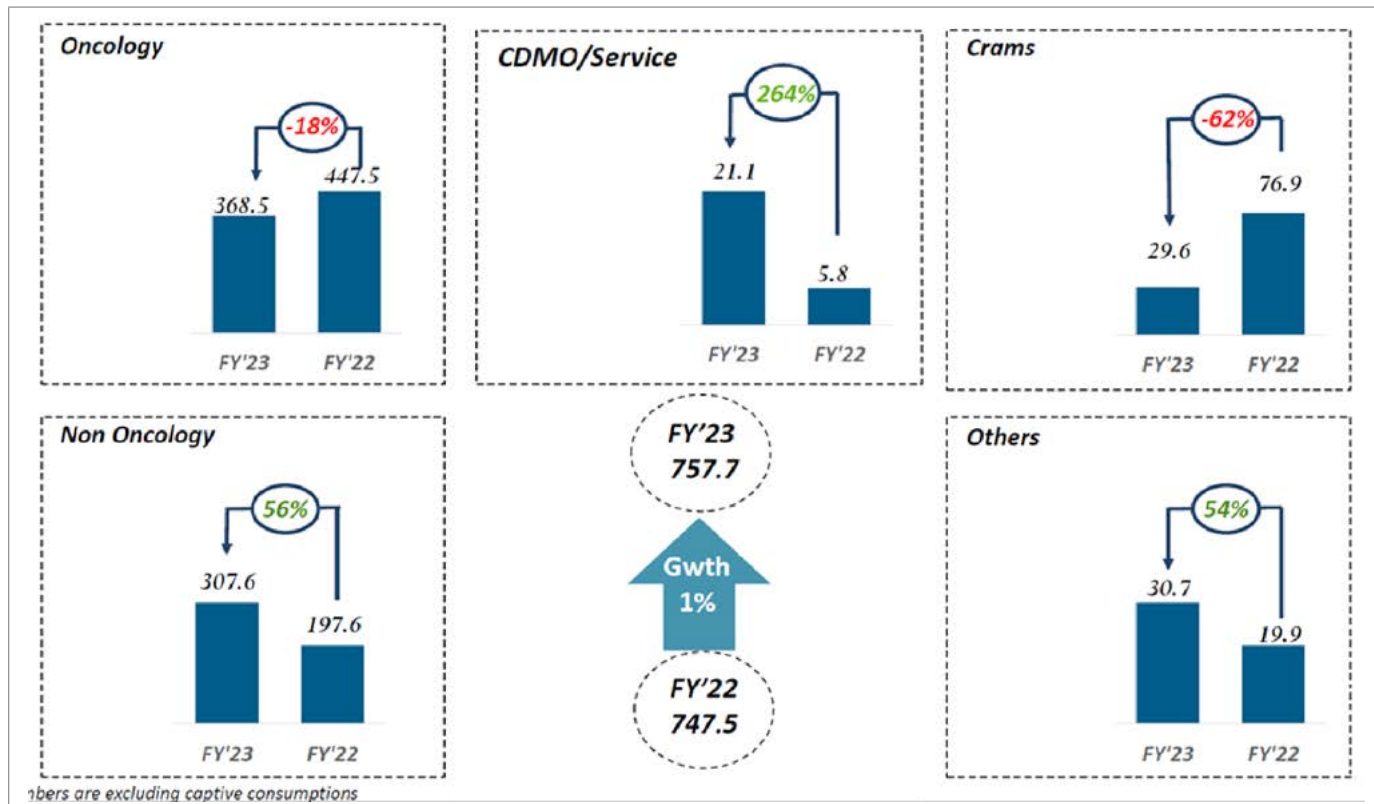
Regulatory filings of Shilpa—highlight adherence to global standards. Engagements with regulatory bodies globally testify to an unwavering commitment to API safety and quality.

Regulatory Inspections

In 2020, the USFDA inspected two API facilities of Shilpa in Karnataka, India. Subsequently, an EIR was received, confirming compliance with regulatory standards. During the year Company's API facility (unit-1) located at Raichur, Karnataka has received GMP certificate from MOH-Russia.

API – Review of Performance

Overall, while the API business experienced marginal growth, with total revenue increasing from 747.7 crores in FY22 to 757.8 crores in FY23, the performance varied across different segments. Oncology showed a decline, CDMO services demonstrated significant growth, CRAMS experienced a planned substantial decrease, and non-oncology and API others exhibited notable growth.



Review of Operations – Formulations

Finished Dosage Formulations - Manufacturing Capabilities

Shilpa runs an advanced Finished Dosage Formulations (FDF) manufacturing facility at SEZ in Jadcherla, Mahaboobnagar district of Telangana. This facility produces a variety of drugs, including injectables and oral solids like tablets and capsules. It serves regulated markets like the US and EU, and other markets in developing nations. The facility is equipped to handle potent drugs, including oncology medications.

Regulatory Approvals:

Shilpa's FDF facility has secured approvals from international regulatory agencies, confirming its adherence to high-quality standards.

Manufacturing Capabilities:

The facility has production lines for tablets, capsules, and packaging, with a special focus on oncology injectables. Serialisation is implemented for supply chain tracking.

Utilities and Equipment:

It features a utility block with water treatment, HVAC, and more. All equipment complies with regulatory standards.

Laboratories:

The facility includes chemical and microbiology labs, ensuring product quality and compliance.

Market Presence:

Shilpa delivers various dosage forms worldwide, addressing healthcare needs effectively.

Capacity:

The FDF facility can produce millions of vials and oral solids, depending on product specifics.

Regulatory Filings (Formulation Unit) FY- 2022-23

There were no new US submissions this year, but EU saw three new submissions. All filings emphasise the company's progress in regulatory compliance.

Regulatory Inspections and Approvals:

Recent approvals from countries such as Russia and Canada underscore Shilpa's commitment to quality. The company awaits feedback from an Australian inspection.

Finished Dosage Formulation - Domestic Business

India's pharmaceutical sector is evolving, with a focus on innovative cancer treatments. The country faces an alarming rise in cancer cases. This underscores the demand for advanced treatments like immunotherapies. It's crucial for pharmaceutical companies to invest in R&D for effective therapies.

Shilpa concentrates on oncology, providing top-tier drugs at competitive prices across India. They focus on innovative solutions like the Capecitabine 1000 mg tablet and prioritise educating the medical community about their products.

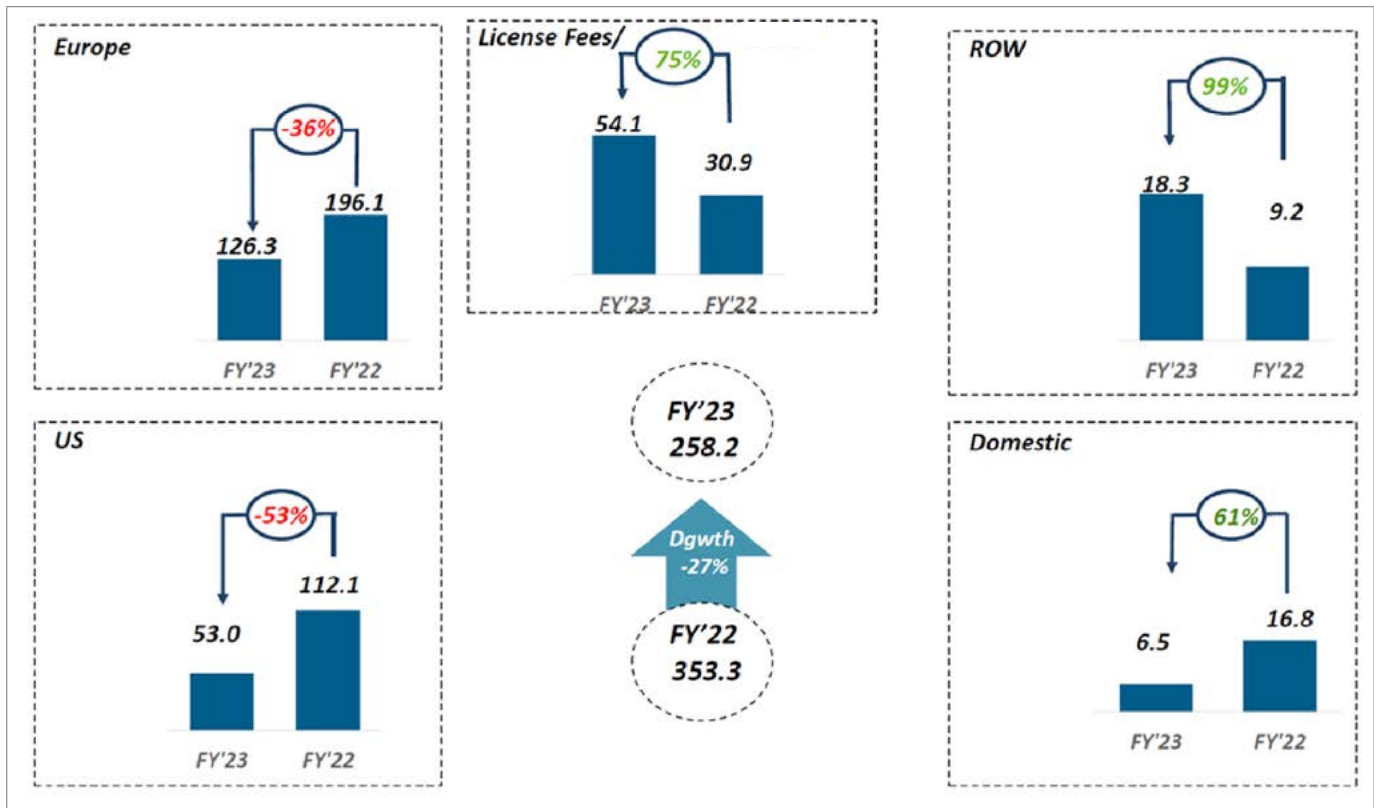
Capabilities:

Shilpa is a fast emerging player in oncology formulations in India. The Company emphasise training for its teams and have a patient-centric approach to product development. Their innovations are aimed at improving patient compliances and outcomes. Communication strategies, like medical education programs, are used to engage with professionals. They also aim to reduce wastage with ready-to-use formulations.

FDF – Review of Performance

In FDF Shilpa's performance across different business segments varied in FY23. The Europe business saw a notable decline of 36% in revenue, dropping from ₹ 196.1 crores to ₹ 126.3 crores, primarily due to price erosion. Conversely, the License Fee CDMO segment demonstrated a robust 75% growth, climbing from ₹ 30.9 crores to ₹ 54.1 crores, reflecting the company's strong R&D capabilities and promising pipeline products. The Rest of the World business segment witnessed an impressive 99% surge in revenue, jumping from ₹ 9.2 crores to ₹ 18.3 crores. However, the US business faced a 53% reduction, with revenue falling from ₹ 112.1 crores to ₹ 53 crores, mainly attributed to price erosion. Similarly, the domestic business segment experienced a decrease of 61%, with revenues declining from ₹ 16.8 crores to ₹ 6.5 crores.

Formulation Business Highlights



Emerging Business

Venturing into emergent domains of pharmaceuticals showcases our strategic focus on innovation and commitment to meeting global healthcare demands. Our foray into Transdermal Patches and Oral Films highlights this dedication. Establishing a dedicated, state-of-the-art manufacturing facility, Unit VI, reflects our vision to align with the rising global preference for these medical alternatives. Upholding stringent GMP standards, securing accreditation from esteemed authorities like MHRA (UK), and achieving multiple ISO certifications emphasise our undeterred emphasis on quality and international compliance. Our proactive approach to global registrations, exemplified by recognition from the Ministry of Health in UAE, unveils our ambitions to extend our influence beyond domestic horizons. Holding the COPP/WHO License further solidifies our positioning in this promising market segment. The company has also effectively orchestrated the supply of nutraceutical products to the US market by leveraging strong and strategic partnerships.

Concurrently, our venture into Biologicals symbolises a visionary leap to tap into the burgeoning potential of biologics and biosimilars, both in the Indian market and on a global scale. The establishment of Shilpa Biologicals Pvt. Ltd. (SBPL) demonstrates our intent to service high-demand therapeutic areas, notably Orthopedics, ophthalmics & Rheumatology.

Our ambitious market share goals, underlined by a diversified biosimilar pipeline, portray a meticulously strategised blueprint to address and satisfy a broad patient demographic. Landmark achievements, such as the impending launch of Oriadali® and aflibercept phase III clinical trial approvals, manifest our relentless commitment to R&D. During the year Recombinant Albumin- Initiation of phase 1 trails Granted patents in the US & EU It's a product with short global supply Dedicated fermentation facilities of 220 kl. Our unwavering focus on regulatory compliance, evident from successive audits and recognitions like that from CDSCO, promises a bright future. Moreover, our strategic global alliances and collaborations, underscore our holistic growth approach, ensuring a pronounced footprint across multiple geographies.

CDMO

As the Contract Development and Manufacturing Organization (CDMO) outsourcing market surges towards a projected worth of USD 160 billion by 2028, Shilpa is tactically positioned to seize this tremendous growth opportunity. With a potent mix of quality workforce, cost benefits in research & development, and diversified expertise across industry verticals, Shilpa ambitiously eyes a preferred partnership stature for pharma and non-pharma entities.

Shilpa's CDMO strategies are honed to foster long-lasting and value-driven partnerships. These strategies underpin brand

building, innovation, impeccable service delivery, and ensuring a sustained supply chain. By embedding a Deep Science methodology, a profound understanding of partners' clinical pipelines, chemistry, and biology becomes the foundation for future collaborations.

In a transformative move, Shilpa is instituting a Program Management approach. This pivotal strategy will shift partners from a project-centric outlook to a comprehensive lifecycle model. Our Pharmaceutical Sciences Platform promises a continuum of value, safeguarding knowledge throughout the drug development journey.

A panoramic view of our CDMO market strategies reveals a calculated multi-pronged approach:

Oncology Specialization: Leveraging expertise in tyrosine kinase inhibitors and anti-cancer compounds, we are poised to meet the burgeoning demands of the oncology sector, making strong inroads by partnering with pioneering biopharma entities.

Biologics: Fortified with facilities optimised for mammalian and microbial systems, our prominence in monoclonal antibodies, fusion proteins, gene therapies, and vaccines is proven.

Drug Product Development: Years of experience empower us to offer diverse finished dose formulations tailored to enhance patient experiences with a tech-driven approach underpinning drug R&D.

Speciality Chemicals & Therapeutic Peptides: Expertise in chemical development couples with a keen focus on evolving

peptide therapeutic demands, ensuring optimal cash flow and capitalising on commercial potential.

Polymers, Vaccines, & ADCs: Our dexterity in speciality polymers, vaccine production solutions, and antibody-drug conjugates promises lasting relations with elite clientele and a distinct space in these sectors.

AI & ML: Our investment in Sravathi Artificial Intelligence Technology elucidates a commitment to harnessing tech-driven methodologies for drug discovery, optimising the discovery process and enhancing molecule quality.

Flow Chemistry: Innovations like Sravathi's Advance Process Technologies introduce flow chemistry's transformative capabilities, ensuring synthetic optimisations and significant cost savings.

Performance in FY23

The License Fee/CDMO revenue in formulations saw a growth from ₹ 30.0 crore in FY22 to ₹ 54.1 crore in FY23, an impressive uptick of 75%. Similarly, the CDMO/API revenue trajectory highlights a rise from 5.8 crores in FY22 to 21 crores in FY23. Such positive indicators underscore the strength and promise of the CDMO strategies being implemented.

Furthermore, the acquisition of FTF Pharma, a globally recognised CDO & CDMO, amplifies our portfolio. With FTF Pharma's state-of-the-art facilities, a dedicated team, and a proven track record in product development and patent filings, Shilpa's leadership promises to usher in a new era of growth, expansion, and milestones.

Review of financial performance (Consolidated)

During the FY23, the Company faced many challenges like pricing pressures, the aftershocks of the pandemic and the formidable business scenario triggered by the Russia-Ukraine conflict. Due to these reasons, operating revenue decreased by 8.3% to ₹ 1,05,011.2 lakhs from previous year's ₹ 1,14,552.3 lakhs. These challenges, coupled with factors like inflation and increased complexity impacted the bottom line also leading to a net loss of ₹ 3,247.6 from a profit of ₹ 6,066.2 lakhs.

Product mix analysis of operating revenue is as follows:

(INR in lakhs)	FY23	FY22	Change
A Products			
API	71647.0	66330.0	8.0%
Formulations	20599.1	32238.0	-36.1%
CRAM	2958.5	7690.0	-61.5%
Other products	1485.0	2580.0	-42.4%
Total products	96,689.6	1,08,838.0	-11.2%
B Services			
License fee	8321.6	5,714.3	45.6%
Total services	8321.6	5,714.3	45.6%
C Total operating revenue (A+B)	1,05,011.2	1,14,552.3	-8.3%

Other income increased to ₹ 1,740 lakhs from ₹ 1,425 lakhs, mainly due to write back of liabilities which could not materialise as per envisaged terms.

Cost of raw materials (including the purchase of traded goods and changes in the stock of finished goods and work-in progress) for the current year at ₹ 41,592.2 lakhs represented 43% of operating revenue, while the previous year's cost at ₹ 38,321.8 lakhs was 35.2% of operating revenue. Higher proportion of raw material cost was mainly on account of two reasons, decrease in the selling price and margins overall, this was compounded by the fact that non-oncology sales as a % of total sales increased as compared with oncology sales.

Employee cost increased by 8.6% to ₹ 28,733 lakhs from ₹ 26,448.6 lakhs, due to annual increments and new hiring.

Finance costs went up by 42.5% to ₹ 5,865.2 lakhs from ₹ 4,116.5 lakhs, due to increase in the rate of interest and also because the company had to utilise higher working capital borrowings from banks.

Depreciation and amortization amounting to ₹ 9,549.9 lakhs for the year was 19.7% higher than the previous year's ₹ 7,980.2 lakhs. This higher amount of depreciation is the result of the capitalisation of assets which were hitherto a part of capital work in progress.

Other expenses for FY23 were ₹ 24,457.7 lakhs whereas such expenses for FY22 stood at ₹ 29,396.2 lakhs. This decrease of 16.8% is mainly on account of reduction in brokerage costs, remedial costs for the SEZ unit, sales promotion costs, legal & patent fees net of higher costs like travel, miscellaneous expenses, power and foreign exchange fluctuations.

Key financial ratios

	Ratio	Measurement		FY23	FY22
1	Current ratio	Current assets / Current liabilities	Times	0.98	1.45
2	Debt Equity ratio	Total debt / Shareholders' equity	Times	0.45	0.38
3	Debt service coverage ratio	Earnings available for debt service/debt service.	Times	0.72	1.03
4	Inventory turnover ratio	COGS/Avg. Inventory.	Times	1.23	1.14
5	Return on net worth	Net Profit / Average Equity net of Goodwill	%	-1.72	3.7
6	Trade receivables turnover ratio	Revenue / Avg. receivables	Times	2.96	3.79
7	Net profit margin	Net profit / Total revenue	%	-2.94	5.3
8	EBIDTA margin	Earnings before Interest, Depreciation, Tax and Amortisation / revenue	%	11.14	18.8
9	Trade payable turnover ratio	Purchases/ Avg. payables	Times	2.76	3.81
10	Net Capital turnover ratio	Revenue /Working Capital	Times	-70.47	4.16
11	Return on Capital Employed	Earnings Before Interest and Tax /Capital employed	%	0.95	6.67

Rating

Internal Control Systems and Their Adequacy

The Company has established a robust internal control framework to ensure dependable financial reporting, timely operational feedback, and compliance with relevant laws and regulations. The adoption of SAP further enhances financial reporting capabilities, offering stringent measures to mitigate potential financial discrepancies. Beyond the introduction of sophisticated monitoring software, comprehensive information and control systems have been integrated across production, materials, and marketing divisions.

Regular internal audits serve as a testament to the effectiveness and proper functioning of these controls. Our internal auditors consistently assess the controls and identify any potential risks. Over time, these controls undergo evaluations and refinements to bolster efficiency and efficacy.

Human Resources and Industrial Relations

Human resources are the bedrock of an organisation's growth and prosperity. The Company takes pride in fostering a collaborative atmosphere with its employees across diverse locations. Presently, the Company boasts a workforce of approximately 2500 permanent employees. We have emphasised skill development throughout the past year, hosting numerous training workshops

to elevate individual competencies and overall operational performance. The Company takes pride in having assembled a proficient team adept at navigating complex tasks. This past year has witnessed unwavering harmony and constructive industrial relations.

Opportunities, Risks, Concerns, and Threats

The aftershocks of COVID-19 are anticipated to redefine traditional business paradigms, nudging companies towards adapting to novel dynamics. The government's proactive stance on bolstering domestic production of critical APIs and Key Starting Materials heralds promising growth prospects for the pharmaceutical sector. Domestic production initiatives are poised to provide much-needed stability to API pricing structures. Moreover, the government's intent to revamp the National List of Essential Medicines is expected to augment the quality of medical care, optimise medicine management, and promote judicious use of healthcare resources.

While the pharmaceutical landscape presents its generic business and industry-centric challenges, additional threats emerge in foreign exchange volatility, regulatory shifts, and more. The Company remains vigilant, ensuring that emerging risks are promptly addressed at the departmental level or escalated to senior management when necessary.



DIRECTORS REPORT

To
The Members,

Your Directors have pleasure in presenting their Report on the business and operations of the Company along with the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2023.

Financial Summary

(All figures are in Rupees in Lakhs)

Particulars	FINANCIAL YEAR 2022-23		FINANCIAL YEAR 2021-22	
	Standalone	Consolidated	Standalone	Consolidated
Continued operations :				
Operating revenue	24,770.20	1,05,011.24	35,695.18	1,14,552.28
Other Income (Including Exceptional Item)	5,309.77	1,739.97	4,967.10	2,303.66
Profit before Interest, Depreciation, Tax and after exceptional Items from continuing operations	909.66	11,968.13	7,135.72	22,689.22
Interest	2,082.51	5,865.21	905.36	4,116.52
Depreciation	4,654.75	9,549.90	3,481.77	7,980.19
Net profit before tax from continued operations	-5,827.60	-3,446.98	2,748.59	10,592.51
Provision for taxes				
a. current tax	-836.56	3,413.10	480.23	3,404.31
b. Deferred Tax (Net of MAT Credit)	-42.74	-4,149.46	252.52	763.96
Profit after tax from continuing operations	-4,948.30	-2,710.62	2,015.84	6,424.24
Discontinued operations :				
• Profit/ (loss) before tax from discontinued operation	7,095.22	-	16,540.71	-
• Tax expense/(credit) of discontinued operation	3,572.38	-	-4,457.74	-
Profit/(Loss) after tax from discontinued operations	10,667.60	-	12,082.97	-
Profit for the year from continued and discontinued operations	5,719.30	-2,710.62	14,098.81	6,424.24
Share of profit/(Loss) in Associates/ Joint Ventures	-	-380.97	-	-366.03
Share of profit/(Loss) in Non-Controlling interest	-	-156.04	-	-8.02
Other comprehensive incomes (expenses) (Continued and Discontinued operations)	-428.59	322.64	118.52	-136.33
Total Comprehensive Income	6,147.89	-2,924.99	13,980.29	5,929.90

REVIEW OF OPERATIONS:

During the year under review, the Company reported standalone operating revenues of ₹ 24770.20 Lakhs as against ₹ 35695.18 Lakhs and Total Comprehensive Income of ₹ 6147.89 Lakhs as against ₹ 13980.28 Lakhs in the previous year, whereas consolidated gross revenues of ₹ 105011.24 Lakhs as against ₹ 114552.28 Lakhs and Total Comprehensive Income of ₹ -2924.99 Lakhs as against ₹ 5929.90 Lakhs in the previous year.

Active Pharma Ingredients

SHILPA PHARMA LIFESCIENCES LIMITED (Wholly owned subsidiary) API FACILITIES

Shilpa 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- Mexican, PMDA-Japan, Korean FDA, TPD Canada & TGA-Australia.

The company is having about 20 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. Oncology 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 India on containment technologies for the manufacturing of oncology drug substances in a contained environment.

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 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.

Safety coordinators & safety squads are trained by expert to help industry in case of any issue & also neighbors. Emergency response team is in place to act in case of emergency. This Team is trained by Local fire authorities. They are actively involved in MOCK drills to Keep the system in always ready.

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.

All utility system performance is tracked & ensured that it is working at optimum level, Power consumption reductions are Placed in case of AHU

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 brought out the new block with about 65KL volume with higher size reactors to ensure the delivery of non-Onco products in market.

Polymer block and Peptide block is ready to start validation batches.

SHILPA PHARMA –R&D (API)

Shilpa Pharma views its R&D capabilities as a vital component of its business strategy that will provide a sustainable, long-term competitive advantage. Shilpa pharma 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.

Shilpa flow chemistry Team is in action & commercially demonstrated 2 products in Flow & expected to Demonstrate another 3-4 products in FY 23-24. This is really added Capability of close handling.

Shilpa started working on self-dependency on KSM & intermediate, in this context R&D started is work & completed 2 Products backward integration.

Shilpa R&D continuously focusing on the process technology improvement activities of existing commercialized API's to reduce the manufacturing cost to attain the global costing to sustain in the market continuously.

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, 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 up to OEL 4 level of containment.

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

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.

Fully automatic packaging lines are available for Injectables in vial presentation and for Oral solid dosage forms in bottles and blister presentations. The Injectable Packaging lines are designed for safe packaging for Onco Injectables.

Serialization (Track and Trace) is in place and implemented as per market requirement for commercial supplies.

Fully equipped Utility Block is equipped 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 are provided with 21 CFR part 11 compliant SCADA systems.

Fully equipped and approved chemical testing Laboratories and Microbiology laboratory are operational with trained and qualified staff.

Commercial presence in various regulated, emerging markets and domestic markets in injectable and oral solid dosage forms.

Capacities:

Inj. – between 1.5-3.0 Million vials depending on product cycle and vial size.

OSD – about 15 - 20 Million units depending on product cycle.

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, etc for various reputed pharmaceutical organisations across the world.

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

Future Expansions

8 Acre Land available for further expansion. Currently a greenfield project is partially erected for facility expansion of Injectables.

REGULATORY FILINGS (API RAICHUR UNIT-1 & UNIT-2) FY- 2022-23

API

Particulars	Filed in 2022-23	Cumulative Filed	Status	Planning to file in 2023-24	Remarks
US DMF	No new DMF's Were Filed	45 DMF	25 DMF was Approved 3 DMF was under review 16 DMF's CA listed	8 DMF's	-
CEP-EDQM	3 CEPs Were Filed	17 CEP	17 CEP Approved 6 CEPs under review	4-CEPS	-
EDMF	3 ASMF were Filed	26 ASMF	22 ASMF was Approved 4 ASMF under review	--	-

REGULATORY FILINGS (FORMULATION UNIT) FY- 2022-23

Particulars	Filed in FY 2022-23	Cumulative Filed	Cumulative Status	Planning to file in FY 2023-24	Remarks
Formulation					
US Submissions	No Submissions	29 Submissions	13 - Final approvals 3 - Tentative approvals 13 - Under assessment	2	Pemetrexed Injection (Ready to Use) NDA is approved.
EU Submissions	3 New Submissions	28 Submissions	20- Final approvals 8 - Under assessment	4	

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.

Regulatory Inspections and approvals (Formulation unit).**-Regulatory inspections:**

(i)	Russia	Feb 2021	Approved
(ii)	Kenya	Nov 2021	Approved
(iii)	Kazakhstan	Mar 2022	Approved
(iv)	Health Canada	Sept 2022	Approved
(v)	Australia (TGA)	Sept 2022	responses submitted, outcome awaited

SHILPA MEDICARE LIMITED INTELLECTUAL PROPERTY MANAGEMENT (IPM) TEAM

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 22-23:

- Shilpa is committed to enhance our product profile by strengthening our intellectual property. Our patent portfolio is testament to our commitment. In FY 22-23, Shilpa and its group companies have filed 53 patent applications taking the cumulative total to 544 patent applications in India and other countries. Shilpa received grants for 7 patents during FY 22-23.

SHILPA MEDICARE DABASPET

Transdermal Patches and Oral Film Manufacturing Plant (Unit VI) .

A transdermal patch is a 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 the global market in the 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 the transdermal patch market has increased and is expected to increase significantly in coming years. Higher investments in research and development could be attributed to the success of the transdermal patch market.

Similarly, the oral 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 oral thin film drugs. The oral 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 Thin Films.

The layouts confirming cGMP requirements are finalized along with Utility, Administration, and canteen building. The equipment's are designed to cater both Transdermal Patch and Oral Thin Film Products. Space for future expansion is allocated for capacity increment. The Facility comprises of below sections -

Storage of incoming materials and finished products at controlled conditions.

Transdermal System / Patch (TDS) and Oral Dispersible Film (ODF) Manufacturing Plant status highlights:

Transdermal Patch and Oral Film Manufacturing Facility is a Qualified GMP facility to manufacture exhibit batches filling product filling and commercialized in Global market. This facility is approved by **MHRA (UK)** for ODF products.

We have completed execution of Exhibit/filing batches of Ten ODF products and one Transdermal product. We have filed an ODF product in UK MHRA which is expected to get approval in 2023. The rest of the products are under Clinical studies and stability studies and will be ready to file for different countries in the coming months.

We have got GMP certification program for Dietary Supplements (ODF) from **UL Verification Services Inc.; Pennsylvania 18106; United States of America.**

We have ISO 5001:2018, ISO45001:2018 and ISO 14001:2015 Certification from AQC Middle East LLC, Noida, U.P. India and ISO / IEC 27001:2013 Certification from KVQA Certification Services Pvt Ltd Delhi, India

We have Manufacturing Site Registration Certificate from **Ministry of Health, UAE.**

We have COPP/WHO Licence to manufacture for sale (or for distribution of) drugs other than those specified in [Schedules C and C(I) and X]

US CDMO Business Plan

Introduction

The global Contract Development and Manufacturing Organization (CDMO) outsourcing market size is projected to reach ~USD 160 billion by 2028, from USD 80 billion in 2021, at a CAGR of 10% during 2022-2028 (MarketWatch report, 2022). Small molecule API development and manufacturing for novel chemical entities (NCEs) are expected to be the dominant segments in the CDMO market with a revenue share of ~50% in 2018. Large molecules, such as biologics, biosimilars, cell and gene therapies, are expected to witness the fastest growth over the next 5 years and the global biologics CDMO Market is estimated to increase from ~USD 10 billion (2020) to ~USD 19 billion by 2026, registering a CAGR of 10.9%. Among global markets, North America will maintain the lead due to the presence of some of the largest industry players, focus on innovative R&D into new treatments, increasing aging population, prevalence of chronic conditions emergence of new diseases, as well as the relative abundance of funding from venture capital for undertaking the high-risk novel drug discovery research effort. High R&D costs, capacity and capability limitations and specialized expertise – all major constraints within pharma companies big and small - make CDMOs excellent external innovation partners to sponsors for expediting the drug manufacturing process while offering significant time, cost, and process efficiencies.

Shilpa Medicare Ltd. (SML) can expect rapid growth in the CDMO business due to its high-quality workforce, cost advantage in research and development (R&D) and manufacturing, and expertise across a range of industry verticals. In particular, SML's capabilities in drug substance (small molecules and large molecules) development and manufacturing, and finished drug product development and manufacturing, as well as therapeutic peptides, polymer science and performance materials, makes a compelling case for the Company to become firmly entrenched as a partner of choice for a whole range of companies across pharma and non-pharma segments.

Market strategy

Shilpa Medicare is a fully integrated Company providing DS, DP development and cGMP manufacturing from **USFDA,**

Health Canada, EMA, PMDA, KFDA, Cofepris, and TGA accredited facilities. It is therefore well positioned to become a trusted and truly end-to-end solution provider given existing infrastructure and continuous capital-intensive investments.

- (1) specialization with a strong focus in the high growth oncology space
- (2) further strengthening of biologics capabilities and capacities, incl., vaccines
- (3) technology focus with addition of niche capabilities such as flow chemistry and AI-DD
- (4) planned introduction of new segments such as oligonucleotides

As an external innovation partner to the innovator biopharma industry, the Company bring differentiation at several levels that sets it apart in the CDMO industry–

- (1) Early phase to late phase from AI/ML led discovery (target to hit, hit to lead and lead to NCE) to custom synthesis, scale up and clinical materials (for advanced intermediates, RSMs)
- (2) Commercial scale cGMP manufacturing with multi-metric ton capacities for final API
- (3) Specialized capabilities such as oncology API, high potent (OEL Band 5) and cytotoxic compounds
- (4) Flow technology with the ability to conduct asymmetric catalysis, fluorinations, nitrations and a range of hazardous/complex chemistries
- (5) Process intensification using custom printed reactors that offer exceptional COGS benefits over commercial flow reactors
- (6) AI/ML based process R&D that yields optimized ROS, higher selectivity and purity, and reduction of unwanted by-products and impurities (e.g., NDMA)

In addition, Shilpa enjoys a unique position - on one hand - as a pharma Company first by combining both commercial and regulatory experience with successful registrations of >40 complex products globally incl., in the US and EU markets. On the services side on the other hand its experience in route scouting, synthetic chemistry, process and analytical development, ICH stability, product formulation, manufacturing, fill-finish, labeling and packaging offers customers a truly integrated approach to drug R&D. That combined with a structured program management approach assures customers of full support and high-quality execution from lab to clinic to market.

We will follow a fundamentally partnership driven approach to the market with a focus on brand building, innovation, impeccable delivery, and long-term supply chain assurance

as the key pillars of customer engagement and success. We will follow a Deep Science methodology based on deep know-how of clients' clinical pipelines, chemistry and biology that will position Shilpa as a research driven CDMO and facilitate the acquisition of net new logos. We will establish a Program Management approach to delivery that transitions clients from a PO based practice to a full ownership and full lifecycle model and assure Speed to Clinic and Speed to Market. We will create a Pharmaceutical Sciences Platform that offers clients a full-value chain solution incorporating integrated CMC and program delivery from lead selection to IND within 10-12 months where technical teams will work across functions to ensure knowledge retention from early to late phase incl., scale up, clinical trial materials and cGMP manufacturing. We will establish a Governance Framework to ensure tight integration with key stakeholders (client sponsors, technical, clinical, quality, regulatory, commercial heads) with the objective to evolve from a project-based into a long-term value-based partnership and ensuring consistent delivery.

We will develop and execute consistent omnichannel (print and digital) marketing campaigns to evangelize Company's capabilities (website, email, print and video), incl., Japanese language messaging on LinkedIn and other social media channels. We will utilize sales automation and analytics to derive actionable intel and insights on markets and customers (e.g., dormant accounts, underserved territories, BD productivity metrics, win/loss stats, and so on).

Focus areas for the near-term (2023 – 2024)

(1) Small molecules: The US Food and Drug Administration (USFDA) approved 53 new molecular entities (NMEs) in 2020, of which 40, or 75%, were small molecules. Accordingly, a major focus for the Company will be to strengthen its position and penetration in this segment. Shilpa provides a fully integrated CDMO services covering drug substance, drug product development and cGMP manufacturing from our USFDA, Health Canada, EMA, PMDA and TGA accredited facilities. Our expertise covers custom synthesis, chemical development, clinical materials, scale-up and cGMP commercial scale production of advanced intermediates, RSMs and API, incl., high potency, oncology and cytotoxic compounds. As oncology specialists, we bring significant experience in the development and manufacturing of tyrosine kinase inhibitors such as Axitinib, Dasatinib, Erlotinib, Imatinib, Lenvatinib, Nilotinib, Pazopanib, Sorafenib, Sunitinib and others, and a portfolio of anti-cancer compounds (e.g., Bortezomib, Cabazitaxel, Capecitabine, Decitabine, Enzalutamide, Gemcitabine, Pomalidomide, Temozolomide, to name a few). With these unique capabilities, the CDMO business has picked up a number of innovator biopharma companies in its portfolio of clients and delivered successfully on complex programs.

(2) Large molecules: Spending on biologics, and emerging modalities, such as cell and gene therapies, rose to \$164 billion globally in 2020 at an average of 14.3% between 2015 – 2020 (IQVIA report, 2020). Shilpa Biologicals from its fully integrated facilities in Dharwad, Karnataka, India provides drug substance and drug product development and manufacturing for global markets. The facilities are fully equipped with state-of-the-art upstream and downstream processing for mammalian and microbial systems for monoclonal antibodies (MAbs), fusion proteins as well as adenoviral and AAV based gene therapies and vaccine production. This includes mammalian cell culture capacities to 8000L (with associated downstream processing), three filling lines incl., a high throughput line with capacities of 300u/m liquid vial fill (for vaccines) is installed and will be commissioned in 2023. In microbial fermentation, we have 2000 liters, and are setting up a 150,000L facility with a downstream for microbials.

We provide the full complement of services from cell line / clone development, and cGMP cell banking to manufacturing, fill/finish (in vials and PFS), packaging and labeling –

- (1) CHO cells for MAbs, fusion proteins, glycoproteins and subunit vaccines
- (2) HEK cells for adenoviruses and adeno-associated viruses
- (3) Pichia pastoris for VLP, antigen and heterologous protein production
- (4) E. coli for DNA vaccines and high purity DNA plasmids (for mRNA vaccines)

Our expertise stems from extensive hands-on development of molecules such as recombinant human albumin, an NBE, biosimilars such as adalimumab, etanercept, aflibercept and abatacept, as well as vaccine manufacturing (e.g., from HEK293 and E. coli for Covid-19 and high purity DNA plasmids for mRNA vaccines). In addition, we have developed recombinant human albumin (rHA) in-house as a superior substitute as compared to what is available from natural sources such as plasma which carries risk of contamination from biological agents and pathogens. Several companies have shown interest in a strategic collaboration with us on rHA with immense commercial potential for the Company. An invited talk on Shilpa's bioprocess expertise in the development of novel biologics was presented by Dr. Harshawardhan Bal, PhD, President of the CDMO business at the prestigious American Association of Pharmaceutical Scientists (AAPS) National Biotech Conference 2023 in Philadelphia in April 2023. The presentation received excellent reviews on social media (LinkedIn) and provided further exposure among the biopharma community as an innovator in the biologics space.

(3) Drug Product Development: The Company brings decades of experience developing a wide range of finished dose formulations, e.g., orals, injectables (fill finish in vials and pre-filled syringes), ophthalmics, suspensions, topicals, extended-release formats such as oral thin films and transdermal systems as well as nanoparticle, liposomal and lyophilized preparations. This includes extensive experience in developing value-added clinically differentiated 505(b)(2) products across therapy areas that enhance the patient experience. We have successfully registered >50 products globally incl., in the US and EU markets and bring together synthetic chemistry, process development, manufacturing and regulatory expertise assisted with AI/ML enabled discovery and development for a uniquely integrated CMC approach to drug R&D. The Company has successfully delivered on drug substance and drug product programs under its CDMO business for US based biotech companies following this approach.

(4) Specialty Chemicals: The Company brings extensive infrastructure for the manufacturing of both cGMP and non-GMP materials for use across multiple industry segments, both pharmaceutical and non-pharmaceutical. This includes high value, low volume and high-volume commodity chemicals. This business will leverage the Company's existing chemical development and manufacturing expertise and provide excellent cash flow to the CDMO business.

(5) Therapeutic peptides: The global peptide CDMO market was valued at ~USD 2.0 billion in 2021, and is expected to double by 2030, with a CAGR of 9.0% during this period (InsightAce Analytic Pvt. Ltd., 2022). Peptide therapeutics play an essential role in addressing unmet medical needs and several peptide drugs have reached the market for diseases such as cancer, multiple sclerosis, diabetes, osteoporosis, chronic pain, and HIV infection. This is a high growth market due to advancements in peptide design technologies, incl., use of bioinformatics and systematic biological approaches, rising R&D investments in peptide-based therapies, and inherent favorable properties such as high specificity and tolerability. Shilpa is extremely well positioned in this space given our proven expertise in development, synthesis, incl., advanced technologies such as **microwave synthesis**, and **formulation** of peptide products. The Company recently completed a program for involving complex macrocyclic peptides.

(6) Polymers and performance materials: Shilpa brings specialized expertise in specialty polymers from custom synthesis through a range of mechanisms, such as free radical polymerization, ring-opening polymerization, anionic and cationic polymerization, ATRP polymerization, RAFT polymerization, and condensation polymerization. We bring specialized expertise in PEGylation chemistry

(incl., high MW pegylations), application of poly(butadiene)-b-poly(ethylene oxide) for controlled drug release as well as a range of capabilities in development of derivatives (e.g., functionalization of polybutadienes, and other polymers) and can deliver high quality and cost-effective products at any commercial scale from our **USFDA** approved facilities. The polymer division has won a number of programs and enjoys long-term relationships with several marquee customers in the polymer space.

(7) Vaccines: The COVID-19 pandemic has brought pharma companies face to face with unprecedented challenges in the development of safe and effective therapies under stringent timelines, especially, in vaccines. Contract manufacturers have worked side by side with vaccine producers to meet the tremendous demand and has validated the Company's ability to jump into action and leverage its expertise to supply vaccine APIs to several pharmaceutical companies such as Zydus, Dr Reddy's and the Serum Institute, thereby playing an important role in India's public health efforts against the spread of the virus. This achievement highlights a key aspect of the Company's culture – the ability to provide purpose-built and customized solutions for a client introducing a new product with unique characteristics and regulatory requirements. The global vaccine market has undergone a radical transformation as a result of the pandemic. There were 394 COVID-19 vaccines in development between discovery and Phase III in 2020 (GlobalData report, 2020). The vaccine market value is estimated to reach \$57 billion in 2025, expanding at a CAGR of 7.4% between 2020 and 2025 (IMARC Group, 2020). Currently representing less than 5% of the vaccines market, the contract manufacturing sector has significant room for expansion and biomanufacturing is a thrust area for the Company that will continue to see significant traction and revenues from India and regulated markets.

(8) Antibody-drug conjugates (ADCs): An increasing number of ADCs are entering clinical trials and our experience with handling cytotoxic payloads, linker technologies, bioconjugation reactions and antibody development, as well as large in-house manufacturing capacity and the required containment and engineering controls - all under one roof - means we can quickly emerge as a front runner in this space. Given their complexity, more than 70% of ADC projects are outsourced to CDMOs and this is therefore another thrust area for the Company. Analysis of companies going public or raising fresh capital indicates nearly 50% of the companies have small-molecule pipelines while 20% are focused on monoclonal antibodies and recombinant proteins and 20% are developing cell and gene therapies. So, while the focus will be on small and large molecules, a future

proof strategy will include forward investments into new capabilities in gene and cellular therapies.

(9) Artificial Intelligence and Machine Learning (AIML) in biopharma discovery and development: Shilpa added another feather in its cap through the investment in Sravathi Artificial Intelligence Technology. Artificial intelligence (AI) and machine learning (ML) are bringing about a paradigm shift in drug discovery R&D and are being adopted by pharma companies to enhance R&D productivity and speed market. The global healthcare AI market is estimated to grow from ~USD 5 billion in 2020 to USD45 billion by 2026 (Markets and Markets, 2020). Applications of AI are being integrated into drug discovery processes with 40% of start-ups exploiting AI to identify new drug candidates, 28% to identify new targets, and 17% for de novo drug design. Shilpa/Sravathi AI brings the ability to combine deep learning algorithms and domain expertise and the opportunity to position itself as a highly differentiated CDMO to big pharma customers. With its AI-DD technology, the Company now provides significant predictive utility, incl., forecasting novel lead molecules with high affinity to the target of interest with enhanced drug like properties and tox profiles, thereby enhancing quality of compounds that go into the discovery funnel, faster time to selection of lead compounds and reducing probability of failures. Our validated AI-led discovery methodology leads to new molecules in <3 months with predicted tox profiles and high affinity to defined targets and we can synthesize compounds from mg to kg to multi-metric ton cGMP commercial scale from our API manufacturing sites.

(10) FlowChemistry: Sravathi's Advance Process Technologies arm brings in AI-enabled process intensification and flow chemistry that affords immense value to process R&D, e.g., optimized synthetic route, reaction conditions, controlled heat and mass transfer leading to higher selectivity, purity, and reduction of unwanted by-products. Sravathi's specialized capabilities spanning asymmetric catalysis, fluorinations, nitrations and other complex chemistries with custom printed reactors offer exceptional COGS benefits over commercial flow reactors.

SML is extremely well positioned because of these superlative and full value chain capabilities to become a strong contender for innovative solutioning across modalities to the biopharma, polymer and chemicals industry community globally.

Customer segmentation: Large pharmaceutical companies are consolidating their supplier base to minimize overheads and the complexities of dealing with multiple outsourcing partners. Small and medium-sized biotech and biopharma companies are increasingly introducing products into the market on their own and account for a significant proportion

of R&D innovation. In 2017, for example, they made up 51% of USFDA market approvals, a trend that is expected to rise in the coming years as they gain experience and successfully bring products to market. Additionally, small, and medium-sized biotech companies do not invest in developing expensive cGMP production facilities in house and makes this the top focus market for us. Big pharma companies were the originators in 28% of USFDA approvals and remain a very attractive market due to the sheer size of their developmental pipelines. Our major focus will together be on the growing segment of small and medium-sized (smid) and specialty biopharma companies.

The buying criteria for big pharma are different than those of the smid pharma incl., for example, access to technology not available in-house in early phase, access to manufacturing capacity and price rationalization for established or mature products, on the other end of the spectrum. We will continue to engage with big pharma along both these lines. Biopharma companies raised \$88 billion in new equity in 2020, including sources such as venture capital, initial public offerings (IPOs), and secondary offerings by publicly listed companies (Jefferies report, 2020). This is a 76% increase in the amount raised over the previous year with most of the capital flowing into emerging biopharma companies. In turn, this will fuel growth of CDMOs and clinical contract research organizations (CROs) for pharmaceutical and clinical development of pipeline candidates.

Marketing: The Company attended several major industry events such as American Peptide Society (Whistler, British Columbia, June 2022), ChemOutsourcing 2022 (New Jersey), CPhI 2022 (Frankfurt), AAPS 2023 (Philadelphia), Drug, Chemical & Associated Technologies Association (DCAT) 2022 and DCAT 2023 (New York City), and others, incl., representing the Company at booths for one-on-one interactions with prospective customers as well as invited talks. Separately, the Company undertook digital campaigns to advance the Company's brand as a science-driven CDMO on LinkedIn which garnered excellent response from the industry across key biopharma hubs. The Company will undertake a significant amount of dedicated and week on week marketing effort to establish its presence in the CDMO market.

DOMESTIC

At Shilpa Medicare Ltd Our key expertise lies in the oncology formulation. Fiscal Year 2022–2023, we have started a brand-new voyage! Embarked our journey to reach out to all the cancer treatment facilities nationwide with the primary goal of offering World-Class drugs at competitive pricing.

By hiring the best field teams with the best skills and educating them with the best scientific information on treatments and Products. In the year 2022–2023, we have expanded our reach. To guarantee that the most recent scientific advancements may be disseminated to all Stakeholders, particularly the

medical community and caregivers, a medico-marketing department was established.

Capebel 1000 mg dispersible Tablet (Capecitabine 1000 mg tablet) is an excellent example. Capebel 1000 mg dispersible tablets enable doctors to provide recommended dosages with more compliance and, as a result, a more powerful outcome.

Current market trends:

In the 75th year of Independence, the pharma sector has put India on the global map. Globally, today India is one of the largest sources of Pharmaceuticals.

In India, an estimated 1.32 million new cancer cases are diagnosed each year with 0.9 million deaths annually, Since the last decade, the cancer burden has more than doubled in India. Breast, Lip, Oral and Cervical Cancer account for 1/3rd of cancer cases in India. 5-year prevalence is estimated to be around 2.7 million Patients

The domestic oncology market is valued at 4500 Cr and expanding at an 18% rate across a range of medicines including hematology and solid tumors. Immunotherapies and Targeted MABs are therapeutic oncology subspecialties that are expanding quickly. Additionally, the new molecular pipeline into the domestic market offers doctors additional possibilities for interventional therapy as well as new paths for patients in need of treatment assistance.

Oncology has a huge demand for treatments, thus improving formulation with a patient-centric perspective is even more essential. **Shilpa Medicare Ltd** is therefore obligated to offer such **Thoughtful Innovations for Powerful Outcomes.** Molecules like Capecitabine Dispersible Tablets.

To effectively maximize the benefits of **Thoughtful Innovations for Powerful Outcomes**, frequent communication aids and performing RTM and CME with doctors and emerging experts are required in order to effectively reach this communication with the Care Givers, and our field force is fully equipped in this front.

Recent Trends including pricing in Oncology and Approach:

In the oncology market, new molecules are introduced quickly due to patent expirations. Prices are extremely volatile because of the constant introductions of the same molecules by different companies, but special dosage forms like Capecitabine dispersible tablets must be developed with the patient in mind.

Decreasing medicine wastage by developing Multidose Ready to Use [RTU] formulations, especially injectables.

Effectively communicating the same with regular communications aids and conducting RTM and CME with Doctors and emerging specialists.

Strong Growth in Biologic & Biosimilars Drugs in Domestic Market: -

The Indian Biosimilars market was worth around 300 million in 2015 and is expected to reach 40 billion by 2030.

Looking into the attractiveness of Biologicals, Shilpa has introduced a separate entity Shilpa Biologics Pvt. Ltd. Shilpa Biosciences division of SBPL will focus on the core segment Orthopedics & Rheumatology segment. Looking into the high prevalence of Autoimmune diseases SBPL is planning to introduce the brand **Oriadali** (Adalimumab 40mg/0.4ml concentration). It will be manufactured in the SBPL Dharwad facility. The current domestic market is 87 Cr which is growing at a **CAGR of 21%** (source AIOCD). In FY 23-24, Shilpa Biosciences aims to achieve a **5% Market Share**.

With the launch of SBPL, we are spreading our reach to newer therapeutic areas like Rheumatoid Arthritis, Orthopedics, Gastroenterology, and Dermatology.

At SBPL we have identified these therapeutics areas to enter into **INR. 650 Crores** represented the market. With a goal to attain **7 % market share** within first three years of its launch. In a nutshell, Biologicals is the future of Indian Pharmaceuticals and SBPL will have a strong presence in the coming days.

Shilpa Biologicals Pvt Ltd

Shilpa Biologicals Pvt Ltd's core expertise lies in the development of biologics and has mainly focused this year on the approvals and market authorizations of internal projects and expansion of CDMO capabilities. With strong emphasis on quality control and assurance throughout its manufacturing processes, the company is confident of obtaining certifications from different regulatory authorities.

Shilpa Biologicals' biosimilar programs for **Adalimumab, Aflibercept and Abatacept** are progressing well towards approvals from different regulatory authorities. Focusing on obtaining approvals from different markets worldwide is a strategic move for Shilpa Biologicals. In line with this strategy, our RA, BD and marketing teams are working towards filing in different ROW markets. This will allow the company to expand its market reach beyond India and cater to patients in various regions.

The anticipated launch of our biosimilar to Humira, Oriadali®, in India during the 2nd quarter of 2023-2024 is a significant milestone for the organization. SBPL's Adalimumab is the biosimilar version of innovator's high concentration product (100mg/mL). By developing a biosimilar version, Shilpa Biologicals can provide a more cost-effective alternative to patients without compromising on quality or efficacy. Due to this advantage over other biosimilar versions of Adalimumab, revenue generation is expected post-product's launch from direct sales, partnering and out-licensing opportunities across the India and RoW markets.

SBPL has received phase III clinical trial approval for our biosimilar to Eylea (Aflibercept) in India, which is another significant milestone during this financial year. Aflibercept is a complex molecule in terms of process development and SBPL has developed a perfusion process to achieve biosimilarity for this molecule. Material generation for Clinical trials for the molecule is completed and process validation is ongoing. The progress made with Aflibercept signifies the company's dedication to innovation and improving patient outcomes in the field of ophthalmology. Additionally, three other pipeline drugs are expected to complete preclinical studies indicates that SPBL is continuously expanding its portfolio and investing in research and development.

The joint inspections and clearance from the Central Drugs Standard Control Organization (CDSCO) for Bioanalytical Laboratory and for marketing authorization of our Biosimilar to Humira are significant achievements. The approval received for Bioanalytical Laboratory will fasten the clinical trials programs of our Biosimilar programs and also opens up new area for revenue generation through CRO activities.

It's positive to note that multiple customers have approached Shilpa Biologicals for CDMO activities in FY2022-23, indicating an increasing demand for the company's services. The fact that Shilpa Biologicals underwent audits from various prominent organizations of India and successfully cleared them, highlights the company's commitment of maintaining high quality and meeting regulatory standards.

The combined market size of the two drugs currently in clinical trials, estimated at around \$30 billion, signifies the potential commercial value of these products. This demonstrates SPBL's focus on developing drugs targeting therapeutic areas with significant market demand. Furthermore, the anticipation of adding two more drugs to the clinical trial pipeline in the next financial year, with an estimated market size of approximately \$17 billion, highlights SPBL's commitment to further expansion and capturing additional market opportunities.

Opportunity and drivers -

- a) Opportunity in RoW markets – Our company is in the process of establishing partnerships with leading pharmaceutical players for biosimilars across different geographies as a strategic approach to expand its presence in these markets. Due diligence of our Dossier of our Biosimilar Adalimumab and Aflibercept is completed in different RoW markets, and we expect successful collaborations in the coming year. In addition, we have signed an out-licensing deal with one of the Russian organizations for Aflibercept. These partnerships can lead to increased market penetration, accelerated product adoption, and mutually beneficial growth opportunities.

Shilpa Biologicals Pvt Ltd has a robust pipeline comprising of 11 biosimilars which cater to different therapeutic areas like autoimmune disorders, ophthalmics, and cancer. By diversifying their pipeline with a combination of established biologics and niche opportunities, Shilpa Biologicals demonstrate a comprehensive approach to product development. This strategy allows SBPL to leverage their expertise in biopharmaceuticals while targeting a wide range of therapeutic areas and patient needs.

FTF Pharma (P) Ltd.

Almost a 10 years old company, FTF Pharma is the trusted and a well-known name amid various big and medium sized pharmaceutical players across the globe as a reputed CDO & CDMO. Employing about 70 highly skilled professionals, FTF Pharma owns a state-of-the-art R&D center in Ahmedabad, Gujarat (India) that is spread into 55,000 square feet area with dedicated FnD labs, AR&D labs and facility for handling highly potent drugs, all equipped fully with modern equipment & sophisticated instruments.

As a CDO, FTF focuses on the development of high valued first-to-file generic products under ANDA regulatory pathway, complex generic products & innovative new drug products covered by 505b2 NDA applications. FTF's interest lies predominantly in the development of products comprising small molecules & peptide molecules. Since its inception, FTF has developed & collaborated more than 100 products for major regulated markets & RoW markets. FTF's front-end generic development partners from all over the world makes FTF globally a leading CDO and partner of choice.

FTF's thirst for innovation is evident by its patent filing numbers. So far, FTF has filed more than 75 patent applications in different jurisdictions including USA, Europe/UK, Canada, China, and India and awarded 5 US patents & 2 Indian patents covering FTF's 505b2 oral & parenteral technologies.

Having its expertise in the development of different types of solid, liquid, lyophilized & topical dosage forms, FTF is also working on new-edge technologies such as Nano-emulsions, SMEDDS, micellar formulations and lipid nanoparticles. FTF is expert in developing tablets, hard gel capsules, low & high volume parenterals (ready-to-use/dilute solutions, suspensions), lyophilized solids, oral thin films, strips, patches, prefilled syringes, ophthalmic solution & drops, coated/uncoated/sugar coated/film coated pellets/beads in capsules, matrix dosage forms, orally disintegrating tablets, IR/ER/PR/SR/DR/MR dosage forms, bi-layered tablets, and combination products.

FTF's product development expertise is further evident by the fact that some of the products developed & collaborated by FTF are now approved in US. These products include first to file generics of Opsumit® and Otezla®; 505b2 oral liquids Norliqva® (amlodipine oral solution), Tadiq® (tadalafil oral

suspension), Zonisade® (zonisamide oral suspension), Liqrev® (sildenafil oral suspension) and Atorvaliq® (atorvastatin oral suspension).

Continuously striving towards its vision & mission, through all these years, FTF has been successfully offering Research and Formulation Development services, Technology Transfer & Contract Manufacturing services, Non-infringing/Design-around strategies, Regulatory filing strategies, and BA/BE & clinical support services.

Under the leadership of Shilpa Medicare Ltd. (SML), FTF is achieving new milestones in its growth journey and is increasing its footprints in US, Europe, Canada, China and other emerging markets. After its acquisition by SML, FTF has considerably added good numbers of clients to its clientele list. FTF visions to become one of the TOP GLOBAL CROs by 2025 and FTF is moving towards its vision firmly & positively.

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 to the Board's Report. The Statement also provides the details of performance and financial position of each of the subsidiaries.

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, 2023 in Form AOC-1

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. Further, it is to be noted that consequent to the approval of members of the Company vide postal ballot dated 20 July 2021 & 08 February 2022, The API business was transferred to Shilpa Pharma Lifesciences Limited (A wholly owned Subsidiary Company) via Slump sale. The said transaction was complete and effective from 01 July 2022.

DIVIDEND:

In pursuance to the Dividend Distribution policy of the Company, your Directors do not recommend any dividend for the year. The Dividend Distribution Policy of the Company is set out as **Annexure-2** and the same is uploaded on the Company's website at https://www.vbshilpa.com/pdf/Dividend%20Distribution%20Policy_Update.pdf

SHARE CAPITAL:

The paid up share capital of your Company is ₹ 8,68,01,898/- (Rupees Eight Crore Sixty Eight Lakhs One Thousand Eight hundred and Ninety Eight) divided into 8,68,01,898 equity shares of ₹ 1/- each.

Pursuant to the provisions of section 124 (5) of the Companies Act, 2013 read with the IEPF Rules, the Company has transferred 251 shares, belonging to the shareholders who did not continuously claim dividend for seven years from the financial year 2014- 15 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. Om Prakash Inani (DIN No.01301385), Non-Executive Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

CHANGE IN DIRECTORSHIP

During the year Ms. Sirisha Chintapalli - Independent Director of the Company ceased from the office of Directorship w.e.f 28 September 2022 due to completion of her tenure. In place of the retiring Director Dr. Anita Bandyopadhyay was appointed as Independent Director a period of 3 years. Further, Dr. Kamal K Sharma was appointed as Independent Director for a period of 3 years. Their appointments were approved by members of the Company at the Annual general meeting held on 28 September 2022.

CHANGE IN KEY MANAGERIAL PERSONNEL

During the year Ms. Ritu Tiwary was appointed as Company Secretary & Compliance officer w.e.f 23 May 2022. Following are the key managerial personnel's of the Company:

Mr. Vishnukant C Bhutada – Managing Director
 Mr. Kalakota Sharath Reddy – Whole-time Director
 Mr. Alpesh M Dalal – Chief Financial Officer
 Mrs. Ritu Tiwary – Company Secretary & Compliance Officer

NUMBER OF MEETINGS OF THE BOARD:

During the financial year, Five 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:

1. 23 May 2022
2. 11 August 2022
3. 11 November 2022
4. 04 February 2023
5. 14 February 2023

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:**

Members of the Company at the Annual General Meeting held on 28 September 2022 approved the appointment of M/s. Bohara Bhandari Bung & Associates LLP, Chartered Accountants, Raichur FRN:008127S/S200013, as the new statutory auditors of the Company to hold office for one term of 5 years commencing from conclusion of the ensuing 35th Annual General Meeting up to the 40th Annual General Meeting of the Company.

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 2023-24. 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 Annual General Meeting for ratification of remuneration payable to the said Cost Auditors.

Secretarial Auditors:

Mr. D.S. Rao, Practicing Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2022-23, 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 2022-23 forms part of this Report as **Annexure - 3**.

The Board on the recommendation of the Audit Committee has appointed Mr. D S Rao, Practicing Company Secretaries,

as Secretarial Auditors of the Company for the financial year 2023-24.

Internal Auditor:

Pursuant to the provisions of section 138 of the Companies Act, 2013 and rules made thereunder, the Board on the recommendation of the Audit Committee has appointed M/s BDO India LLP as Internal Auditors of the Company for the financial year 2023-24.

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 – 4**

RISK MANAGEMENT POLICY:

Pursuant to Regulation 21(4) of SEBI (LODR) Regulations, 2015, the Board of Directors have 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 hosted 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.

During the year two Risk Management Committee meetings were held on 24 September 2022 & 17 March 2023.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

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 transferred 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 – 5**.

The Company has constituted the CSR Committee for monitoring the activities undertaken by the Company in this regard. 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://www.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.

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 - 1** 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 have 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:

During the year, no new Companies have become Subsidiaries/ Joint ventures/ Associate Companies of Shilpa Medicare Limited

Your Company has filed a Second Stage petition with National Company Law Tribunal for effecting the amalgamation with INM Technologies Private Limited being the wholly owned subsidiary, The Company is awaiting for the final order of the Hon'ble tribunal in this regard.

Zatortia Holdings Limited a wholly owned Subsidiary Company of Shilpa Medicare Limited was closed during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

Applicable accounting standards have been followed in the preparation of the annual accounts and that no material departures have been made from the same;

Accounting policies have been selected and applied consistently. Judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the FY2023 and of the profit of the Company for that period;

Proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Annual accounts have been prepared on a going concern basis

Adequate internal financial controls for the Company to follow have been laid down and these are operating effectively; and

Proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are 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 has been placed on the Website of the Company at www.vbshilpa.com

OTHER DISCLOSURES:

Committees of Board:

Your Company has the following committees, namely:

Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

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- 6**.

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 safeguard against victimization of director(s) or employee(s) or any other person who avail the mechanism and allow direct access to the Chairman of the Audit Committee in exceptional cases. Your Company adheres to uncompromising integrity in

conduct of its business and strictly abides by well-accepted norms of ethical, lawful and moral conduct. It has zero tolerance for any form of unethical conduct or behaviour. Directors and employees are at liberty to report unethical practices.

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-7**.

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 - 8** 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. 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 - 9**.

Related Party disclosures as per Schedule V of SEBI (LODR) Regulations, 2015 are enclosed |

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 & SUSTAINABILITY REPORT:

The SEBI vide its circular dated 10 May 2021 made Business Responsibility & Sustainability (BRSR) Mandatory for top 1000 Listed Companies (by Market Capitalization) from the FY 2023, while disclosure was voluntary for the FY 2022.

Pursuant to Clause 34(2)(f) of the SEBI (LODR) Regulations, 2015 Business Responsibility & Sustainability Report, being applicable to the Company, forms part of the Board Report as **Annexure - 10**

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 to which the financial statements relate and the date of the report.

No applications were filed before or any proceedings pending under the Insolvency and Bankruptcy Code, 2016

The details of Difference between valuation done at the time of one time settlement and the valuation done while taking loan from the banks and financial institutions along with the reason thereof – Not Applicable.

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.

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. Further, Your Directors would like to express the appreciation to all the employees of your Company for their continued dedication, significant contributions, hard work and commitment towards achieving the objects of the Company.

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

Sd/-
Omprakash Inani
Chairman
DIN: 01301385

Place: Raichur
Date: 01 September 2023

(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 lakhs)

Particulars	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned 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)	Zatoria Holdings Limited (Audited)	Koanaa Healthcare Spain, S.L.	Makindus INC (Unaudited)	Koanaa Healthcare GmbH (Unaudited)	Shilpa Pharma Inc. (Unaudited)	Shilpa Biologicals Private Limited (Audited)	Shilpa Biocare Pvt. Ltd. (Erstwhile Shilpa Albumin Private Limited) (Audited)	Shilpa Lifesciences Private Limited (Audited)	Vegil Labs Private Limited	Shilpa Lifesciences Limited (Formerly known as 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	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR (Refer note below 1 & 2)	INR	INR (Refer note below 3 & 4)	INR	INR (Refer note below 5 & 6)	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share capital (Equity + Preference)	223.76	4,396.77	0.10	3.06	6.24	89.61	1.00	0.08	3,000.00	2,000.00	1.00	951.00	1,000.00	0.06	263.31	2.24	4.64
Other equity	(3,279.61)	(4,701.82)	(291.34)	1.47	(420.52)	(2,712.54)	(34.90)	(1,454.11)	(10,759.86)	57.01	(0.38)	(223.91)	780.01	(942.15)	2,347.10	(606.82)	(176.35)
Total assets	4,986.69	1,400.78	65,781.61	5.88	450.29	2,232.98	14.41	592.80	58,123.09	28,972.69	272.65	1,023.93	85,325.21	115.77	3,701.76	25.82	910.60
Total Liabilities (Excluding Share Capital & Other Equity)	0.08	0.02	0.66	0.00	(43.37)	0.84	-	(123.25)	(1,171.44)	(4.60)	0.00	0.00	0.84	0.01	0.01	0.01	0.01
Investments	-	0.75	-	-	-	-	-	42.30	2,041.77	-	-	1,023.66	393.22	-	-	-	-
Turnover	422.89	-	-	-	91.88	1,085.35	-	568.51	(6,831.26)	(12.40)	(0.23)	(207.72)	11,559.37	181.79	2,320.30	-	-
Profit/(Loss) before taxation	(1,069.28)	(838.70)	(80.10)	(0.95)	(309.92)	(304.55)	624.17	(568.51)	(6,831.26)	(12.40)	(0.23)	(207.72)	11,559.37	(133.00)	447.47	(267.48)	(96.18)
Provision for taxation	(276.49)	0.81	(30.15)	-	(43.37)	0.84	-	(123.25)	(1,171.44)	(4.60)	-	6.22	5,253.94	-	54.97	-	-
Profit after taxation	(792.78)	(839.51)	(49.95)	(0.95)	(266.55)	(305.39)	624.17	(445.27)	(5,659.83)	(7.80)	(0.23)	(213.94)	6,305.43	(133.00)	313.21	(267.48)	(96.18)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1 Conversion rate 1 GBP = for Balance Sheet & Profit & Loss A/c 1 GBP = 101.87																	
2 Standalone Financial Statements are prepared in GBP																	
3 Conversion rate 1 Euro = for Balance Sheet & Profit & Loss a/c 1 Euro = 89.61																	
4 Standalone Financial Statements are prepared in Euro.																	
5 Conversion rate 1\$ = for Balance Sheet & Profit & Loss A/c 1\$ = 82.22																	
6 Standalone Financial Statements are prepared in USD.																	
7 Conversion rate 1 CAD = for Balance Sheet & Profit & Loss A/c 1 CAD = 60.76																	
8 Standalone Financial Statements are prepared in CAD.																	
9 Conversion rate 1 AED = for Balance Sheet & Profit & Loss A/c 1 AED = 22.36																	
10 Standalone Financial Statements are prepared in AED.																	
11 Conversion rate 1 MYR = for Balance Sheet & Profit & Loss A/c 1 MYR = 22.36																	
12 Standalone Financial Statements are prepared in AED.																	

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	31/3/2023	31/3/2023	31/3/2023	31/3/2023	31/3/2023	31/3/2023
2. Shares of Associate/Joint Ventures held by the company on the year end						
No. of Shares (Equity)	-	5001	100000	65000	-	55000
No. of Shares (Preference shares)	1400000	-	-	3732500	-	751750
Amount of Investment in Associates/ Joint Venture in Equity shares	795.69	0.5	1	3739.00	600.00	757.25
Extent of Holding %	34.79%	50.01%	33.00%	65.00%	40.00%	55.00%
3. Description of how there is Significant influence	Shareholding	Joint Venture Company	Shareholding	Joint Venture Company	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		309.82	0.00	(1,154.75)	892.67	(476.20)
6. Profit/(Loss) for the year		(69.06)	3.95	(561.21)	(58.70)	(267.59)
i. Considered in Consolidation	250.00	(34.54)	-	(364.79)	(23.48)	(147.18)
ii. Not Considered in Consolidation		(34.52)	3.95	(196.42)	(35.22)	(120.42)

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 to five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy (the "Policy").

Further the SEBI Circular amendment dated on 5 May, 2021 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021. Vide these regulations, SEBI has inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements), 2015, which requires to top 1000 listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy (the "Policy").

Shilpa Medicare Limited (SML) being one of the top Thousand listed companies, as per the market capitalization as on 31 March, 2023 of the immediately preceding financial year, has approved and adopted the Policy at the meeting of the Board of Directors.

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.

Sd/-
Omprakash Inani
Chairman
DIN: 01301385

Date: 01 September 2023

Place: Raichur

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

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, 2023**, 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;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 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 (Share Based Employee Benefits and sweat equity) Regulations, 2021;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - c. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- (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:

- a. Drugs and Cosmetics Act, 1940;
- b. Drugs Price Control Order, 2013 and notifications made thereunder;
- c. Electricity Act, 2003;
- d. Indian Boilers Act, 1923;
- e. 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. Sharath Reddy Kalakota	Re-appointment	Re-appointed as a Whole-time Director for a period of 3 years w.e.f. October 01,2022 with the approval of shareholders at 35th AGM held on September 28,2022.
2	Dr. Kamal K Sharma	Appointment	Appointed as an Additional Independent director w.e.f. July 01,2022 by the Board under the category of Non-executive Independent Director. Shareholders at 35th AGM held on September 28,2022, approved the same. Accordingly he holds office till the end of Annual General Meeting to be held in the year 2025.
3	Dr. Anita Bandyopadhyay	Appointment	Appointed as an Additional Independent director w.e.f. August 11,2022 by the Board under the category of Non-executive Women Independent Director. Shareholders at 35th AGM held on September 28,2022 approved the same. Accordingly, she holds office till the end of Annual General Meeting to be held in the year 2025.
4	Mr. Vishnukant C Bhutada	Appointment	Appointed as a Managing Director of Shilpa Pharma Lifesciences Limited (a wholly owned subsidiary of Shilpa Medicare Limited) w.e.f., 11th August 2022 upto September 30,2024.
5	Ms. Sirisha Chintapalli	Cessation	Ceased as an Independent director of the Company w.e.f. September 28, 2022, upon completion of her tenure.

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 and applicable to the Company.

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 year under review in terms of the provisions of section 124(5) of the Act, Rs. 4,02,608.30 Unpaid/ Unclaimed Dividend relating to the FY 2014-15 belonging to 359 shareholders, was transferred to the Investor Education and Protection Fund (IEPF).

We further report that during the year under review in terms of the provisions of section 124(6) of the Act, 251 Equity Shares belonging to 11 shareholders were transferred to the Investor Education and Protection Fund (IEPF) after settling the claims 2,83,375 shares are lying in the IEPF account.

Date : 01 September 2023
Place: Hyderabad

Sd/-
CS D.S. RAO; PCS
M No.: A12394
C.P. No.: 14487
UDIN: A012394E000907310
PEER REVIEW CER No.1817/2022

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. We have relied on the information/documents received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.

Date : 01 September 2023
Place: Hyderabad

Sd/-
CS D.S. RAO; PCS
M No.: A12394
C.P. No.: 14487
UDIN: A012394E000907310
PEER REVIEW CER No.1817/2022

Annexure-4

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

CONSERVATION OF ENERGY:

Description of energy Conservation measures undertaken in Thermal	Energy Conserved in Kw
Factory Lighting Modification: Plant Lighting Modified with high efficiency COB Type light fixtures, so that no'of light fixtures reduced and power consumption reduced	19710
AHU's Chilled water & Hot water circulation valves operation optimization: Hot water and Chilled water Valves controlling mothodolgy changed by change the controller programe for effective operation	14016
Identification of Light fixtures for easy operation:Identification provided for light fixtures and control MCB's to make convenient to switching unwanted areas.	3942
Air coold chiller stopped and clubbed in centralized chiller:MB. AO-Block and E-Block Air Cooled Chillers stopped and connected withCentralized Chiller for effective usage	182500
10TPH Boiler BED modified to improve the efficiency:10TPH Boiler Bed Modified to improve the efficiency, resulting 6TPH boiler operating hours reduced and energy consumption reduced	67500
Total Electrical energy conserved in Kw	287668
Thermal Energy Conserved	Energy Conserved in Kw
Thermal energy conserved Elimination of Isomerisation stage in 50% of the batches & evaporation stage , the routine batches are processed with out isomerisation and	101163
Thermal Energy conserved due to the evaporation elimination in 50% of the batches	21662791
Energy conservation by recovering the steam condensate	3694605
Total Thermal Energy conserved in Kw	25458558

Steps taken by the company for utilizing alternate sources of energy:

The Company has used Electrical Energy from Renewable sources like Energy Generated from Windmills is 72648.00GJ which about 75% of the total Consumption

The company has sourced Renewable fuels for its steam energy Requirement is 234273.79 GJ & 100% of its steam generation requirements

The Company has invested in Clean development Mechanism & registered it's 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

The company own 16 MW Wind mills at various locations in Karnataka & Andhra Pradesh & is exporting 5705712Kw to the grid apart from the usage for its own consumption of 4060000Kw

The capital investment on energy conservation equipment is : Rs.74.62 Lakhs.

TECHNOLOGY ABSORPTION:

The Following efforts made towards technology absorption;

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

- 1) Resource reduction – Water consumption reduced in the process of Tranexamic acid
- 2) Recycling: water consumption reduction by recycling about 50% from various stages of water treatment , Thereby reducing water consumption

The above Have been continually performing to conserve the energy & resources

The company has achieved a direct energy saving of about 1.425% (in Kw) of the overall electrical energy consumption value

The Company is Recycling the waste water after treatment in it's Zero Liquid Discharge system, there by conserving the water resource,

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).

The company has optimized the capacity utilization by utilizing the existing facilities with increased batch sizes

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

FOREIGN EXCHANGES AND 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 2023.

For and on behalf of the
Shilpa Medicare Limited

Sd/-
Omprakash Inani
Chairman
DIN: 01301385

Date: 01 September 2023
Place: Raichur

Annual Report on CSR Activities

1. Brief Outline on CSR Policy of the Company:

The CSR Policy has been placed on the Company's website at <https://www.vbshilpa.com/pdf/CSR%20Policy.pdf>

CSR Policy of your Company encompasses its philosophy for defining its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The core theme of CSR Policy is giving back to the society from which it draws its resources.

The Company has been conscious of its CSR obligations and fulfilment of the same. It has been undertaking and implementing CSR activities by establishing a 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.. This policy is subject to the provisions of Companies Act, 2013 and the Schedules, rules and regulations made thereunder.

2. Composition of the CSR Committee:

Sl. No	Name of Committee Members	Designation / Nature of Directorship	Date of Appointment	Number of CSR Committee Meeting held during the year	Number of Meetings of CSR Committee attended during the year
1	Ms. Sirisha Chintapalli (upto 11.08.2022)	Chairman- Independent Director	14.10.2021	1	1
2	Mr. Kalakota Sharath Reddy	Member- Executive Director	08.02.2022	1	1
3	Mr. Vishnukant Chaturbhuj Bhutada	Member- Executive Director	01.04.2014	1	1
4	Mrs.Anita Bandyopadhyay (effective from 11-08-2022)	Chairman- Independent Director	11.08.2022	-	-

3. Provide the web link 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/policies-and-codes.php>

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): ₹ 19876.02 Lakhs

7. a. Two percent of average net profits of the Company as per section 135(5): ₹ 397.52 Lakhs

b. Surplus arising out of the CSR Projects, programs, 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): ₹ 397.52 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
₹ 397.52 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
1	Naturopathy Hospital	1	Yes	Karnataka	Raichur	3 Years	1500 Lakhs	1008.20	-	Indirect	Shilpa Foundation	CSR00003272

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
1	Health	1	Yes	Karnataka	Raichur	3.56	Yes	Shilpa Foundation	CSR00003272
	Education	2				393.96	No		
	Eniornment	4							
	Water Conservation	4							
	Sports	5							
	Arts & Culture	7							

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): NIL

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)	₹ 397.52
2.	Total amount spent for the Financial Year	₹ 397.52
3.	Excess amount spent for the financial year [(2)-(1)]	NIL
4.	Surplus arising out of the CSR projects or programs 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 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.
01	FY31.03.2022_1	Naturopathy Hospital	2022-23	3 Years	1500 lakhs	1008.20 Lakhs	1107 Lakhs	ongoing

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: Purchased in the year 2022
- Amount of CSR Spent for creation or acquisition of Capital Asset: Rs. 7.5 Crores
- 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 02 September 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.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR projects, is in compliance with CSR Annual Action Plan, CSR objectives and Policy of the Company.

For and on behalf of the CSR Committee of
Shilpa Medicare Limited

Place: Raichur
Date: 01 September 2023

Sd/-
Dr. Anita Bandyopadhyay
Chairman CSR Committee
DIN: 08672071

Sd/-
Omprakash Inani
Chairman
DIN: 01301385

Annexure-6

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.

CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to the highest standards of Corporate Governance Practices.

The Company relies on strong corporate governance systems and policies of business for healthy growth, accountability and transparency. Good corporate governance will certainly benefit the Board and the 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 highest standards of ethical conduct are maintained throughout the organization.

The Company has complied with the requirements of corporate governance in accordance with the applicable Regulations of the Securities and Exchange Board of India (Listing obligation & Disclosure requirements) Regulation, 2015

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 Seven (7) Directors having rich and vast experience with specialized skills in their respective fields, out of which Six (4) are Non-Executive Independent Directors including One Women Director. The Company has a Non-Executive (promoter) as Chairman. The Independent Directors constitute more than 50% of the total number of Directors on the Board, with the Managing Director and Whole Time Director 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 interest in other entities by virtue of being a Director or Shareholder or otherwise including but not limited to the positions held in the Committees of other Companies.

S. No.	Name of the Director	Category	No of Board Meetings during the Year 2022-23		Attendance at AGM held on 28.09.2022	¹ No. of Directorships held in other Companies	² Committees	
			Held	Attended			Chairmanship	Membership
1	Om Prakash Inani	Chairman, Non-Executive- Promoter	5	5	Yes	7	1	1
2	Vishnukant C Bhutada	Managing Director – Promoter	5	4	Yes	14	0	1
3	Arvind Vasudeva	Non-Executive Independent Director	5	5	Yes	2	0	1
4	Hetal Madhukant Gandhi	Non-Executive Independent Director	5	5	Yes	7	2	2
5	Sirisha Chintapalli ³	Non-Executive Independent Director	2	2	Yes	-	-	-
6	Kalakota Sharath Reddy	Whole-Time Director	5	4	Yes	3	0	1
7	Dr. Kamal K Sharma	Independent Director	4	3	Yes	8	2	0
8	Dr. Anita Bandyopadhyay	Independent Director	4	4	Yes	3	1	-

¹Excluding directorship in foreign companies and companies incorporated u/s. 8 of the Companies Act, 2013, but including private limited companies.

²Only membership of Audit and Stakeholders Relationship Committees of public limited companies including Shilpa Medicare Limited are considered.

³Ceased to be the Director of the Company w.e.f. 28 September 2022

Memberships of the above-mentioned directors in other listed Companies:

Sl.No	Name of the Director	Name of the Company	Category for Directorship
1.	Hetal Madhukant Gandhi	Chalet Hotels Limited	Independent Director & Chairman
		Ami Organics Limited	Independent Director
		Singer India Limited	Non-Executive Director
		Syrma SGS Technology Limited	Independent Director
2.	Dr. Kamal K Sharma	SeQuent Scientific Limited	Independent Director
3	Dr Anita Bandyopadhyay	Speciality Restaurants Limited	Independent Director
		Ami Organics Limited	Independent Director

Number of board meetings held during the year under review:

During the year under review, Five (05) board meetings were held, on the following dates.

23 May 2022	11 August 2022	11 November 2022	04 February 2023	14 February 2023
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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 and if he is a whole-time director of a listed Company, more than three companies.

Disclosure of Relationships between the Directors inter-se:

None of the Directors are related inter se.

Number of shares and convertible instruments held by Non-Executive Directors:

The details of shareholding by the Non-Executive Directors are as under:

Sl. No	Name and designation of the director	No of shares held
1.	Mr. Hetal Madhukant Gandhi	8000
2.	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 web link: www.vbshilpa.com

Matrix presenting the directors' 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 business 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
- Corporate Governance

Name of Director	Designation	Years of experience	Field of expertise
Vishnukant Chaturbhuj Bhutada	Managing Director	34	Pharmacy and Administration
Om Prakash Inani	Chairman	39	Business and Administration
Arvind Vasudeva	Independent Director	40	Pharmaceutical Industry
Hetal Madhukant Gandhi	Independent Director	37	Financial services
Sharath Reddy Kalakota	Whole-time Director	33	API manufacturing, operations & execution of greenfield & brownfield projects, quality and projects.
Dr. Kamal K Sharma	Additional Independent Director	41	Pharmaceutical and Chemical industries
Dr. Anita Bandyopadhyay	Additional Independent Director	26	HR Consultant and Leadership Development, Talent Management,

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.

Meeting of Independent Directors:

A meeting of the Independent Directors was held on 28 March 2023, inter alia, to review the performance of the Non- Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and to 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 its 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.

1. COMMITTEES OF DIRECTORS

A. Audit Committee

Brief description and terms of reference:

The Company has constituted a qualified and independent Audit Committee comprising of 2/3 members as independent directors in accordance with Regulation 18 of the 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 the 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 wherever required. The Company Secretary acts as the secretary of the Committee.

The Chairman of the Audit Committee attended the last annual general meeting of the Company.

Composition, name of members and chairperson:

S.No.	Name of the Director	Nature of Directorship	Category
1.	Hetal Gandhi	Independent Director	Chairman
2.	Sirisha Chintapalli ¹	Independent Director	Member
3.	Arvind Vasudeva ²	Independent Director	Member
4.	Om Prakash Inani	Non-Executive Director	Member

¹ Ceased to be member w.e.f. 11 August 2022

² Appointed w.e.f 11 August 2022

Meetings and attendance during the Year 2022-23

During the year, Six (06) 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 Members attended
23 May 2022	03
11 August 2022	03
22 October 2022	02
11 November 2022	03
04 February 2023	03
14 February 2023	03

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 meetings.

B. Nomination and Remuneration Committee (NRC)

The Committee is empowered with the role and powers as prescribed under Regulation 19 of the 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.

The Nomination and Remuneration Committee reviews the 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 acts in terms of reference of the Board specified from time to time. The Remuneration Policy as applicable to directors, key managerial persons and other senior management personnel is posted on the website of the company at the below 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	Mr. Arvind Vasudeva	Independent Director	Chairman
2	Mr. Omprakash Inani	Non-Executive Director	Member
3	Mr. Hetal Madhukant Gandhi ¹	Independent Director	Member
4	Dr. Anita Bandyopadhyay ²	Independent Director	Member

¹ Mr. Hetal Madhukant Gandhi ceased to be the member of the Committee w.e.f 11 August 2022

² Dr. Anita Bandyopadhyay Appointed as member of the Committee w.e.f 11 August 2022

Meetings and attendance during the year 2022-23

During the year, Four (04) meetings 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
23 May 2022	03
30 June 2022	03
05 August 2022	03
06 January 2023	02

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 the 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 meetings to enable them in giving valuable inputs during meetings.
- 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 28 March 2023.

Remuneration of Directors:

The details of remuneration and commission paid 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)
a. Fixed Component	350	145
b. Performance Linked Incentives		
Allowances, Perquisites & others		
Commission		
Perks		
Total	350	145

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 the 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 fees/Remuneration paid to Non-Executive Directors and their shareholding is as follows:

Name of the Director	Designation	Sitting fees/ Remuneration paid (Amount in ₹)	No. of shares held on 31-03-2023
Om Prakash Inani	Chairman	250000	2867691
Sirisha Chintapalli	Independent Director	100000	-
Mr. Hetal Madhukant Gandhi	Independent Director	4000000	8000
Mr. Arvind Vasudeva	Independent Director	3000000	-
Dr. Kamal K Sharma	Independent Director	2250000	-
Dr. Anita Bandyopadhyay	Independent Director	1200000	-

Other than the sitting fees/ Remuneration 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.

There are neither specific contracts nor any severance fees. 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	Mr. Om Prakash Inani	Non-Executive Director	Chairman
2	Mr. Vishnukanth C Bhutada	Managing Director	Member
3	Ms. Shirsha Chintapalli ¹	Independent Director	Member
4	Dr. Kamal K Sharma ²	Independent Director	Member

¹ Ms. Sirisha Chintapalli Ceased to be the member of the Committee w.e.f 11 August 2022

² Dr. Kamal K Sharma Appointed as member of the Committee w.e.f 11 August 2022

The Stakeholders' Relationship Committee is empowered to oversee the redressal of investors' 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 the Company's Registrar and Transfer Agent (RTA) i.e. Kfin Technologies Limited (previously known as Karvy Fintech Private Limited) to approve the share transfers/ transmissions and to comply with other formalities in relation thereto in coordination with the Compliance Officer of the Company. All the investors' 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 Inani
Name and designation of the Compliance Officer	Ms. Ritu Tiwary, Company Secretary and Compliance Officer
Number of Shareholders' Complaints received in FY2022-23	NIL
Number not solved to the satisfaction of shareholders	-
Number of pending complaints	-

Meetings and attendance during the year 2022-23

During the year One (1) meeting of the Stakeholders Relationship Committee was held, the details of attendance of the members is as follows.

Date of the Meeting	Number of Members Attended
17 March 2023	03

D. Corporate Social Responsibility Committee (CSRC).

The Board constituted a 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
1.	Ms. Sirisha Chintapalli ¹	Independent Director	Chairman
2.	Dr. Anita Bandyopadhyay ²	Independent Director	Chairman
3.	Mr. Vishnukanth C Bhutada	Managing Director	Member
4.	Mr. Sharath Reddy	Whole-Time Director	Member

¹ Ms. Sirisha Chintapalli ceased to be the member of the Committee w.e.f 11 August 2022

² Dr. Anita Bandyopadhyay appointed as member of the committee w.e.f 11 August 2022

Meetings and attendance during the year 2022-23

During the year one (01) meeting of the Corporate Social Responsibility Committee were held, the details of attendance of the members is as follows.

Date of the Meeting	Number of Members Attended
---------------------	----------------------------

05 August 2022

3

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
1	Mr. Vishnukant C Bhutada	Managing Director	Chairman
2.	Mr. Arvind vasudeva	Independent Director	Member
3.	Mr. Kalakota Sharath Reddy	Whole Time Director	Member
4.	Dr. Kamal K Sharma ¹ (w.e.f 11 August 2022)	Independent Director	Member

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.

Meetings and attendance during the year 2022-23

During the year Two meeting of Risk Management Committee was held, the details of attendance of the members is as follows.

Date of the Meeting	Number of Members Attended
24 September 2022	3
17 March 2023	4

Senior Management:

There were no changes in the Senior Management personnel since the close of previous Financial Year

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 st March 2022	28 September 2022	Registered office: 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur – 584135, Karnataka	11:30 AM	Re-appointment of Mr. Sharath Reddy Kalakota (DIN: 03603460) as a whole time director Appointment of Dr. Kamal K Sharma (DIN: 00209430) as an Independent Director of the company Appointment of Dr. Kamal K sharma (DIN: 00209430) as an Independent Director of the company Payment of minimum remuneration to non-executive directors Payment of remuneration to Mr. Hetal Madhukant Gandhi (DIN: 00106895), Independent Director in excess of remuneration paid to all non executive directors Appointment of Mr. Vishnukant C Bhutada, Managing Director of the company as a managing director of Shilpa Pharma Lifesciences Ltd, a wholly owned subsidiary

31 st March 2021	28 September 2021	Registered office: 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur – 584135, Karnataka	11:30 AM	<ol style="list-style-type: none"> 1. Ratification of remuneration of cost auditors. 2. Appointment of Ms. Sirisha Chintapalli (DIN: 08407008) as an independent women director of the Company. 3. Appointment of Mr. Arvind Vasudeva (DIN:00669039) as an independent director of the Company 4. Appointment of Mr. Hetal Madhukant Gandhi (DIN: 00106895) as an independent director of the company.
31 st March 2020	09 th September 2020	Registered office: 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur – 584135, Karnataka	11:00 AM	<ol style="list-style-type: none"> 1. Appointment of Mr. Piyush Goenka (DIN: 02117859) as an Independent Director. 2. Ratification of remuneration of Cost Auditors for the financial year 2020-21. 3. Approval for granting loans to Subsidiaries, Joint Ventures and Associate 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
2022-23	27th May 2022 (NCLT Convened Meeting)	Registered office: 12-6-214/A-1, Hyderabad Road, Raichur – 584135, Karnataka	09:00 AM	Approval of Scheme of Amalgamation with INM Technologies Private Limited
2021-22	10th November 2021	Registered office: 12-6-214/A-1, Hyderabad Road, Raichur – 584135, Karnataka	2:00PM	To approve the issue of equity shares on preferential basis to select group of persons

No Special Resolutions have been passed by the Company through postal ballot during the year under review. Details are given below:

Sl No	Date of Postal Ballot Notice	Voting period	Date of Declaration of result	Special Resolution passed
-	-	-	-	-

No resolutions are proposed to be conducted now through postal ballot.

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

2. MEANS OF COMMUNICATION.

a. Quarterly results

Quarterly, half-yearly and annual results are published in two Newspapers - one in English and the other in Kannada.

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 newsletters 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 on the Company's website.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting Date and Time	29 September 2023 @11:00 AM		
Venue	The Company will conduct the 36th AGM for FY 2022-23 through VC/OAVM pursuant to Ministry of Corporate Affairs ("MCA") Circular No. 10/2022 dated December 28, 2022, read together with No. 02/2022 dated May 5, 2022, Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 05, 2020, circulars No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023. The deemed venue shall be the Registered Office of the Company		
Last Date of Proxy forms submission	Not Applicable (As the meeting will be held through Video conferencing)		
Period Date for exercising e-voting	26 September 2023 to 28 September 2023		
Financial Year	01 st April, 2022 - 31 st March, 2023		
Book Closure	23 September 2023 to 29 September 2023		
Dividend Payment Date	NA		
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 2022-23 have been paid.			

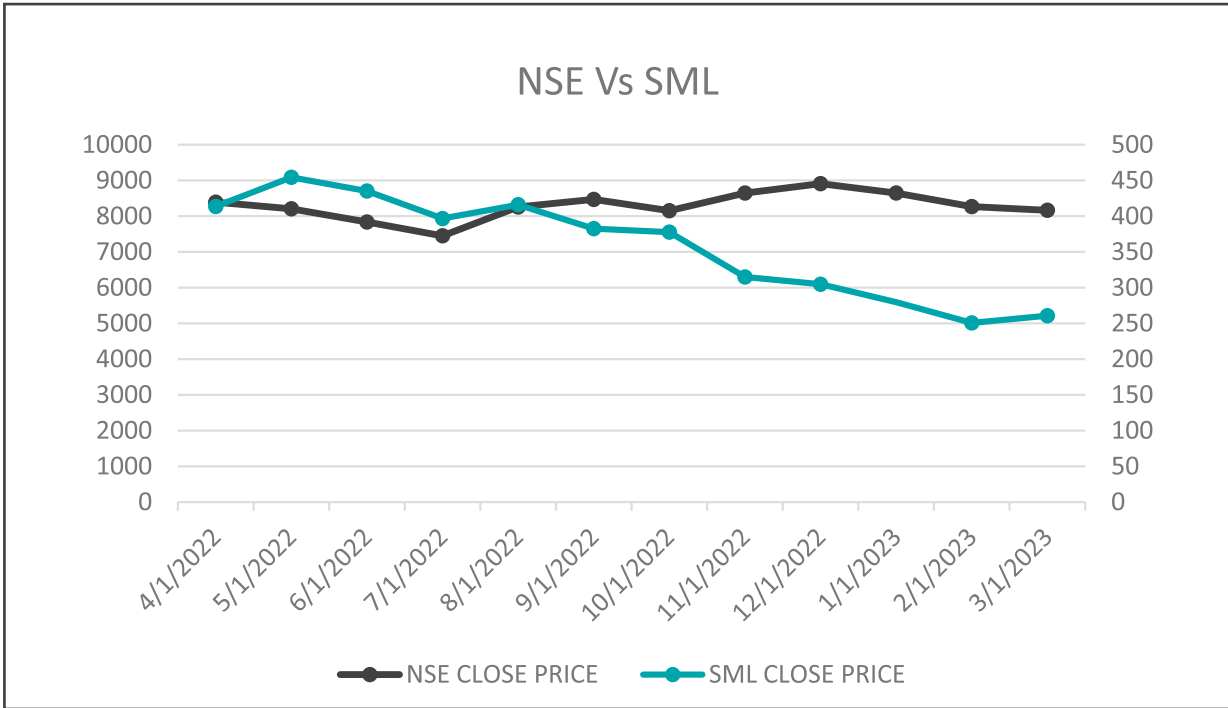
Market price data & Share performance of the Company:

The monthly high, low and trading volumes of the Company's equity shares during the financial year 2022-23 at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

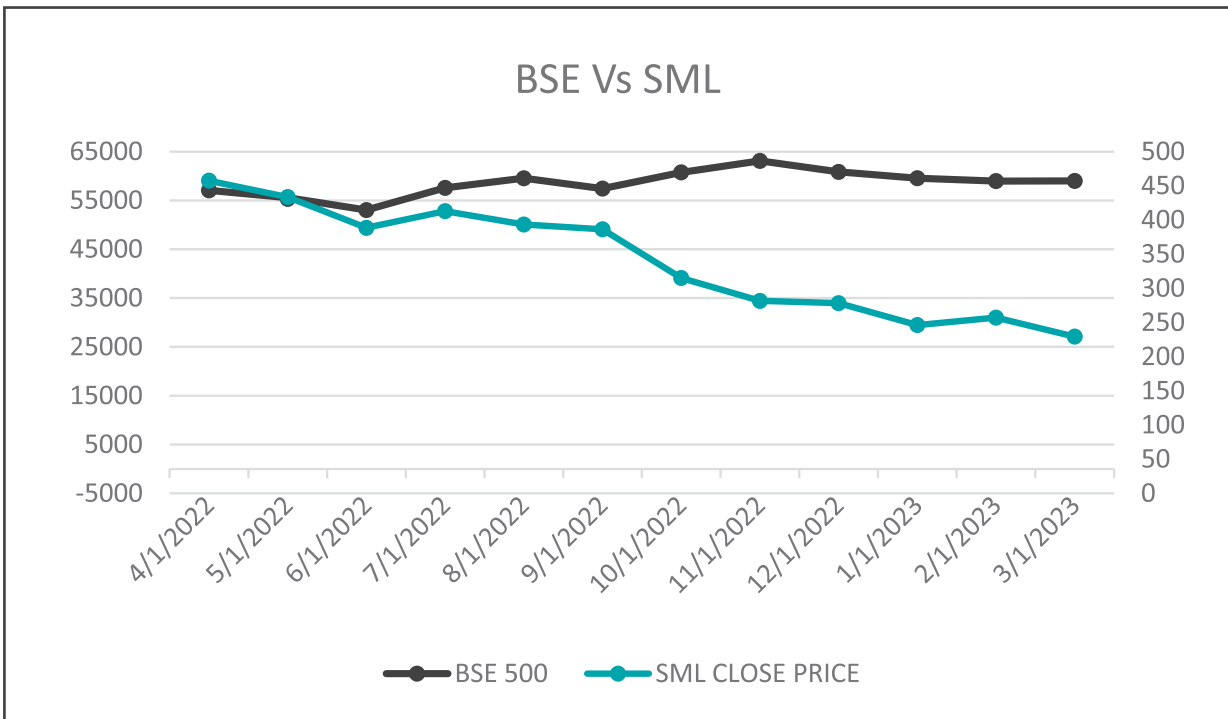
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2022	503.05	396.00	728803	503.00	397.00	4763666
May, 2022	470.00	385.20	334025	459.95	385.00	7259617
June, 2022	457.35	386.70	130046	457.00	386.35	2343840
July, 2022	438.00	381.30	177865	438.00	381.00	2680075
August 2022	424.20	367.20	255941	424.00	381.10	3360826
September 2022	425.00	355.05	424232	425.00	355.20	4366876
October, 2022	388.00	310.80	2223933	387.50	310.55	3495513
November, 2022	323.45	272.05	331774	323.55	272.00	3835469
December, 2022	309.80	263.95	1060645	309.95	262.1	12269746
January, 2023	293.85	238.85	175840	294.00	238.85	1852499
February, 2023	307.25	231.10	1681979	304.25	231.00	35994216
March, 2023	286.00	222.40	2972754	286.00	222.60	28956275

Share Performance of the Company in comparison with broad based indices- S&P BSE SENSEX & CNX NIFTY

NIFTY Total Market v/s SML Close Price



SENSEX Vs. SML CLOSING PRICE



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 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 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 dematerialization 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, 2023.

Sl.No	Category	No of Cases	% of Cases	No of Shares	% to Equity
1.	1-5000	46277	98.74	8216681.00	9.47
2.	5001- 10000	285	0.61	2069089.00	2.38
3.	10001- 20000	137	0.29	1883156.00	2.17
4.	20001- 30000	48	0.10	1189280.00	1.37
5.	30001- 40000	23	0.05	794799.00	0.92
6.	40001- 50000	12	0.03	559566.00	0.64
7.	50001- 100000	17	0.04	1214112.00	1.40
8.	100001 & Above	70	0.15	70875215.00	81.65
	Total	46869	100.00	86801898.00	100.00

Shareholding Pattern as on 31st March, 2023.

Category of Share Holder	No of Shares	Percentage
PROMOTERS	43409715	50.01
MUTUAL FUNDS	583	0.00
ALTERNATIVE INVESTMENT FUND	469763	0.54
FOREIGN PORTFOLIO - CORP	7746829	8.92
FOREIGN PORTFOLIO - CORP	1156495	1.33
FOREIGN INSTITUTIONAL INVESTORS	3025000	3.48
DIRECTORS	31077	0.04
KEY MANAGERIAL PERSONS	2000	0.01
I E P F	283375	0.33
RESIDENT INDIVIDUALS	2,08,80,862	24.05

Category of Share Holder	No of Shares	Percentage
NON RESIDENT INDIANS	2116835	2.44
BODIES CORPORATES	6863252	7.91
CLEARING MEMBERS	55089	0.06
H U F	759523	0.88
TRUSTS	1500	0.00
Total	86801898	100.00

Dematerialization of shares and liquidity.

Number of shares	% of total shares	Number of shareholders	% of total shareholders
8,65,85,774	99.75	46823	99.90

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, 2023 is as follows.

Particulars	No. of shares of ₹1 /- each	% of Shares
Demat Segment		
NSDL	35150664	40.50
CDSL	51435110	59.26
Sub-total	86585774	99.75
Physical Segment	216124	0.25
Total	86801898	100

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 2022-23.

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

Shilpa Pharma Lifesciences Limited
DTA – Raichur*
Plot Nos. 1A, 1B, 2, 2A, 3A to 3E & 4A
to 4C, 5A, 5B, Deosugur Industrial Area,
Deosugur - 584 170, Raichur District,
Karnataka, India

Unit II

100% Export-Oriented Unit - Raichur *
Shilpa Pharma Lifesciences Limited
33-33A, 40-47, Raichur Industrial Growth
Center, Wadloor Road, Chicksugur - 584 134, Raichur
District, Karnataka, India

SEZ Unit - Jadcherla

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

Shilpa Biologicals Private Limited

Plot No: 532-A, Belur Industrial Area, Dharwad,
Karnataka – 580011

Manufacturing unit - Bangalore

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

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

Therapeutics Unit - Hyderabad:

Shilpa Therapeutics Private Limited
Plot No. 118, IDA, Phase III, Cherlapally,
Hyderabad – 500051, Telangana

Unit under Construction - Kadechur:

Shilpa Biocare Private Limited
Plot No: 286, 287 & 288, Kadechur Industrial Area, Yadgir,
Kadechur – 585221, India.

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

Hyderabad R&D

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

R&D Unit- Bengaluru

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

FTF Pharma Private Limited

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

Sravathi Advance Process Technologies Private Limited - R&D

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

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:

India Rating and Research in its letter dated 27th March 2023, rated Fund Based Working Capital Limits at ND A/Rating Watch with Negative Implications/IND A2+/Rating Watch with Negative Implications and for term loans IND A/Rating Watch with Negative Implications.

3. 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 were 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, 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:

There was no 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. Web link 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, Practicing Company Secretary, 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)

During the year your Company has not raised any funds through preferential allotment.

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	Bohara Bhandari Bung & Associates LLP
Statutory Audit	35.50
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	0
No of complaints disposed off during the year	0
No of complaints pending as on end of financial year	0

M. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested:

The listed entity has extended loans to its subsidiary Companies which forms the part of Financial Statements

N. Details of Material Subsidiaries of the Listed entity

Name of the Company: Shilpa pharma Lifesciences Limited

Date of Incorporation: 08 May 2020

Place of Incorporation: Raichur

Name of the Statutory Auditor: Bohara Bhandari Bung & Associates LLP

Date of Appointment of the Statutory Auditor: 30 December 2021

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, 2023.

(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 and Chief Financial Officer have provided a certificate in compliance with the Regulations 17(8) of the SEBI (Listing Obligations and Disclosure Requirements).

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, Company Secretary, 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 251 Shares (Cumulative shares as on 31st March, 2023 are 263875) 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.

Disclosure of certain types of agreements binding listed entities

Shilpa Pharma Lifesciences Limited ("SPLL") and Shilpa Biologicals Private Limited ("SBPL"), being wholly owned subsidiaries of the Company have raised debt through the issuance of senior, secured, rated, unlisted and redeemable non-convertible debentures to be subscribed by certain investors on a private placement basis on 10 August 2023, in the following manner:

(i) 35,000 senior, secured, rated, unlisted and redeemable non-convertible debentures of face value 1,00,000 each to be issued by SPLL for an aggregate amount up to Rs. 350,00,00,000 (Rupees Three Hundred and Fifty Crores) in one or more series ("SPLL Debentures"); and (ii) 10,000 senior, secured, rated, unlisted and redeemable non-convertible debentures of face value 1,00,000 each to be issued by SBPL for an aggregate amount up to Rs. 100,00,00,000 (Rupees One Hundred Crores) in one series ("SBPL Debentures"),

in connection with the Issues, the listed entity and its identified promoters have provided support to SPLL and SBPL in the following manner:

- (i) by issuing an unconditional and irrevocable corporate guarantee in favour of the Debenture Trustee in connection with the SPLL Debentures and SBPL Debentures and;
- (ii) by pledging 100% of the shares of SPLL and SBPL in favour of the Debenture Trustee
- (iii) Execution of NDU of Identified Promoter Shares.

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

Sd/-
Omprakash Inani
Chairman
DIN: 01301385

Place: Raichur
Date: 01 September 2023

Annexure-7

STATEMENT OF PARTICULARS AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

S. No	Name of Director / Key Managerial Personnel and designation	% increase in the remuneration for the year ended March 31, 2023	Ratio of the remuneration of each Director to the median remuneration of the employees
1	Mr. Omprakash Innani Chairman	-	0.46
2	Mr. Vishnukant Chaturbhuj Bhutada Managing Director	-	28.98
3	Mr. Sharath Reddy Kalakota Whole-time Director	14.00	27.25
4	* Mr. Arvind Vasudeva Independent Director	-	5.61
5	* Mr. Hetal Madhukant Gandhi Independent Director	-	7.47
6	Dr. Kamal K Sharma (Appointed w.e.f 01 July 2023)	-	4.20
7	Dr. Anita Bandyopadhyay (Appointed w.e.f 11 August 2023)	-	2.34
6	Mr. Alpesh Dalal Chief Financial Officer	20.00	20.74
7	Ms. Ritu Tiwary ⁴ Company Secretary & Compliance Officer	-	7.20

1. The median remuneration of employees of the Company for the year ended March 31, 2023 was ₹ 5.35 Lakhs.
2. During the year ended March 31, 2023, there was an increase of 7.00% in the median remuneration of employees.
3. As on March 31, 2023, the Company had 1033 permanent employees.
4. Ms. Ritu Company Secretary of the Company was appointed w.e.f 23 May 2022, Hence Her remuneration for FY 2023 is not Comparable with that of FY 2022
5. We affirm that payment of remuneration is as per the Remuneration policy of the Company.

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

Sd/-
Omprakash Inani
Chairman
DIN: 01301385

Date: 01 September 2023
Place: Raichur

Statement of Particulars of Employees pursuant to the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014
Top 10 employees in terms of remuneration drawn during the year

S. No	Employee Name	Designation & Nature of Employment	Educational Qualification	Age	Experi-ence (In Years)	Date of Joining	Gross Remu-neration Paid (₹ In Lacs)	Previous Employment and Designation, if any	No. Shares held, if any	Remarks
1	Dr. Jayant Karaji	Chief Operating Officer (Formulations)	M Pharmacy, PhD	55	30	16-Oct-19	229.52	Chief Operating Officer Rubicon Research Private Limited	0	Not related to any Promoter, Directors or KMP of the Company
2	Mr. Alpesh Dalal	CFO-Finance & Accounts	CA	48	23	04.05.2021	132.00	"Raymond Limited Director-Corporate Finance"	2000	Not related to any Promoter, Directors or KMP of the Company
3	Mr. Rajeev Saxena	Senior Vice President	B.Sc	51	25	13-Jun-22	125.00	Cadila Pharmaceuticals Ltd	0	Not related to any Promoter, Directors or KMP of the Company
4	Mr. Awez Mohinuddin Pathan	Vice President	PG- Master of Science	54	29	26-Apr-13	124.02	Wockhardt Limited	0	Not related to any Promoter, Directors or KMP of the Company
5	Mr. Abhay Sapre	Senior Vice President (Formulation)	M Pharmacy	53	30	14-Oct-19	105.45	Cadila Healthcare Limited	0	Not related to any Promoter, Directors or KMP of the Company
6	Mr. Anil Dhondappa Pokalwar	General Manager	B Pharmacy	53	33	22-May-15	90.63	Cadila Healthcare Limited	0	Not related to any Promoter, Directors or KMP of the Company
7	Mr. T. Krishna Murthy	Senior General Manager (Formulation)	M Pharmacy	49	21	1-Apr-13	89.51	Strides Acrolab	0	Not related to any Promoter, Directors or KMP of the Company
8	Mr. Ramakant Innani	Finance Manager	B Com	45	18	1-Nov-05	84.04	-	1,497,778	Promoter Group
9	Mr. Nagaraju Girigi	Deputy General Manager	M.Sc	44	17	1-Oct-15	83.51	Mylan Laboratories Ltd	0	Not related to any Promoter, Directors or KMP of the Company
10	Mr. Deepak Innani	General Manager-Projects	B Com	43	18	1-Nov-05	80.36	-	2,733,960	Promoter Group

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, 2023, 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	91.08	-
INM Technologies Private Limited	Wholly Owned Subsidiary	Not applicable	Not applicable	-	27.87
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Not applicable	Not applicable	10.89	115.21
INM Nuvent Paints Private Limited	Step Down Subsidiary	Not applicable	Not applicable	-	-
Reva Medicare Private Limited	Joint Venture	Not applicable	Not applicable	4.20	-
Shilpa Pharma INC. USA	Wholly owned Subsidiary	Not applicable	Not applicable	-	-
Sravathi Advance Process Technologies Pvt. Ltd.	Joint Venture	Not applicable	Not applicable	-	-
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Not applicable	Not applicable	17.57	36.95
FTF Pharma Pvt. Ltd.	Wholly owned Subsidiary	Not applicable	Not applicable	3.86	335.41
Auxilla Pharmaceuticals and Research LLP	Investment Entity	Not applicable	Not applicable	-	78.36
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly owned Subsidiary	Not applicable	Not applicable	20.94	-
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly owned Subsidiary	Not applicable	Not applicable	1287.73	4129.45
Rent Paid					
Mohini Infra Private Limited	Enterprise having common Directors	Not applicable	As per the agreement	1.95	-
Triveni Inani	Relative to Director	Not applicable	Not applicable	0.85	-
Keshav Bhutada	Relative to Managing Director	Not applicable	Not applicable	1.20	-
Madhav Bhutada	Relative to Managing Director	Not applicable	Not applicable	1.20	-

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	93.16
Remuneration Paid				
Deepak Kumar Inani	Relative to Director	As per the terms of appointment	As per the terms of appointment	80.36
Keshav Bhutada	Relative to Managing Director	As per the terms of appointment	As per the terms of appointment	24.76
Madhav Bhutada	Relative to Managing Director	As per the terms of appointment	As per the terms of appointment	24.76
Ramakant Innani	Promoter Group	As per the terms of appointment	As per the terms of appointment	84.03
Ravi Kumar Innani	Promoter Group	As per the terms of appointment	As per the terms of appointment	57.66
Sagar Innani	Promoter Group	As per the terms of appointment	As per the terms of appointment	10.80
Interest Received				
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing	Not applicable	415.76
Koanaa Healthcare GmbH Austria	Wholly Owned Subsidiary	Ongoing	Not applicable	308.04
Koanaa Healthcare Limited United Kingdom	Wholly Owned Subsidiary	Ongoing	Not applicable	58.07
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Ongoing	Not applicable	3225.28
Shilpa Pharma Inc.	Wholly owned Subsidiary	Ongoing	Not applicable	124.44
Koanna Healthcare Canada INC	Wholly owned Subsidiary	Ongoing	Not applicable	61.86
INDO BIOTECH SDN. BHD	Wholly owned Subsidiary	Ongoing	Not applicable	81.81
Koanna International FZ LLC. UAE	Wholly owned Subsidiary	Ongoing	Not applicable	39.17
Shilpa Pharma Inc.	Wholly owned Subsidiary	Ongoing	Not applicable	124.44
Koanaa Healthcare Spain, S.L. Spain	Wholly owned Subsidiary	Ongoing	Not applicable	38.15
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly owned Subsidiary	Ongoing	Not applicable	32.6
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly owned Subsidiary	Ongoing	Not applicable	931.85
Vegil Labs Private Limited	Wholly owned Subsidiary	Ongoing	Not applicable	10.18
Shilpa Lifesciences Private Limited	Step down Subsidiary	Ongoing	Not applicable	18.85

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹ in Lakhs)
Corporate Guarantee #				
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Ongoing	As per the resolution passed in this regard	25000.00
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing	As per the resolution passed in this regard	3000.00
FTF Pharma Pvt Ltd	Wholly Owned Subsidiary	Ongoing	As per the resolution passed in this regard	1204.50
Dividend Accrued				
INM Technologies Private Limited	Subsidiary	Ongoing	As per preference share agreement	260.30
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing	As per preference share agreement	3.2
Reimbursement of expenses				
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	As per the terms of the Agreement	0.00
Shilpa Corporate Holdings Pvt. Ltd.	Wholly owned Subsidiary	Ongoing	As per the terms of the Agreement	0.00
Koanaa Healthcare GmbH Austria	Wholly Owned Subsidiary	Ongoing	As per the terms of the Agreement	0.00
Corporate Social Responsibility Expenses				
Shilpa Foundation	Trust in which key management are the board of trustees or Director are Trustee	Ongoing	Not applicable	397.54
Interest Paid				
INM Technologies Pvt. Ltd.	Wholly Owned Subsidiary	Ongoing	Not applicable	66.77
Corporate guarantee income				
Shilpa Therapeutics Pvt. Ltd.	Wholly Owned Subsidiary	Ongoing	Not applicable	15.59
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	Not applicable	3.77
Shilpa Biologicals Pvt. Ltd.	Wholly Owned Subsidiary	Ongoing	Not applicable	85.35
Slump Sales Consideration				
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	Not applicable	47228.00
Investment written off				
Zatortia Holdings Limited			Not applicable	58.53
Reva Pharmachem Pvt Ltd			Not applicable	10.00

Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015

(₹ in Lakhs)

In the accounts of	Particulars	As on 31 st March, 2023			Maximum Outstanding during FY 2021-22		
		Loans/ Advances	Investment		Loans/ Advances	Investment	
			Equity	Preference		Equity	Preference
Shilpa Medicare Limited (Holding Company)	Shilpa Therapeutics Private Limited (Formerly Known as Nu Therapeutics Private Limited)	6,039.30	183.76	40.00	6,039.30	1,112.46	40.00
	INM Technologies Private Limited (Including Share Application Money)	-	150.00	4,246.77	-	113.25	4,246.77
	Reva Medicare Private Limited	-	0.50	-	-	0.50	-
	Zatortia Holdings Limited	1.34	3.06	-	1.34	4.53	-
	Koanaa Healthcare Spain, S.L. Spain	739.26	6.24	-	739.26	6.27	-
	Koanaa Healthcare Limited,UK	852.40	0.10	-	852.40	0.10	-
	Reva Pharmachem Pvt.Ltd.	-	-	-	-	-	-
	Koanaa Healthcare GmbH Austria	4,417.19	89.61	-	4,417.19	77.63	-
	Maia Pharmaceuticals Inc.	-	-	(795.69)	-	-	(795.69)
	INM Nuvent Paints Pvt Ltd	-	0.75	-	-	0.75	-
	Shilpa Pharma Inc.	1,808.77	0.08	-	1,808.77	0.07	-
	Shilpa Biocare Pvt. Ltd.(Erstwhile Shilpa Albumin Private Limited)	16,482.62	2,000.00	-	16,482.62	2,045.46	-
	Shilpa Biologicals Private Limited	46,647.59	3,000.00	-	46,647.59	3,360.93	-
	Sravathi Advance Process Technologies Pvt. Ltd.	-	6.50	3,732.50	-	6.50	3,732.50
	Koanna Healthcare Canada Inc.,	972.09	0.06	-	972.09	0.06	-
	Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	-	1,000.00	-	-	1,000.00	-
	Indo Biotech SDN.BHD.	929.05	4.42	-	929.05	4.42	-
	FTF Pharma Pvt. Ltd.	-	30.77	390.00	-	6,577.97	390.00
	Vegil Labs Private Limited	280.25	951.00	-	280.25	951.00	-
	Shilpa Lifesciences Private Limited	253.08	1.00	-	253.08	1.00	-
Sravathi AI Technologies Pvt. Ltd.	-	-	489.88	-	-	489.88	
Koanna International FZ-LLC,	563.19	2.24	-	563.19	1.98	-	

Business Responsibility and Sustainability Report (BRSR)

Section A) General Disclosures

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L85110KA1987PLC008739
2. Name of the Listed Entity	SHILPA MEDICARE LIMITED
3. Year of incorporation	1987
4. Registered office address	#12-6-214/A1, Hyderabad Road, Raichur KA 584135 IN
5. Corporate address	#12-6-214/A1, Hyderabad Road, Raichur KA 584135 IN
6. E-mail	cs@vbshilpa.com
7. Telephone	08532 - 238704
8. Website	https://www.vbshilpa.com/
9. Financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11. Paid-up Capital	8,68,01,898
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Ritu Tiwary, Company Secretary & Compliance Officer, Email: cs@vbshilpa.com Contact Number: 08532 - 238704
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosure under this BRSR are on Standalone basis unless otherwise stated.

II. Product & Services

14. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Pharmaceuticals	Manufacture of formulations	99

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S No	Product/Service	NIC Code	% of the total turnover contributed
1	Active Pharma Ingredients	21001	44
2	Formulations	21001	55
3	Power	21001	1

III. Operations

16. Number of locations where plants an/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	3	2	5
International	0	0	0

17. Markets served by the entity:

A. Number of Locations

Locations	Number
National (No of States including union territories)	21
International (No of Countries)	33

b. What is the contribution of exports as a percentage of the total turnover of the entity?

62.34%

c. A brief on types of customers

Our customers include wholesalers, distributors, doctors, pharmacy chains and hospitals, NGO, government institutions and Pharmacy chain (Jan Aushadhi) and Pharmaceutical distributors & Companies

IV Employees

18 Details as at the end of Financial year

a. Employees and workers (including disabled)

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No.(C)	% (C/A)
Employees						
1	Permanent (D)	1033	1015	98.26%	18	1.74%
2	Other than Permanent (E)	0	0	0	0	0
3	Total Employees (D+E)	1033	1015	98.26%	18	1.74%
Workers						
4	Permanent (F)	146	120	82.19%	26	17.81%
5	Other than Permanent (G)	0	0	0	0	0
6	Total (F+G)	146	120	82.19%	26	17.81%

b. Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	1	1	100%	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total Employees (D+E)	1	1	100%	0	0
Differently Abled Workers						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total (F+G)	0	0	0	0	0

19 Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of Directors	7	1	14.29%
Key Management Personnel	2	1	50%

20. Turnover rate for permanent employees and workers.

	Turnover Rate – FY 2022-23			Turnover Rate – FY 2021-22			Turnover Rate – FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35%	0.03%	35.03%	33%	0	33%	21%	0	21%
Permanent Workers	5.31%	0	5.31%	3.64%	0	3.64%	2.23%	0	2.23%

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

21. Names of holding/subsidiary/associate companies/joint ventures

The details of holding/ subsidiary/ associate companies/ joint ventures are given in Form AOC- 1 as Annexure to the Board's report and forms a part of the Annual Report.

VI CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) YES
(ii) Turnover (Rs. in Lakhs) - 44438.57 Lakhs
(iii) Net worth (Rs. in Lakhs) - 211758.39 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No If yes link	FY 2022- 23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	0	0	0	0
Investors (Other than Shareholders)	Yes	0	0	0	0	0	0
Shareholders	Yes	0	0	0	0	0	0
Employees & Workers	Yes	0	0	0	0	0	0
Customers	Yes	0	0	0	0	0	0
Value Chain Partners	Yes	0	0	0	0	0	0
Other (Please specify)	-	-	-	-	-	-	-

Weblink of the policy on grievance handling :- <https://www.vbshilpa.com/policies-and-codes.php>

24. Overview of the entity's material responsible business conduct issues

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format.

S No	Material Issue Identified	Risk / opportunity	Rational for identifying risk or opportunity	In case of risk approach to adapt or mitigate	Financial implication of risk or opportunity
1	Occupational health and safety	Risk	We recognize that employees form the foundation of our operations, and it is incumbent upon us to prioritize their health, safety, and well-being by furnishing a nurturing and secure work environment.	<ul style="list-style-type: none"> We have developed and integrated a Safety, Health and Environment (EHS) policy that governs our employees and applies to all our research, production operations, and business facilities All our employees, including permanent workers and contractors are trained on occupational health and safety, specific work-related hazards, hazardous activities and situations. We have developed and implemented strong Health and Safety systems (H&S) at all our plants. Periodic safety assessments against international standards are conducted to evaluate the effectiveness of current systems and appropriate measures are taken to further improve our safety posture performance continually. 	Negative
2	Regulatory compliance	Opportunity, Risk	Regulatory guidelines and requirements heavily regulate the manufacturing of our products, including manufacturing quality standards. Periodic inspections are conducted on our manufacturing sites, and if the regulatory and quality standards and systems are not found adequate, it could result in observations. This might impact our ability to meet patient demand and generate value for our stakeholders	<ul style="list-style-type: none"> We are fully dedicated to quality and have robust quality processes and systems in place at our developmental and manufacturing facilities to ensure that every product is safe and of high quality We have integrated "Quality by Design" to build quality into all processes and use quality tools to minimize process risks. We continue to spend significant time, money and effort in the areas of production and quality testing to help ensure full compliance with cGMP regulations. We leverage information technology to digitize and enhance our quality assurance and quality control processes. We are continuously focused on improving our quality culture across the organization. 	Positive

S No	Material Issue Identified	Risk / opportunity	Rational for identifying risk or opportunity	In case of risk approach to adapt or mitigate	Financial implication of risk or opportunity
3	Pharma covigilence	Risk	The increase in digital central trials and accelerated speed to market of medicines and drugs amplifies the need for better drug quality and prevention of adverse side effects.	<ul style="list-style-type: none"> We have a mature system in place to continuously monitor the benefit-risk profile of our products to ensure benefits outweigh the product-related safety risks for patients. We maintain compliance with region / country-specific legislative requirements. 	Negative
4	Promoting diversity and inclusion	Opportunity	We fully appreciate the significance of diversity to our organization, as it fosters the introduction of new perspectives, diverse experiences, novel concepts, and inventive approaches that can provide sustainable value creation for our stakeholders over the long term. It is our steadfast effort to promote inclusiveness through concerted interventions across different dimensions of business and embrace their distinctiveness.	We are also working to increase the representation of women across roles and teams, exploring new entry level routes such as apprentice hiring and actively recruiting women.	Positive
5	Talent attraction and retention	Opportunity	Ability to attract and retain the right technical talent with differing skill sets is a difficult challenge to address. The industry is highly knowledge-driven and technology based, and heavily reliant on specialist individuals well versed with state-of-the-art technology.	We use people analytics to measure employee performance, identify current skill gaps, and flight risks to improve retention. We actively address and resolve structural talent gaps by providing long-term reskilling and upskilling opportunities to our workforce, including digital learning initiatives. We embed strategic workforce planning into our operations strategy. The benefits of this initiative are multifaceted e.g., fostering internal mobility for well-suited roles, enhancing people productivity and containing staff costs.	Positive

S No	Material Issue Identified	Risk / opportunity	Rational for identifying risk or opportunity	In case of risk approach to adapt or mitigate	Financial implication of risk or opportunity
6	Risk management and business continuity	Opportunity	We operate in a complex geopolitical and regulatory environment and entails potential challenges and uncertainties arising from geopolitical factors and intricate regulatory frameworks. This includes geopolitical instability, changes in government policies, trade disputes, sanctions, and intricate compliance requirements. These factors can pose risks to operations, supply chains, market access, and overall business performance, requiring proactive monitoring and strategic adaptation to mitigate potential adverse impacts.	<ul style="list-style-type: none"> We are focused on identification of key business, operational, strategic, and business continuity risks We prioritise a sustainable supply chain for the timely availability of our medicines, and to ensure business continuity in the face of disruptions. We continuously strive to improve our resiliency posture focusing on the ability to provide and maintain an acceptable level of service in the face of any interruption and proactively plan for being prepared to respond to an uncertain situation. 	Positive
7	Industry Risk	Risk	Sectoral and market downturns could have potential and immediate impact on company performance	Analysing industry and pharma sectoral trends and periodic horizon scanning Ongoing plans to implement a business continuity plan to minimise risk	Positive
8	Sustainable EHS work practices (EHS)	Opportunity	Company has adopted and made the sustainable practices as its culture. All personnel participate in the sustainable practices with focus on energy conservation, emission control, waste minimisation, resource reduction, preventive maintenance, hazard identification & risk assessment activity based, safe operating procedures, hazard & operability studies. 24 Hrs monitoring by the Safety Co-ordinators, GMP Co-ordinators, Night Shift Officers and Duty Managers for each production block. The waste Treatment with Zero Discharge Facility, The Treated water from the ZLD is Recycled.	Improving focus on sustainable energy Strengthening and promoting awareness across the company	Negative

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9									
Policy and Management Processes																		
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes																	
b. Has the policy been approved by the Board? (Yes/No)	Yes																	
c. Web Link of the Policies, if available	https://www.vbshilpa.com/policies-and-codes.php																	
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the company's code of business conduct and ethics and/or other policies imbibe the above-mentioned principles and the company expects its stakeholders to adhere to the same in all their dealings.																	
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the company's code of business conduct and ethics and/or other policies imbibe the above-mentioned principles and the company expects its stakeholders to adhere to the same in all their dealings.																	
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> Occupational Health & Safety Management System: ISO 45001: 2018 Environmental Management System: ISO 14001: 2015 Energy Management System: ISO 50001: 2018 Our facilities have received accreditations from Ministry of Health , UAE; Registered with Health Canada, GMP ; USFDA (Analytical Division)																	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NIL																	
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NIL																	
Governance, leadership and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer Chairman's Letter Page No 4 & 5.																	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Vishnukant C Bhutada, Managing Director of the company.																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes, Mr. Vishnukant C Bhutada, Managing Director of the company.																	
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee					Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)												
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	As a practice, policies of the Company are reviewed periodically or on need basis by the Department heads, business heads and the Directors of the company.								

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances

Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Quarterly

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency

No. However, the EHS & LHR related processes including compliances are subject to planned periodic audits by internal auditors and the status of compliance is updated to the Board. From best practices as well as from a risk perspective, EHS & LHR related policies are periodically evaluated and updated by concerned department heads / business heads and approved by the management / the Board committees / the Board.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions Not applicable

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1. Businesses should Conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	2	Familiarisation/ awareness programme for the Board of Directors/ KMPs of the Company is done periodically as part of Board process covering various areas pertaining to the business, strategy, risks, operations, regulations, code of business conduct and ethics, economy and environmental, social and governance parameters. In addition, frequent updates are shared with all the Board members/ KMPs to apprise them of developments in the Company, key regulatory changes, risks, compliances and legal cases	100%
Key Managerial Personnel	2		100%
Employees other than BoD and KMPs	6	ESG	100%
Workers	Nil	Nil	Nil

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory /Enforcement agencies/ judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine					
Settlement			NIL		
Compounding Fee					

B. Non-Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? Yes/No
Imprisonment			NIL	
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, details in brief and if available, a web-link to the policy.

Yes. Shilpa has an anti-bribery and anti-corruption policy. The policy reiterates that Shilpa does not tolerate any form of bribery and corruption in its operations and is committed to conducting business ethically and transparently. It has implemented various internal controls such as internal review, conducting audits, regular compliance checks, whistle blower policy etc. to ensure the company or its employees do not engage in unethical practices. All business partners are also expected to follow the same standard of ethics when conducting business with the Company or on its behalf. The policy is in the below weblink <https://www.vbshilpa.com/policies-and-codes.php>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors		
KMPs		
Employees	NIL	NIL
Workers		

6. Details of complaints with regard to conflict of interest

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0		0	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

PRINCIPLE 2. Businesses should provide goods and services in a manner that is sustainable and safe.**Essential Indicators:**

- Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

Category	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	0.02%	-	Using wheeling power for energy conservation, Re usage of RO reject water for domestic use , utilizing steam condensate recovery, installed solar street light in the premises which will reduce electricity consumption and work during power failure.
CAPEX	5%	-	Capex spent for EHS related improvements

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

- If yes, what percentage of inputs were sourced sustainably?

Company has appropriate measures in place for sustainable sourcing. As a part of third party code of conduct, all the business partners are required to adhere to basic sustainability parameters such as Labour rights, health and safety and environment, ethical conduct, data privacy etc. for more details please refer to our website : <https://www.vbshilpa.com/policies-and-codes.php>

- Describe the processes in place to reclaim your products for reusing, recycling, and disposing at the end of life for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

In keeping with our focus on sustainable company operations, Shilpa strives to reduce waste generated at the source whenever possible. A considerable portion of the waste generated in the pharmaceutical industry is categorized as hazardous and must be handled with caution. We ensure that the waste generated by our operations is effectively monitored and disposed of in accordance with all relevant regulatory standards.

We also regularly monitor our waste management systems and procedures to ensure that the waste generated throughout our sites undergoes proper and safe treatment. Our operational efficiency allows us to use resources conservatively and reduce waste. We comply with all the local and national regulations, in addition to adopting global standards in safe handling and disposal of emissions and effluents. We have established relevant Policies and Procedures for safe storage and disposal of products at the end of life and environmentally sound waste recycling through authorised third parties

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. We are registering under EPR for Plastic Waste with CPCB. We work in compliance with India's Plastic Waste Management Rules, 2016.

PRINCIPLE 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

- Details of measures for the well-being of employees

Category	% of employees covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)	
Permanent Employees											
Male	1015	216	21.28%	1015	100%	0	0%	0	0%	0	0%
Female	18	1	5.56%	18	100%	0	0%	0	0%	0	0%
Total	1033	217	21.01%	1033	100%	0	0%	0	0%	0	0%

Other than permanent employees

Male

Female

Total

b. Details of measures for the well-being of Workers

Category	% of workers covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male	120	0	0	0	0	0	0	0	0	0	0
Female	26	0	0	0	0	0	0	0	0	0	0
Total	146	0	0	0	0	0	0	0	0	0	0
Other than permanent workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2023			FY 2022		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	96.24%	100%	Yes	93.51%	100%	Yes
Gratuity	84.31%	0	NA	94.60%	0	NA
ESI	7.89%	100%	Yes	10.83%	100%	Yes
Others specify						

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Premises/ offices of the Company including the registered and corporate offices have ramps to enable easy movement. Most offices are located either on the ground floor or have elevators and infrastructure for differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, a web-link to the policy.

The code of business conduct and ethics (COBE) of the company provides for an equal opportunity policy to create an inclusive work environment by fostering diversity at the workplace and to treat, and treat all employees equally irrespective of gender, age, physical disability, creed, religion, sexual orientation, racial background, pregnancy, place of origin, cast, political affiliation or other discriminatory factors. We encourage and nurture talent in the organization. We work in the atmosphere of mutual trust and co-operation. The policy available at the company's website at <https://www.vbshilpa.com/policies-and-codes.php>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	0	NA	0	NA
Female	0	NA	0	NA
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	The Policy provides avenues to report concerns directly to the compliance team. Code of Business Conduct and Ethics link: https://www.vbshilpa.com/policies-and-codes.php
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A
Total Permanent Employees						
Male		NIL			NIL	
Female						
Total Permanent Workers						
Male		NIL			NIL	
Female						

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		No. B	% (B/A)	No. C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	1015	1015	100%	1015	100%	2712	2712	100%	2712	100%
Female	18	18	100%	18	100%	19	19	100%	19	100%
Total	1033	1033	100%	1033	100%	2731	2731	100%	2731	100%
Workers										
Male	120	120	100%	120	100%	650	650	100%	650	100%
Female	26	26	100%	26	100%	26	26	100%	26	100%
Total	146	146	100%	146	100%	676	676	100%	676	100%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	1015	1015	100%	2712	2712	100%
Female	18	18	100%	19	19	100%
Total	1033	1033	100%	2731	2731	100%
Workers						
Male	120	120	100%	650	650	100%
Female	26	26	100%	26	26	100%
Total	146	146	100%	676	26	100%

10. Health and safety management system

- A. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

Yes, all the units have implemented ISO 45001:2018 Occupational Health & Safety Management Systems and are certified for same standard.

- B. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The work-related hazards are identified, assessed, and controlled through "Hazard Identification & Risk Assessment (HIRA)" process.

- C. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have implemented processes for reporting unsafe practices and near miss by workers. Through this reporting channel, the workers report various work-related hazards and necessary actions are taken to remove or control such hazards.

- D. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes, all our sites are having occupational Health Centre, which provides healthcare services for both occupational and non-occupational medical needs.

11. Details of safety related incidents, in the following format

Safety Incident / Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0	0
	Workers	2.48	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

12. Measures taken by the entity to ensure a safe and healthy workplace.

We are committed to zero work-related injury, ill-health and safety & wellbeing of everyone involved in the business and community around our workplaces.

The company focuses on proactive risk assessment, communication, consultation & participation, training, safe work culture for Occupational Health & Safety.

The Company actively monitors the EHS Practices & Reports in the form of Dashboard, which focuses on status of PPE adherence, Unsafe practices, work related Injuries, Work related Illness, Process Safety Incident, Near Miss, Fire Incident, Environmental Incident, Site Safety Observations, Work Permits, Emergency/Fire Drills conducted, Management of Change Issued, Tool Box Talks & Trainings Conducted, and Site Periphery Rounds, etc.

The company proactively identifies hazards, assesses risk and takes appropriate risk control measures for prevention and mitigation of identified hazards for its activities. The company practices Good Industrial Hygiene protocols, uses containment equipment for handling of the potent molecules and local dust extraction system connected to pulsejet bag filters & Equipment wash areas are connected to the local exhaust systems.

The company has Business Continuity Plan and On-Site Emergency Plan, approved by the Department of Factories, Boilers & Industrial Safety for all its units. These plans are rehearsed periodically for improving preparedness to handle emergency and business continuity concerns

13. Number of complaints made by employees and workers

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions		0			0	
Health & Safety						

14. Assessments for the year

% of plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	Customer audits & Corporate audits are conducted at all the sites to ensure the compliance as against the established EHS systems and to ensure the health & safety practices are followed and healthy working conditions are ensured.
Working Conditions	

15 .Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Safety related incidents are reported and investigated by competent employees following root cause analysis (RCA) method to find out the root cause(s) for such incidents. CAPAs are proposed based RCA findings, which shall be implemented and monitored for effectiveness.

PRINCIPLE 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Describe the Process for identifying key stakeholder groups of the entity

Our purpose of 'Innovating for affordable healthcare' encompasses all our stakeholders, because we consider our stakeholders as important partners in our journey to achieve our purpose. Over the years we have developed firm level process to encourage open and constructive interaction with our stakeholders. We have established relevant policy and procedure for stakeholder engagement, which helps us enhance our strategy development and decision-making. We engage on issues that are important to us as a business as well as to the stakeholders, with the objective of addressing their needs and expectations and identifying new opportunities to create value.

Our process of identification and classification of the stakeholders is defined by their interest, impact and participation in operations of the Company and engagement on various environmental, social and governance matters. Delivering on stakeholder needs expectations are integral part of our business. We listen to our stakeholders and have established various channel of communication, consultation and participation.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ol style="list-style-type: none"> 1. Formal induction at the time of joining 2. Town hall meetings 3. Communication from Senior Management. 4. Communication through Emails. 5. Safety meetings, Canteen committee meetings 6. Feedback, Suggestion Box, Toolbox meetings 7. Celebrations of Independence Day, Republic Day, Safety Week, World Environment Day. 8. Review meetings, Notice Boards. 9. Reward & Recognition programs, Spot award programs, cultural Programs. 10 Trainings, get togethers, Appreciation meetings, Daily, Monthly review meetings; Exit Suggestions in sealed covers, Risk assessment activities 	Continuous	<ol style="list-style-type: none"> 1. Employee engagement, operational efficiencies, improvement opportunities, long-term strategy plans, training and awareness on safety/ behavioural safety, motivation, personality development, on job & classroom trainings; innovations, sharing of knowledge, learning 2. Performance, training and career development reviews. 3. Seeking feedback on work culture. 4. Building a safe, diverse and inclusive work environment.
Community	No	our engagement with the community includes physical visits as well as digital channels.	Frequent and need based	<p>With giving back to society as a core tenet of the Company, our corporate social responsibility and employee volunteering programmes target the areas of education, skilling and livelihood, health and environmental sustainability through partners and local NGOs around the world.</p> <p>Additionally, we also run training, awareness and empowerment programmes. We engage with local community to understand their challenges and work for their sustainable development.</p>

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulators authorities	No	Our interactions with authorities take place through e-mails, meetings, submissions, etc. as required.	Need-based	<p>Our engagement with official authorities is multi-fold. With regulatory authorities, our engagement is aimed at discharging responsibilities and furthering our core business of product development, launch, manufacturing, etc. in keeping with the latest and highest standards of compliance. With policy-makers, our engagement aims to understand and discuss matters pertaining to the industry.</p> <p>We do advocacy and make representations on various regulatory and policy issues to strengthen the healthcare eco-system through policy interventions and ensure timely access to quality medicines at affordable prices.</p>
Suppliers & Partners	No	On site meetings, virtual meeting, business partners meet, supplier forums, partner events, calls, e-mail, website	Frequent/ Quarterly Governance calls/ Annual meet	Making a holistic impact on the health of patients worldwide requires us to work with partners across the healthcare value chain. We emphasize fair, transparent, and ethical practices and seek partners who share the same commitment towards compliance with laws, regulations, published standards and environmental practices.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Physical and virtual meetings, customer events, calls, e-mail, website	Need based	We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/ tenders and maximize the outreach of our products.
Shareholders & Investors	No	We interact with our shareholders, potential investors and research analysts through investor meetings/ calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports. We also provide various updates on our website and other places of engagement.	Frequent and need based	We engage with them so that they can take an informed decision to invest in our Company. The key areas of engagement include an update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks, our ESG goals/ actions, and material events which may have a positive or negative impact on the performance of the Company.

PRINCIPLE 5. Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2022-23			FY 2021- 22		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	1033	1033	100%	2731	2731	100%
Other than Permanent						
Total Employees	1033	1033	100%	2731	2731	100%
Workers						
Permanent	146	146	100	676	676	100%
Other than permanent						
Total Workers	146	146	100	676	676	100%

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No. (E)	%(E/D)	No.(F)	%(F/D)
Employees Permanent										
Male	1015	0	0	1015	100%	2712	0	0	2712	100%
Female	18	0	0	18	100%	19	0	0	19	100%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers Permanent										
Male	120	0	0	120	100%	650	0	0	650	100%
Female	26	0	0	26	100%	26	0	0	26	100%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/ salary/ wages (including differently abled)

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors	6	INR 431.63 Lakhs	1	INR 18.00 Lakhs
Key Managerial Personal	1	INR 132.00 Lakhs	1	INR 45.00 Lakhs
Employees other than BoD and KMP	1014	INR 9871.68 Lakhs	16	INR 233.65 Lakhs
Workers	120	INR 264.79 lakhs	26	INR 36.10 Lakhs

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has enforced various policies which take care of human rights and any grievance shall be escalate to the HR team which is basically responsible to implement the policies and accordingly Hr team shall take suitable measures to redress grievances relating to violation of human rights if any.

6. Number of complaints on the following made by employees and workers

Category	FY 2022- 23			FY 2021- 22		
	Filed during the day	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human right related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Discrimination has no place within our organization, and we maintain a zero-tolerance policy towards all forms of discrimination, including sexual discrimination. We actively encourage employees, contractors, and suppliers to report any instances of discrimination they witness. We promptly and effectively address these reports, ensuring that appropriate action is taken.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments of the year

Category	% of plants and offices that were assessed by the entity or by the statutory authorities or third parties
Child Labour	
Forced/Involuntary Labour	
Sexual harassment	100%
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

During the assessment, no significant risks/concerns identified

PRINCIPLE 6. Businesses should respect and make efforts to protect and restore the environment.**Essential Indicators:****1. Details of total energy consumption (in Joules or multiples) and energy intensity**

Parameter	FY 2022-23 (GJ)	FY 2021-22 (GJ)
Total electricity consumption (A)	64499.98	68065.78
Total fuel consumption (B)	39598.60	51249.86
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	104098.58	119315.63
Energy intensity per Lac ₹ of turnover (Total energy consumption/ turnover in rupees)	4.68	3.50
Energy intensity per Kg of (Finished Products)	-	-

Note : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. Does the entity have any Sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No .

3. provide details of the following disclosures related to water, in the following format

Parameter	FY 2022-23	FY 2021-22
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	-	-
(ii) Ground water	14660.00	21904.00
(iii) Third party water	39654.60	999.00
(iv) Seawater / desalinated water	-	-
(v) Others	7434.21	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	61748.81	22903.00
Total volume of water consumption (in kiloliters)	61748.81	22903.00
Water intensity per Lac ₹ of turnover (Water consumed / turnover)	2.78	0.67
Water intensity per Kg of (Finished Products)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

4. Has the entity implemented mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has implemented a mechanism for Zero Liquid Discharge (ZLD) for Unit 3&6 located at Dabaspet, Karnataka. Unit 4 located at Jadcherla, Telangana sends pre-treated wastewater to CETP for further treatment. Unit 7 located at Nacharam, Telangana also sends pre-treated waste water to CETP for treatment.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify Unit	FY 2022- 23	FY 2021-22
NOx	MT/A	0.68	0.60
SOx	MT/A	0.46	0.41
Particulate Matter	MT/A	0.71	0.75
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	MT/A	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify (HCl mist)	MT/A	-	-

Note: Indicate if any Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes name of the external agency

Yes, the air emission monitoring has been conducted by the MoEF&CC approved laboratory having accreditation from the National Accreditation Board for Testing and Calibration Laboratories.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity, in the following format

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1523.28	1516.97
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	14691.66	15503.87
Total Scope 1 and Scope 2 emissions per Lac ₹ of turnover	TCO ₂ e/₹	0.73	0.50
Total Scope 1 and Scope 2 emission intensity per Bn Doses of (Finished Products)		-	-

Note: Indicate if any Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, then provide details

No

7. Does the entity have any project related to reducing Green House Gas emission. If Yes, then provide details.

Yes. In line with our goal of becoming 'Carbon Neutral by 2030', we work towards improving the energy conservation, energy efficiency, use of renewable energy and use of biofuels across operational locations by implementing several projects to enhance the proportion of renewable energy resources (electricity and biofuels) in our total energy mix and reduction of greenhouse gases (GHGs).

The Company consciously sources its energy from the renewable fuel resources to reduce its carbon footprint and monitors the consumption on daily basis.

Project implemented for use of renewable biofuels has achieved 92% and 90% fuels from renewable biofuel resources during FY22 and FY23 respectively.

GHG reduction achieved by (replacing coal with biomass): FY22 – 2073.00 tCO₂e and FY23 – 1653.00 tCO₂e respectively.

8. Details of waste generated, re-cycled re-used and disposed off.

Parameter	FY 2022- 23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.67	1.18
E-waste (B)	-	-
Bio-medical waste (C)	5.45	4.97
Construction and demolition waste (D)	-	-
Battery waste (E)	49.00	-
Radioactive waste (F)	-	-
Other Hazardous waste (G)	24.32	13.66
Other Non-hazardous waste generated (H) (Break-up by composition i.e., by materials relevant to the sector)	11.19	13.26
Total (A+B+C+D+E+F+G+H)	90.63	33.07
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i. Re-cycled	61.51	11.13
ii. Re-used	-	-
iii. Other recovery operations	-	-
Total	61.51	11.13
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i. Incineration	9.77	15.57
ii. Landfilling	9.03	2.45
iii. Other disposal operations	-	-
Total	18.80	18.02

Note: Indicate if any Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have waste management system in place at all our facilities. E waste is sold to authorised recyclers. Shilpa has consistently scaled up its waste management practices by reducing waste quantities and environmentally sound disposal of waste to authorised Treatment, Storage and Disposal Facilities (TSDF). In keeping our focus on sustainable company operations. We ensure that the waste generated by our operations is effectively monitored and disposed of in accordance with all relevant regulatory standards and to the PCB authorised vendors. We have dedicated storage area for different type of waste (hazardous, biomedical, and non-hazardous) and waste segregation is done at source. All types of wastes are labelled, stored and disposed as per applicable rules and consent to operate.

10. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format

S No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not applicable

11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year: Not applicable

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not provide the details of all such non-compliances in the following format.

Yes.

PRINCIPLE 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/associations. - 5
b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/ associations (State/National)
1	Raichur Chamber of Commerce & Industry	State
2	Pharmexcil, Hyderabad	National
3	Raichur Chemical Manufactures Association	State
4	Federation of Karnataka Chambers of Commerce & Industry	State
5	Export Promotion Council for EOU and SEZ	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities. - NIL

PRINCIPLE 8. Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.-

The company conducts internal monitoring and identifies the outcome and impact. The details of the assessments are further shared during the CSR meetings.

2. Provide information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity, in the following format.

NIL

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY23
NIL						

3. Describe the mechanisms to receive and redress grievances of the community

Most of the activities are carried out in discussion and agreement with the community members. In case of any grievances, the community leaders can reach out to the Company's point of contact (POC) at each of the units. The POC is directly and easily accessible to the community to address any concerns that may arise. Depending on the nature of complaint, relevant stakeholders are engaged to resolve any issue

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	11%	9%

Particulars	FY 2022-23		FY 2021-22	
	Local	non-Local	Local	non-Local
Sourced directly from within the district and neighbouring districts	41%	59%	44%	56%

PRINCIPLE 9. Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback

We have Standard Operating Procedure (SOP) in Place to handle the consumer complaints and feedback. The complaints are received by email and reply after due investigation. Each complaint is logged in and evaluated and investigated from either a (i) Quality or a (ii) Safety or (iii) both perspectives. Complaint is closed after investigation and appropriate regulatory action has been taken

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about –

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	100%. There are social parameters relevant to the responsible, safe and prescribed usage of the product
Safe and responsible usage	100 % all the products have usage / directions mentioned on leaflets/ packaging.
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following

Particulars	FY 2022-2023		Remarks	FY 2021-2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy						
Advertising						
Cyber-security						
Delivery of essential services		Nil			Nil	
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues: - Nil

Particulars	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Nil

5. Does the entity have framework / policy on cyber security and risks related to data privacy? **(Yes/No)** If available, web-link of the policy.

Yes, Company has a privacy policy for all its legal entities and business. This can be accessed on our website.

6. provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

We take proactive steps in case any issue arises pertaining to any one of these categories

MANAGING DIRECTOR'S CERTIFICATION

To
The Board of Directors
Shilpa Medicare Limited

I, Vishnukant C Bhutada, Managing Director of Shilpa Medicare Limited, certify that:

I have reviewed financial statements and the cash flow statement for the financial year ended 31 March 2023 and that to the best of my knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- 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.

There are, to the best of my 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.

I 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.

I have indicated to the Auditors and Audit Committee:

- Significant changes in internal control over financial reporting during the year.
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
- That there have been no instances of significant fraud of which I 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: 25 May 2023

Sd/-
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 2023.

Place: Raichur
Date: 25 May 2023

Sd/-
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, 2023**, 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, 2023.

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.

Date: 01 September 2023
Place: Hyderabad

Sd/-
D.S. RAO
ACS No.: 12394
CP. No.: 14487
UDIN: A012394E000907519
PEER REVIEW CER NO.: 1817/2022

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, 2023** 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 Inani	Chairman, Non-Executive Director	01301385
3	Sharath Reddy Kalakota*	Whole-time Director	03603460
4	Sirisha Chintapalli@	Independent Director	08407008
5	Hetal Madhukant Gandhi	Independent Director	00106895
6	Arvind Vasudeva	Independent Director	00669039
7	Kamal Kishore Sharma\$	Independent Director	00209430
8	Anita Bandyopadhyay!	Independent Director	08672071

* re-appointed as a whole-time director w.e.f. October 01, 2022.

@ Ceased as an independent Director w.e.f. September 28, 2022.

\$ Appointed as an Independent director w.e.f. July 01, 2022.

! Appointed as an Independent director w.e.f. August 11, 2022.

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.

Date: 01 September 2023
Place: Hyderabad

Sd/-
CS D.S. RAO; PCS
ACS. No.: 12394
CP. No.: 14487
UDIN: A012394E000907563
PEER REVIEW CER NO.: 1817/2022

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, 2023, 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.

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, 2023, and its profits 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 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 Standalone 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 the standalone 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.

The key audit matter	How the matter was addressed in our audit
<p>Revenue from sale of products and services</p> <p>Refer to Note 1.1 (L) of the summary of significant accounting policies to the standalone Ind AS financial statements.</p> <p>Revenue is recognised when the entity has transferred the control for the promised goods or Services or on completion of performance obligation. The Company has a large number of customers operating in various geographies and sale contracts with customers have different terms relating to the recognition of revenue. Terms of sales arrangement, including the timing of transfer of control, Inco terms and identification of Performance obligations in case of service contracts require significant judgement in determining revenue.</p> <p>We identified the recognition of revenue from sale of products and services as a key audit matter as revenue is a key performance indicator and there could be a risk that revenue is recognised in the incorrect period.</p>	<p>Principal audit procedures</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the Company's accounting policies related to revenue recognition and assessed its compliance in terms of Ind-AS 115 'Revenue from contracts with customers'; • We performed a walkthrough, evaluated the design and tested the operating effectiveness of controls related to the revenue recognition process; • For revenue from sale of products, we selected samples (including year-end testing of cut-off transactions) and tested the underlying documents, including customer contracts, invoices and shipping documents to assess and analyze the timing of recognition of revenue and contractual terms; Performed trend analysis over revenue as compared to previous periods. • Assessing journal entries posted to revenue to identify unusual items not already covered by our audit testing. • For revenue from sale of services, we selected samples and tested underlying documents and read, analysed the distinct performance obligations in these contracts. • We assessed the disclosures in accordance with Ind AS 115 "Revenue from contracts with customers"
<p>Impairment of Investment in and Loans to Subsidiaries, Associates and Joint Ventures</p> <p>The Company has investments of Rs. 24,922.26 Lakhs in equity and preference shares in subsidiaries, associates and joint ventures as at March 31, 2023. Further the Company has granted loans having a carrying value of Rs. 79,984.79 lakhs as at March 31, 2023.</p> <p>The carrying value of investments in and loans to 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 (d) in the Standalone Financial Statements for details of accounting policies on impairment of assets and related disclosures.</p> <p>Valuation of investment in and loans to 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 and loans to the said subsidiaries, associates and joint venture in the notes to the standalone financial statements.

Minimum Alternate Tax (MAT) Credit
Entitlement – Deferred tax assets

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, 2023 is Rs.6,471.46 Lakhs (refer note 1.1(r) to the standalone financial statements).

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.

Principal audit procedures

In respect of such deferred tax assets, we assessed recoverability from a tax perspective by performing the following procedures:

- 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

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.

We validated the appropriateness of the related disclosures in the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information 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.

When we read the other sections of the Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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 of each Company.

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 scepticism 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 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 of the company 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, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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) 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide

any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
 - h) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - i) The Board of Directors of the Company have proposed not to declare any final dividend for the year.
- 3) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **Bohara Bhandari Bung and Associates LLP.**
Chartered Accountants
Firm's Regn No. 00081275/S200013

CA. Yogesh R Bung
Partner

Place: Raichur
Date: 25.05.2023

Membership No. 143932
UDIN: : 23143932BGVPPY1794

Annexure - A to the Independent Auditor's Report:

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except for the following which is not held in the name of the Company:

(Rs. in lakhs)

Description of the property	Gross Carrying value (in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not held in name
Leasehold land located in Jadcherla, Telangana measuring 9 acres	349.26	Raichem Lifesciences Pvt. Ltd.	No	Since 2012	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated August 31, 2012.

- d. The company did not revalue its Property, Plant and Equipment (including right of use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- e. According to the information and explanations given to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made there under.
 - ii. a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the Company has filed original / quarterly returns / statements with banks or financial institutions which are in agreement with the books of account of the Company.
 - iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee, security or granted any advances in the nature of loans, secured or unsecured to companies, limited liability partnership, and other parties during the year. However, it has granted unsecured advances in the nature of loans and also provided guarantees to its subsidiaries during the year in respect of which the requisite information is as below.

a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the company has provided loans and stood guarantee to subsidiaries as below:

(Rs. in lakhs)

Particulars	Guarantees	Loans
Aggregate amount during the year – Subsidiaries	1,500.00	22,962.36
Balance outstanding as at balance sheet date - Subsidiaries	19,179.17	79,986.14

- (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans and stood guarantee to a party other than subsidiaries.
- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments have been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount for more than ninety days. Further, the Company has not given any advances in the nature of loans to any party during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act 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.
- vii. a) According to the records, the company is generally regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues which have not been deposited on account of any disputes.
- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- g) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associates or joint ventures.
- x. a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3 (x) (a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x) (b) of the Order is not applicable to the Company.
- xi. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistleblower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the 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.
- xiv. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- b) We have considered the reports of the Internal Auditors issued till date for the period under audit.
- xv. 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 any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Para 3(xvi) (a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, para 3 (xvi)(b) of the Order is not applicable to the Company.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence Para 3(xvi) (c) of the said Order is not applicable to the Company.
- d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, para 3(xvi) (d) of the said Order is not applicable to the Company.
- xvii. The company has not incurred any cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our

attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under Para 3(xx) of the Order is not applicable to the Company.

for **Bohara Bhandari Bung And Associates LLP.**

Chartered Accountants

Firm's Regn No. 0008127S/S200013

CA. Yogesh R Bung

Partner

Place: Raichur

Membership No. 143932

Date: 25.05.2023

UDIN: 23143932BGVPPY1794

Annexure – B to the Independent Auditor’s Report on the standalone financial statements of Shilpa Medicare Limited for the year ended 31 March 2023.

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, 2023 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 management is responsible for establishing and maintaining internal financial controls based on the internal control 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 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 standalone 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 standalone 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 control with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal controls 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 **Bohara Bhandari Bung and Associates LLP.**

Chartered Accountants
Firm's Regn No. 0008127S/S200013

CA. Yogesh R Bung

Partner

Place: Raichur
Date: 25.05.2023

Membership No. 143932
UDIN: 23143932BGVPPY1794

Standalone Balance Sheet

As at 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-Current Assets			
(a) Property, plant & equipment	2	49,563.27	52,739.20
(b) Right-of-use assets	2A	2,134.72	2,090.72
(c) Capital work-in-progress	3	4,183.93	5,256.58
(d) Intangible assets	4	9,195.44	1,747.90
(e) Intangible assets under development	5	18,458.84	24,054.89
(f) Financial assets	6		
(i) Investments		24,392.39	23,749.57
(ii) Loans		78,562.52	57,797.46
(iii) Other financial assets		315.72	259.41
(g) Other non-current assets	7	1,433.92	1,525.88
Total Non-Current Assets		1,88,240.75	1,69,221.61
Current Assets			
(a) Inventories	8	9,450.01	10,176.74
(b) Financial assets	9		
(i) Investments			
(ii) Trade receivables		11,189.59	10,273.44
(iii) Cash and cash equivalents		458.18	1,554.71
(iv) Other bank balance other than (iii) above		24.64	28.34
(v) Loans		1.34	1.27
(vi) Others financial assets		38,413.23	4,333.19
(c) Other current assets	10	2,744.21	3,768.84
(d) Current tax assets (net)	11	1,213.83	807.41
Total Current Assets		63,495.03	30,943.94
Assets classified as held for sale	12	-	89,446.10
TOTAL ASSETS		2,51,735.78	2,89,611.66
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	868.02	868.02
(b) Other equity	14	2,10,890.37	2,05,698.77
Total Equity		2,11,758.39	2,06,566.79
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities	15		
(i) Borrowings		12,280.33	12,027.58
(ii) Lease liability		180.14	122.67
(iii) Others		500.00	500.00
(b) Provisions	16	82.68	583.27
(c) Deferred tax liabilities (Net)	17	2,617.56	7,503.95
(d) Other non-current liabilities	18	176.11	277.43
Total Non-Current Liabilities		15,836.82	21,014.90
Current Liabilities			
(a) Financial Liabilities	19		
(i) Borrowings		16,461.29	7,375.34
(ii) Lease Liability		36.56	0.60
(iii) Trade Payables			
- Total outstanding dues of micro and small enterprises		491.61	278.33
- Total outstanding dues of other than micro and small enterprises		2,700.60	2,111.17
(iv) Other financial liabilities		2,320.78	4,328.24
(b) Other Current Liabilities	20	1,173.06	1,406.89
(c) Provisions	21	956.65	664.76
Total Current Liabilities		24,140.55	16,165.33
Liability directly associated with assets classified as held for sale		-	45,864.64
TOTAL EQUITY & LIABILITIES		2,51,735.78	2,89,611.66

The accompanying notes form an integral part of the standalone financial statements 01 to 52

As per our report of even date attached
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No. 008127S/S200013

Yogesh. R. Bung
Partner
M.No.143932

Place : Raichur
Date : 25.05.2023

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

Omprakash Inani
Chairman
DIN : 01301385

Ritu Tiwary
Company Secretary

Vishnukant Bhutada
Managing Director
DIN : 01243391

Alpesh Maheshkumar Dalal
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended 31 March, 2023

(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, 2023	For the year ended 31 March, 2022
Continuing operations :			
INCOME			
(a) Revenue from operations	22 & 23	24,770.20	35,695.18
(b) Other Income	24	6,864.42	4,086.20
Total Income		31,634.62	39,781.38
EXPENSES			
(a) Cost of materials consumed	25	6,260.67	7,518.73
(b) Purchases of stock-in trade	26	1,551.32	677.73
(c) Change in inventories of finished goods, work-in-progress and stock-in- trade	27	407.96	(317.86)
(d) Employee benefits expense	28	11,045.20	11,056.99
(e) Finance costs	29	2,082.51	905.36
(f) Depreciation and amortisation expenses	2&4	4,654.75	3,481.77
(g) Other expenses	30	9,905.16	14,590.97
Total Expenses		35,907.57	37,913.69
Profit before exceptional item and tax from continuing operations		(4,272.95)	1,867.69
Exceptional (income) / expense	31	1,554.65	(880.90)
Profit/(Loss) before tax from continuing operations		(5,827.60)	2,748.59
Tax Expenses of continuing operations			
a) Current Tax		(836.56)	480.23
b) Deferred Tax (net of MAT credit)		(42.74)	252.52
Total tax expenses		(879.30)	732.75
Profit for the year from continuing operations		(4,948.30)	2,015.84
Discontinued operations:			
Profit/ (loss) before tax from discontinued operation		7,095.22	16,540.71
Tax expense/(credit) of discontinued operation		(3,572.38)	4,457.74
Profit for the year from discontinued operations		10,667.60	12,082.97
Profit for the year		5,719.30	14,098.81
Other comprehensive Income / (Expenses) from continued operation			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability)/asset (net of tax)		(283.63)	18.36
(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)		-	22.73
Total other comprehensive income / (loss) for the year from the continued operations		(283.63)	41.09
Other comprehensive Income from discontinued operation			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/ (asset) (net of tax)		(144.96)	159.61
Total other comprehensive income / (loss) for the year from the discontinued operations		(144.96)	159.61
Total comprehensive income/(expenses) for the year from continuing operations		(4,664.67)	2,056.93
Total comprehensive income for the year from discontinued operations		10,812.56	11,923.36
Total comprehensive income for the year		6,147.89	13,980.29
Earning per equity share, par value of Rs.1/- each			
Continuing operations :			
Basic (Rs.)		(5.70)	2.41
Diluted (Rs.)		(5.70)	2.41
Discontinued operations :			
Basic (Rs.)		12.29	14.46
Diluted (Rs.)		12.29	14.46

The accompanying notes form an integral part of the standalone financial statements 01 to 52

As per our report of even date attached
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No. 008127S/S200013

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

Yogesh. R. Bung
Partner
M.No.143932

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

Place : Raichur
Date : 25.05.2023

Ritu Tiwary
Company Secretary

Alpesh Maheshkumar Dalal
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended 31 March, 2023

(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, 2021	815.27
Changes in equity share capital during the year	52.75
Balance as at 31 March, 2022	868.02
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	868.02

B. Other Equity

Particulars	Securities Premium	General Reserves	Retained Earnings	Other Comprehensive Income (OCI)		Gain on forfeiture of equity shares	Total
				Cash flow hedge reserve	Remeasurement of defined benefit plan		
Balance as at 01 April, 2021	42,863.93	5,182.68	1,15,244.38	(25.32)	(306.52)	8.76	1,62,967.91
Profit for the year	-	-	14,098.80	-	-	-	14,098.80
Other Comprehensive income, net of tax	-	-	-	22.73	(125.09)	-	(102.36)
Addition/Deletion during the year	29,631.20	-	-	-	-	-	29,631.20
Dividend including dividend distribution tax	-	-	(896.79)	-	-	-	(896.79)
Balance as at 31 March, 2022	72,495.13	5,182.68	1,28,446.39	(2.59)	(431.61)	8.76	2,05,698.76
Profit for the year	-	-	5,719.30	-	-	-	5,719.30
Other Comprehensive income, net of tax	-	-	-	-	427.13	-	427.13
Dividend including dividend distribution tax	-	-	(954.82)	-	-	-	(954.82)
Addition/Deletion during the year	-	-	-	-	-	-	-
Balance as at 31 March, 2023	72,495.13	5,182.68	1,33,210.87	(2.59)	(4.48)	8.76	2,10,890.37

The accompanying notes form an integral part of the standalone financial statements 01 to 52

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 **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No. 008127S/S200013

Yogesh. R. Bung
Partner
M.No.143932

Place : Raichur
Date : 25.05.2023

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

Omprakash Inani
Chairman
DIN : 01301385

Ritu Tiwary
Company Secretary

Vishnukant Bhutada
Managing Director
DIN : 01243391

Alpesh Maheshkumar Dalal
Chief Financial Officer

Standalone Statement of Cash Flow

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A. Cash Flow From Operating Activities		
Profit/ (Loss) before tax		
- Continuing Operations	(5,827.60)	2,748.30
- Discontinued Operations	7,095.22	16,540.83
Adjustments for:		
Depreciation and amortisation expenses	4,654.75	5,588.76
Interest income	(5,395.35)	(3,251.56)
Liabilities/ Provision written back	(101.98)	(486.96)
Finance cost	2,082.51	2,675.02
Dividend income	(313.50)	(363.52)
(Profit) / Loss on sale of Asset	31.20	18.15
Bad Debts written Off	100.53	399.45
Provision for impairment loss on advance	1,422.28	-
Provision for gratuity and compensated absence	(37.78)	428.74
Corporate Guarantee fees	(104.36)	(145.61)
Capital Subsidy (Grants)	(2.64)	(12.93)
Unrealised foreign exchange (gain)/loss	(784.89)	(704.32)
Net gain recognised on sale of stake in Associate company	(5,238.96)	(890.90)
Provision for Diminution in the value of Investment- exceptional	132.37	10.00
Operating Profit before working capital changes	(2,288.20)	22,553.47
Movement in Working Capital		
Decrease/(increase) in inventories	(1,800.22)	(1,752.11)
Decrease/(increase) in trade receivables	3,137.50	(15,466.30)
Increase / (decrease) trade payables	2,544.87	8,133.83
Decrease / (increase) in financial and non financial assets	783.94	5,846.19
Increase / (decrease) in financial liabilities and other liabilities	(1,328.67)	1,521.13
Cash Generated from Operations	1,049.22	20,836.21
Taxes Paid	(841.12)	(3,449.40)
Net Cash flow generated /(used) from operating activities (A)	208.10	17,386.81
Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets (refer note ii)	(5,827.18)	(17,345.22)
Proceeds from sale of assets	60.66	19.22
Loan given to subsidiaries and others	(22,962.35)	(21,811.16)
Recovery of loans from subsidiaries and others	1,290.89	132.29
Purchase of Investments	(775.19)	(3,793.78)
Proceeds from sale of business on slump sale	15,392.11	-
Proceeds from sale of stake in group Companies	-	2,856.75
Movement in other bank balances	3.70	(2.26)

Standalone Statement of Cash Flow (Cont..)

for the year ended 31 March, 2022

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest Received	3,287.79	1,947.03
Dividend Received	50.00	100.02
Net cash flow generated/(used) from investing activities (B)	(9,479.57)	(37,897.11)
Cash flows from Financing Activities		
Proceeds from Issue of Shares (net of transaction cost)	-	29,683.96
Proceeds from/(repayment of) long-term loans and borrowings (net)	(985.50)	(10,541.05)
Proceeds from/(repayment of) short-term loans and borrowings (net)	12,872.46	(5,812.14)
Payment of lease liabilities	(40.42)	(25.20)
Dividend paid including DDT	(954.82)	(896.80)
Interest paid	(2,123.85)	(2,686.21)
Net cash flow generated/(used) from financing activities (C)	8,767.87	9,722.56
Net increase in cash and cash equivalents (A+B+C)	(503.60)	(10,787.74)
Cash and cash equivalents at the beginning of the year	713.48	11,501.22
Cash and cash equivalents at the end of the year	209.88	713.48
Component of Cash and Cash Equivalent	209.88	713.48
Cash in Hand	20.98	23.42
Balance with Banks in current account	290.65	1,186.39
Deposits with original maturity of less than 3 month	146.57	344.89
Book overdraft	(248.32)	(849.01)
Cash included in asset held for sale	-	7.79

The accompanying notes form an integral part of the standalone financial statements 01 to 52

Note:

- Previous year figures have been reclassified wherever necessary.
- Purchase and sale of property, plant and equipment and intangibles represents additions and deletions to property, plant and equipment, intangibles, intangibles under development further adjusted for movement of capital work in progress, capital advances, capital creditors during the year.
- Adjusted for bank-overdraft of Rs.248.32 (PY Rs. 849.01 lakhs) for the period ended 31 March 2023 and Rs. 7.79(PY Nil) included in Asset held for sale.
- 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 Bohara Bhandari Bung And Associates LLP
Chartered Accountants
Firm's Registration No. 0081275/S200013

Yogesh. R. Bung
Partner
M.No.143932

Place : Raichur
Date : 25.05.2023

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

Omprakash Inani
Chairman
DIN : 01301385

Ritu Tiwary
Company Secretary

Vishnukant Bhutada
Managing Director
DIN : 01243391

Alpesh Maheshkumar Dalal
Chief Financial Officer

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023. 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 31 March, 2023 were approved by the Board of Directors on May 25, 2023.

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, 2023

(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 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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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 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),

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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) 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:

- a) The contract involves use of an identified asset;
- b) The Company has substantially all the economic 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 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.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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.

iv. Milestone payments and out licensing arrangements

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of these obligations, the Company recognise or defer the upfront payments received under these arrangements. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the Milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive.

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer."

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.

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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

(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:

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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

Investments are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each investment. When the recoverable amount of the investment is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above investments have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the business. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include :

- a) Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.
- b) A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate ranging from 1-3%. This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- c) The after tax discount rates used reflect the current market assessment of the risks specific to the investment, the discount rate is estimated based on the weighted average cost of capital for respective investment. After tax discount rate used range from 12%-16%

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

During the year, the company has made provision for losses of investments amounting to Rs.1,500 Lakhs In two of its foreign

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

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subsidiaries namely Koanna Healthcare GmbH, Austria & Koanna Healthcare Limited, United Kingdom.

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 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.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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) Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

w) 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 Indian Accounting Standards (Ind AS): Standards Issued But Not Yet Effective.

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1, "Presentation of Financial Statements"-

Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

Ind AS 8, "Accounting policies, Change in Accounting Estimates and Errors"-

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.

- A company develops an accounting estimate to achieve the objective set out by an accounting policy.
- Accounting estimates include:
 - a) Selection of a measurement technique (estimation or valuation technique)
 - b) Selecting the inputs to be used when applying the chosen measurement technique.

The amendments will help entities to distinguish between accounting policies and accounting estimates.

Ind AS 12, "Income Taxes"- Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences.

Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Company has evaluated the effect of the above on the financial statements and the impact is not material.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2022	Additions	Transfer	Deduction/ Adjustment during the Year	Transferred on account of Slump Sale	As at 31 March, 2023	As at 01 April, 2022	For the Period	Deduction/ Adjustment during the Year	Transferred on account of Slump Sale	As at 31 March, 2023
Tangible Assets											
i) Owned											
a) Borewell	12.28	-	-	-	-	12.28	9.13	0.65	-	0.01	9.78
b) Building	14,688.71	4.27	-	-	4.27	14,688.71	1,393.26	525.75	-	60.69	1,858.32
c) Canteen Equipment	69.38	-	-	-	-	69.38	18.54	11.70	-	0.01	30.23
d) Computer	763.28	17.86	-	-	7.46	773.68	463.00	137.36	-	5.38	594.98
e) Network Server equipment	297.94	2.16	-	-	2.16	297.94	96.01	45.28	-	1.81	139.49
f) Electrical Installation	4,072.77	122.53	-	-	84.97	4,104.38	1,397.68	438.96	(2.02)	57.58	1,777.04
g) ETP Machinery	138.43	-	-	-	-	138.43	7.59	13.90	-	7.33	14.17
h) Furniture	1,686.87	11.46	-	-	2.93	1,694.52	669.69	162.19	0.31	11.62	820.57
i) Land & Green Field	773.11	-	-	-	-	773.11	-	-	-	-	773.11
j) Lab Equipments	12,141.24	331.53	102.29	75.27	111.62	12,183.59	2,331.58	1,193.85	(65.57)	84.20	3,375.66
k) Office Equipment	156.05	2.69	-	-	1.40	157.34	89.48	19.59	-	1.44	107.63
l) P/M (Power Generation Unit)	3,843.04	-	-	-	-	3,843.04	2,315.86	103.97	-	-	2,419.83
m) Pipeline	1,249.32	56.36	-	-	29.95	1,275.73	275.28	131.17	-	73.03	333.42
n) Plant & Machinery	27,290.88	803.45	-	-	314.38	27,765.68	5,679.37	1,543.24	(7.42)	242.87	6,972.32
o) Pollution Control Equipment	9.17	-	-	-	-	9.17	0.04	0.49	-	0.10	0.44
p) Vehicle	257.08	-	-	-	54.59	202.49	71.75	26.15	(32.61)	0.14	65.16
q) EHS Equipment	114.52	-	1.24	-	-	113.28	12.95	12.66	1.46	1.83	25.24
r) Vehicles Electrical Operated	40.36	-	-	-	-	40.36	33.98	1.60	-	-	35.58
Total	67,604.43	1,352.31	103.53	150.96	559.14	68,143.11	14,865.19	4,368.50	(105.85)	548.02	18,579.83
											49,563.27

4 INTANGIBLE ASSET

Particulars	Gross Block				Depreciation / Adjustment				Net Block		
	As at 01 April, 2022	Additions	Transfer	Deduction/ Adjustment during the Year	Transferred on account of Slump Sale	As at 31 March, 2023	As at 01 April, 2022	For the Period	Deduction/ Adjustment during the Year	Transferred on account of Slump Sale	As at 31 March, 2023
a) Computer software	1,030.87	45.22	-	1.72	7.22	1,067.15	356.16	183.75	(2.63)	21.64	515.64
b) Technical Know How	861.29	8,173.68	-	(21.88)	-	9,056.84	94.05	536.36	24.06	1.19	653.28
c) DMF/ANDA/Patents Fees	646.97	-	-	-	-	646.97	341.02	94.33	-	28.75	406.60
Total	2,539.13	8,218.90	-	(20.15)	7.22	10,770.96	791.23	814.45	21.43	51.58	1,575.53
											9,195.44

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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 1 April 2021	Additions	Transfer	Deduction/ Adjustment during the Period	As at 31 March, 2022	As at 1 April 2021	Depreciation On Discontinued Operation	For the Period	Dep Transfers	Adjustment (Others)	Transferred to Assets classified as held for sale	As at 31 March, 2022	As at 31 March, 2022
Tangible Assets													
i) Owned													
a) Borewell	19.90	2.80	-	-	12.28	17.87	0.06	0.46	-	-	9.26	9.13	3.14
b) Building	16,575.18	5,436.42	0.00	-	7,322.89	14,688.71	221.36	387.45	0.00	0.00	2,284.79	1,393.26	13,295.44
d) Canteen Equipment	52.64	23.20	-	-	6.46	69.38	0.06	9.08	-	-	6.08	18.54	50.84
e) Computer	901.88	287.76	-	-	426.36	763.28	26.33	114.21	-	-	365.41	463.00	300.28
f) Network Server equipment	241.23	117.66	-	-	60.95	297.94	7.90	36.31	-	-	33.50	96.01	201.91
g) Electrical installation	6,023.16	1,477.62	-	-	3,428.01	4,072.77	194.85	348.01	-	-	1,679.46	1,397.68	2,675.10
g) ETP Building	565.85	-	-	-	565.85	0.00	17.73	-	-	-	223.19	0.00	-
h) ETP Machinery	753.81	-	-	-	615.38	138.43	29.87	6.58	-	-	212.34	7.59	130.83
i) Furniture	1,859.20	521.69	-	-	694.02	1,686.87	41.74	144.15	-	-	360.26	669.69	1,017.18
j) Land and Green field	1,119.84	319.81	-	-	666.54	773.11	-	-	-	-	-	0.00	773.11
k) Lab Equipments	8,437.78	91,492.3	207.96	1.44	5,236.37	12,141.24	311.19	713.41	(60.22)	(51.33)	2,812.24	2,331.58	9,809.66
l) Office Equipment	205.01	19.99	-	-	68.95	156.05	5.76	21.84	-	-	55.89	89.48	66.57
m) P/M (Power Generation Unit)	3,843.04	-	-	-	3,843.04	2,211.88	-	103.97	-	-	-	2,315.86	1,527.18
n) Pipeline	4,524.41	31,830.5	2.60	-	6,455.53	12,493.3	1,384.45	54.11	(2.47)	-	1,356.44	275.28	974.07
o) Plant & Machinery	41,114.00	8,382.39	13.52	43.35	22,148.64	27,290.88	824.62	1,210.24	(3.58)	(6.44)	6,973.25	5,679.37	21,611.49
p) Pollution Control Equip.	37.07	9.17	-	-	37.07	9.17	0.39	0.04	-	-	31.77	0.04	9.12
q) Vehicle	168.41	136.07	-	-	47.40	257.08	2.03	23.67	-	-	44.55	71.75	184.77
r) weigh bridge	8.42	-	-	-	8.42	0.00	0.47	-	-	-	6.26	0.00	-
s) EHS Equipment	164.95	28.16	-	-	78.59	114.52	6.28	10.33	-	-	26.98	12.95	101.57
t) Vehicles Electrical Operated	40.36	-	-	-	-	30.34	-	3.64	-	-	-	33.98	6.94
	86,656.14	29,095.03	224.08	44.78	47,877.87	67,604.43	1,886.25	3,187.51	(66.27)	(6.44)	16,481.70	14,865.19	52,739.20

4 INTANGIBLE ASSET

Particulars	Gross Block				Depreciation / Adjustment				Net Block				
	Additions	Transfer	Deduction/ Adjustment during the Period	As at 31 March, 2022	As at 1 April 2021	Depreciation On Discontinued Operation	For the Period	Dep Transfers	Adjustment (Others)	Transferred to Assets classified as held for sale	As at 31 March, 2022	As at 31 March, 2022	
Intangible Assets													
Computer software	1,130.43	518.45	-	4.14	613.86	1,030.87	624.18	117.46	-	-	475.30	356.16	674.71
Technical Know How	454.10	476.75	-	-	69.57	861.29	46.15	69.78	-	-	21.89	94.05	767.24
DMF/ Patents Fees	1,436.96	372	-	-	1,161.92	646.97	690.50	65.58	-	-	511.36	341.02	305.96
Sub-Total (B)	3,021.49	1,367.14	-	4.14	1,845.35	2,539.13	1,360.83	252.82	-	-	1,008.56	791.23	1,747.90

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

2A RIGHT OF USE OF ASSETS

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net block	
	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 01.04.2022	For the period	Deductions/ Other adjustments	As at 31.03.2023	As at 31.03.2023
Leasehold Land	2,212.18	12.93	18.74	2,206.36	121.46	37.72		159.19	2,047.18
Leasehold Building	-	121.22	-	121.22	-	33.67	-	33.67	87.54
Total	2,212.18	134.14	18.74	2,327.58	121.46	71.39	-	192.86	2,134.72

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net block	
	As at 01.04.2021	Additions	Disposals (Held for sale)	As at 31.03.2022	As at 01.04.2021	For the period	Deductions/ Other adjustments	As at 31.03.2022	As at 31.03.2022
Leasehold Land	2,217.84	7.27	12.93	2,212.18	47.72	73.74	-	121.46	2,090.72
Total	2,217.84	7.27	12.93	2,212.18	47.72	73.74	-	121.46	2,090.72

3 CAPITAL WORK-IN-PROGRESS

Particulars	As at 01 April, 2022	Additions	Deletions/ Transfer	As at 31 March, 2023
a) Machinery under erection	2,654.98	1,435.24	2,275.74	1,814.48
b) Projects under erection	2,601.61	2,359.86	2,592.02	2,369.45
Total	5,256.58	3,795.10	4,867.76	4,183.93

Particulars	As at 01 April, 2021	Additions	Deletions/ Transfer	As at 31 March, 2022
a) Machinery under erection	3,115.02	3,538.51	3,998.55	2,654.98
b) Projects under erection	26,603.60	3,380.71	27,382.71	2,601.61
Total	29,718.62	6,919.22	31,381.26	5,256.58

5 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 01 April, 2022	Additions	Deletions/ Transfer	As at 31 March, 2023
a) Software under installation	38.19	17.97	36.40	19.76
b) Product under development	24,015.14	2,596.06	8,173.68	18,437.52
c) DMF /ANDA/Patents Fees	1.56	-	-	1.56
Total	24,054.89	2,614.03	8,210.08	18,458.84

Particulars	As at 01 April, 2021	Additions	Deletions/ Transfer	As at 31 March, 2022
a) Software under installation	86.52	14.17	62.51	38.19
b) Product under development	18,226.15	6,755.77	966.78	24,015.14
c) DMF /ANDA/Patents Fees	203.30	-	201.74	1.56
Total	18,515.97	6,769.94	1,231.02	24,054.89

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

6 FINANCIAL ASSETS

(i) Non-Current Investment

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Investments in Equity Instruments (Unquoted) (At Cost)		
I) In Subsidiary Companies		
i) 2,000 (2,000) shares of Euro 1.71 each in Zatortia Holdings Ltd, Cyprus.	4.53	63.06
ii) 1,837,634 (1,837,634) shares of of Rs.10 each in Shilpa Therapeutic (P) Ltd, Hyderabad.	1,112.46	1,112.46
iii) 15,00,000 (15,00,000) shares of Rs.10/- each in INM Technologies Pvt. Ltd., Bangalore.	113.25	113.25
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) Investment in shares of Koanaa Healthcare, Spain	6.25	6.25
vii) 100 (100) shares of USD 1 each in Shilpa Pharma INC., USA.	0.07	0.07
viii) 30,00,000 (30,00,000) shares of Rs.100/- each in Shilpa Biologicals Pvt. Ltd., Hubli.	3,360.93	3,360.93
ix) 2,00,00,000 (2,00,00,000) shares of Rs 10/- each in Shilpa Biocare Pvt. Ltd. (Erstwhile Shilpa Albumin Private Limited), Raichur.	2,045.46	2,000.00
x) 1000 (1000) shares of CAD 0.1 each in Koanna Healthcare Canada Inc., Canada.	0.06	0.06
xi) 1,00,00,000 (1,00,00,000) shares of Rs 10/- each in Shilpa Pharma Lifesciences Limited (formerly known as Shilpa Corporate Holdings Pvt. Ltd., Raichur.)	1,000.00	1,000.00
xii) Share application money in Shilpa Corporate Holdings Pvt Ltd	-	0.01
xiii) 25,000 (25,000) shares of RM 1 each in Indo Biotech SDN.BHD. Malaysia.	4.42	4.42
xiv) 3,07,697 (3,07,697) shares of Rs.10 each in FTF Pharma Pvt. Ltd. Gujarat.	6,577.97	6,577.97
xv) 10 (10) shares of AED 1000 each in Koanna International FZ-LLC, Dubai.	1.98	1.98
xvi) 95,10,000 (95,10,000) equity shares face value of Rs.10/- each in Vegil Labs Pvt Ltd,Raichur	951.00	951.00
b) Investments in Common Stock (Unquoted) (At Cost)		
i) 18,92,308 (18,92,308) common stock @ par value of 0.001 of Makindus LLC,USA	454.20	454.20
II) In Associate Companies		
i) 100,000 (100,000) shares of Rs.10 each in Reva Pharmachem Pvt. Ltd., Raichur.	10.00	10.00
III) In Joint Venture Companies		
i) 5,001 (5,001) share of Rs.10 each in Reva Medicare Pvt. Ltd., Raichur.	0.50	0.50
ii) 65,000 (65,000) shares of Rs.10 each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	6.50	6.50
c) Investments in Preference Instruments (Unquoted)(At Cost)		
I) In Subsidiary Companies		
i) 4,00,000(4,00,000) cumulative shares of Rs.10 each in Shilpa Therapeutic Pvt. Ltd., Hyderabad.	40.00	40.00

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
ii) 3,25,37,670 (3,25,37,670) cumulative shares of Rs.10 each in INM Technologies Pvt. Ltd., Bangalore.	3,253.77	3,253.77
iii) 99,30,000 (99,30,000) Non-cumulative shares of Rs.10 each in INM Technologies Pvt. Ltd., Bangalore.	993.00	993.00
iv) 39,00,012 (39,00,012) convertible preference shares of Rs.10 each in FTF Pharma Pvt. Ltd. Gujarat.	390.00	390.00
II) In Joint Venture/Associate Companies (At Cost)		
i) 14,00,000 (14,00,000) Preferred Stock at par value of USD 0.0001 each in MAIA Pharmaceuticals INC., USA.	795.69	795.69
ii) 37,32,500 (2,84,350) Non-cumulative convertible preference shares of Rs.100 each in Sravathi Advance Process Technologies Pvt.Ltd., Bangalore	3,732.50	2,843.50
d) Others (At Cost)		
I) Investments in Equity Instruments (Unquoted)		
i) Nil (741,362) shares of Rs.14 each of Prathijna Sustainable Solutions Pvt. Ltd., Bangalore.	-	103.79
ii) 2,000 (2000) shares of Rs.100 each of Mana Effluent Treatment Plant Ltd., Hyderabad.	2.00	2.00
ii) Nil (20,550) shares of Rs 251.00 each of Atria Windower (Chitradurga) Pvt Ltd	-	51.58
e) Investment in Government Securities (At Cost)	0.05	0.05
	24,934.31	24,213.77
Less: Provision for diminution in the value of investments	(464.20)	(464.20)
Less: Provision for impairment loss in value of Invest in Subsidiaries/ Associates (Refer Note no 49)	(77.72)	-
Total value of unquoted investment	24,392.39	23,749.57
Aggregate value of unquoted investment	24,392.39	23,749.57
Aggregate amount of impairment in the value of investments in the unquoted equity shares	541.92	464.20

(ii) Loans

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans to Related parties		
Considered good, unsecured		
(i) Shilpa Therapeutic Pvt. Ltd. Hyderabad (Wholly owned subsidiary)	6,039.30	4,904.30
(ii) Koanaa Healathcare GmbH, Austria. (Wholly owned subsidiary)	4,417.19	4,427.28
(iii) Koanaa Healthcare Limited, UK. (Wholly owned subsidiary)	852.40	723.47
(iv) Shilpa Pharma INC., USA. (Wholly owned subsidiary)	1,808.77	1,250.82
(v) Shilpa Biologicals Pvt. Ltd., Dharwad. (Wholly owned subsidiary)	46,647.59	38,219.55
(vi) Koanna Healthcare Canada Inc., Canada. (Wholly owned subsidiary)	972.09	834.45
(vii) Indo Biotech SDN.BHD. Malaysia. (Wholly owned subsidiary)	929.05	856.62
(viii) Koanna International FZ-LLC, Dubai. (Wholly owned subsidiary)	563.19	295.65

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(ix) Koanna Healthcare Spain S.L, Spain. (Wholly owned subsidiary)	739.26	465.63
(x) Shilpa Biocare Pvt Ltd, Kadechur (Wholly owned subsidiary)	16,482.62	5,515.16
(xi) Shilpa Lifesciences Pvt Ltd, Raichur	253.08	245.25
(xii) Shilpa Pharma Lifesciences Limited, Raichur (previously known as Shilpa Corporate Holdings Pvt Ltd Wholly owned subsidiary)	-	59.28
(xiii) Vegil Labs Pvt Ltd, Raichur (Wholly owned subsidiary)	280.25	-
Total	79,984.79	57,797.46
Less: Provision for impairment in advance in Subsidiaries	(1,422.27)	-
Total	78,562.52	57,797.46

(iii) Other Financial Asssets

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Security deposits (unsecured considered good)		
(i) Electricity deposits	236.07	195.55
(ii) Rental deposits	18.70	3.96
(iii) Telephone deposits	0.08	0.08
(iv) Miscellaneous deposits	60.87	59.82
Total	315.72	259.41

7 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Capital advances		
(i) Unsecured, considered good	1,413.81	1,413.67
b) Others		
(i) Income Tax paid under protest	-	43.33
(ii) Prepaid Expenses	20.11	32.45
(iii) Fixed deposited having maturity more than 12 months held as Security	-	36.43
Total	1,433.92	1,525.88

8 INVENTORIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Raw materials	4,047.89	4,043.97
(ii) Work-in-progress	859.53	606.51
(iii) Finished goods	2,260.93	2,668.99
(iv) Stock-in-trade	296.30	549.21
(v) Stores and Spares	1,042.18	1,344.26
(vi) Packing materials	943.18	963.80
Total	9,450.01	10,176.74

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
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 50)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
(a) Considered good	11,189.59	10,273.44
(b) Unsecured considered doubtful	100.53	391.45
Less: Written-off	(19.96)	(373.56)
Less: Excepted Credit Loss	(80.57)	(17.89)
Total	11,189.59	10,273.44

Note : Trade receivable in above note no: 9 (ii) (a) includes Rs 846.20 Lakhs (PY Rs. 3,189.65) is receivable from related parties (refer note no:46 Related Party Transaction)

Additional disclosure pursuant to amendment of revised schedule III are in note 52

(iii) Cash and Cash Equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Cash on Hand	20.97	23.42
ii) Balance with Banks		
- in current account	290.65	1,186.39
iii) Deposit with original maturity of less than 3 month	146.56	344.90
Total	458.18	1,554.71

(iv) Other Bank Balance other than (iii) above

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earmarked Balances		
(i) Unclaimed dividend Accounts	24.64	28.34
Total	24.64	28.34

(v) Loans

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Unsecured, considered good		
(i) Zatortia Holdings Ltd (Wholly owned subsidiary)	1.34	1.27
Total	1.34	1.27

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
i) Income accrued and due	18.47	42.89
ii) Staff advance	1.64	12.36
iii) Tender deposits	108.19	8.94
iv) Fixed deposit having maturity less than 12 months and held as margin money	14.00	-
v) Interest accrued on fixed deposits/others	4,936.02	2,798.67
vi) Dividend accrued on preference shares	1,733.83	1,470.33
vii) Slum Sale Consideration receivable	31,601.08	-
Total	38,413.23	4,333.19

10 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Prepaid Expenses	554.42	446.61
ii) Advances to supplier/ receivables	694.23	341.06
iii) Export incentives	414.86	-
iv) CGST /IGST /SGST receivable	1,080.70	2,981.17
Total	2,744.21	3,768.84

11 CURRENT TAX ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Income tax (Net)	1213.83	807.41
Total	1,213.83	807.41

12 ASSETS HELD FOR SALE

ACCOUNTING POLICY

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (1) Represents a separate major line of business or geographical area of operations.
- (2) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss. Additional disclosures are provided hereunder. All other notes to the Standalone financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

The shareholders of the Company vide special resolution dated March 15, 2022 by way of postal ballot, approved the transfer of Active Pharmaceuticals ingredient ("API") business undertaking to Shilpa Pharma Lifesciences Limited (formerly known as Shilpa Corporate Holdings Private Limited, a wholly owned subsidiary of the Company as a going concern on slump sale basis through Business Transfer Agreement.

On 30 June, 2022, The Company had completed the transfer of the Company's Active Pharmaceuticals Ingredient (API) business to Shilpa Pharma Lifesciences Limited, a wholly owned subsidiary of the Company for a consideration of Rs.48,630.00 Lakhs (Final consideration being Rs.47,228.00 Lakhs) after making working capital and other customary adjustments.

i. Analysis of profit from discontinuing operations

Income	for the Period ended 31.03.2023	for the Period ended 31.03.2022
Revenue from operations	19,668.37	82,487.55
Other income	98.37	440.93
Total Income	19,766.74	82,928.48
Expenditure		
Cost of material consumed	9,902.35	38,507.06
Employee benefits expense	3,640.93	12,185.26
Finance costs	393.69	1,769.66
Depreciation and amortisation expenses	606.07	2,106.86
Other expenses	3,367.45	11,818.94
Total expenditure	17,910.49	66,387.78
Profit / (loss) before tax from the discontinued operations	1,856.25	16,540.70
Exceptional (income) / expense	(5,238.96)	-
Profit before tax from the discontinued operations	7,095.21	16,540.70
Tax expense / (income)		
Current tax	1,423.59	2,889.99
Deferred tax	(4,995.97)	1,567.74
Total tax expenses	(3,572.38)	4,457.74
Profit / (loss) after tax from the discontinue operations	10,667.59	12,082.96
Other comprehensive (Income)/expenses net of tax	(144.96)	159.61
Total comprehensive income for the year	10,812.55	11,923.35

ii. Net cash flows attributable to the discontinuing

Particulars	for the Period ended 31.03.2023	for the Period ended 31.03.2022
Net cash generated from operating activities	-	12,349.06
Net cash used in investing activities	-	(5,826.89)
Net cash used in financing activities	-	(9,526.25)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

iii. The carrying amount assets of discontinued operation

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-Current Assets		
(a) Property, plant & equipment.	-	31,396.17
(b) Right of use - Lease Assets	-	12.93
(c) Capital work- in- progress	-	5,911.04
(d) Intangible assets	-	836.80
(e) Intangible assets under development	-	410.49
(f) Financial assets	-	-
(i) Investments	-	0.14
(ii) Other financial assets	-	224.67
(g) Other non-current assets	-	200.47
Total Non-Current Assets	-	38,992.71
Current Assets		
(a) Inventories	-	21,483.27
(b) Financial assets	-	-
(i) Trade receivables	-	27,094.87
(ii) Cash and cash equivalents	-	7.79
(iii) Others financial assets	-	151.01
(c) Other current assets	-	1,716.45
Total Current Assets	-	50,453.39
Total Assets	-	89,446.10

iv. Liability directly associated with assets of discontinued operation

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	-	11,477.06
(b) Provisions	-	1,073.12
(c) Other non current liabilities	-	51.55
Total of non current liabilities	-	12,601.73
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	18,196.12
(ii) Trade Payables	-	10,956.70
(iii) Other financial liabilities	-	1,954.77
(b) Other Current Liability	-	733.99
(c) Provisions	-	1,421.33
Total of current liabilities	-	33,262.91
Total of liabilities	-	45,864.64

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

13. EQUITY SHARE CAPITAL

Particulars	As at	
	31 March, 2023	31 March, 2022
Authorised share capital		
CY 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	868.02	815.27
Changes During the Year	-	52.75
Closing Balance	868.02	868.02
CY 8,68,01,898 (PY. 8,68,01,898) shares face value of Re. 1/- each.		
	868.02	868.02

(a) Reconciliation of the number of shares.

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	8,68,01,898	868.02	8,15,26,898	815.27
Add : Nil (PY-52,75,000 shares issued for face value of Re. 1/- each at Rs 564.00) issued during the year	-	-	52,75,000	52.75
Shares outstanding at the end of the year	8,68,01,898	868.02	8,68,01,898	868.02

(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, 2023		As at 31 March, 2022	
	No. of Shares	% Holding	No of Shares	% Holding
(i) Vishnukant .C. Bhutada	63,65,610	7.33	63,65,610	7.33
(ii) Dharmavati Bhutada	62,07,796	7.15	62,07,796	7.15

(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-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
Shares issue to Director of Navya Biological Pvt. Ltd. on account of merger	-	-	-	-	13,99,994

(e) Preferential allotment of equity shares

During the previous year ended 31 March 2022, the Company has raised additional capital aggregating to Rs. 29683.95 lakhs (net of expenses of Rs. 67.05 lakhs) by way of preferential allotment of equity shares. The Company has issued 52,75,000 shares at a price of Rs. 564/- per share whereby equity share capital has increased by Rs. 52.75 lakhs and securities premium account is increased by Rs. 29631.20 lakhs (net of expenses of Rs. 67.05 lakhs).

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Details of utilization of preferential allotment proceeds are as follows:

Objects of the issue	Proceeds from preferential allotment	Utilised upto 31 March 2022	Unutilised amount as on 31st March 2022
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	29683.95	29683.95	-

(f) Promoters Share Holding

S. No.	Name of the Shareholders	Number of shares held at the beginning of the year 2022	Shareholding as a % of total no. of shares as on 31.03.2022	Number of shares held at the end of the year 2023	Percentage of shares held to total shares 31.03.2023	Change in Shareholding in the year 2022-23	Change in percentage of shares held to total shares in the year 2022-23
1	VISHNUKANT CHATURBHUI BHUTADA	63,65,610	7.33	63,65,610	7.33	-	-
2	DHARMAVATI BHUTADA	62,07,796	7.15	62,07,796	7.15	-	-
3	RAVI KUMAR INNANI	40,06,370	4.62	40,06,370	4.62	-	-
4	SURAJ KUMAR INNANI	39,80,695	4.59	39,80,695	4.59	-	-
5	OM PRAKASH INANI	28,67,691	3.30	28,67,691	3.30	-	-
6	DEEPAK KUMAR INNANI	27,33,960	3.15	27,33,960	3.15	-	-
7	KANTADEVI INANI	25,40,096	2.93	25,40,096	2.93	-	-
8	MADHAV VISHNUKANT BHUTADA	20,00,000	2.30	20,00,000	2.30	-	-
9	KESHAV BHUTADA	20,00,000	2.30	20,00,000	2.30	-	-
10	RAMAKANT INNANI	14,97,778	1.73	14,97,778	1.73	-	-
11	VISHNUKANTH C BHUTADA HUF	13,36,130	1.54	13,36,130	1.54	-	-
12	TARADEVI INNANI	12,49,998	1.44	12,49,998	1.44	-	-
13	VISHNUKANTA INANI	12,12,498	1.40	12,12,498	1.40	-	-
14	BRIJGOPAL INNANI	11,74,866	1.35	11,74,866	1.35	-	-
15	NATAMAL INNANI	11,31,232	1.30	11,31,232	1.30	-	-
16	SHAKUNTALABAI INNANI	11,29,186	1.30	11,29,186	1.30	-	-
17	SAGAR INNANI	10,00,000	1.15	10,00,000	1.15	-	-
18	TRIVENI INANI	2,94,810	0.34	2,94,810	0.34	-	-
19	PRIYA INNANI	1,80,696	0.21	1,80,696	0.21	-	-
20	KAMALKISHORE INNANI	1,65,236	0.19	1,65,236	0.19	-	-
21	MANJULATHA INNANI	1,57,546	0.18	1,57,546	0.18	-	-
22	KEERTI INNANI	1,55,021	0.18	1,55,021	0.18	-	-
23	NAMRATHA BHUTADA	22,500	0.03	22,500	0.03	-	-
Total		4,34,09,715	50.01	4,34,09,715	50.01	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
a) Securities Premium Account	72,495.13	72,495.13
b) General Reserves	5,182.68	5,182.68
c) Surplus in statement of profit and loss	1,33,208.28	1,28,446.39
d) Other comprehensive income (OCI)		
i) Cash flow hedge reserve	-	(2.58)
ii) Remeasured of defined benefit plan	(4.48)	(431.60)
e) Gain on Forfeiture of Equity share	8.76	8.76
Total	2,10,890.37	2,05,698.77

15. FINANCIAL LIABILITIES

(i) Long Term Borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
Term Loans		
a) From Banks (secured)		
I) Axis Bank - Term Loan	3,125.00	5,625.00
Nature of Security		
Term loan of Rs. 10,000 lakhs 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 after moratorium period of 12 months would be in 16 equal quarterly installments of Rs 625 lakhs with the final installment falling due at the end of the June- 2025. Interest payable at monthly rests		
II) SCB - Term Loan	3,675.00	5,512.25
Nature of Security		
Term loan of Rs. 7350 lakhs was taken from SCB, Bangalore and is secured by first pari passu charge on the movable fixed assets at Jedcherla, unit and first pari passu charge on Land and building of Formulation unit at Jedcherla and also secured by personal guarantee given by two (02) 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 at monthly rests		

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) From others (Unsecured)		
a) INM Technologies Pvt Ltd	890.33	890.33
Terms of Repayment of INM loan		
Interest & Repayment Terms: Interest is be accrued on compounding basis every year and shall be paid annually The ROI is 7.50% on loan outstanding loan and repayment shall be made after 31.03.2025 in 3 equal installments, this repayment period can be extended as per mutual agreement.		
b) Bajaj Finance Limited	4,590.00	-
Nature of Security		
Sanctioned loan is Rs. 5000 lakhs and is secured by lien & pledge of equity shares of Shilpa Medicare Limited owned by 3 members of the promoters group. The securities provided for pledge or lien are free from any charge, lock in and encumbrances.		
Terms of Repayment & Interest Rate:		
Bullet repayment or the loan may be renewed at the end of the tenure at the sole discretion of Bajaj Finance Ltd. Tenure of loan is 36 months, with put/call option at the end of 12 months from the first date of disbursement. Interest to be paid monthly. Interest rate applicable for said loan shall vary basis BFL's internal credit and risk policy and as per an algorithmic multivariate score card which includes variables. Entire loan facility recall in case promoter pledging exceeds 30% or if at any time during the loan tenure share price of SML falls by 40% from the date of disbursement under this facility		
Total	12,280.33	12,027.58

(ii) Lease liability

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Land and Building	180.14	122.67
Total	180.14	122.67

(iii) Others

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Deferred Consideration Payable	500.00	500.00
Total	500.00	500.00

16 PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Provision for gratuity	82.68	583.27
Total	82.68	583.27

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

17 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Deferred tax liability (Difference in tax base of property, plant, equipment & others)	10,467.96	14,491.59
b) Deferred tax asset (On account of disallowable items under Income Tax Act)	(1,378.93)	(738.74)
c) MAT Credit Entitlement	(6,471.47)	(6,248.90)
Total	2,617.56	7,503.95

18. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Deferred revenue	-	12.44
b) Capital subsidy / Deferred Government grant	47.12	76.77
c) Corporate guarantee liability	128.99	188.22
Total	176.11	277.43

19. FINANCIAL LIABILITIES

(I) Borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured Loan		
a) Working capital loan		
From Banks		
i) Citi Bank (PCFC) [refer note 'a' & 'e' (i)' below]	-	47.68
ii) HDFC (WCDL) [refer note 'b' & 'e' (ii)' below]	1,950.00	-
iii) Citi Bank (WCDL) [refer note 'a' & 'e' (iii)' below]	757.95	1,600.00
iv) Axis Bank PCFC [refer note 'd' & 'e' (iv)' below]	698.68	2,308.66
v) IDBI-WCDL [refer note 'c' & 'e' (v)' below]	1,500.00	-
vi) Axis Bank-WCDL [refer note 'd' & 'e' (vi)' below]	4,300.00	-
vii) Citibank-Cash Credit [refer note 'a' & 'e' (vii)' below]	1,386.43	-
viii) IDBI-Cash Credit [refer note 'c' & 'e' (viii)' below]	1,990.10	-
Nature of Security		
a) 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 interchangeable between PCFC/WCDL/Cash credit and applicable interest for respective facility to be charged		

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
b) Working Capital Demand 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.		
c) Working capital from IDBI Bank Ltd (IDBI) is secured by first pari passu charge on the entire current assets of the Company in line with other working capital banks by way of hypothecation. The sanction facility is interchangeable between PCFC/WCDL/Cash credit and applicable interest for respective facility to be charged.		
d) Working capital from Axis Bank (Axis) is secured by first pari passu charge on current assets (current and future) of the Company wth additional collateral security given to other banks. The sanction facility is interchangeable between PCFC/WCDL/Cash credit and applicable interest for respective facility to be charged.		
e) Interest rate as at March 31, 2023 is as under:		
(i) CITI-PSFC/PCFC CY NA (PY 2022 -LIBOR+1.62%)		
(ii) HDFC-WCDL-12.10% (PY 2022-Nil)		
(iii) CITI-WCDL-8.60% (PY 2022-5.25%)		
(iv) AXIS-PSFC/PCFC 5.243% (PY 2022 Libor + 0.90% per annum)		
(v) IDBI-WCDL-7.80% (PY 2022-Nil)		
(vi) Axis-WCDL-8.85% (PY 2022-Nil)		
(vii) CITI-Cash Credit 13% (PY 2022-'Nil')		
(viii) IDBI-Cash Credit 8.150% (PY 2022 'Nil')		
B) Current maturity of long term debt	3,878.13	3,419.00
Total	16,461.29	7,375.34

(ii) Trade Payable (Refer Note 46 & 52)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Trade payables due to micro and small enterprises	491.61	278.33
b) Trade paybles due to other than micro and small enterprises	2,700.60	2,111.17
Total	3,192.21	2,389.50

Note : Trade payable in above note no: 19 (ii) (b) includes Rs. 1,033.12 Lakhs (PY Rs. 491.78) is payable to related parties (refer note no: 46 Related Party Transaction)

Additional disclosure pursuant to amendment of revised schedule III are in note 52

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(iii) Other financial liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Interest accrued but not due on borrowings	131.82	17.82
b) Unclaimed dividends	24.64	28.34
c) Employee benefit liability	1,141.81	1,967.37
d) Capital creditors	774.19	1,465.70
e) Book overdraft	248.32	849.01
Total	2,320.78	4,328.24

20 OTHER CURRENT LIABILITY

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Advances from customers	770.33	511.58
b) Tax deduction at source	234.01	622.97
c) ESI, Professional tax Etc.	2.71	5.09
d) Security trade deposit	0.59	140.00
e) Provident fund payable	108.27	92.55
f) Unclaimed bonus & salary	56.41	34.23
g) Custom duty	0.74	0.47
Total	1,173.06	1,406.89

21 PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Provision for employee benefits		
i) Gratuity	41.69	106.65
b) Others	914.96	558.11
Total	956.65	664.76

22 REVENUE FROM OPERATIONS - SALES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Sales of Goods		
i) Sales of products	19,859.09	31,773.11
ii) Export Incentives	666.60	373.01
iii) Energy sales	477.73	462.91
Total	21,003.42	32,609.03
Abstract		
(i) Formulation	15,884.17	30,685.83
(ii) Export Incentives	666.60	373.01
(iii) Power	477.73	462.91
(iv) Trading and others	3,974.92	1,087.28
Total	21,003.42	32,609.03

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

23. REVENUE FROM OPERATIONS - SERVICE AND LICENSE FEES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Product development & License fees	3,766.78	3,086.15
Total	3,766.78	3,086.15

24 OTHER INCOME

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Interest Income on :		
i) Deposit with bank	41.28	133.47
ii) Others	5,332.99	3,109.72
b) Liabilities written back	101.98	200.40
c) Corporate guarantee fees	104.70	145.61
d) Capital Subsidy (Grants)	2.64	1.88
e) Dividend on preference shares	263.50	263.50
f) Dividend on equity shares	50.00	100.02
g) Miscellaneous income	965.32	131.60
h) Gain on Lease Liability written off	2.02	-
Total	6,864.42	4,086.20

25 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventory at the beginning of the year	5,007.77	4,586.49
Add: Purchases	6,243.97	7,940.01
Less: Inventory at the end of the year	4,991.07	5,007.77
Cost of raw materials and packing materials consumed	6,260.67	7,518.73
Material consumed comprises of:		
i) Raw material	5,366.86	6,401.11
ii) Packing material	893.81	1,117.62
Total	6,260.67	7,518.73

26 PURCHASE OF STOCK -IN-TRADE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Purchase of Medicines/Bulk Drugs/Others	1,551.32	677.73
Total	1,551.32	677.73

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023	For the year ended 31 March, 2022
Opening Inventories		
(i) Finished goods	3,218.20	3,190.48
(ii) Work-In-process	606.52	316.38
Closing Inventories		
(i) Finished goods	2,557.23	3,218.20
(ii) Work-In-process	859.53	606.52
(Increase) / decrease in inventory	407.96	(317.86)

28 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Salaries, wages and bonus	10,276.33	10,212.37
b) Contribution to provident fund /gratuity and other funds	645.12	705.99
c) Staff welfare expenses	123.75	138.63
Total	11,045.20	11,056.99

29 FINANCE COSTS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Interest expense on financial liability measured at amortised cost :		
i) Working capital facility	855.54	208.45
ii) Term loans	1,012.86	685.20
iii) Amortised of processing fee	6.25	-
iv) Interest on unsecured Loan	189.06	0.22
v) Others	1.65	0.61
b) Interest on Lease liability	17.15	10.88
Total	2,082.51	905.36

30 OTHER EXPENSES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Power and fuel	1,870.27	1,747.30
b) Repairs and maintenance		
Buildings	219.62	235.65
Plant and machinery	1,104.27	1,669.04
Others	301.39	148.31
c) Rent	14.59	7.40
d) Foreign exchange fluctuation, (gain)/loss net)	(1,117.32)	(1,066.13)
e) Rates, taxes and fees	86.78	98.50
f) Insurance	206.36	203.06

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
g) Travelling and conveyance	280.82	244.95
h) Contractor labour charges	202.43	221.44
i) Legal & Professional fees	1,916.18	4,304.16
j) Facility fees	600.14	646.80
k) Payments to auditors (Refer Note:41)	21.58	7.10
l) Quality Control/Research and development	2,114.87	3,470.08
m) Transportation Charges	64.60	79.41
n) Commission and brokerage	145.73	682.03
o) Job work charges	-	4.22
p) Directors sitting fees	1.98	1.40
q) Sales promotion and advertisement	156.24	544.92
r) Bad debts / advance written-off	19.96	391.45
s) Clearing and forwarding expenses	310.88	329.37
t) Loss/gain) on sale /discard of assets.	31.20	15.55
u) Custom Duty & Vat GST Exp	2.30	2.93
v) CSR expenditure	328.94	111.75
w) Tech Transfer Expenses	80.44	-
x) Expected credit loss	80.57	-
y) Provision for Doubtful Capital Advance Written Off	94.60	-
z) Miscellaneous expenses	765.74	490.28
TOTAL	9,905.16	14,590.97

31 EXCEPTIONAL INCOME/ (EXPENSES)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
i) Loss on reduction of investment in Zatoria due to strike off	(54.65)	-
ii) Loss on Impairment of Investment in Subsidiaries	(1,500.00)	-
iii) Gain on sale on equity instrument	-	880.90
Total	(1,554.65)	880.90

Note: Exceptional loss for the year ended March 31,2023 of Rs.1,554.65 Lakhs (PY-Gain of Rs. 880.90) is on account of Rs.54.65 Lakhs investment write off in Zatortia Holdings Ltd, a wholly owned foreign subsidiary, Rs.1,000.00 Lakhs provision towards impairment losses on account of investment in and advance to Koanna Healthcare GmbH, Austria, a wholly owned foreign subsidiary, Rs.500.00 Lakhs provision towards impairment losses on account of investment in and advance to Koanna Healthcare Limited, United Kingdom, a wholly owned foreign susidiary. in Previous Year gain of Rs.880.90 lakhs on account of sale of investment in Zatortia Holdings Ltd, Cyprus, a wholly owned foreign subsidiary

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
a) Foreign letter of credit	-	182.96
b) Bank guarantees / Corporate guarantee (Refer Note 1 below)	44,622.03	29,464.78
c) Claims against the Company not acknowledged as debt	6,296.93	5,780.00
d) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	85.95	2,010.39
Total	51,004.91	37,438.13

1. Corporate guarantee of Rs. 44,204.50 (PY Rs. 29,205.00) lakhs for the year, includes guarantee Rs.20535.55 lakhs (PY Rs.19,851.69) given to banks for its Associates & Subsidiaries.
2. The Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.

33 EMPLOYEE BENEFIT DEFINED CONTRIBUTION PLANS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Defined Contribution Plan		
Provided fund	608.33	836.49
Movement of present value of the defined benefit obligation		
i) Change in defined benefit obligation		
Obligations at year beginning	2,096.98	1,603.18
Service cost	93.64	296.42
Interest on defined benefit obligation	47.81	108.79
Benefits settled	(168.63)	(53.17)
Actuarial (gain)/loss	(1,360.46)	141.76
Increase/(Decrease) due to effect of any business combination/divestiture/transfer*	(442.76)	-
Obligations at year end	266.58	2,096.98
ii) Change in plan assets		
Plans assets at year beginning, at fair value	179.75	195.48
Expected return on plan assets	11.84	12.53
Actuarial gain/(loss)	(96.40)	(0.53)
Benefits payout	(47.43)	(27.73)
Increase/(Decrease) due to effect of any business combination/divestiture/transfer*	94.45	-
Plans assets at year end, at fair value	142.21	179.75
iii) Amount recognised in the balance sheet		
Closing BPO	266.58	2,096.98
Closing fair value of plan assets	142.21	179.75
Net asset/(liability) recognized in the balance sheet	124.37	1,917.22

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
iv) Expenses recognised in the statement of P & L account		
Service cost	93.64	296.42
Interest cost	47.81	108.79
Expected return on plan assets	35.97	96.25
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	(40.36)	(90.53)
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(1.86)	(39.19)
Actuarial (Gain)/ Losses due to Experience on DBO	(400.54)	271.48
Return on Plan Assets (Greater) / Less than Discount rate	6.80	0.53
Total actuarial (gain)/loss included in OCI	(435.96)	142.29
v) Assets Information		
i) Insured (fund is managed with Life insurance corporation of India)	142.21	179.75
%	53.35	8.57
ii) Non fund based (Company manages at its own)	124.37	1,917.22
%	46.65	91.43
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)	7.50%	7.33%
Expected rate of return on assets		
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	11%	11%
Attrition rate of employees	29%	21%
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.

Sensitivity Analysis

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as below:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Decrease	Increase	Decrease	Increase
Discounted rate	4.24%	(3.92%)	4.50%	4.10%
Salary increase	(4.17%)	4.41%	4.10%	4.36%
Attrition rate	1.64%	(1.58%)	0.80%	0.70%

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.

*On account of slump sales agreement, the closing liability as on June, 30, 2022 has been transferred from Shilpa Medicare Limited (Holding Company) to Shilpa Pharma Lifesciences Limited (Wholly owned subsidiary)

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for the year ended 31 March, 2023

(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, 2023									As at 31 March, 2022													
	Amortised Cost			FVTPL			Carrying Amount			FVTOCI			FVTPL			Carrying Amount			FVTOCI			Total	
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
FINANCIAL ASSETS																							
I. At Amortized Cost																							
Non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,749.57
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,798.73
Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,273.44
Cash & bank balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,554.71
Other bank balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28.34
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,592.60
Total	1,53,357.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97,997.39
FINANCIAL LIABILITIES																							
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,402.92
Trade payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,389.50
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,328.24
Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123.27
Total	34,471.31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,243.93

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, 2023

(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.

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Loan	40.15	57.56	8.37	31.70	57.79	7.27
Trade receivables	74.99	36.87	-	63.55	55.48	-
Cash and cash equivalents	0.14	0.16	0.01	0.37	0.13	0.01
Short-term borrowings	-	(7.80)	-	(0.63)	(27.27)	-
Trade payables	(5.52)	(2.42)	-	(18.74)	(4.52)	-
Net Foreign Currency Risk	109.76	84.38	8.38	76.25	81.62	7.28

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
USD-Sensitivity				
Increase by 1% (gain/(loss))	90.24	57.80	-	-
Decrease by 1% (gain/(loss))	(90.24)	(57.80)	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	75.61	69.10	-	-
Decrease by 1% (gain/(loss))	(75.61)	(69.10)	-	-
GBP-Sensitivity				
Increase by 1% (gain/(loss))	8.53	7.24	-	-
Decrease by 1% (gain/(loss))	(8.53)	(7.24)	-	-

(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, 2023

(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, 2023 and 31 March, 2022 respectively.

Particulars	31-Mar-23	31-Mar-22
Change in 0.50% interest on WCL	62.92	19.78

(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

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 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. Three customer are accounted for more than 10% of the trade receivable as of 31 March, 2023 and Three customer for 31 March, 2022. 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-Mar-23	31-Mar-22
Impairment loss recognised - trade receivable	(80.57)	(17.89)
%	0.72	0.17

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, 2023 :

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	12,583.16	-	-	-
Long term borrowings		3,878.13	12280.33	
Trade and other payable		3,192.21		
Lease Liability		216.70		
Other Financial Liabilities		2,320.78		
Total	12,583.16	9,607.82	12,280.33	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2022 :

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	3,956.34	-	-	-
Long term borrowings	-	3,419.00	12,027.58	-
Trade and other payable	-	2,389.50	-	-
Lease Liability		123.27		
Other Financial Liabilities		4,328.24		
Total	3,956.34	10,260.01	12,027.58	-

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-Mar-23	31-Mar-22
Total Debts(A)	28,741.62	19,402.92
Total equity (B)	2,11,758.40	2,06,566.79
Net Debt to Equity Ratio A/B	0.14	0.09

37 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year before OCI from countinuing operations	(4,948.30)	2,015.84
Profit for the year before OCI from discontinued operations	10,667.60	12,082.97
Shares		
Weighted average shares used for computing basic EPS	8,68,01,898	8,35,35,734
Weighted average shares used for computing diluted EPS	8,68,01,898	8,35,35,734
Earnings Per Share		
from countinuing operations		
Basic (in Rs)	(5.70)	2.41
Diluted (in Rs)	(5.70)	2.41
from discontinued operations		
Basic (in Rs)	12.29	14.46
Diluted (in Rs)	12.29	14.46
Total operations		
Basic (in Rs)	6.59	16.87
Diluted (in Rs)	6.59	16.87

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023			For the year ended 31 March, 2022		
	Raichur Facility *	Bengaluru Facility	Hyderabad Facility	Raichur Facility *	Bengaluru Facility	Hyderabad Facility
A) ELIGIBLE EXPENSES						
a) Capital Expenditure	56.6	228.08	17.31	296.05	6,653.02	2,907.80
b) Revenue Expenditure						
i) Employee Cost	594.2	1,983.78	846.51	1,868.93	2,377.14	1,251.95
ii) Research & Development expenses	320.0	605.42	263.19	1,102.40	1,418.43	276.86
iii) Equipment Maintenance	18.6	275.24	20.54	46.38	138.34	10.06
iv) Power & Fuel	0.2	0.57	71.04	0.59	0.34	60.68
v) Other Expenses	34.1	80.32	1.18	44.49	81.38	55.67
Total	1,023.81	3,173.41	1,219.76	3,358.84	10,668.67	4,563.02
Less: Revenue Income	181.99	37.62	68.56	180.61	27.86	18.94
Less: Sale of Assets				-	-	-
Total (A)	841.82	3,135.79	1,151.20	3,178.23	10,640.82	4,544.08
B) IN-ELIGIBLE EXPENSES						
a) Revenue Expenditure						
i) Misc. Expenses	11.91	133.15	159.59	27.35	434.47	98.29
ii) Depreciation	48.61	1,018.36	427.11	214.54	615.71	307.19
	60.52	1,151.51	586.70	241.89	1,050.18	405.47
b) Capital Expenditure	7.22	1,647.48		11.24	284.79	2,204.43
Total (B)	67.74	2,798.99	586.70	253.13	1,334.98	2,609.91
Total (A+B)	909.56	5,934.78	1,737.90	3,431.36	11,975.79	7,153.99

* R&D Raichur facility represents discontinued operations for FY 2022-23

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 2022-23	For the year 2021-22
A) Amount required to be spent by the company during the year	397.52	372.00
B) Amount of expenditure on construction/acquisition of any asset	746.30	-
C) Amount of expenditure other than B above	397.52	372.00
D) Short fall at the end of the year	-	-
E) Total of previous year shortfall	-	-
F) Details of related party transaction	393.85	361.00

The Company has transferred Rs.393.85 Lakhs (361.00 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 on the project when sufficient fund are available for initiating the project.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

40 Distribution of Dividend

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2022 : Rs. 1.10 per share (March 31, 2021: Rs. 896.79)	954.82	896.79
Proposed Dividend on equity shares :		
Proposed dividend on equity shares for the year ended on March 31, 2023 (March 31, 2022 : Rs. 1.10 per share)	-	954.82

41 RECONCILIATION OF TAX EXPENSES

(I) Income Tax

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Statement of Profit or loss		
On continuing operations		
Current Tax	(836.56)	480.23
Deferred Tax	(42.74)	252.52
On discontinuing operations		
Current Tax	392.85	2,889.99
Deferred Tax	(3,965.24)	1,567.75
Amount recognised in statement of profit & loss account	(4,451.68)	5,190.48
Loss before tax from continuing operation after exceptional item	(5,827.60)	2,748.59
Profit before tax from discontinuing operations	7,095.22	16,540.71
Profit before tax from operations	1,267.62	19,289.30
Tax at enacted tax rate in India C.Y. @ 34.944% (P.Y. 34.944%)	442.96	6,740.45
Effect of:		
Exempt Income & others(Net) (Sec 10AA Benefit)	(177.15)	(1,855.43)
Non-deductible expenses for tax purpose	543.43	14.53
Income which is chargeable at different rate	(8.74)	-
Effect of Slump sale Transaction(Net)	(5,799.07)	-
Others	546.89	290.94
Income tax expense reported in the profit or loss relating to operations	(4,451.68)	5,190.50

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
Deffered Tax Liabilities		
Property, plant and equipment, and intangible assets	10,467.96	14,491.59
Gross Deffered Tax Liabilities	10,467.96	14,491.59
Deffered Tax Assets		
Defined benefit obligations/Employees benefit liabilities	45.86	738.74
MAT Credit Entitlement Benefit	6,471.47	6,248.90
On business losses	1,333.07	-
Gross Deffered Tax Assets	7,850.40	6,987.64
Net Deffered Liabilities	2,617.56	7,503.95

Movement of Deferred Tax Assets / Deferred Tax Liabilities	As at 01 April, 2022	Recognised in statement of profit & loss	Recognised in OCI	As at 31 March, 2023
Deffered Tax Assets				
Defined benefit obligations/Employees benefit liabilities	738.74	(540.47)	(152.40)	45.86
MAT Credit Entitlement Benefit	6,248.90	222.57	-	6,471.47
On business losses	-	1,333.07	-	1,333.07
Total	6,987.64	1,015.17	(152.40)	7,850.40
Deffered Tax Liabilities				
Property, plant and equipment, and intangible assets	14,491.59	(4,023.63)	-	10,467.96
Total	14,491.59	(4,023.63)	-	10,467.96
Net Deffered Liabilities recognised	7,503.95	(5,038.80)	152.40	2,617.56

42 PAYMENTS TO AUDITORS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
For statutory audit	12.08	7.10
For Tax audit	3.00	-
For Certification	5.00	-
For Others	1.50	-
Total	21.58	7.10

43 SEGMENT INFORMATION

In accordance with paragraph 3 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

44 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, 2023	As at 31 March, 2022
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	1,780.62	1,814.09
Total	1,948.00	1,981.47

(b) Building

Particulars	As at 31 March, 2023	As at 31 March, 2022
Not later than one year	43.13	15.60
One to Five Year	53.07	-
Total	96.20	15.60

(c) The following are the amounts recognised in the statement of Profit or Loss :

Particulars	As at 31 March, 2023	As at 31 March, 2022
Depreciation expenses on right of use-assets	71.39	73.74
Interest expenses on lease liabilities	17.15	10.88
Total amount recognised in Profit or loss	88.54	84.62

(d) The following is the movement in lease liabilities during the year ended March 31, 2023

Particulars	Land	Buildings	Total
Balance as the beginning	123.27	-	123.27
Addition during the year	-	120.75	120.75
Finance cost accrued during the year	17.15	-	17.15
Disposals	(4.05)	-	(4.05)
Payment of lease liabilities	(9.37)	(31.05)	(40.42)
Balance as at March 31, 2023	127.00	89.70	216.70

(e) The following is the movement in lease liabilities during the year ended March 31, 2022

Particulars	Land	Buildings	Total
Balance as the beginning	153.53	-	153.53
Addition during the year	-	-	-
Finance cost accrued during the year	13.17	-	13.17
Disposals	(14.35)	-	(14.35)
Payment of lease liabilities	(29.08)	-	(29.08)
Balance as at March 31, 2022	123.27	-	123.27

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(f) The following is the breakup of current and non current lease liability:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current lease liabilities	36.56	0.60
Non current lease liabilities	180.14	122.67
Total	216.70	123.27

45 FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Earning in Foreign Currency

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Products & Services	27,702.90	64,929.95
Others	709.54	206.30
Total	28,412.44	65,136.24

(ii) Expenditure in foreign currency

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Import of raw material	4,939.86	21,759.29
Others	9,047.40	6,381.55
Total	13,987.26	28,140.85

(iii) Dividend remitted in foreign currency

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Number of share holders	-	-
(b) Number of equity shares held		
(i) 2021-22	-	1,09,60,822
(ii) 2022-23	1,46,31,961	-
(c) Amount of Dividend Paid		
(i) 2021-22	-	120.56
(ii) 2022-23	160.95	-

46. Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during period 01st April 2022 to 31st March 2023 are listed below ;

(All amounts are in Indian rupees in Lakhs unless otherwise stated)

List of Related Parties

1. Associates

- Maia Pharmaceuticals INC. USA
- Reva Pharmachem Pvt Ltd
- Auxilla Pharmaceuticals and Research LLP (Investment Entity of WOS)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

2. Subsidiaries

- a) Zartortia Holdings Ltd. (Wholly-owned Subsidiary)
- b) Shilpa- Therapeutics Pvt. Ltd. (Wholly-owned Subsidiary)
- c) INM Technologies Pvt. Ltd. (Wholly-owned Subsidiary)
- d) INM Nuvent Paint Pvt Limited (Step-down Subsidiary)
- e) Koanna Healthcare Ltd. U.K (Wholly-owned Subsidiary)
- f) Koanna Healthcare GmbH. Austria (Wholly-owned Subsidiary)
- g) Makindus LLC. USA. (Subsidiary)
- h) Shilpa Pharma Inc. (Wholly-owned Subsidiary)
- i) Shilpa Biocare Pvt. Ltd (Wholly-owned Subsidiary)
- j) Shilpa Biologicals Pvt. Ltd. (Wholly-owned Subsidiary)
- k) Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.) (Wholly-owned Subsidiary)
- l) Koanna Healthcare Canada Inc. (Wholly-owned Subsidiary)
- m) INDO BIOTECH SDN. BHD (Wholly-owned Subsidiary)
- n) FTF Pharma Private Limited (Wholly-owned Subsidiary)
- o) Koanna International FZ LLC. UAE (Wholly-owned Subsidiary)
- p) KOANNA HEALTHCARE SPAIN S.L. Spain (Wholly-owned Subsidiary)

- q) Vegil Labs Private Limited (Wholly-owned Subsidiary)
- r) Shilpa Lifesciences Private Limited (Step down Subsidiary of WOS)

3. Joint Venture (JV)

- a) Reva Medicare Pvt. Ltd.
- b) Sravathi Advance Process Technologies Pvt. Ltd.
- c) Sravathi AI Technologies Pvt. Ltd. (JV of WOS)

4. (i) Key Management Personnel-(KMP)

- a) Vishnukant C. Bhutada - Managing Director
- b) Alpesh Dalal - Chief Financial Officer
- d) Kalakota Sharath Reddy - Whole Time Director
- e) Ritu Tiwari- Company secretary(wef 23.05.2022)

(ii) Directors

- a) Omprakash Inani - Non-executive Director
- b) Sirisha Chintapalli - Independent Woman Director (retired on 22.09.2022)
- c) Arvind Vasudev - Independent Director
- d) Hetal Gandhi - Independent Director
- e) Anita Bandyopadhyay(Appointed wef 11.08.2022)
- f) Kamal Kishore Sharma (Appointed wef 01.07.2022)

5. Promoters

- a) Deepak Kumar Inani
- b) Keshav Bhutada
- c) Madhav Bhutada
- d) Ramakant Inanni
- e) Sagar Innani
- f) Ravi Innani

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

- g) Triveni Inani
- 6. Enterprises having common Directors/ Board of Trustees**
- a) Shilpa Foundation
- b) Mohini Infra (P) Ltd

Sl. No.	Name of the related party	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
A Remuneration paid to Key Management Personnel						
i)	Vishnukant C. Bhutada	Salary and perquisites*	360.90	202.44	966.98	455.52
ii)	Kalakota Sharath Reddy	Salary and perquisites	158.65	5.80	138.52	6.95
iii)	Alpesh Dalal	Salary and perquisites	119.16	3.02	91.83	4.88
iv)	Ritu Tiwari	Salary and perquisites	45.00	2.71	-	-
v)	V V Krishna Chaitanya	Salary and perquisites	-	-	7.76	0.31
B Remuneration paid to other Directors						
i)	Omprakash Inani	Sitting Fees	2.00	-	1.90	0.45
ii)	Sirisha Chintapalli	Sitting Fees	1.50	-	1.90	0.45
iii)	Piyush Goenka	Sitting Fees	-	-	0.90	-
iv)	Arvind Vasudev	Sitting Fees	0.50	-	1.20	-
v)	Hetal Madhukant Gandhi	Sitting Fees	0.50	-	1.20	-
vi)	Arvind Vasudev	Professional Fees & Remuneration	29.50	6.75	16.30	6.30
vii)	Hetal Madhukant Gandhi	Professional Fees & Remuneration	39.50	9.00	22.10	8.55
viii)	Anita Bandyopadhyay	Professional Fees & Remuneration	11.50	4.05	-	-
ix)	Kamal Kishore Sharma	Professional Fees & Remuneration	22.50	6.75	-	-
x)	Pramod Kasat	Professional Fees & Remuneration	-	-	0.20	-
xi)	Rajendra Sunki Reddy	Professional Fees & Remuneration	-	-	0.20	-
C Relative						
i)	Deepak Kumar Inani	Salary	80.36	3.92	69.28	3.80
ii)	Keshav Bhutada	Salary	24.76	0.64	20.08	1.14

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
iii)	Madhav Bhutada	Salary	24.76	0.64	20.08	1.14
iv)	Ramakant Innani	Salary and perquisites	84.03	4.09	71.21	3.97
v)	Ravi Kumar Innani	Salary and perquisites	57.66	1.90	48.87	3.79
vi)	Sagar Innani	Salary	10.80	0.30	5.00	0.67
vii)	Keshav Bhutada	Rent	1.20		4.80	1.08
viii)	Madhav Bhutada	Rent	1.20		4.80	1.08
ix)	Triveni Innani	Rent	0.85		3.40	0.77
D	Others					
i)	Koanna Healthcare GmbH, Austria	Sales of Goods or Service	(91.08)		(7,351.96)	-
		Interest Income (Loan)	(308.04)		(133.11)	-
		Purchases of Goods or Service			90.18	-
		Loan repaid during the year	248.32			
		Loan Receivable	-	(4,417.19)	-	(4,427.27)
		Trade Receivable		(411.91)	-	(2,987.29)
		Trade Payable		90.18	-	88.63
		Interest accrued but not received (Loan)		(308.04)	-	(133.11)
		Investment in equity Shares		(77.63)		(77.63)
ii)	Koanna Healthcare Ltd, United Kingdom	Interest Income (Loan)	(58.07)		(31.32)	-
		Loan given during the year	(107.14)			
		Loan Receivable		(852.40)	-	(723.48)
		Interest accrued but not received (Loan)		(58.07)	-	(31.32)
		Investment in equity Shares		0.10		0.10
iii)	Shilpa Therapeutics Pvt. Ltd.					

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
		Purchases of Goods or Service	115.21		256.93	-
		Sales of Goods or Service	(10.89)		(24.61)	-
		Interest Income (Loan)	(415.76)		(298.62)	-
		Dividend Income (Preference shares)	(3.20)		(3.20)	-
		Corporate Guarantees to Banks **		(3,000.00)		(3,000.00)
		Trade Receivable				(7.72)
		Loan given during the year	(1,135.00)			
		Loan Receivable		(6,039.30)		(4,904.30)
		Trade Payable		107.51		84.42
		Advance against purchase				(24.22)
		Interest accrued but not received (Loan)Net of TDS		(374.19)		(268.76)
		Dividend accrued but not received (Pref Share)		(3.20)		(25.61)
		Income on Corp Guarantee	(15.59)			
		Investment in equity Shares		(1,112.46)		(1,112.46)
		Investment in Preference equity Shares		(40.00)		(40.00)
iv)	Zatortia Holdings Limited	Loan Receivable		(1.34)		(1.27)
		Investment written off	58.53			
		Investment in Equity Shares		(4.53)		(63.06)
v)	INM Technologies Pvt. Ltd.	Purchases of Goods or Service			10.22	-
		Purchases of Capital goods	27.87		529.67	-
		Interest Paid (Loan)	66.77		0.22	-
		Dividend Income (Preference shares)	(260.30)		(260.30)	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
		Advance against purchase	-	-	-	(0.89)
		Loan Payable	-	890.33	-	890.33
		Interest accrued but not paid (Loan)	60.10	-	-	0.19
		Dividend accrued but not received (Preference shares)	-	(260.30)	-	(1,444.72)
		Investment in Equity Shares	-	(113.25)	-	(113.25)
		Investment in Pref Shares	-	(4,246.77)	-	(4,246.77)
vi)	INM Nuvent Paints Private Limited	Purchases of Goods or Service	-	-	121.10	-
		Purchases of Capital goods	-	-	38.27	-
vii)	Reva Medicare Pvt. Ltd	Commission	93.16	-	477.07	-
		Sales of Goods or Service	(4.20)	-	(4.20)	-
		Trade Payable	-	120.27	-	263.55
		Commission Accrued but not paid	-	-	-	40.93
		Trade Receivable	-	-	-	(0.41)
		Investment in equity shares	-	(0.50)	-	(0.50)
viii)	Maia Pharmaceuticals INC. USA	Trade Receivable	-	-	-	(182.90)
		Investment in equity shares	-	(795.69)	-	(795.69)
ix)	Shilpa Pharma INC. USA	Interest Income (Loan)	(124.44)	-	(38.96)	-
		Commission	-	103.67	103.67	-
		Interest accrued but not received (Loan)	-	(124.44)	-	(38.96)
		Commission Accrued but not paid	-	-	-	103.67

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 (Receivable) / (Payable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 (Receivable) / (Payable)
		Loan Given during the year	(442.75)	-	-	(1,250.82)
		Loan Receivable	-	(1,808.77)	-	(1,250.82)
		Investment in equity shares	-	(0.07)	-	(0.07)
x)	Sravathi Advance Process Technologies Pvt. Ltd.	Purchases of Goods or Service	-	-	209.25	-
		Trade Payable	-	-	-	19.43
		Investment in equity shares	-	(6.50)	-	(6.50)
		Investment in Pref Shares	889.00	(3,732.50)	-	(2,843.50)
xi)	Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Alburmin Pvt. Ltd.)	Sales of Goods or Service	(20.94)	-	(7.58)	-
		Sales of Capital Goods	-	(8.27)	-	-
		Interest Income (Loan)	(931.85)	-	(119.96)	-
		Expenses incurred on behalf of the related party	-	(0.03)	-	-
		Loan given during the year	(10,967.46)	-	-	-
		Loan Receivable	-	(16,482.62)	-	(5,515.16)
		Interest accrued but not received (Loan)/Net of TDS	-	(838.66)	-	(107.96)
		Trade Receivable	-	(3.26)	-	(0.48)
		Corp Guarantee to Banks ****	-	(15,000.00)	-	-
		Commission on Corporate Guarantee	(3.77)	-	-	-
		Investment in equity shares(financial gaurantee)	45.46	(2,045.46)	-	(2,000.00)
xii)	Shilpa Biologicals Pvt. Ltd.	Sales of Goods or Service	(17.57)	-	(9.62)	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
		Sales of Capital Goods			(4.12)	-
		Purchases of Goods or Service			14.62	-
		Purchases of Capital goods	36.95		41.11	-
		Expenses incurred on behalf of the related party			(2.85)	-
		Expenses incurred by related party on behalf of Shilpa			5.00	-
		Interest Income (Loan)	(3,225.28)		(2,385.82)	-
		Trade Receivable		-	-	(1.69)
		Trade Payable		-	-	34.39
		Loan given during the year	(8,428.04)			
		Loan repaid during the year				
		Loan Receivable		(46,647.59)		(38,219.55)
		Interest accrued but not received (Loan) Net of TDS		(2,902.75)		(2,147.24)
		Income on Corp Guarantee	(85.35)			
		Corporate Guarantees to Banks ***		(25,000.00)		(25,000.00)
		Investment in equity shares		(3,360.93)		(3,360.93)
xiii)	Shilpa Foundation	Corporate Social Responsibility Expenses	397.54		360.95	-
xiv)	Mohini Infra (P) Ltd	Godown Rent	1.95		10.16	-
		Trade Payable				0.70
xv)	FTF PHARMA PVT LTD	Sales of Goods or Service	(3.86)		(9.20)	-
		Purchases of Goods or Service	335.41		256.27	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
		Advance to Vendor				(25.00)
		Trade Receivable				(0.18)
		Trade Payable		(227.57)		-
		Corporate Guarantees to Banks ****		(1,204.50)		(1,204.50)
		Investment in Equity shares		(6,577.97)		(6,577.97)
		Investment in Pref shares		(390.00)		(390.00)
xvi)	Koanna Healthcare Canada INC					
		Interest Income (Loan)	(61.86)		(25.52)	-
		Loan given during the year	(228.86)			
		Loan repaid during the year	91.07			
		Loan Receivable	-	(972.09)		(834.45)
		Interest accrued but not received (Loan)		(61.86)		(25.52)
		Investment in equity shares		(0.06)		(0.06)
xvii)	Auxilla Pharmaceuticals and Research LLP					
		Sales of Goods or Service	-		(10.31)	-
		Purchases of Goods or Service	78.36		263.84	-
		Trade Receivable				(8.98)
		Trade Payable				0.66
xviii)	Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)					
		Sales of Goods and services	(1,287.73)			
		Purchase of goods	4,129.45		(0.27)	-
		Interest paid	32.60			
		Interest Income (Loan)	-		(0.69)	-
		Interest accrued but not received (Loan)				(0.63)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
		Trade Payable		574.67		
		Loan given during the year	(892.22)			
		Loan repaid during the year	951.50			(59.28)
		Loan Receivable	-	-		(59.28)
		Trade Receivable		(583.45)		
		Slump Sales Consideration	(47,228.00)			
		Slump Sales Consideration Receivable		(31,601.08)		
		Investment in Equity shares		(1,000.00)		(1,000.00)
xix)	INDO BIOTECH SDN. BHD	Interest Income (Loan)	(81.81)		(47.53)	-
		Interest accrued but not received (Loan)		(81.81)		(47.53)
		Loan Receivable		(929.05)		(856.62)
		Investment in equity shares		(4.42)		(4.42)
xx)	Koanna International FZ LLC, UAE	Interest Income (Loan)	(39.17)		(10.29)	-
		Interest accrued but not received (Loan)		(39.17)		(10.29)
		Loan given during the year	(238.21)			
		Loan repaid during the year	-			
		Loan Receivable		(563.19)		(295.65)
		Investment in Equity shares		(1.98)		(1.98)
xxi)	Koanaa Healthcare Spain, S.L. Spain	Interest Income (Loan)	(38.15)		(8.04)	-
		Interest accrued but not received (Loan)		(38.15)		(8.04)
		Loan given during the year	(234.60)			
		Loan Receivable		(739.26)		(465.63)
		Investment in Equity shares		(6.24)		(6.25)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
		Corp Guarantee		143.37		134.82
xxii)	Vegil Labs Private Limited	Interest Income (Loan)	(10.18)		(9.81)	-
		Expenses incurred on behalf of the related party				
		Interest accrued but not received (Loan)		(9.16)		
		Trade receivable				(9.81)
		Loan given during the year	(280.25)			
		Loan Receivable		(280.25)		
		Investment in Equity shares		(951.00)		(951.00)
xxiii)	Shilpa Lifesciences Private Limited	Interest Income (Loan)	(18.85)		(3.14)	
		Expenses incurred on behalf of the related party			(2.91)	
		Other Receivable				(2.91)
		Interest accrued but not received (Loan)		(16.97)		(2.83)
		Loan given during the year	(7.83)			
		Loan Receivable		(253.08)		(245.25)
xxiv)	Makindus LLC USA	Investment in Equity shares		(454.20)		(454.20)
xxv)	Maia Pharmaceutical Inc USA	Investment in Equity shares		(795.69)		(795.69)
xxvi)	Reva Pharmachem Pvt Ltd	Investment in Equity shares		-		(10.00)
		Written off	10.00			

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)

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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

ended 31.03.2023 is Rs.1406 lakhs (As on 31.03.2022 Rs. 1875.00)

*** the outstanding liabilities against corporate guarantee given to banks on behalf of Shilpa Biologicals Pvt. Ltd. is for the financial period ended 31.03.2023 is Rs. 12437.5(As on 31.03.2022 Rs.17137.50)

**** the outstanding liabilities against corporate guarantee given to banks on behalf of FTF Pharma Pvt. Ltd. is for the financial period ended 31.03.2023 is Rs. 262.99(As on 31.03.2022 Rs.839.19)

***** the outstanding liabilities against corporate guarantee given to banks on behalf of Shilpa Biocare Pvt Ltd. is for the financial period ended 31.03.2023 is Rs.6429.0601 (As on 31.03.2022 Rs. NIL)

c) Trade receivables & Trade payables are net off advances.

47 A sum of Rs.491.61 lakhs is payable to Micro, Small and Medium Enterprises as at 31 March, 2023 (Rs. 278.33 lakhs as at 31 March, 2022). There are no Micro, Small and Medium Enterprises, to whom the Company has overdues, which are outstanding for more than 45 days during the year and also as at 31 March, 2023. 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.

48 Your Company has filed a Second Stage petition with National Company Law Tribunal for effecting the amalgamation of INM Technologies Private Limited being a wholly owned subsidiary, with the Company. The Company is awaiting the final order of the Hon'ble tribunal.

49 Investments are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each investment. When the recoverable amount of the investment is less than its carrying amount, an impairment loss is recognised.

The recoverable amounts of the above investments have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the business. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. key assumptions upon which the Company has based its determinations of value-in-use include :

- a) Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.
- b) A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate based on the outlook for the respective businesses. This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- c) The after tax discount rates used reflect the current market assessment of the risks specific to the investment, the discount rate is estimated based on the weighted average cost of capital for respective investment.

The Company believes that any reasonable possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

50 Balance of trade receivables/ trade payables/advances and security deposits are subject to confirmation

51 Figures of the previous year have been regrouped/ rearranged wherever necessary.

52 Additional disclosures required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013;

- 1) The Company does not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- 2) The Company does not have any transactions with companies struck off.
- 3) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. In respect of few charges satisfaction have not yet been filed
- 4) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- 5) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds, other the in

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

the ordinary course of business by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 6) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- 7) The Company has not made any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 8) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 9) The quarterly returns of current assets filed by the Company with banks are in agreement with books of account

Ageing schedule for receivables as at March 31, 2023 is as follows

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	3,774.83	4,299.21	1,171.42	1,325.14	63.42	437.34	11,071.36
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	118.23	118.23
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	3,774.83	4,299.21	1,171.42	1,325.14	63.42	555.57	11,189.59

Ageing schedule for receivables as at March 31, 2022 is as follows

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	3,819.92	3,178.10	2,435.99	205.05	84.91	281.17	10,005.14
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	268.3	-	268.3
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	3,819.92	3,178.1	2,435.99	205.05	353.21	281.17	10,273.44

Trade payables Ageing Schedule as at March 31, 2023

S No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	MSME	491.02	0.58	-	-	491.60
b)	Others	2,448.33	243.82	2.86	5.59	2,700.60
TOTAL		2,939.35	244.40	2.86	5.59	3,192.20

Trade payables Ageing Schedule as at March 31, 2022

S No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

a) MSME	253.33	25.00			278.33
b) Others	2,050.75	26.05	1.40	32.97	2,111.17
TOTAL	2,304.08	51.05	1.40	32.97	2,389.50

Capital work in progress (CWIP) ageing schedule as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	962.27	957.67	320.05	57.43	2,297.42
Projects temporarily suspended	1,225.36	521.94	139.21	-	1,886.51
Total	2,187.63	1,479.61	459.26	57.43	4,183.93

Capital work in progress (CWIP) ageing schedule as at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,190.53	932.36	481.03	368.56	4,972.48
Projects temporarily suspended	-	-	-	284.1	284.10
Total	3,190.53	932.36	481.03	652.66	5,256.58

Intangible assets under development (IUAD) as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,464.45	3,680.39	5,564.44	6,749.57	18,458.85
Projects temporarily suspended					-
Total	2,464.45	3,680.39	5,564.44	6,749.57	18,458.85

Intangible assets under development (IUAD) as at March 31, 2022

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,934.29	6,472.61	6,389.40	5,258.59	24,054.89
Projects temporarily suspended					-
Total	5,934.29	6,472.61	6,389.40	5,258.59	24,054.89

Key Financial Ratio

Sr No	Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Change in ratio	Reasons for variance
1	Current Ratio	Current Assets	Current Liabilities	2.63	1.92	37%	Variation is majorly on account of slump sale consideration receivable on account of demerger.
2	Debt Equity Ratio	Total Debt	Share holder equity	0.14	0.09	52%	Variation is mainly on account of significant working capital loans borrowed during the year.
3	Debt service coverage ratio	Earnings available for debt service	debt service	0.40	1.28	-69%	Variation is majorly due to increase in finance costs ; attributable to borrowings.
4	Inventory turnover ratio	Cost of Goods sold	Average inventory	0.84	0.79	6%	Variation is due to better inventory management
5	Return on equity	Net profit after taxes	Average shareholders equity	-2.37	1.09	-	Variation is mainly due to Significant fall in the revenue & increase in operating expenses which negatively impacted overall profitability of the company.
6	Trade receivable turnover ratio	Revenue	Average Trade Receivables	2.31	3.75	-38%	Variation is due to Significant drop in the overall revenue made by the company during the year.
7	Trade payable turnover ratio	Purchase of trade and services	Average Trade Payables	2.78	4.82	-42%	Variation is mainly due to considerable increase in payables during the year.
8	Net Capital turnover ratio	Revenue	Working Capital	0.63	2.41	-74%	Variation is mainly on account of significant working capital loans borrowed during the year.

Sr No	Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Change in ratio	Reasons for variance
9	Net Profit ratio	Net Profit	Revenue	-19.98	5.65	-	Variation is mainly due to Significant fall in the revenue & increase in operating expenses which negatively impacted overall profitability of the company.
10	Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	-1.74	1.81	-	Variation is mainly due to Significant fall in the revenue & increase in operating expenses which negatively impacted overall profitability of the company.
11	Return on investment	Income generated from investments	Investments	NA	NA	NA	The Company is not having any market linked investments

* All ratios have been given excluding discontinuing operations

As per our report of even date attached
for Bohara Bhandari Bung And Associates LLP
 Chartered Accountants
 Firm's Registration No. 008127S/S200013

Yogesh. R. Bung
 Partner
 M.No.143932

Place : Raichur
 Date : 25.05.2023

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

Omprakash Inani
 Chairman
 DIN : 01301385

Ritu Tiwary
 Company Secretary

Vishnukant Bhutada
 Managing Director
 DIN : 01243391

Alpesh Maheshkumar Dalal
 Chief Financial Officer

Independent Auditor's Report

TO THE MEMBERS OF SHILPA MEDICARE LIMITED.

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the 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, 2023, 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 / financial information of such subsidiaries, associates and joint ventures as were audited by other auditors, 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, its associates and joint ventures as at March 31, 2023, of its consolidated loss 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 SA's 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, its associates and Joint Venture 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>Impairment of intangible assets under development</p> <p>The Group has significant intangible assets under development where certain products are under development or in their early stage of commercialization in certain key developed markets as of 31 March 2023.</p> <p>As the products are yet to be launched or in their initial stages of commercialization revenue and profitability are yet to reach its desired levels and hence, there is a risk of impairment in the event the carrying amount of the aforesaid assets are lower than its recoverable value. Company's assessment of recoverable value to test for impairment contains a number of parameters which involve significant judgements and estimates including weighted average cost of capital, revenue growth, expected market share and price erosion. Changes in these assumptions could lead to an impairment to the carrying value of these assets.</p> <p>For further information on the carrying value of intangible assets refer to:</p> <ul style="list-style-type: none"> - Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions – Note.1.1(a), and - financial disclosures as disclosed in Intangible assets – Note.04 of the Consolidated Financial Statements for the year ended March 31, 2023. 	<p>Principal audit procedures</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of the Group's controls around the impairment testing; • Evaluating assumptions used by the Company in assessing the recoverability of assets - in particular, revenue and cash flow projections; • We evaluated the valuation methodologies and assumptions used by the Company; • Evaluating Company's assessment of key inputs by considering third party sources and the impact on future cash inflows due to actions by competitors or changes in relevant market conditions; • Inquired with the Company about potential impact of USFDA warning letter situation and its assessment of the likelihood of delay in product approvals, thereby impacting valuation; • Evaluating the sensitivity analysis carried out by the Company in respect of certain key estimates to assess the level of sensitivity to key assumptions.
<p>Minimum Alternate Tax (MAT) Credit Entitlement – Deferred tax assets</p> <p>The Group 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 Group pays taxes under the provision of Income Tax Act, 1961. The balance of MAT credit receivable as at 31 March 2023 is Rs. 6,686.83 Lakhs (refer note 16 to the consolidated financial statements).</p> <p>The recognition and recoverability of deferred tax asset on account of MAT credit requires significant judgement regarding the Group'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"> • Understanding why the MAT credit entitlement arose and understanding whether the MAT credit entitlement can be utilized. • assessing any restriction in use of the MAT credit entitlement and • determining when the MAT credit entitlement will expire. <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.</p> <p>We validated the appropriateness of the related disclosures in the consolidated financial statements.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

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 Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to 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 Management and 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 Management and 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 02 subsidiaries whose financial statement reflect total assets of Rs.7,390.83 Lakhs as at March 31, 2023, total revenue of Rs. 2,774.19 Lakhs, total net (loss) after tax of Rs. (479.58) Lakhs, total comprehensive loss of Rs. (475.36) and net cash flows of Rs.64.25 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) of Rs. (58.70) Lakhs for the year ended March 31, 2023, in respect of one 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 nine subsidiaries whose financial statement reflect total assets of Rs. 4,311.41 Lakhs as at March 31, 2023 and total revenue of Rs. 1,487.88 Lakhs, total net (loss) after tax of Rs. (1,564.76) Lakhs, and net cash flows of Rs. 14.76 Lakhs for the year ended on that date as considered for the consolidated financial statements.

Further, in case of one (01) foreign associate, financial statements for the year ended March 31, 2023 are not concluded and have not been furnished to us by the Management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts included in respect of this associate is based solely on the information available for the period ended September 30, 2022. According to the information and explanations

given to us by the Management, this interim financial information is not material to the Group. Our conclusion on the statement is not modified in respect of the above matter.

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. In our opinion and according to the information and explanations given to us by the management, these financial statements information are not material to the Group.

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

1. 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, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiaries, associate and joint ventures incorporated in India, none of the directors of the Group Companies, associate and joint ventures companies incorporated in India are disqualified as on March 31, 2023 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, associate, and joint ventures incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A."
 - (g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiaries covered under the Act to its directors during the year is in accordance with the provisions of Section 197 of 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:
 - i. 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.
 - ii. The Holding Company and its subsidiaries have 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 to the Investor Education and Protection Fund by the Holding Company incorporated in India.
 - iv. a. The respective Managements of the Holding Company, its subsidiaries, associate and joint Ventures which are companies

incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Holding Company, its subsidiaries, associate and joint Ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, associate and joint ventures from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")

or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;

- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company, its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v.
 - a. The final dividend paid by the Holding Company, during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - b. The Board of Directors of the Holding Company have not proposed any final dividend for the year.
2. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

for Bohara Bhandari Bung And Associates LLP.

Chartered Accountants
Firm's Regn No. 00081275/S200013

CA.Yogesh R Bung

Partner

Place : Raichur
Date : 25.05.2023

Membership No. 143932
UDIN: 23143932BGVPPZ7400

Annexure – A to the Consolidated 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, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, associate 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 associate 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, 2023 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 02 subsidiary companies and one associate, which are incorporated in India, is based on the corresponding reports of the auditors of such companies.

for Bohara Bhandari Bung And Associates LLP.

Chartered Accountants
Firm's Regn No. 00081275/S200013

CA.Yogesh R Bung

Partner
Membership No. 143932
UDIN: 23143932BGVPPZ7400

Place : Raichur
Date : 25.05.2023

Consolidated Balance Sheet

As at 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-Current Assets			
(a) Property, plant & equipment	2	1,15,148.02	1,18,243.34
(b) Right-of-use assets	2A	2,796.90	3,117.05
(c) Capital work-in-progress	3	35,803.85	19,004.20
(d) Goodwill		4,552.67	4,571.87
(e) Intangible assets	4	14,335.86	8,251.56
(f) Intangible assets under development	5	29,728.91	31,614.26
(g) Financial assets	6		
(i) Investments		4,265.82	3,422.86
(ii) Other financial assets		626.60	568.64
(h) Other non-current assets	7	6,178.55	10,036.62
Total Non-Current Assets		2,13,437.18	1,98,830.41
Current Assets			
(a) Inventories	8	31,982.10	35,523.84
(b) Financial assets	9		
(i) Investments		-	-
(ii) Trade receivables		32,434.91	38,632.59
(iii) Cash and cash equivalents		2,131.82	3,382.90
(iv) Other bank balance other than (iii) above		24.64	28.34
(v) Loans		-	-
(vi) Others financial assets		292.63	246.13
(c) Other current assets	10	9,206.19	10,001.23
(d) Current tax assets (net)	11	728.79	904.41
Total Current Assets		76,801.08	88,719.44
TOTAL ASSETS		2,90,238.26	2,87,549.84
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	868.02	868.02
(b) Other equity	13	1,77,459.68	1,81,351.46
Equity attributable to owners of the Company		1,78,327.70	1,82,219.48
(c) Non-controlling interest		(892.05)	(1,104.78)
Total Equity		1,77,435.65	1,81,114.70
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities	14		
(i) Borrowings		28,881.89	35,360.24
(ii) Lease liability		180.14	113.30
(iii) Others		500.00	500.00
(b) Provisions	15	1,764.90	1,907.63
(c) Deferred tax liabilities (Net)	16	1,405.08	5,473.75
(d) Other non-current liabilities	17	1,779.29	1,926.60
Total Non-Current Liability		34,511.30	45,281.52
Current Liabilities			
(a) Financial Liabilities	18		
(i) Borrowings		50,690.29	32,830.99
(ii) Lease Liability		36.56	24.32
(iii) Trade Payables			
- Total outstanding dues of micro and small enterprises		3,486.27	2,609.91
- Total outstanding dues of other than micro and small enterprises		10,955.12	11,994.55
(iv) Other financial liabilities		8,358.39	8,050.03
(b) Other Current Liability	19	2,694.88	3,397.76
(c) Provisions	20	2,069.80	2,246.06
Total Current Liabilities		78,291.31	61,153.62
TOTAL EQUITY & LIABILITIES		2,90,238.26	2,87,549.84

The accompanying notes form an integral part of the consolidated financial statements 01 to 46

As per our report of even date attached
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S200013

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

Yogesh. R. Bung
Partner
M.No.143932

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

Place : Raichur
Date : 25.05.2023

Ritu Tiwary
Company Secretary

Alpesh Maheshkumar Dalal
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2023

(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, 2023	For the year ended 31 March, 2022
INCOME			
(a) Revenue from operations	21&22	1,05,011.24	1,14,552.27
(b) Other Income	23	1,739.97	1,424.55
Total Revenue		1,06,751.21	1,15,976.82
EXPENSES			
(a) Cost of materials consumed	24	37,043.76	38,174.89
(b) Purchases of stock-in trade	25	3,398.52	849.07
(c) Change in inventories of finished goods, work-in-progress and stock-in- trade	26	1,150.02	(702.15)
(d) Employee benefits expense	27	28,733.09	26,448.65
(e) Finance costs	28	5,865.21	4,116.52
(f) Depreciation and amortisation expenses	2 & 4	9,549.90	7,980.19
(g) Other expenses	29	24,457.70	29,396.25
Total Expenses		1,10,198.19	1,06,263.42
Profit before Share of Profit /(loss) in Associate/ Joint Venture, Exceptional item and tax		(3,446.98)	9,713.40
Share of Profit / (loss) in Associate/ Joint Venture, net of tax		(380.97)	(366.03)
Profit before Exceptional item and tax		(3,827.95)	9,347.37
Exceptional income/ (expense)	30	-	879.11
Profit before tax		(3,827.95)	10,226.48
Tax Expenses			
a) Current Tax		3,413.10	3,404.31
b) Deferred Tax (net of MAT credit)		(4,149.46)	763.96
Total Tax Expenses		(736.36)	4,168.27
Profit for the year		(3,091.59)	6,058.21
Other comprehensive Income/ (Expenses)			
(a) Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit (liability)/asset (net of tax)		322.64	(159.06)
(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)		-	22.73
Total Other Comprehensive Income/(Loss) for the year		322.64	(136.33)
Total Comprehensive Income/(Loss) for the year		(2,768.95)	5,921.88
Profit / (Loss) for the year attributable to:			
a) Owners of the Company		(3,247.63)	6,066.23
b) Non Controlling Interest		156.04	(8.02)
Other Comprehensive Income / (Loss) for the year attributable to:			
a) Owners of the Company		322.64	(136.33)
b) Non Controlling Interest		-	-
Total Comprehensive Income / (Loss) for the year attributable to:			
a) Owners of the Company		(2,924.98)	5,929.91
b) Non Controlling Interest		156.04	(8.02)
Earning per equity share, par value of Re. 1/- each			
Basic (Rs)		(3.74)	7.26
Diluted (Rs)		(3.74)	7.26

The accompanying notes form an integral part of the consolidated financial statements 01 to 46

As per our report of even date attached
for Bohara Bhandari Bung And Associates LLP
Chartered Accountants
Firm's Registration No.008127S/S200013

Yogesh. R. Bung
Partner
M.No.143932

Place : Raichur
Date : 25.05.2023

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

Omprakash Inani
Chairman
DIN : 01301385

Ritu Tiwary
Company Secretary

Vishnukant Bhutada
Managing Director
DIN : 01243391

Alpesh Maheshkumar Dalal
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2023

(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, 2021	815.27
Changes in equity share capital during the year	52.75
Balance as at 31 March, 2022	868.02
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	868.02

B. Other Equity

Particulars	Securities Premium	General Reserves	Retained Earnings	Other Comprehensive Income (OCI)		Foreign Currency Monetary Translation Difference Account	Gain on forfeiture of equity shares	Total
				Cash flow hedge reserve	Remeasurement of defined benefit plan			
Balance as at 01 April, 2021	42,863.94	5,182.68	99,151.06	(25.32)	(264.44)	134.72	8.76	1,47,051.40
Addition/Deletion during the year	29,631.21	-	-	-	-	(364.24)	-	29,266.97
Profit for the year	-	-	6,066.22	-	-	-	-	6,066.22
Other Comprehensive income, net of tax	-	-	-	22.73	(159.06)	-	-	(136.33)
Dividend including dividend distribution tax	-	-	(896.79)	-	-	-	-	(896.79)
Balance as at 31 March, 2022	72,495.15	5,182.68	1,04,320.49	(2.59)	(423.50)	(229.52)	8.76	1,81,351.47
Addition/Deletion during the year	-	-	-	-	-	(11.98)	-	(11.98)
Profit for the year	-	-	(3,247.63)	-	-	-	-	(3,247.63)
Other Comprehensive income, net of tax	-	-	-	-	322.64	-	-	322.64
Dividend paid	-	-	(954.82)	-	-	-	-	(954.82)
Security premium raised during the year	-	-	-	-	-	-	-	-
Balance as at 31 March, 2023	72,495.15	5,182.68	1,00,118.04	(2.59)	(100.86)	(241.50)	8.76	1,77,459.68

The accompanying notes form an integral part of the standalone financial statements 01 to 46

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 **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S200013

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

Yogesh. R. Bung
Partner
M.No.143932

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant Bhutada
Managing Director
DIN : 01243391

Place : Raichur
Date : 25.05.2023

Ritu Tiwary
Company Secretary

Alpesh Maheshkumar Dalal
Chief Financial Officer

Consolidated Statement of Cash Flow

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A. Cash Flow From Operating Activities		
Profit/ (Loss) before tax	(3,827.95)	10,226.48
Adjustments for:		
Depreciation and amortization expense	9,549.90	7,980.19
Interest income	(101.45)	(206.66)
Liabilities/ Provision Written back	(1,024.97)	(501.46)
Finance Cost	5,865.21	4,116.52
(Profit)/Loss on sale of Asset	26.48	160.22
Share of (profit)/loss of associates and joint ventures	380.97	366.03
Bad Debts/ Advances written off	44.54	419.25
Unrealised foreign exchange (gain)/loss	(372.45)	(379.70)
Net gain recognized on sale of stake in Group Company	-	(879.11)
Corporate Gaurantee fees	-	-
Provision for doubtful debts	128.40	-
Government Grant	(156.50)	(141.05)
Provision for advances to suppliers	94.70	-
Provision for Gratuity & Compensated absence	379.87	-
Operating Profit before working capital changes	10,986.75	21,160.72
Movement in Working Capital		
Decrease/(increase) in inventories	3541.73	(3,840.10)
Decrease/(increase) in trade receivables	6506.36	(16,827.15)
Increase / (decrease) trade payables	(232.28)	8,372.57
Decrease / (Increase) in financial and non financial assets	4431.58	1,969.29
Increase / (decrease) in financial liabilities and other liabilities	620.49	3,126.27
Cash Generated from Operations	25,854.63	13,961.60
Taxes Paid	(3,237.48)	(3,448.27)
Net Cash flow generated / (used) from operating activities (A)	22,617.15	10,513.33
Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets (refer note ii)	(27,253.87)	(33,182.61)
Proceeds from sale of Property plant and equipment	120.87	61.11
(Increase)/ Decrease in Investment	(892.97)	(1,732.38)
(Investment in)/ Redemption of Fixed Deposits	-	3,163.60
Movment in other bank balances	-	(2.26)
Proceeds from sale of stake in Group Company	-	2,841.27
Interest Received	127.62	201.42
Dividend Received from equity accounted investees	50.00	100.02
Net cash flow generated/ (used) from investing activities (B)	(27,848.35)	(28,549.84)

Consolidated Statement of Cash Flow (Conti..)

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Cash flows from Financing Activities		
Proceeds from Issue of Shares	-	29,683.96
Proceeds from/(repayment of) long-term loans and borrowings (net)	(2,745.29)	(12,149.26)
Proceeds from/(repayment of) short-term loans and borrowings (net)	14,126.24	(4,155.72)
Payment of lease liabilities	(54.41)	(58.36)
Dividend paid including DDT	(954.82)	(896.80)
Interest paid	(5,791.91)	(4,137.98)
Net cash flow generated/(used) from financing activities (C)	4,579.81	8,285.83
Net increase in cash and cash equivalents (A+B+C)	(651.39)	(9,750.67)
Cash and cash equivalents at the beginning of the period/year	2,533.89	12,284.57
Cash and cash equivalents at the end of the year	1,882.50	2,533.90
Component of Cash and Cash Equivalent	1,882.50	2,533.90
Cash in Hand	30.13	33.86
Balance with Banks in current account	1,952.70	3,004.15
Deposits with original maturity of less than 3 month	148.99	344.89
Bank overdraft	(249.32)	(849.01)

The accompanying notes form an integral part of the consolidated financial statements 01 to 46.

Note

1. Previous year figures have been reclassified wherever necessary.
2. Purchase and sale of property, plant and equipment and intangibles represents additions and deletions to property, plant and equipment, intangibles, intangibles under development further adjusted for movement of capital work in progress, capital advances, capital creditors during the year.
3. Adjusted for bank-overdraft of Rs.249.32 (PY Rs. 849.01 lakhs) for the period ended 31 March 2023.
4. 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 Bohara Bhandari Bung And Associates LLP
 Chartered Accountants
 Firm's Registration No.008127S/S200013

Yogesh. R. Bung
 Partner
 M.No.143932

Place : Raichur
 Date : 25.05.2023

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

Omprakash Inani
 Chairman
 DIN : 01301385

Ritu Tiwary
 Company Secretary

Vishnukant Bhutada
 Managing Director
 DIN : 01243391

Alpesh Maheshkumar Dalal
 Chief Financial Officer

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023. 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, 2023 were approved by the Board of Directors on May 25, 2023.

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').

Subsidiaries

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 and expenses. Intercompany transactions, balances and unrealised gains on transactions between

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

group Companies are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes. 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 non-controlling 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

Associates and joint arrangements

(equity accounted investees)

The Group's interests in equity accounted investees comprise interests in associates and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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, 2023

(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	Koanna Healthcare Limited	United Kingdom	100.00%
8	Koanna 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 Pharma Life Sciences Limited (Previously referred Shilpa Corporate Holdings Pvt. Ltd.)	India	100.00%
13	FTF Pharma Private Limited	India	100.00%
14	Koanna Healthcare Canada Inc.	Canada	100.00%
15	Koanna International FZ LLC	Dubai	100.00%
16	Indo Biotech SDN. BHD	Malaysia	100.00%
17	Koanna Healthcare Spain S.L	Spain	100.00%
18	Vegil Labs Private Limited	India	100.00%

II) The Associates considered in the Consolidated Financial Statements are as under:

Sl. No.	Name of the Associate	Country	Extent of Holding
1	Maia Pharmaceuticals INC. USA, New Jersey (USA)		34.79%

III) The Joint Venture considered in the Consolidated Financial Statements are as under:

Sl. No.	Name of the Subsidiary	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

a) 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))

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

- 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 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

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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 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

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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 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.

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.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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.

(v) Milestone payments and out licensing arrangements

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of these obligations, the Company recognise or defer the upfront payments received under these arrangements. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the Milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive.

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer."

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

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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 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.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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.

Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR

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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

Notes Forming Part of Consolidated Financial Statement

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- 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 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.

- Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act
- 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.
- 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) Operating cycle

The Group classifies an asset as current asset when: it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

- it holds the asset primarily for the purpose of trading;

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is 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 classified as current when –

- it expects to settle the liability or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

w) 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 Group.

1.2 Recent accounting developments

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting

Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1, "Presentation of Financial Statements"-

Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

Ind AS 8, "Accounting policies, Change in Accounting Estimates and Errors"-

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.

- A company develops an accounting estimate to achieve the objective set out by an accounting policy.
- Accounting estimates include:
 - a) Selection of a measurement technique (estimation or valuation technique)
 - b) Selecting the inputs to be used when applying the chosen measurement technique.

The amendments will help entities to distinguish between accounting policies and accounting estimates.

Ind AS 12, "Income Taxes"-

Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences.

Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Group has evaluated the effect of the above on the financial statements and the impact is not material.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2022	Additions during the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2023	As at 01 April, 2022	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2023	As at 31 March, 2023
a) Borewell	28.59	0.00	0.00	0.00	28.59	21.76	1.77	0.00	0.00	23.53	5.06
b) Building	29062.35	403.82	0.00	0.00	29466.17	4077.49	914.12	(0.14)	0.00	4991.47	24474.71
c) Canteen Equipment	78.89	0.00	0.00	0.00	78.89	25.60	12.32	0.00	0.00	37.91	40.98
d) Computer	1629.12	45.34	17.03	0.08	1,657.51	1171.83	216.54	(16.80)	0.00	1,371.57	285.94
e) Electrical Installation	9432.33	498.74	53.32	0.00	9,877.74	3396.80	797.52	26.18	0.00	4,220.51	5,657.23
f) ETP Building	565.85	0.00	0.00	0.00	565.85	223.19	17.73	0.00	0.00	240.92	324.93
g) ETP Machinery	912.98	8.50	0.00	0.00	921.48	228.24	41.48	0.10	0.00	269.82	651.66
h) EHS Equipement	193.11	5.25	1.24	0.00	197.12	39.93	18.35	(1.46)	0.00	56.82	140.30
i) Furniture	3014.38	123.87	12.86	0.85	3,126.24	1181.89	258.07	(6.98)	0.00	1,432.98	1,693.26
j) Land & Green Field	2872.73	380.20	0.00	0.00	3,252.93	0.00	0.00	0.00	0.00	-	3,252.93
k) Lab Equipments	22314.42	498.63	221.65	0.00	22,591.40	6261.14	1858.59	(50.29)	0.00	8,069.43	14,521.96
l) Network Server equipement	358.88	2.16	0.00	0.00	361.05	129.52	50.84	0.00	0.00	180.36	180.69
m) Office Equipment	441.24	5.05	6.54	0.94	440.70	214.69	63.03	0.72	0.00	278.44	162.26
n) P/M (Power Generation Unit)	3843.04	0.00	0.00	0.00	3,843.04	2315.86	103.97	0.00	0.00	2,419.83	1,423.21
o) Pipeline	8108.58	851.09	0.00	0.00	8,959.67	1653.85	381.99	(0.04)	0.00	2,035.81	6,923.86
p) Plant & Machinery	70516.85	2604.38	158.58	0.00	72,962.65	14413.09	3347.91	(20.19)	0.00	17,740.81	55,221.84
q) Pollution Control Equip.	46.24	0.00	0.00	0.00	46.24	31.81	0.79	0.04	0.00	32.64	13.60
r) Vehicle	337.72	0.00	55.40	0.00	282.32	136.87	28.80	(49.92)	0.00	115.75	166.57
s) Vehicles Electrical Operated	40.92	0.00	0.00	0.00	40.92	33.98	1.60	0.00	0.00	35.58	5.34
t) Weigh bridge	8.42	0.00	0.00	0.00	8.42	6.26	0.47	0.00	0.00	6.73	1.69
Total	153,806.64	5,427.04	526.64	1.87	158,708.92	35,563.79	8,115.88	(118.77)	-	43,560.89	115,148.03

4 INTANGIBLE ASSET

Particulars	Gross Block			Depreciation / Adjustment			Net Block				
	As at 01 April, 2022	Additions during the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2023	As at 01 April, 2022	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2023	As at 31 March, 2023
a) Computer software	1,792.66	89.05	91.42	2.55	1,792.84	913.44	284.11	(91.42)	2.55	1,108.67	684.17
b) DMF/ANDA/Patents Fees	1,885.58	29.68	0.00	-	1,915.26	897.08	102.69	3.73	-	1,003.50	911.76
c) Non compete Agreement	1,245.00	-	-	-	1,245.00	826.74	164.63	-	-	991.37	253.63
d) Acquired Assets through fair valuation	247.48	-	-	-	247.48	-	24.75	(13.08)	-	11.67	235.81
e) Other	5,910.25	8,315.36	1,025.61	5.78	13,205.78	192.15	786.44	(23.32)	-	955.28	12,250.49
Total	11,080.97	8,434.09	1,117.03	8.33	18,406.36	2,829.41	1,362.63	(124.09)	2.55	4,070.49	14,335.86

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2 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation / Adjustment			Net Block				
	As at 01 April, 2021	Additions during the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2022	As at 01 April, 2021	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2022	As at 31 March, 2022
a) Borewell	25.79	2.80	-	-	28.59	20.11	1.65	-	-	21.76	6.84
b) Building	23513.53	5548.82	-	-	29,062.35	3,239.12	838.37	-	-	4,077.49	24,984.86
c) Canteen Equipment	54.75	24.14	-	-	78.89	15.94	9.64	-	-	25.58	53.31
d) Computer	1417.02	295.87	83.77	0.14	1,629.12	1,003.52	247.37	(79.06)	0.00	1,171.83	457.29
e) Electrical Installation	7998.27	1499.28	65.22	-	9,432.33	2,698.27	726.96	(28.42)	-	3,396.80	6,035.52
f) ETP Building	565.85	-	-	-	565.85	205.47	17.73	-	-	223.19	342.66
g) ETP Machinery	911.97	1.01	-	-	912.98	184.40	43.84	-	-	228.24	684.74
h) EHS Equipment	165.44	28.16	0.48	-	193.11	23.51	16.61	(0.18)	-	39.93	153.18
i) Furniture	2707.16	521.69	214.46	-	3,014.38	1,016.77	244.69	(80.04)	(0.00)	1,181.42	1,832.96
j) Land & Green Field	2525.96	346.78	-	-	2,872.73	-	-	-	-	-	2,872.73
k) Lab Equipments	14050.93	9260.43	996.94	-	22,314.42	5,207.71	1,461.04	(407.61)	-	6,261.14	16,053.28
l) Network Server equipment	241.23	117.66	-	-	358.88	85.31	44.21	-	-	129.52	229.36
m) Office Equipment	420.84	31.04	10.63	-	441.24	152.86	67.10	(5.27)	(0.00)	214.69	226.55
n) P/M (Power Generation Unit)	3843.04	-	-	-	3,843.04	2,211.88	103.97	-	-	2,315.86	1,527.18
o) Pipeline	4921.54	3189.65	2.60	-	8,108.58	1,386.80	269.52	(2.47)	-	1,653.85	6,454.73
p) Plant & Machinery	61940.84	8710.84	134.82	-	70,516.86	11,273.05	3,092.78	47.26	-	14,413.09	56,103.76
q) Pollution Control Equip.	37.34	9.17	0.27	-	46.24	31.48	0.43	(0.10)	-	31.81	14.43
r) Vehicle	201.60	147.60	11.48	-	337.72	112.21	31.35	(6.68)	-	136.87	200.85
s) Vehicles Electrical Operated	40.92	-	-	-	40.92	30.34	3.64	-	-	33.98	6.94
t) Weigh bridge	8.42	-	-	-	8.42	5.79	0.47	-	-	6.23	2.18
Total	125,592.41	29,734.91	1,520.68	0.14	153,806.64	28,904.52	7,221.37	(562.58)	(0.00)	35,563.29	118,243.34

4 INTANGIBLE ASSET

Particulars	Gross Block			Depreciation / Adjustment			Net Block				
	As at 01 April, 2021	Additions during the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2022	As at 01 April, 2021	For the Year	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2022	As at 31 March, 2022
a) Computer software	1,280.94	520.84	8.381	(0.74)	1,792.66	701.69	215.89	(4.14)	-	913.44	879.22
b) DMF/ANDA/Patents Fees	1,509.74	375.84	-	-	1,885.58	703.53	193.55	-	-	897.08	988.50
c) Non compete Agreement	1,245.00	-	-	-	1,245.00	653.90	172.85	-	-	826.75	418.25
d) Acquired Assets through fair valuation	245.03	2.45	-	-	247.48	-	-	-	-	-	247.48
e) Other	5,255.52	756.37	81.25	(20.39)	5,910.25	93.50	99.35	(0.00)	(0.70)	192.13	5,718.11
Total	9,536.23	1,655.50	89.63	(21.13)	11,080.97	2,152.62	681.65	(4.14)	(0.70)	2,829.40	8,251.56

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2A RIGHT OF USE OF ASSETS

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net block	
	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 01.04.2022	For the period	Deductions/ Other adjustments	As at 31.03.2023	As at 31.03.2023
Leasehold Land	3,248.81	28.97	398.95	2,878.83	131.76	37.72	-	169.48	2,709.35
Leasehold Building	-	121.22	-	121.22	-	33.67	-	33.67	87.54
Total	3,248.81	150.18	398.95	3,000.05	131.76	71.39	-	203.15	2,796.90

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net block	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	For the period	Deductions/ Other adjustments	As at 31.03.2022	As at 31.03.2022
Leasehold Land	2,602.11	650.77	4.08	3,248.81	47.72	84.03	-	131.76	3,117.05
Total	2,602.11	650.77	4.08	3,248.81	47.72	84.03	-	131.76	3,117.05

Description of the property	Gross Carrying value (in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not held in name
Leasehold land located in Jadcherla, Telangana admeasuring 9 acres	349.26	Raichem Life sciences Pvt. Ltd.	No	Since 2012	The title deeds are in the name of the erstwhile Company that was amalgamated with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Andhra Pradesh dated August, 31, 2012

3 CAPITAL WORK-IN-PROGRESS

Particulars	As at 01 April, 2022	Additions	Deletions/ Transfer	As at 31 March, 2023
a) Machinery under erection	4,869.20	4,027.07	4,446.26	4,450.01
b) Projects under erection	14,135.00	30,268.91	13,050.08	31,353.84
Total	19,004.20	34,295.98	17,496.34	35,803.85

Particulars	As at 01 April, 2021	Additions	Deletions/ Transfer	As at 31 March, 2022
a) Machinery under erection	3,169.38	7,544.55	5,844.74	4,869.20
b) Projects under erection	27,044.12	23,304.29	36,213.41	14,135.00
Total	30,213.50	30,848.84	42,058.15	19,004.20

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for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

5. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 01 April, 2022	Additions	Deletions/ Transfer	As at 31 March, 2023
a) Software under installation	52.39	422.97	445.00	30.37
b) Product under development	31,145.81	7,782.25	10,655.29	28,272.77
c) DMF /ANDA/Patents Fees	416.06	1,424.19	414.49	1,425.77
Total	31,614.26	9,629.42	11,514.77	29,728.91

Particulars	As at 01 April, 2021	Additions	Deletions/ Transfer	As at 31 March, 2022
a) Software under installation	86.52	85.53	119.66	52.39
b) Product under development	23,054.40	11,152.62	3061.20	31,145.81
c) DMF /ANDA/Patents Fees	774.65	727.95	1,086.55	416.06
Total	23,915.57	11,966.10	4,267.41	31,614.26

6. FINANCIAL ASSETS

(i) Non-Current Investment

Particulars	As at 31 March, 2023	As at 31 March, 2022
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 Rs.10 each in Reva Medicare Pvt. Ltd., Raichur.	188.93	273.46
ii) Investment in Auxilla Pharmaceuticals & Research LLP (40% Capital Contribution)	484.56	516.56
iii) Investment in 1,16,060 (PY 10,263) Share of Rs 100 each in Atria Wind Private Limited issued at premium of Rs 251 each	291.31	25.76
iv) Deemed Investment in Sravathi AI Technology Pvt Ltd, Bangalore	102.26	-
b) Investments in Preference Instruments (Unquoted)		
i) 14,00,000 (14,00,000) Preferred Stock at par value of 0.0001 USD of MAIA Pharmaceuticals INC .USA	250.00	-
ii) 37,32,500 (P.Y 28,43,500) Non Cumulative Convertible Preference shares of Rs.100/- each of Sravathi Advance Process Technologies Pvt Ltd	2,627.10	2,102.90
v) 4,91,000 (P.Y. 4,41,000), Non Cumulative compulsory Convertible share of Rs. 100/- each of Sravathi AI Technology Pvt Ltd Bangalore	319.46	276.08
II) Investments in Government securities (Unquoted)		
i) National Savings Certificate.	0.20	0.20
III) Others		
i) CY- Nil (741,362) shares of Rs.14 each of Prathijna Sustainable Solutions Pvt. Ltd., Bangalore.	-	103.79
ii) 2,000 (2000) shares of Rs.100 each of Mana Effluent Treatment Plant Ltd., Hyderabad.	2.00	2.00
iii) Investment in Debenture application money pending allotment in Atria Wind Private Limited.	-	70.53
iv) Share application money in Atria Wind Private Limited	-	51.58
Total value of unquoted investment	4,265.82	3,422.86
Aggregate value of unquoted investment	4,265.82	3,422.86

Notes Forming Part of Consolidated Financial Statement

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(ii) Other Financial Assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Security deposits (unsecured considered good)		
(i) Electricity deposits	502.66	462.14
(ii) Rental deposits	33.36	19.03
(iii) Telephone deposits	0.92	0.92
(iv) Miscellaneous deposits	89.67	86.55
Total (a)	626.60	568.64
b) Cross currency swap account	-	-
Total (b)	-	-
Total (a + b)	626.60	568.64

7. OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Capital advances		
(i) Unsecured, considered good	5,026.53	8,773.24
Less: Written off	-	-
Total (a)	5,026.53	8,773.24
b) Others		
(i) Income Tax paid under protest	-	43.33
(ii) VAT on Capital Goods & Others Item	4.69	4.69
(iii) Prepaid Expenses	56.87	134.63
(iv) Fixed deposited having maturity more than 12 month held has Security	1,089.99	1,080.73
(v) Other	0.46	-
Total (b)	1,152.02	1,263.38
Total (a+b)	6,178.55	10,036.62

8. INVENTORIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Raw materials	15,247.35	15,269.90
(ii) Work-in-progress	5,209.91	4,493.94
(iii) Finished goods	5,509.38	7,538.23
(iv) Stock-in-trade	693.92	1,595.64
(v) Stores and Spares	3,749.84	5,291.53
(vi) Packing materials	1,571.69	1,334.60
Total	31,982.10	35,523.84

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
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 45)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
(a) Considered good	32,434.91	38,632.58
(b) Unsecured considered doubtful	172.93	419.25
Less Written-off	(32.54)	(393.37)
Less: expected credit loss	(140.39)	(25.88)
Total	32,434.91	38,632.58

Note : Trade receivable in above note no: 9 (ii) (a) includes Rs. 198.36 (PY Rs.192.28) is receivable from related parties (refer note no: 41 Related Party Transaction)

(iii) Cash and Cash Equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Cash on Hand	30.13	33.86
ii) Balance with Banks in Current Account	1,952.70	3,004.15
iii) Deposit with original maturity of less than 3 months	148.99	344.89
Total	2,131.82	3,382.90

(iv) Other Bank Balance other than (iii) above

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earmarked Balances		
(i) Unclaimed dividend Accounts	24.64	28.34
Total	24.64	28.34

(v) Other Financial Assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Income accrued and due	18.47	42.89
b) Staff advance	28.09	36.71
c) Tender deposits	108.19	8.94
d) Fixed deposit having maturity less than 12 months and held as margin money	14.00	-
e) Interest accrued on fixed deposits/others	123.88	157.59
Total	292.63	246.13

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

10. OTHER CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Interest accrued on deposits	7.53	-
b) CENVAT receivable	-	0.17
c) Prepaid expenses	783.45	649.65
d) ESI, & Professional Tax	31.77	32.37
e) Advances to supplier/ receivables	2,412.38	2,753.84
f) CGST /IGST /SGST receivable	5,470.51	6,479.71
g) Export Incentive receivables	500.34	85.49
h) Staff advance/against expenses	0.21	-
Total	9,206.19	10,001.23

11. CURRENT TAX ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Income tax (Net)	728.79	904.41
Total	728.79	904.41

12. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2023	As at 31 March, 2022
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	868.02	815.27
Changes During the Year	-	52.75
Closing Balance	868.02	868.02
8,68,01,898 (PY. 8,68,01,898) shares face value of Re. 1/- each.	868.02	868.02

(a) Reconciliation of the number of shares.

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	8,68,01,898	868.02	8,15,26,898	815.27
Add: Nil (PY-52,75,000 shares issued for face value of Re. 1/- each at Rs 564.00) issued during the year	-	-	52,75,000	52.75
Shares outstanding at the end of the year	8,68,01,898	868.02	8,68,01,898	868.02

(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.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	% Holding	No of Shares	% Holding
(i) Vishnukant .C. Bhutada	63,65,610	7.33	63,65,610	7.33
(ii) Dharmavati Bhutada	62,07,796	7.15	62,07,796	7.15

(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-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
Shares issue to Director of Navya Biological Pvt. Ltd. on account of merger	-	-	-	-	13,99,994

(e) Preferential allotment of equity shares

During the previous year ended 31 March 2022, the Company has raised additional capital aggregating to Rs. 29683.95 lakhs (net of expenses of Rs. 67.05 lakhs) by way of preferential allotment of equity shares. The Company has issued 52,75,000 shares at a price of Rs. 564/- per share whereby equity share capital has increased by Rs. 52.75 lakhs and securities premium account is increased by Rs. 29,631.20 lakhs (net of expenses of Rs. 67.05 lakhs).

Details of utilization of preferential allotment proceeds are as follows:

Objects of the issue	Proceeds from preferential allotment	Utilised upto 31 March 2022	Unutilised amount as on 31st March 2022
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	29683.95	29683.95	0

(f) Promoters Share Holding

S. No.	Name of the Shareholders	Number of shares held at the beginning of the year 2022	Shareholding as a % of total no. of shares as on 31.03.2022	Number of shares held at the end of the year 2023	Percentage of shares held to total shares 31.03.2023	Change in Shareholding in the year 2022-23	Change in percentage of shares held to total shares in the year 2022-23
1	VISHNUKANT CHATURBHUI BHUTADA	63,65,610	7.33	63,65,610	7.33	-	-
2	DHARMAVATI BHUTADA	62,07,796	7.15	62,07,796	7.15	-	-
3	RAVI KUMAR INNANI	40,06,370	4.62	40,06,370	4.62	-	-
4	SURAJ KUMAR INNANI	39,80,695	4.59	39,80,695	4.59	-	-
5	OM PRAKASH INANI	28,67,691	3.30	28,67,691	3.30	-	-
6	DEEPAK KUMAR INNANI	27,33,960	3.15	27,33,960	3.15	-	-
7	KANTADEVI INANI	25,40,096	2.93	25,40,096	2.93	-	-

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

S. No.	Name of the Share-holders	Number of shares held at the beginning of the year 2022	Shareholding as a % of total no. of shares as on 31.03.2022	Number of shares held at the end of the year 2023	Percentage of shares held to total shares 31.03.2023	Change in Shareholding in the year 2022-23	Change in percentage of shares held to total shares in the year 2022-23
8	MADHAV VISHNUKANT BHUTADA	20,00,000	2.30	20,00,000	2.30	-	-
9	KESHAV BHUTADA	20,00,000	2.30	20,00,000	2.30	-	-
10	RAMAKANT INNANI .	14,97,778	1.73	14,97,778	1.73	-	-
11	VISHNUKANTH C BHUTADA HUF	13,36,130	1.54	13,36,130	1.54	-	-
12	TARADEVI INNANI	12,49,998	1.44	12,49,998	1.44	-	-
13	VISHNUKANTA INANI	12,12,498	1.40	12,12,498	1.40	-	-
14	BRIJGOPAL INNANI	11,74,866	1.35	11,74,866	1.35	-	-
15	NATAMAL INNANI	11,31,232	1.30	11,31,232	1.30	-	-
16	SHAKUNTALABAI INNANI	11,29,186	1.30	11,29,186	1.30	-	-
17	SAGAR INNANI	10,00,000	1.15	10,00,000	1.15	-	-
18	TRIVENI INANI	2,94,810	0.34	2,94,810	0.34	-	-
19	PRIYA INNANI	1,80,696	0.21	1,80,696	0.21	-	-
20	KAMALKISHORE INNANI	1,65,236	0.19	1,65,236	0.19	-	-
21	MANJULATHA INNANI	1,57,546	0.18	1,57,546	0.18	-	-
22	KEERTI INNANI	1,55,021	0.18	1,55,021	0.18	-	-
23	NAMRATHA BHUTADA	22,500	0.03	22,500	0.03	-	-
	Total	4,34,09,715	50.01	4,34,09,715	50.01	-	-

13. OTHER EQUITY

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Securities Premium Account	72,495.15	72,495.14
(b) General Reserves	5,182.68	5,182.68
(c) Retained Earning	1,00,118.04	1,04,320.49
(d) Others		
i) Cash flow hedge reserve	(2.59)	(2.59)
ii) Remeasured of defined benefit plan	(100.86)	(423.50)
(e) Gain on forfeiture of equity shares	8.76	8.76
(f) Foreign Currency Monetary Translation Difference Account	(241.50)	(229.52)
Total	1,77,459.68	1,81,351.46

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
Term Loans		
a) From Banks (secured)		
I) HDFC - Term Loan	7,781.58	15,930.35
Nature of Security		
Shilpa Pharma: Term loan of Rs. 10000 Lakhs 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 Biologicals: Term loan of Rs. 20000 Lakhs taken from HDFC is secured by charge on the Primary Plant & Machinery, Factory Land and Building, Current Assets of the company and Corporate Gurantee jointly from Shilpa Medicare Limited (Holding Co) and Shilpa Pharma Lifesciences Limited and personal guarantee of 2 (two) Director of the Holding Company.		
Terms of Repayment & Interest Rate:		
Shilpa Pharma: 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 Biologicals: The loan is repayable in 4 years and 11 months starting from 30.08.2021 and last installment falling due on 30.05.2025		
II) HSBC - Term Loan	-	6,875.00
Nature of Security		
Term loan of Rs. 10000 Lakhs 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 Rs 625 Lakhs with the final installment falling due at the end of the January- 2024 interest payable 03 month MCLR payable monthly.		
III) Axis Bank - Term Loan	5,625.00	5,625.00
Nature of Security		
Shilpa Medicare: Term loan of Rs. 10000 Lakhs 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.		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<p>Shilpa Pharma: Term loan of Rs. 4375 Lakhs taken from Axis Bank, Bangalore and is secured by pari passu charge with HSBC Bank on movable and immovable fixed assets of Raichur Unit-II (EOU) situated at Raichur Growth Center Industrial Area, Chicksugur Village.</p> <p>Terms of Repayment & Interest Rate:</p> <p>Shilpa Medicare: Repayment of term loan from Axis Bank after moratorium period of 12 months would be in 16 equal quarterly installments of Rs 625 lakhs with the final installment falling due at the end of the June- 2025. Interest payable at monthly rests</p> <p>Shilpa Pharma: Repayment of term loan from Axis Bank is repayable in 10 equal quarterly installments of Rs 312.5 Lakhs with the final installment falling due on 04.02.2026. Interest payable monthly rests even during moratorium period.</p>		
IV) SCB - Term Loan	3,675.00	5,512.25
<p>Nature of Security</p> <p>Term loan of Rs. 7350 lakhs was taken from SCB, Bangalore and is secured by first pari passu charge on the movable fixed assets at Jedcherla, unit and first pari passu charge on Land and building of Formulation unit at Jedcherla and also secured by personal guarantee given by two (02) Directors.</p> <p>Terms of Repayment & Interest Rate:</p> <p>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 at monthly rests</p>		
V) Citi Bank - Term Loan	781.25	1,406.25
<p>Nature of Security</p> <p>Shilpa Therapeutics-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.</p> <p>Terms of Repayment & Interest Rate:</p> <p>Shilpa Therapeutics-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.</p>		
VI) IDFC First Bank	6,429.06	-
<p>Nature of Security</p> <p>Shilpa Biocare-The term loan of Rs. 15000 Lakhs was sanctioned by the bank on 27.09.2022. The term loans is secured by way of first charge on Current assets & Fixed assets of the company (both present & future) and Corporate Gurantee, jointly provided by Shilpa Medicare Limited (Holding Co) & Shilpa Pharma Lifesciences Limited.</p>		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Terms of Repayment & Interest Rate:		
The loan is repayable in 17 quarterly installments after 6 months from date of commencement of operations. Interest payable monthly.		
b) From Others (unsecured)		
1) Loan under SBIRI Scheme	-	11.39
Shilpa Biological 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 Rs.21.05 Lakhs with final installment falling due on 17.08.2022. Interest is payable @ 1% P.A. on amount drawn upto Rs.100 Lakhs and @ 2% above Rs.100 Lakhs, and is payable in 02 equal installment after principal repayment.		
2) From Bajaj Finance Limited	4,590.00	-
Nature of Security		
Sanctioned loan is Rs. 5000 lakhs and is secured by lien & pledge of equity shares of Shilpa Medicare Limited owned by 3 members of the promoters group. The securities provided for pledge or lien are free from any charge, lock in and encumbrances.		
Terms of Repayment & Interest Rate:		
Bullet repayment or the loan may be renewed at the end of the tenure at the sole discretion of Bajaj Finance Ltd. Tenure of loan is 36 months, with put/call option at the end of 12 months from the first date of disbursement. Interest to be paid monthly. Interest rate applicable for said loan shall vary basis BFL's internal credit and risk policy and as per an algorithmethmic multivariate score card which includes variables. Entire loan facility recall in case promoter pledging exceeds 30% or if at any time during the loan tenure share price of SML falls by 40% from the date of disbursement under this facility		
Total	28,881.89	35,360.24
(ii) Lease liability		
Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Land & Building	180.14	113.30
Total	180.14	113.30
(iii) Others		
Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Deferred Consideration Payable on acquisition of FTF Pharma Pvt Ltd	500.00	500.00
Total	500.00	500.00

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

15. PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Provision for gratuity	1,548.75	1,708.62
(ii) Provision for leave encashment	216.15	199.01
Total	1,764.90	1,907.63

16. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Deferred tax liability (Difference in tax base of property, plant, equipment & others)	16,982.52	13,462.44
(ii) Deferred tax asset (On account of disallowable items under Income Tax Act)	(8,890.60)	(1,447.45)
(iii) MAT Credit Entitlement	(6,686.83)	(6,541.24)
Total	1,405.08	5,473.75

17. OTHER NON-CURRENT LIABILITY

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Deferred revenue	-	12.44
(b) Capital subsidy / Deferred Government grant	1,747.65	1,914.16
(c) Others	31.64	-
Total	1,779.29	1,926.60

18. FINANCIAL LIABILITY

(i) Borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured Loan		
a) Working capital loan		
From Banks		
i) Standard Chartered Bank-PCFC [refer note 'a' & 'l' (i)' below]	-	5,048.01
ii) Citi Bank-PCFC [refer note 'b' & 'l' (ii)' below]	-	119.21
iii) HSBC-PCFC [refer note 'c' & 'l' (iii)' below]	-	2,990.35
iv) Axis Bank- PCFC [refer note 'd' & 'l' (iv)' below]	698.68	2,308.66
v) Axis Bank-WCDL [refer note 'e' & 'l' (v)' below]	4,300.00	-
vi) HDFC -WCDL-[refer note 'f' & 'l' (vi)' below]	1,950.00	-
vii) HSBC-WCDL(SPLL)[refer note 'c' & 'l' (vii)' below]	3,450.00	-
viii) ICICI-WCDL[refer note 'h' & 'l' (viii)' below]	4,964.39	-
ix) IDBI-WCDL[refer note 'l' & 'l' (ix)' below]	1,500.00	-
x) Citibank-Cash Credit [refer note 'b' & 'l' (x)' below]	2,876.43	-
xi) Axis Bank-WCDL(SPLL)[refer note 'e' & 'l' (xi)' below]	7,850.00	-
xii) DBS-Cash Credit (SPLL)[refer note 'j' & 'l' (xii)' below]	299.59	-
xiii) IDBI-Cash Credit[refer note 'l' & 'l' (xiii)' below]	1,990.10	-
xiv) ICICI-PCFC[refer note 'h' & 'l' (xiv)' below]	-	4,624.23

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
xv) HDFC -WCDL (SBPL)[refer note 'g' & 'l (xv)' below]	1,500.00	1,200.00
xvi) CITI-WCDL (SPLL) [refer note 'k' & 'l (xvi)' below]	2,279.55	-
xvii) CITI-WCDL [refer note 'b' & 'l (xvii)' below]	757.95	4,000.00
xvii) Current maturity of long term debt	16,273.60	12,540.53
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 interchangeable between PCFC/WCDL/Cash credit and applicable interest for respective facility to be charged		
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 Two (2) Directors in all matters of it's Holding Company		
d) Working capital from Axis Bank (Axis) is secured by first pari passu charge on current assets (current and future) of the Company with additional collateral security given to other banks. The sanction facility is interchangeable between PCFC/WCDL/Cash credit and applicable interest for respective facility to be charged.		
e) Shilpa Pharma: Working capital from Axis Bank (AXIS) is secured by first pari passu charge on current assets of the Company in line with other working capital lenders and secured by on movable and immovable fixed assets of Raichur Unit-I situated at Deosugur Industrial Area, Shaktinagar		
f) Working Capital Demand 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 .		
g) Shilpa Biological The Working capital loan from HDFC was sanctioned by the bank on 29.09.2021. The said loan was initial repayable on bullet basis on 31.03.2022. However, the bank has extended the credit period by 178 days. The working capital loan is secured by way of first charge on the entire fixed assets of the company (both present and future), Factory Land & Building, exclusive charge on entire current asset of company (both present and future) and Corporate Gurantee, jointly from Shilpa Medicare Limited (Holding Co) and Shilpa Pharma Lifesciences Limited and personal gurantee of 02 Directors of its Holding Company.		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
h) Working capital from ICICI Bank (ICICI) is secured by first pari passu charge on current assets (both current and future) of the Company. The sanction facility is inter changeable as PCFC/Cash Credit/WCDL and applicable interest will be charge.		
i) Working capital from IDBI Bank Ltd (IDBI) is secured by first pari passu charge on the entire current assets of the Company in line with other working capital banks by way of hypothecation. The sanction facility is interchangeable between PCFC/WCDL/Cash credit and applicable interest for respective facility to be charged.		
j) Working capital from DBS Bank (DBS) is secured by first pari passu charge on the entire current assets of the Company and secured by corporate guarantee given by Shilpa Medicare Limited (Holding Company)		
k) Shilpa Pharma: Working capital from Citibank is secured by first pari passu charge on current assets of the Company in line with other working capital lenders and secured by on movable and immovable fixed assets of Raichur Unit-I situated at Deosugur Industrial Area, Shaktinagar and personal gurantee of 02 Directors. The sanction facility is interchangeably as PCFC/PSFC/WCDL/Buyer's Credit/Cash credit and applicable interest will be charge.		(
l) Interest rate as at March 31, 2023 is as under:		
(i) SCB-PSFC/PCFC CY NA (PY 2022 -LIBOr+1.42%)		
(ii) CITI-PSFC/PCFC CY NA (PY 2022 -LIBOr+1.62%)		
(iii) HSBC-PSFC/PCFC CY NA (PY 2022 -LIBOR+1.88%)		
(iv) AXIS-PSFC/PCFC-5.243% (PY 2022 Libor + 0.90% per annum)		
(v) AXIS-WCDL(SPLL)-8.85% (PY 2022-NA)		
(vi) HDFC -WCDL-12.30% (PY 2022-NA)		
(vii) HSBC-WCDL(SPLL)-9.40% (PY 2022-NA)		
(viii) ICICI-WCDL(SPLL)-8.54% (PY 2022 NA)		
(ix) IDBI-WCDL-7.80% (PY 2022 NA)		
(x) CITIBANK-Cash Credit-13% (PY 2022 NA)		
(xi) Axis Bank-WCDL-8.65% (PY 2022 NA)		
(xii) DBS-Cash Credit-5.498% (PY 2022 NA)		
(xiii) IDBI-Cash Credit 8.150% (PY 2022 NA)		
(xiv) CY NA (PY 2022 ICICI-PCFC-0.887%)		
(xv) HDFC-WCDL(SBPL) 12.32% (PY 2022 5.25%)		
(xvi) CITI-WCDL(SPL)-9.27% (PY 2022 NA)		
(xvii) CITI-WCDL-8.60% (PY 2022 5.25%)		
Total	50,690.29	32,830.99

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(ii) Trade Payable (Refer Note 42 & 45)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Trade payables due to micro and small enterprises	3,486.27	2,609.91
b) Trade payables due to other than micro and small enterprises	10,955.12	11,994.55
Total	14,441.39	14,604.46

Note : Trade payable in above note no: 18 (ii) (b) includes Rs. 120.27 (PY Rs.284.34) is payable to related parties (refer note no: 41 Related Party Transaction)

(iii) Other financial liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Current maturities of government grants	131.33	-
b) Interest accrued but not due on borrowings	277.64	229.02
c) Unclaimed dividends	24.64	28.34
d) Employee benefit liability	2,937.60	3,120.20
e) Books overdraft	249.32	849.01
f) Unclaimed Bonus & Salary	10.26	1.13
g) Capital creditors	4,627.98	3,787.55
h) Deferred Revenue	71.44	-
i) Others	28.18	34.78
Total	8,358.39	8,050.03

19. OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Advances from customers	1,098.90	1,636.56
b) Tax deduction at source	1,267.93	1,186.38
c) ESI, Professional tax Etc.	33.85	35.01
d) Security trade deposit	0.59	244.40
e) Provident fund payable	197.78	193.54
f) Unclaimed bonus & salary	95.09	67.79
g) Custom duty	0.74	34.08
Total	2,694.88	3,397.76

20. PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Compensated absences (Leave Encashment)	56.93	55.31
ii) Gratuity	338.71	402.65
iii) Others	1,674.16	1,788.10
Total	2,069.80	2,246.06

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023	For the year ended 31 March, 2022
a) Sales of Goods		
i) Sales of products	95,831.09	1,07,827.67
ii) Export Incentives	666.60	547.35
iii) Energy sales	191.97	462.91
Total	96,689.66	1,08,837.93
Abstract		
(i) Bulk Drugs/Intermediates	74,606.06	72,218.11
(ii) Formulation	17,626.00	32,639.68
(iii) Export Incentives	666.60	547.35
(iv) Power	191.97	462.91
(v) Trading	2,305.94	1,813.12
(vi) Others	1,293.09	1,156.77
Total	96,689.66	1,08,837.94

22. REVENUE FROM OPERATIONS - SERVICE AND LICENSE FEES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Product development & License fees	8,321.58	5,714.34
Total	8,321.58	5,714.34

23. OTHER INCOME

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Interest Income on :		
i) Deposit with bank	101.45	178.30
ii) Others	75.59	28.36
b) Liabilities written back	1,024.98	501.46
c) Government grant	156.51	141.05
d) Miscellaneous income	381.44	575.38
Total	1,739.97	1,424.55

24. COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventory at the beginning of the year	16,269.42	14,689.40
Add: Purchases/Transfer	36,881.50	39,754.91
Less: Inventory at the end of the year	16,107.16	16,269.42
Cost of raw materials and packing materials consumed	37,043.76	38,174.89

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

25. PURCHASE OF STOCK -IN-TRADE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Purchase of Medicines/Bulk Drugs/Others	3,398.52	849.07
Total	3,398.52	849.07

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK -IN-TRADE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Inventories		
(i) Finished goods	8,896.37	10,443.61
(ii) Work-In-process	4,493.94	3,412.72
Less Reclassified to Asset held for sale		(1,168.17)
Closing Inventories		
(i) Finished goods	7,030.60	8,896.37
(ii) Work-In-process	5,209.69	4,493.94
(Increase) / decrease in inventory	1,150.02	(702.15)

27. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Salaries, wages and bonus	26,790.62	24,487.68
b) Contribution to provident fund /gratuity and other funds	1,517.59	1,504.84
c) Staff welfare expenses	424.89	456.13
Total	28,733.09	26,448.65

28. FINANCE COSTS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Interest expense on :		
i) Working capital facility	2,147.46	615.70
ii) Interest on lease Liability	17.15	13.17
iii) Term loans	3,373.68	3,450.76
b) Dividend on cumulative preference shares	19.20	17.62
c) Amortisation of processing fees	6.25	-
d) Interest on unsecured Loan	89.63	13.75
e) Factoring Charges	204.89	-
f) Others	6.95	5.53
Total	5,865.21	4,116.52

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023	For the year ended 31 March, 2022
a) Power and fuel	5,679.09	5,242.69
b) Repairs & Maintenance		
i) Buildings	784.53	601.28
ii) Plant and machinery	3,133.86	3,706.27
iii) Others	481.28	518.51
c) Rent	100.95	115.94
d) Exchange Loss / (Gain) Net	(1,401.19)	(665.76)
e) Rates and taxes,	206.53	244.69
f) Insurance	402.70	386.57
g) Traveling and Conveyance	535.88	325.57
h) Contractor Labour Charges	1,438.42	1,374.19
i) Legal and Professional Fees	2,497.12	5,104.49
h) Facility Fees	642.97	691.79
k) Payment to auditors (Note No 38)	53.09	31.63
l) Research and Development expenses	4,910.23	5,506.05
m) Transportation Charges	203.22	208.63
n) Brokerage and Commission	399.75	1,235.76
o) Job work charges	92.11	88.01
p) Directors Sitting Fees	3.90	5.60
q) Sales Promotion and Advertisement	262.25	565.89
r) Advance Written-off	0.10	122.96
s) Clearing and Forwarding expenses	797.44	727.11
t) (Profit) Loss on sale /Discard of Assets.	26.48	160.22
u) Custom Duty & Vat Exp	396.10	407.61
v) CSR Expenses	397.61	372.51
w) Product Filing Fees /patent application fees	159.49	251.35
x) Tech Transfer Expenses	80.44	-
y) Expected credit loss	140.39	-
z) Provision for Capital Advance Written Off	94.60	-
aa) Bad Debts written-off	32.54	419.26
ab) Miscellaneous Expenses	1,905.81	1,647.43
TOTAL	24,457.70	29,396.25

30. EXCEPTIONAL INCOME/ (EXPENSES)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Gain on account of reduction of investment of foreign subsidiary	-	880.90
b) Loss on sale of subsidiary	-	(20.12)
c) Gain on sale of asset	-	18.32
Total	-	879.10

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
a) Foreign letter of credit	9.26	182.96
b) Bank guarantees/Corporate guarantee*	417.53	259.78
c) Claims against the Company not acknowledged as debt	6,296.93	5,780.00
d) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	11,915.48	4,163.41
Total	18,639.20	10,386.15

32. EMPLOYEE BENEFIT DEFINED CONTRIBUTION PLANS

i) Provided fund

Particulars	As at 31 March, 2023	As at 31 March, 2022
Defined Contribution Plan		
Provided fund	1,036.88	985.05

ii) Defined benefit Plan (Gratuity)

a) Holding Company

Movement of present value of the defined benefit obligation	As at 31 March, 2023	As at 31 March, 2022
i) Change in defined benefit obligation		
Obligations at year beginning	2,346.28	1,786.01
Service cost	323.18	355.97
Interest on defined benefit obligation	64.95	117.63
Benefits settled	(226.70)	(59.74)
Divestures (Demerger)	(1,236.76)	-
Actuarial (gain)/loss	-	146.40
Increase/(Decrease) due to effect of any business combination/divestiture/transfer*	917.70	
Obligations at year end	2,188.64	2,346.27
ii) Change in plan assets		
Plans assets at year beginning, at fair value	217.09	261.77
Expected return on plan assets	17.87	19.80
Actuarial gain/(loss)	(67.86)	(1.51)
Benefits payout	(88.24)	(34.71)
Increase/(Decrease) due to effect of any business combination/divestiture/transfer*	192.53	
Plans assets at year end, at fair value	271.39	245.35
iii) Amount recognised in the balance sheet		
Closing BPO	2,188.64	2,346.27
Closing fair value of plan assets	271.39	245.35
Net asset/(liability) recognized in the balance sheet	1,917.25	2,100.92

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Movement of present value of the defined benefit obligation	As at 31 March, 2023	As at 31 March, 2022
iv) Expenses recognised in the statement of P & L account		
Service cost	318.88	355.96
Interest cost	61.92	114.86
Expected return on plan assets	28.89	(17.03)
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	(63.66)	(88.84)
Actuarial (Gain)/Losses due to Financial Assumption changes in DBO	10.45	(44.53)
Actuarial (Gain)/Losses due to Experience on DBO	(226.80)	279.76
Return on Plan Assets (Greater)/Less than Discount rate	(18.91)	(0.98)
Total actuarial (gain)/loss included in OCI	(298.92)	145.41
v) Assets Information		
i) Insured (fund is managed with Life insurance corporation of India)	271.39	245.35
%	12.40	100.82
ii) Non fund based (Company manages at its own)	1,917.25	2,100.92
%	87.60	199.18
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)	7.46%	7,24%
Expected rate of return on assets	7.46%	7,24%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	10.33%	9%
Attrition rate of employees	16.00%	15.00%
Retirement age of employees (Years)	58.00%	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.

b) Indian Subsidiaries Companies

Defined benefit Plan (Gratuity)	As at 31 March, 2023	As at 31 March, 2022
i) Change in defined benefit obligation		
Obligations at year beginning	249.30	182.83
Service cost	229.54	59.55
Interest on defined benefit obligation	17.14	8.85
Benefits Settled	(58.07)	(6.57)
Actuarial (gain)/loss	123.70	4.64
Increase/(Decrease) due to effect of any business combination/diversture/transfer*	1,360.46	-
Obligations at year end	1,922.06	249.30

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023	As at 31 March, 2022
ii) Change in plan assets		
Actuarial gain/(loss)		-
Plans assets at year end, at fair value	129.18	65.60
iii) Reconciliation of present value of the obligation and fair value of the plan assets		
Closing BPO	1,922.06	249.30
Closing fair value of plan assets	(129.18)	(65.60)
Closing funded status	-	183.70
Unrecognised actuarial (gains) / losses	-	-
Net asset/(liability) recognized in the balance sheet	1,792.88	183.70
iv) Expenses recognised in the statement of P & L account		
Service cost	225.24	59.54
Interest cost	14.11	6.08
Actuarial (gains) / losses	(7.07)	4.15
Net Gratuity Cost	232.29	69.77
c) Principal actuarial assumptions		
Defined benefit Plan (Gratuity)	As at 31 March, 2023	As at 31 March, 2022
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)	7.45%	7.33%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	10.20%	9%
Attrition rate of employees	13.40%	13.00%
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.

Sensitivity Analysis

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as below:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Decrease	Increase	Decrease	Increase
Discounted rate	5.74%	(5.17%)	7.63	6.67
Salary increase	(4.90%)	5.31%	5.91	6.61
Attrition rate	1.22%	(1.18%)	1.45	1.35

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.

* on account of slump sales agreement, the closing liability as on June 30, 2022 has been transferred from Shilpa Medicare Limited to Shilpa Pharma Lifesciences group

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023						As at 31 March, 2022							
	Amortised Cost			Carrying Amount			Amortised Cost			Carrying Amount				
	Level 1	Level 2	Level 3	Total	FVTPL	Total	Level 1	Level 2	Level 3	FVTPL	Total			
FINANCIAL ASSETS														
I. At Amortized Cost														
Non-current investments	-	-	-	4,265.82	-	4,265.82	-	-	-	-	-	-	-	3,422.86
Trade receivable	-	-	-	32,434.91	-	32,434.91	-	-	-	-	-	-	-	38,632.59
Cash & bank balances	-	-	-	2,131.82	-	2,131.82	-	-	-	-	-	-	-	3,382.90
Other bank balances	-	-	-	24.64	-	24.64	-	-	-	-	-	-	-	28.34
Other financial assets	-	-	-	919.23	-	919.23	-	-	-	-	-	-	-	814.77
Total	-	-	-	39,776.42	-	39,776.42	-	-	-	-	-	-	-	46,281.46
FINANCIAL LIABILITIES														
Borrowings	-	-	-	79,572.18	-	79,572.18	-	-	-	11.39	-	-	-	68,191.23
Trade payables	-	-	-	14,441.39	-	14,441.39	-	-	-	-	-	-	-	14,604.46
Other financial liabilities	-	-	-	8,858.37	-	8,858.37	-	-	-	-	-	-	-	8,550.03
Lease Liability	-	-	-	216.70	-	216.70	-	-	-	137.62	-	-	-	137.62
Total	-	-	-	1,03,088.64	-	1,03,088.64	-	-	-	11.39	-	-	-	91,483.34

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 Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

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.

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	191.89	37.11	-	213.56	61.08	-
Cash and cash equivalents	88.71	0.86	0.01	4.07	0.15	0.01
Short-term borrowings	-	(7.80)	-	(168.61)	(27.27)	-
Trade payables	(41.00)	(3.06)	(0.44)	(54.37)	(5.20)	-
Net Foreign Currency Risk	239.60	7.11	(0.43)	(5.35)	28.76	0.01

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
USD-Sensitivity				
Increase by 1% (gain/(loss))	196.99	(4.06)	-	-
Decrease by 1% (gain/(loss))	(196.99)	4.06	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	24.29	24.35	-	-
Decrease by 1% (gain/(loss))	(24.29)	(24.35)	-	-
GBP-Sensitivity				
Increase by 1% (gain/(loss))	(0.43)	0.01	-	-
Decrease by 1% (gain/(loss))	0.43	(0.01)	-	-

(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, 2023 and 31 March, 2022 respectively.v

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Change in 0.50% interest on WCL	172.08	101.45

(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 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. Three customers are accounted for more than 10% of the trade receivable as of 31 March, 2023 and for 31 March, 2022 respectively. Since the Company is dealing with the customer from past several years, hence there is no concordant 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	As at 31 March, 2023	As at 31 March, 2022
Impairment loss recognised - trade receivable	140.39	25.88
%	0.43	0.07

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, 2023 :

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	34,416.69	-	-	-
Long term borrowings	-	16,273.60	28,881.89	-
Trade and other payable	-	14,439.94	1.45	-
Lease Laibilities	-	36.56	180.14	-
Other Financial Laibilities	-	8,358.39	-	-
Total	34,416.69	39,108.49	29,063.48	-

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2022:

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	20,290.46	-	-	-
Long term borrowings	-	12,540.53	35,106.90	253.34
Trade and other payable	-	14,604.46	-	-
Lease liability	-	24.32	113.30	-
Other Financial Liability	-	8,050.03	-	-
Total	20,290.46	35,219.34	35,220.20	253.34

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, 2023	31 March, 2022
Total Debts	79,572.18	68,191.23
Net Debt (A)	79,572.18	68,191.23
Total equity attributable to the equity shareholders of the Company (B)	1,77,435.65	1,81,114.70
Net Debt to Equity Ratio	0.45	0.38

36. EARNINGS PER SHARE ('EPS')

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year before OCI	(3,247.63)	6,066.23
Shares		
Weighted average shares used for computing basic EPS	8,68,01,898	8,35,35,734
Weighted average shares used for computing diluted EPS	8,68,01,898	8,35,35,734
Earning Per Shares		
Basic (in Rs)	(3.74)	7.26
Diluted (in Rs)	(3.74)	7.26

37. RECONCILIATION OF TAX EXPENSES

(I) Income Tax

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax on profit for the year	3413.10	3404.31
Deferred Tax (net of MAT Credit)	-4149.46	763.96
Total Current Tax expenses	-736.36	4168.27
Profit before tax	(3,984.18)	10,226.48
Enacted tax rate in India (%) C.Y. 34.944% (P.Y. 34.944%)	(1,392.07)	3,573.54

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Differences between tax rates	1,503.63	1,415.28
Non-deductible expenses for tax purpose	594.04	14.53
Income which is chargeable at different rate	(8.74)	-
Tax Impact on slum sale transaction	(1,129.30)	-
Exempt income & Other (net) including sec 10AA benefit	(177.15)	(1855.43)
Others	(126.78)	1,020.34
Income tax rate	(736.36)	4,168.27

(II) Recognised Deferred Tax Assets / Liabilities

Movement of Deferred Tax Assets / Liabilities	As at 31 March, 2023	As at 31 March, 2022
Deferred Tax Liabilities		
Property, plant and equipment, and intangible assets	16,982.52	17,303.18
Gross Deferred Tax Liabilities	16,982.52	17,303.18
Deferred Tax Assets		
Defined benefit obligations/Employees benefit liability	513.41	792.71
On unabsorbed loss of subsidiaries	7,458.48	3,365.68
MAT Credit Entitlement Benefit	6,686.83	6,541.24
Others	918.71	1,129.80
Gross Deferred Tax Assets	15,577.42	11,829.43
Net Deferred Liabilities	1,405.09	5,473.75

Recognised Deferred Tax Assets / Liabilities	As at 01 April, 2022	Recognised in statement of profit & loss	Recognised in OCI	As at 31 March, 2023
Movement of Deferred Tax Assets / Liabilities				
Deferred Tax Liabilities				
Property, plant and equipment, and intangible assets	17,303.18	(320.66)	-	16,982.52
Gross deferred tax liabilities	17,303.18	(320.66)	-	16,982.52
Deferred Tax Assets				
Defined benefit obligations/Employees benefit liability	792.71	(198.35)	(80.95)	513.41
MAT Credit Entitlement Benefit	6,541.25	145.58	-	6,686.83
On Business Losses	3,365.68	4,092.80	-	7,458.48
Others	1,129.80	(211.09)	-	918.71
Gross Deferred Tax Assets	11,829.44	3,828.93	(80.95)	15,577.42
Net Liability	5,473.74	(4,149.60)	80.95	1,405.09

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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, 2023	For the year ended 31 March, 2022
For statutory audit	34.28	27.23
For Tax audit	5.70	1.00
For Limited Review	1.36	0.83
For Income tax matters	2.91	0.63
For Certification	5.70	-
For Others	3.15	1.94
Total	53.09	31.63

Note : Excluding applicable tax.

39 SEGMENT INFORMATION

The Company is mainly engaged 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, 2023	For the year ended 31 March, 2022
Pharmaceutical product and services	1,04,152.57	1,13,542.01
Power sales	191.97	462.91
others	666.60	547.35
Total	1,05,011.14	1,14,552.27

(b) Information about geographical areas

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(i) Revenues		
(A) Within India	51,057.19	48,801.54
(B) Outside India		
(i) USA	16,392.26	19,096.49
(ii) Europe	21,313.09	32,517.06
(iii) ROW	16,248.60	14,137.19
Total	1,05,011.14	1,14,552.28

Particulars	As at 31 March, 2023	As at 31 March, 2022
ii) Non-current Assets		
(A) Within India	2,06,146.70	1,92,539.10
(B) Outside India	2,398.06	2,299.81
Total	2,08,544.76	1,94,838.91

Note: Non-current Assets excludes financial assets

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(c) Information about major customers

The Company has three customers who contributed more than 10% of the Company's total revenue during the current year and previous year.

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 31 March, 2023	As at 31 March, 2022
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	1,780.62	1,814.09
Total	1,948.00	1,981.47

(b) Building

Particulars	As at 31 March, 2023	As at 31 March, 2022
Not later than one year	43.13	30.78
One to Five Year	61.42	8.35
Total	104.55	39.13

(c) The following are the amounts recognised in the statement of profit or loss

Particulars	As at 31 March, 2023	As at 31 March, 2022
Depreciation expenses on right of use-assets	71.39	73.74
Interest expenses on lease liabilities	17.15	13.17
Total amount recognised in Profit or loss	88.54	86.91

(d) The following is the movement in lease liabilities during the year ended March 31, 2023

Particulars	Land	Buildings	Total
Balance as the beginning	137.62	-	137.62
Addition during the year	-	120.75	120.75
Finance cost accrued during the year	17.15	-	17.15
Disposals	-18.40	-	-18.40
Payment of lease liabilities	-9.37	-31.05	-40.42
Balance as at March 31, 2023	127.00	89.70	216.70

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(d) The following is the movement in lease liabilities during the year ended March 31, 2022

Particulars	Land	Buildings	Total
Balance as the beginning	153.53	-	153.53
Addition during the year	-	-	-
Finance cost accrued during the year	13.17	-	13.17
Disposals	-	-	-
Payment of lease liabilities	-29.08	-	-29.08
Balance as at March 31, 2022	137.62	-	137.62

(e) The following is the breakup of current and non current lease liability:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current lease liabilities	36.56	24.32
Non current lease liabilities	180.14	113.30
Total	216.70	137.62

41. RELATED PARTY TRANSACTIONS

Related parties where control exists and related parties with whom transactions have taken place during period 01st April 2022 to 31st March 2023 are listed below ;

(All amounts are in Indian rupees in Lakhs unless otherwise stated)

List of Related Parties

1. Associates

- Maia Pharmaceuticals INC. USA
- Reva Pharmachem Pvt Ltd
- Auxilla Pharmaceuticals and Research LLP (Investment Entity of WOS)

2. Joint Venture (JV)

- Reva Medicare Pvt. Ltd.
- Sravathi Advance Process Technologies Pvt. Ltd.
- Sravathi AI Technologies Pvt. Ltd. (JV of WOS)

3. (i) Key Management Personnel-(KMP)

- Vishnukant C. Bhutada - Managing Director
- Alpesh Dalal - Chief Financial Officer
- Kalakota Sharath Reddy - Whole Time

Director

- Ritu Tiwari- Company secretary(wef 23.05.2022)

(ii) Directors

- Omprakash Inani - Non-executive Director
- Sirisha Chintapalli - Independent Woman Director (retired on 22.09.2022)
- Arvind Vasudev - Independent Director
- Hetal Gandhi - Independent Director
- Anita Bandyopadhyay (Appointed we f 11.08.2022)
- Kamal Kishore Sharma (Appointed wef 01.07.2022)

4. Relatives to Promoters

- Deepak Kumar Inani
- Keshav Bhutada
- Madhav Bhutada
- Ramakant Inanni
- Sagar Innani
- Ravi Innani

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

6. Enterprises having common Directors/ Board of Trustees

g) Triveni Inani

a) Shilpa Foundation

b) Mohini Infra (P) Ltd

Sl. No.	Name of the related party	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
A	Remuneration paid to Key Management Personnel					
i)	Vishnukant.C. Bhutada	Salary and perquisites*	360.90	202.44	966.98	455.52
ii)	Kalakota Sharath Reddy	Salary and perquisites	158.65	5.80	138.52	6.95
iii)	Alpesh Dalal	Salary and perquisites	119.16	3.02	91.83	4.88
iv)	Ritu Tiwari	Salary and perquisites	45.00	2.71	-	-
v)	V V Krishna Chaitanya	Salary and perquisites	-	-	7.76	0.31
B	Remuneration paid to other Directors					
i)	Omprakash Inani	Sitting Fees	2.00	-	1.90	0.45
ii)	Sirisha Chintapalli	Sitting Fees	1.50	-	1.90	0.45
iii)	Piyush Goenka	Sitting Fees	-	-	0.90	-
iv)	Arvind Vasudev	Sitting Fees	0.50	-	1.20	-
v)	Hetal Madhukant Gandhi	Sitting Fees	0.50	-	1.20	-
vi)	Arvind Vasudev	Professional Fees & Remuneration	29.50	6.75	16.30	6.30
vii)	Hetal Madhukant Gandhi	Professional Fees & Remuneration	39.50	9.00	22.10	8.55
viii)	Anita Bandyopadhyay	Professional Fees & Remuneration	11.50	4.05	-	-
IX)	Kamal Kishore Sharma	Professional Fees & Remuneration	22.50	6.75	-	-
X)	Pramod Kasat	Professional Fees & Remuneration	-	-	0.20	-
Xi)	Rajendra Sunki Reddy	Professional Fees & Remuneration	-	-	0.20	-
C	Relative					

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
i)	Deepak Kumar Inani	Salary	80.36	3.92	69.28	3.80
ii)	Keshav Bhutada	Salary	24.76	0.64	20.08	1.14
iii)	Madhav Bhutada	Salary	24.76	0.64	20.08	1.14
iv)	Ramakant Innani	Salary and perquisites	84.03	4.09	71.21	3.97
v)	Ravi Kumar Innani	Salary and perquisites	57.66	1.90	48.87	3.79
vi)	Sagar Innani	Salary	10.80	0.30	5.00	0.67
vii)	Keshav Bhutada	Rent	1.20		4.80	1.08
viii)	Madhav Bhutada	Rent	1.20		4.80	1.08
ix)	Triveni Inani	Rent	0.85		3.40	0.77
D	Others					
i)	Reva Medicare Pvt. Ltd.	Commission	93.16		477.07	-
		Sales of Goods or Service	(4.20)	-	(4.20)	-
		Trade Payable		120.27	-	263.55
		Commission Accrued but not paid			-	40.93
		Trade Receivable		-	-	(0.41)
		Investment in equity shares		(0.50)		(0.50)
ii)	Maia Pharmaceuticals INC. USA	Trade Receivable		(198.36)	-	(182.90)
		Investment in Preference shares		(795.69)		(795.69)
iii)	Sravathi Advance Process Technologies Pvt. Ltd.	Purchases of Goods or Service			209.25	-

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(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	Description of transaction	01 st April 2022 to 31 st Mar 2023 (Income) / Expenses Other Transaction	Balance as at 31 st Mar 2023 Payable / (Receivable)	01 st April 2021 to 31 st March 2022 (Income) / Expenses Other Transaction	Balance as at 31 st March 2022 Payable / (Receivable)
		Trade Payable	-	-	-	19.43
		Investment in equity shares		(6.50)		(6.50)
		Investment in Pref Shares	889.00	(3,732.50)		(2,843.50)
vi)	Shilpa Foundation	Corporate Social Responsibility Expenses	397.54		360.95	-
v)	Mohini Infra (P) Ltd	Godown Rent	1.95	-	10.16	-
		Trade Payable		-		0.70
vi)	Auxilla Pharmaceuticals and Research LLP	Sales of Goods or Service	-		(10.31)	-
		Purchases of Goods or Service	78.36		263.84	-
		Trade Receivable		-		(8.98)
		Trade Payable		-		0.66
vii)	Reva Pharmachem Pvt Ltd	Investment in Equity shares	-	-		(10.00)
		Written off	10.00			
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)				
c)		Trade payable & Trade receivables are net off advances				

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

42. A sum of Rs 3,486.27 lakhs is payable to Micro, Small and Medium Enterprises as at 31st March, 2023 (Rs. 2,609.91 lakhs as at 31st March, 2022). 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, 2022. 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. Balance of trade receivables/ trade payables/advances and security deposits are subject to confirmation
44. **Additional disclosures required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013;**
- 1) The Group does not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
 - 2) The Group does not have any transactions with companies struck off.
 - 3) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. In respect of few charges satisfaction have not yet been filed
 - 4) The Group has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
 - 5) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds), other than in the ordinary course of business by the Company to or in any other person(s) or entity(ies), including foreign entities = ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - 6) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year
 - 7) The Group has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - 8) The Group has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
 - 9) The quarterly returns of current assets filed by the group Companies with banks are in agreement with books of account.
 - 10) The company has not revalued any assets during the year.
45. Figures of the previous year have been regrouped/rearranged wherever necessary.

Trade Payables ageing schedule for the year ended 2023

Outstanding for following periods from due date of Payment

S No	Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
		INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
a)	MSME	3,478.28	5.30	2.69	-	3,486.26
b)	Disputed Dues-MSME	-	-	-	-	-
	Total of MSME	3,478.28	5.30	2.69	-	3,486.26
c)	Others	10,226.63	237.72	79.37	411.40	10,955.12
d)	Disputed-Others	-	-	-	-	-
	Total of Others	10,226.63	237.72	79.37	411.40	10,955.12

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Trade Payables ageing schedule for the year ended 2022

Outstanding for following periods from due date of Payment

S No	Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
		INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
a)	MSME	2,568.27	35.94	0.09	2.83	2,607.13
b)	Disputed Dues-MSME	-	2.77	-	-	2.77
	Total of MSME	2,568.27	38.71	0.09	2.83	2,609.90
c)	Others	11,368.47	167.46	4.23	414.92	11,955.08
d)	Disputed-Others	-	39.47	-	-	39.47
	Total of Others	11,368.47	206.93	4.23	414.92	11,994.55

Intangible assets under development as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	898.71	10,602.50	10,783.86	7,443.84	29,728.91
Projects temporarily suspended	-	-	-	-	-
Total	898.71	10,602.50	10,783.86	7,443.84	29,728.91

Intangible assets under development as at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,742.58	5,947.91	10,632.47	6,291.30	31,614.26
Projects temporarily suspended	-	-	-	-	-
Total	8,742.58	5,947.91	10,632.47	6,291.30	31,614.26

Capital work in progress ageing schedule as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	22,954.95	9,358.66	1,518.53	85.61	33,917.35
Projects temporarily suspended	1,225.35	521.94	139.21	-	1,886.50
Total	24,179.90	9,880.60	1,657.74	85.61	35,803.85

Capital work in progress ageing schedule as at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12,745.20	4,500.79	915.71	558.39	18,720.10
Projects temporarily suspended	-	-	-	284.1	284.10
Total	12,745.20	4,500.79	915.71	842.49	19,004.20

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Trade receivables ageing schedule as at 31 March 2023

Sr No	Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Undisputed Trade Receivables – considered good	16,761.19	11,196.63	1,369.65	1,451.33	104.79	405.22	31,288.81
b)	Disputed Trade receivables - considered good	-	-	1.40	961.65	32.19	150.86	1,146.10
	TOTAL	16,761.19	11,196.63	1,371.05	2,412.98	136.98	556.08	32,434.91

Trade receivables ageing schedule as at 31 March 2022

Sr No	Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Undisputed Trade Receivables – considered good	12,925.47	14,692.45	9,775.67	555.98	31.03	351.05	38,331.65
b)	Disputed Trade receivables - considered good	-	-	-	-	268.30	32.63	300.93
	TOTAL	12,925.47	14,692.45	9,775.67	555.98	299.33	383.68	38,632.58

46. Figures of the previous year have been regrouped/rearranged wherever necessary.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sr No	Particulars	Numerator	Denominator	31 st March 2023	31 st March 2022	Variation	Reasons
1	Current Ratio	Current Assets	Current Liabilities	0.98	1.45	(47.89%)	Variation is majorly due to increase in current liabilities (borrowings).
2	Debt Equity Ratio	Total Debt	Share holder equity	0.45	0.38	15.46%	Variation is majorly due to increase in short term borrowings.
3	Debt service coverage ratio	Earnings available for debt service	debt service	0.72	1.03	(42.86%)	Variation is majorly due to increase in finance costs; attributable to borrowings, increase in depreciation and losses incurred.
4	Inventory turnover ratio	Cost of Goods sold	Average inventory	1.23	1.14	7.49%	Variation is majorly due to increase in COGS, on account of higher purchases
5	Return on equity	Net profit after taxes	Average shareholders equity	(1.72)	3.70	314.56%	Variation is mainly due to loss incurred.
6	Trade receivable turnover ratio	Revenue	Average Trade Receivables	2.96	3.79	(28.25%)	Variation is mainly due to decrease in revenue.
7	Trade payable turnover ratio	Purchase of trade and services	Average Trade Payables	2.76	3.81	(38.12%)	Variation is mainly due to increase in payables.
8	Net Capital turnover ratio	Revenue	Capital employed	0.49	0.53	(8.80%)	Variation is due to slight decrease in revenue.
9	Net Profit ratio	Net Profit	Revenue	(2.94)	5.29	279.68%	Variation is due to loss incurred.
10	Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.95	6.67	(602.18%)	Variation is mainly due to decrease in PBT.
11	Return on investment	Income generated from investments	Investments	NA	NA		The Company is not having any market linked investments

As per our report of even date attached
for Bohara Bhandari Bung And Associates LLP
 Chartered Accountants
 Firm's Registration No.0081275/S200013

Yogesh. R. Bung
 Partner
 M.No.143932

Place : Raichur
 Date : 25.05.2023

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

Omprakash Inani
 Chairman
 DIN : 01301385

Ritu Tiwary
 Company Secretary

Vishnukant Bhutada
 Managing Director
 DIN : 012433391

Alpesh Maheshkumar Dalal
 Chief Financial Officer

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March, 2023

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(Amount in Rs. Lakhs)

	Share in Profit & Loss Account		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Profit/Los	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
A Parent - Indian						
Shilpa Medicare Limited	(176.05)	5,717.61	132.84	428.59	(210.13)	6,146.21
B (A) Subsidiaries - Indian						
1 Shilpa Therapeutics Private Limited	24.41	(792.78)	-	-	27.10	(792.78)
2 INM Technology Private Limited	11.44	(371.39)	-	-	12.70	(371.39)
3 Shilpa Biologicals Private Limited	174.28	(5,659.83)	8.54	27.55	192.56	(5,632.28)
4 Shilpa Biocare Pvt Ltd (Erstwhile Shilpa Albumin Pvt Ltd)	0.24	(7.80)	(0.06)	(0.21)	0.27	(8.01)
5 Shilpa Pharma Lifesciences Limited-Consol	(194.15)	6,305.20	(42.62)	(137.51)	(210.86)	6,167.69
6 FTF Pharma Pvt Ltd	(9.64)	313.21	1.31	4.22	(10.85)	317.43
7 Vegil Labs Private Limited-Consol	6.59	(213.94)	-	-	7.31	(213.94)
(B) Subsidiaries - Foreign						
1 Mankindus,INC	-	-	-	-	-	-
2 Koanaa Heakthcar Limited(UK)	1.54	(49.95)	-	-	1.71	(49.95)
3 Koanaa Heakthcar GMBH(Austria)	9.40	(305.39)	-	-	10.44	(305.39)
4 Zatoria Holding Limited	0.03	(0.95)	-	-	0.03	(0.95)
5 Koanaa Healthcare Spain,S.L	8.21	(266.55)	-	-	9.11	(266.55)
6 Shilpa Pharma Inc.	13.71	(445.27)	-	-	15.22	(445.27)
7 Koanna Healthcare Canada Inc.	4.10	(133.00)	-	-	4.55	(133.00)
8 INDO BIOTECH SDN. BHD	2.96	(96.18)	-	-	3.29	(96.18)
9 Koanna International FZ LLC.	8.24	(267.48)	-	-	9.14	(267.48)
C Non Controlling Interests in all Subsidiaries						
D (a) Associates (Investment as per equity methode) - Indian						
1 Reva Pharmachem Private Limited	(0.04)	1.32	-	-	(0.04)	1.32
(b) Joint Ventures (Investment as per equity methode) - Indian						
1 Reva Medicare Private Limited	1.06	(34.53)	-	-	1.18	(34.53)
2 Sravathi Advance Process Technologies Private Limited	11.09	(360.05)	(1.99)	(6.40)	12.47	(364.79)
E Step Down subsidiary/Associates						
1 Auxilla Pharmaceuticals and Research LLP (Investment Entity	0.99	(32.00)	-	-	1.09	(32.00)
2 Sravathi AI Technology Private Limited	4.53	(147.06)	(0.06)	(0.20)	5.03	(147.18)
3 Shilpa Lifesciences Private Limited	0.01	(0.23)	-	-	0.01	(0.23)

Notice

Notice is hereby given that the 36th Annual General Meeting ("AGM") of the members of Shilpa Medicare Limited will be held on Friday, 29 September 2023 at 11:00 AM (IST) 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 31 MARCH 2023, TOGETHER WITH THE REPORT OF BOARD OF DIRECTORS AND AUDITORS THEREON.**
2. **TO APPOINT A DIRECTOR IN PLACE OF MR. OMPRAKASH INANI (DIN:03101385), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE- APPOINTMENT.**

SPECIAL BUSINESS:

3. **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), a remuneration of ₹ 75000/- (Rupees Seventy Five Thousand only) (Excluding taxes, as applicable), in addition to reimbursement of all out of pocket expenses at actuals, if any, be paid 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 31 March 2024 be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts deeds and things as may be necessary to give effect to this resolution."

By order of the Board of Directors
For **Shilpa Medicare Limited**

Sd/-
Ritu Tiwary
Company Secretary

Date: 01 September 2023

Place: Raichur

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 NO.3

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 2023 -24 at a remuneration of ₹ 75000/- (Rupees Seventy Five 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 by way of Ordinary resolution for ratification of the remuneration payable to the cost auditors for the financial year ending 31st March, 2024.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested, financially or otherwise in the above resolution.

By order of the Board of Directors
For **Shilpa Medicare Limited**

Sd/-
Ritu Tiwary
Company Secretary

Date: 01 September 2023

Place: Raichur

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.

In view of the continuing global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide General Circular No. 2/2022 dated May 5, 2022 read with General Circular Nos. 20/2020 dated May 5, 2020, 2/2021 dated January 13, 2021, 19/2021 dated December 8, 2021 and 21/2021 dated December 14, 2021 and Securities and Exchange Board of India (SEBI) vide Circular Nos. SEBI/ HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 (collectively referred to as 'the Circulars'), has allowed companies to conduct the Annual General Meeting (AGM) through VC/OAVM without the physical presence of Members at a common venue. In compliance with the Circulars, relevant provisions of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the AGM of the Company is being held through VC/OAVM at 11.00 a.m. (IST) on Friday, 29 September 2023. Members can attend and participate in the AGM through VC/The deemed venue for the 36th AGM shall be at the Registered Office of the Company, i.e. 12-6-214/A1, Hyderabad Road, Raichur – 584 135, Karnataka, India.

As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by Members is not available and hence, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

Members can join the AGM through VC/OAVM mode 30 minutes before the scheduled time of commencement of the meeting by following the procedure mentioned in this Notice.

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 (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit/Nomination & Remuneration/Stakeholders' Relationship Committees, Auditors, etc., who are allowed to attend the AGM without restriction of first come first served basis.

Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

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 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 Limited.

Corporate Members / Institutional 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. Such documents can be sent to ajay@vcancs.com, with a copy marked to cs@vbshilpa.com & evoting@kfintech.com.

An Explanatory Statement, in compliance with the provisions of Section 102 of the Act and Rules made thereunder, Secretarial Standards on General Meetings (SS-2) and Listing Regulations, wherever applicable, in respect of Special Business to be transacted at the AGM is annexed and forms part of this Notice.

The Company has notified closure of Register of Members and Share Transfer Books from Friday, 23 September 2023 to Friday, 29 September 2023 (both days inclusive).

Members holding shares in dematerialised form who acquire shares after dispatch of the Notice and holding shares as of the cut-off date i.e. 22 September 2023 are requested to follow steps mentioned in this Notice under 'Access to NSDL e-Voting system'. Members holding shares in physical form and non-individual shareholders, who acquire shares after dispatch of this Notice and holding shares as of the cut-off date, are requested to obtain the login ID and password by sending request to evoting@nsdl.co.in.

Pursuant to the above referred circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, 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 authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

E-AGM: Company has appointed KFin Technologies Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.

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.

In accordance with the aforesaid Circulars, the Notice of the 36th AGM along with the Annual Report for FY 2022-23 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 Limited.

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 27 September 2023 to 28 September 2023.

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.

Shareholders who have queries or desirous of seeking any information on the accounts or operations of the company may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@vbshilpa.com from 27 September 2023 to 28 September 2023, so that the required information can be made available at the Meeting.

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.

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 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.

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.

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 who wish to inspect the register are requested to write to the Company by sending an email to cs@vbshilpa.com.

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).

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 Limited at Karvy Selenium, Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana.

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.

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.

Members (Physical / Demat) who have not registered their email addresses with the Company can register and obtain 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 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 36th 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 einward.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 Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

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 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., 22 September 2023 only shall be entitled to avail the facility of remote e-voting.

The remote e-voting period commences on 26 September 2023 at 09:00 AM and ends on 28 September 2023 at 05:00 PM IST. 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

PROCEDURE FOR REMOTE E-VOTING

- i. 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.
- ii. 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.
- iii. 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.
- iv. The remote e-Voting period commences Sunday, Tuesday, 26 September 2023 and ends on Thursday 28 September 2023.
- v. 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.
- vi. 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.
- vii. 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."

viii. 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 KFinTech 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 CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, 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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can 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

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:
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - ii. 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.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. 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.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., 36th AGM SHILPA MEDICARE LIMITED-AGM and click on "Submit"
 - vii. 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.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. 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.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. 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 "36th AGM SHILPA MEDICARE LIMITED- AGM" Even No.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. 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.
- v. 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 at cs@vbshilpa.com. Questions /queries received by the Company till 27 September 2023 to 28 September 2023 shall only be considered and responded during the AGM.
- vi. 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.
- vii. 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.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

Details on Step 3 are mentioned below:

III) 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.

- i. 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.
- ii. Facility for joining AGM though VC/ OAVM shall open atleast 30 Minutes before the commencement of the Meeting.

OTHER INSTRUCTIONS

- I. **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 Wednesday 27 September 2023 to Thursday 28 September 2023 (evoting window period). 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.

- II. **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 be opened from Wednesday 27 September 2023 to Thursday 28 September 2023 (evoting window period)
- III. 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 Ritu Tiwary, at cs@vbshilpa.com, evoting@kfintech.com or call Kfintech's toll free No. 1-800-3094-001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22 September 2023, 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.
- V. 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:
 - i. 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
 - ii. 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://emeetings.kfintech.com/forgotpassword.aspx>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- iii. 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.
- VI. 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.

Procedure for Registration of email and Mobile: securities in physical mode:

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

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):

Name of the Director	Mr. Omprakash Inani
Brief Resume:	Set out in Annexure B
Age	66 Years
Relationship with directors	Not related to any Director inter-se
Date of initial appointment	23rd March, 1988
Qualification	Bachelor of Commerce
Experience and expertise in specific functional area	Over 39 years of experience in all facets of the Company's business and its functional aspects.
Terms and As set forth in the resolution pertaining to his initial appointment conditions of appointment or reappointment	As set forth in the resolution pertaining to his initial appointment
Remuneration sought to be paid and the remuneration last drawn	Nil
Directorship on the Boards of other companies	1. Srinidhi Cottons Private Limited 2. Jaijanaki Fabrics Private Limited 3. Inok Cottons Private Limited 4. Mohini Infra Private Limited
Chairmanship on the Committees of Boards of other companies	Nil
Membership on the Committees of Boards of other companies	Nil
No. of meetings of the Board attended during the year	05
Number of shares held in the Company as on 31st March, 2023	28,67,691 equity shares of ₹ 1/- each

By order of the Board of Directors
For **Shilpa Medicare Limited**
Sd/-
Ritu Tiwary
Company Secretary

Place: Raichur
Date: 01 September 2023

ANNEXURE – B**BRIEF PROFILE OF MR. OMPRAKASH INANI**

Mr. Omprakash Inani has more than 39 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.



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