



Shilpa Medicare Limited

Corporate & Admin Office:

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CIN: L85110KA1987PLC008739

Date: 26 August 2024

To,
Corporate Relationship Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

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

Stock Code: BSE – 530549 / NSE – SHILPAMED

Dear Sir/Madam,

Sub: Disclosure under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Annual Report for the Financial Year 2023-24 and Notice of the 37th Annual General Meeting (AGM)

Pursuant to Regulation 34 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 2023-24 and Notice convening the 37th Annual General Meeting (AGM) of the Company scheduled to be held on Tuesday, the 17th day of September 2024 at 10.00 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.

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

This is for your information and records.

Thanking you,
For **Shilpa Medicare Limited**

Ritu Tiwary
Company Secretary & Compliance Officer



Innovating for
affordable healthcare

Shilpa Medicare Limited



Biologicals
Unit



TDS/ODF Unit



Formulation
Unit



API Unit



Analytical Lab



**Expanding reach
Emerging stronger**

37th Annual Report 2023-24

Annual Report Formats

This annual report is available in the following formats:



Print



Online



Smartphones



Scan QR code to
see this Annual
Report online



To view this report online please
log on to www.vbshilpa.com

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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At Shilpa Medicare, we have embarked on the path of expansion ever since our inception. Over the years, we have not only diversified our portfolio to cater to diverse client needs but also expanded our reach by foraying into new geographies. Through consistent R&D endeavours, we have driven pharmaceutical innovation, further strengthening our capabilities in developing and commercialising products. Building on our core competencies, we have always focused on moving up the value chain.

These efforts have enabled us to emerge stronger than we were before. Backed by robust financial strength and enhanced operational efficiency we remain dedicated to delivering affordable healthcare and creating greater value for all our stakeholders.

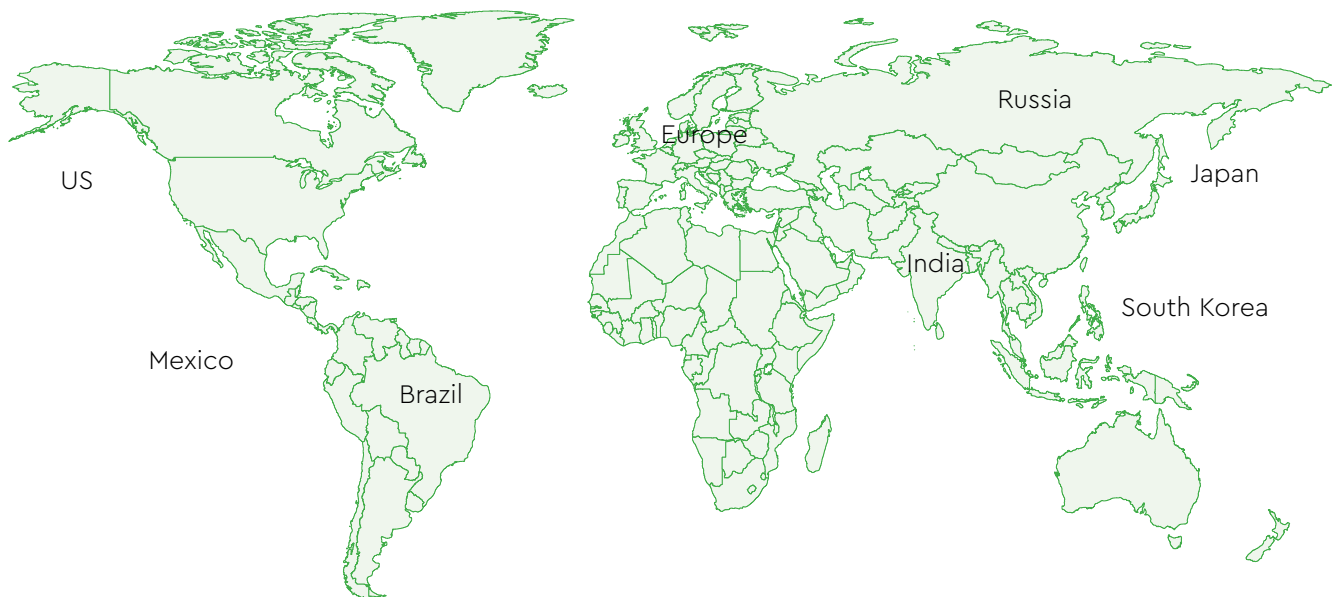
About Shilpa Medicare Limited

Shaping a healthier tomorrow

At Shilpa Medicare, our journey commenced in 1987. Since then, we have emerged as a trusted name in manufacturing Active Pharmaceutical Ingredients (APIs) and formulations. We cater to a global clientele with diverse needs by offering an extensive range of oncology and non-oncology APIs, oncology formulations, biosimilars and more.

We supply APIs and intermediates to regulated markets across the globe, including the US, Europe, Japan and other emerging markets.

We are at the forefront of developing life-saving oncology drugs and formulations, making them accessible to a wider population. Through continuous R&D, we strive to push the boundaries of what is possible in healthcare.



At Shilpa Medicare, we believe that everyone deserves access to quality healthcare. We are dedicated to-

Delivering effective treatments- that make a real difference in people's lives

Partnering with healthcare providers- to deliver the best possible outcomes for patients

Upholding the highest ethical standards- in everything we do.



Oncology Expertise

We are a prominent player in the oncology space, offering a wide range of oncology APIs and intermediates. Our products cater to various regulated markets, including the US, Europe and Japan.



Diversified Product Portfolio

Beyond oncology, we have developed a diverse portfolio of non-oncology APIs, formulations, biosimilars and more. We are vertically integrated, which enables us to manage the entire production process, from raw materials to finished products.



Innovation-driven

Through continuous R&D, we are striving to develop and deliver innovative healthcare solutions.



Global Presence

We cater to a global clientele and ensure our high-quality and affordable medicines reach those in need.



Chairman's Perspective



Omprakash Inani
Chairman



We have strategically positioned ourselves in niche growth areas such as Biologics, Transdermal and Oral Dissolving Films (ODFs) through an emphasis on advanced research and development. Supported by our best-in-class manufacturing capabilities, we ensure delivery of high-quality, affordable drugs, reinforcing our commitment to develop patient-centric solutions.



Dear Shareholders,

I am delighted to share that in a year marked by macroeconomic challenges, we have ensured resilient performance and strategically pursued our quest for excellence. The current global economic landscape presents notable potential for growth and innovation. Our expertise in the complex Active Pharmaceutical Ingredients (APIs) and Formulation development empowers us to further strengthen a portfolio of balanced, innovative and sustainable solutions.

We have strategically positioned ourselves in niche growth areas such as Biologics, Transdermal and Oral Dissolving Films (ODFs) through an emphasis on advanced research and development. Supported by our best-in-class manufacturing capabilities, we ensure delivery of high-quality, affordable drugs, reinforcing our commitment to develop patient-centric solutions.

Our strong R&D background, encompassing development, pathway engineering, complex chemistry and characterisation of biologics, has led our way through a complex pharmaceutical landscape. To further cement our position in a competitive environment, we are focusing on our Contract Development and Manufacturing Organization (CDMO) business to enhance our reach and fulfil the unmet patient needs.

Whilst we continue to remain steadfastly focused on delivering on our oncology-API portfolio with addition of newer products, in the non-oncology API segment, we are exploring products with high growth potential and aiming to offer indigenous solutions that can substitute imports. Moreover, we continue our developmental efforts on the niche areas of peptides and polymers to create our future growth engines.

We remain committed to move up the pharma value chain through an emphasis on the Formulation business, specialising in complex Oncology and Non-Oncology treatments. By facilitating the introduction of valueadded products, including Novel Drug Delivery System (NDDS) products in the areas of orally disintegrating films and transdermal patches with a focus on patient comfort and compliance Similarly in the biological space, we strive to introduce products that provide better healthcare at affordable cost including improved availability of life saving medicines.

We adhere to stringent environmental management system (EMS) standards, focusing on waste management, adoption of renewable energy and inculcating safe practices across the organisation. As a responsible corporate, we lay emphasis on Environmental, Social and Governance (ESG) performance, along with extensive Corporate Social Responsibility (CSR) initiatives that span across diverse fields, including education, healthcare, the environment, and sports, reflecting our dedication to the holistic well-being of the communities we serve.

I would like to thank our clients, business partners and esteemed shareholders for their continued support. Moving ahead, we are determined to innovate, excel and create value while ensuring sustainable and inclusive growth. With our strategic focus and unwavering commitment, we are confident in achieving new milestones and delivering on our promise of affordable and high-quality healthcare solutions.

Thank you for your continued trust and support.

Warm regards,

Omprakash Inani
Chairman



As a responsible corporate, we lay emphasis on Environmental, Social and Governance (ESG) performance, along with extensive Corporate Social Responsibility (CSR) initiatives that span across diverse fields, including education, healthcare, the environment, and sports, reflecting our dedication to the holistic well-being of the communities we serve.



Message from Managing Director



Vishnukant Chaturbhuj Bhutada
Managing Director



We have launched our first NDA product in the US market, in partnership with Amneal. This landmark achievement is a testament to our ability to deliver cutting-edge solutions to the global pharmaceuticals market. Additionally, we have expanded our geographical reach by entering several emerging markets through our marketing partners.



Dear Shareholders,

I am pleased to inform you that our focus on building a sustainable and resilient business has empowered us to navigate challenges over the past couple of years. We have consistently improved our performance and emerged stronger to firmly expand our market share.

Staying true to our commitment to innovation, we continue to improve our API and Formulations portfolio to expand our presence in domestic as well as international markets. To ensure supply of high-quality and affordable drugs, we remain focused on exploring opportunities in niche business segments and are developing value-added products to broaden our portfolio and fulfil unmet medical needs.

Financial Performance

During the fiscal year 2024, our revenue increased to ₹ 1,15,977 Lakhs from ₹ 1,06,751 Lakhs in FY23. This impressive growth is complemented by a significant increase in EBITDA, which rose to ₹ 25,267 Lakhs from ₹ 11,968 Lakhs in FY23, a phenomenal 111% year-on-year growth.

In FY24, our Company took various measures to streamline our debt obligations through issue of Non-Convertible Debentures (NCDs) of ₹ 45,000 Lakhs. to marquee institutional investors which ultimately paved the way for the recent QIP of ₹ 50,000 Lakhs. in April 2024 to deleverage our Balance sheet significantly.

Growth Strategy

Our ability to execute strategic plans and enhance operational efficiencies have translated into profitable business growth. We continue to take rapid strides with our API business and lay a thrust on polymer, peptide, CDMO businesses to strengthen our market position. We are constantly working on capacity enhancement and improvement in operational efficiency for accommodating increased batch sizes and optimum utilisation of blocks for oncology and non-oncology products. We are also adding new products to our emerging business segments of Polymers and Peptides.

In a significant development for our formulations business, we have recently launched our first NDA product in the US market, in partnership with Amneal. This landmark achievement is a testament to our ability to deliver cutting-edge solutions to the global pharmaceuticals market.

Additionally, we have expanded our geographical reach by entering several emerging markets through our marketing partners. As a strategy, we seek to introduce novel solutions that make significant breakthroughs in targeted therapeutic areas. In alignment with this objective, we have developed an innovative product for non-alcoholic fatty liver disease (NAFLD), a first-of-its-kind solution in this domain.

Our Transdermal portfolio continues to gain traction, with the recent signing of licensing deals for two more products for European Union markets. With a total of three transdermal products now licensed for the EU, we are well-positioned to capitalise on emerging opportunities to serve patient needs from different parts of the globe.

FY24 was a landmark year for our biological business where we launched our first biological product High Concentration Adalimumab in Indian market. With Phase III clinical studies planned for Aflibercept in near future, we are on course for adding more products to our biological portfolio. For Recombinant Human Albumin, we have recently filed our DMF in the US markets and have also had a positive outcome for the Phase I clinical studies. We are also on course to complete our large scale fermentation facility at Kadechur which will support manufacturing of Recombinant Human Albumin for both excipient and therapeutic usage.

Our CDMO business as true one stop solution, continues to receive positive responses from customers across all our business segments namely API, Formulations & Biologicals and is experiencing consistent growth due to the addition of new clients.

Future Roadmap

Leveraging an improved business portfolio, cost optimisation efforts and a strong balance sheet, we are positioned for sustainable growth in the years ahead. With a relentless focus on R&D, we have uncovered new avenues of improvements and fostered innovation to develop advanced solutions for the pharmaceutical market.

At Silpa, we remain committed to aspire for excellence while paying heed to regulatory guidelines. At the same time, we strive to uphold our responsibility towards communities and the diverse stakeholders that we serve. Bolstered by the hardwork, dedication and efforts of a talented team at the helm, we are now prepared to navigate the future with optimism and confidence.

I am extremely grateful to our team, various regulatory bodies in the geographies that we operate in, our clients & suppliers, bankers & fund providers, various consultant and last but not the least our investors for their constant support and faith in our abilities. We are now poised to expand our reach and fortify our position in a competitive pharmaceutical landscape.

Yours Sincerely

Vishnukant Chaturbhuj Bhutada

Managing Director



Our CDMO business continues to receive positive responses from customers and is experiencing consistent growth due to the addition of new clients.



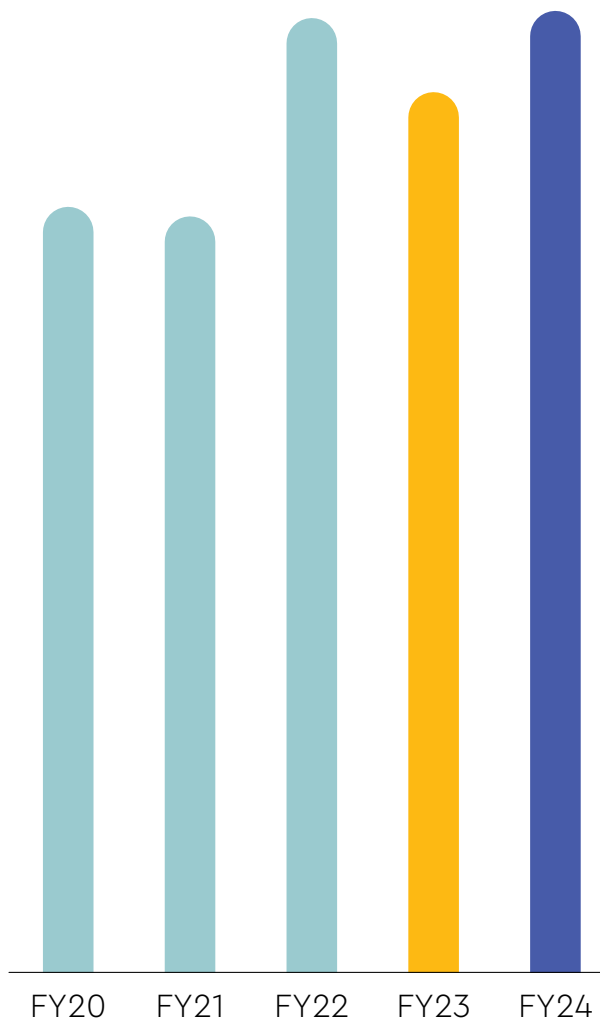
Spotlight on our financials

Consolidated Financial Highlights

Operating Revenue

(₹ Lakhs)

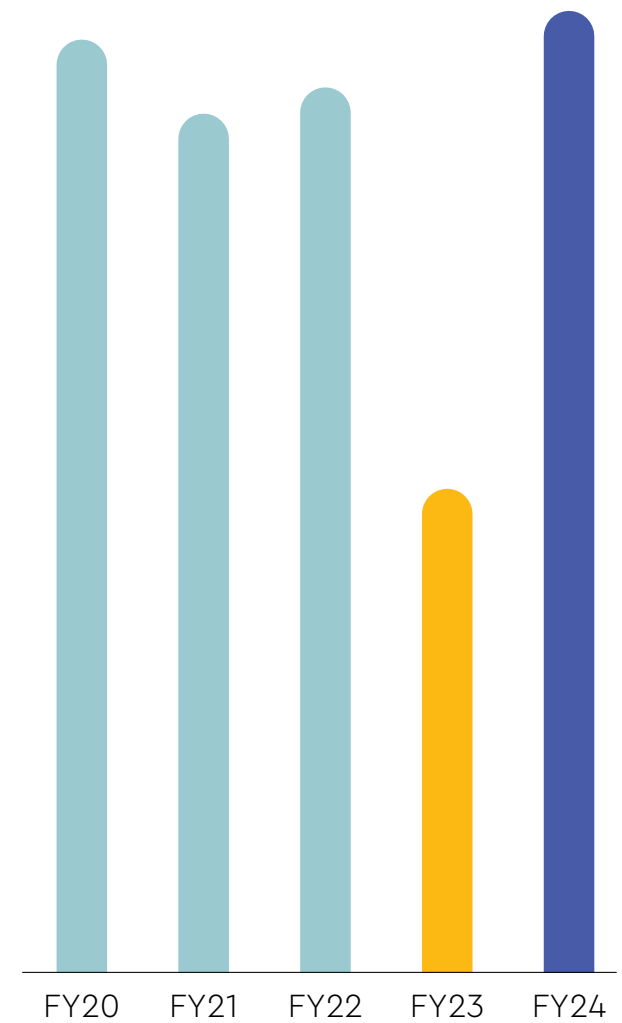
90,791 90,113 1,14,552 1,05,011 1,15,160



EBITDA

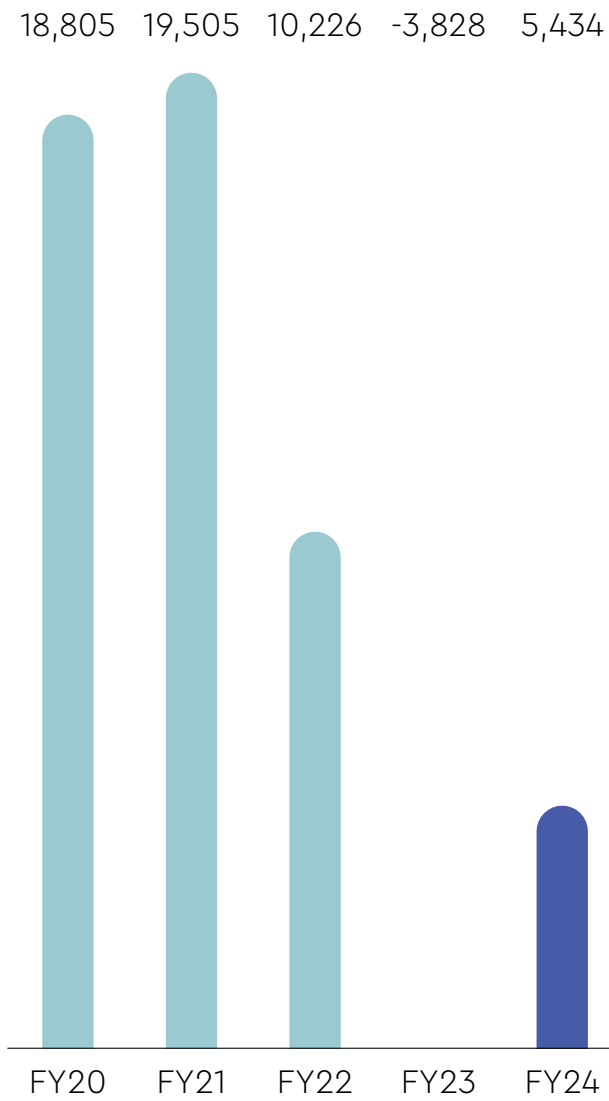
(₹ Lakhs)

23,673 21,179 2,181 11,986 25,267



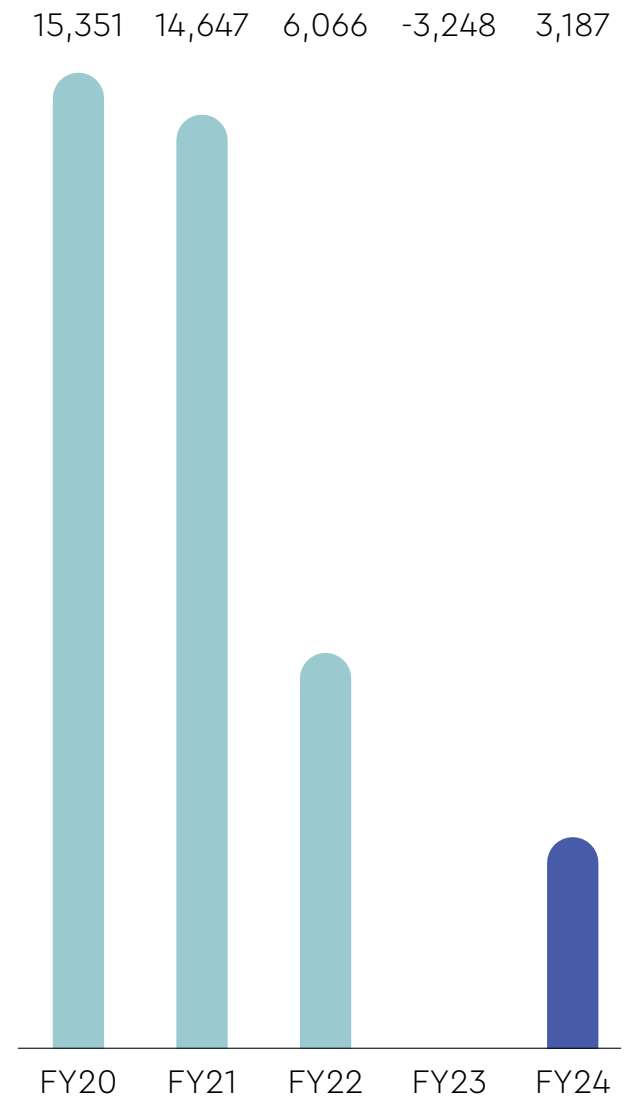
Profit Before Tax

(₹ Lakhs)



Net Profit

(₹ Lakhs)



Business Profile

Integrated one-stop CDMO solutions

We offer an extensive range of Contract Development and Manufacturing Organisation (CDMO) services across segments by undertaking focused R&D and leveraging our robust manufacturing capabilities.



Active Pharma Ingredients

- Niche player in high potent oncology and select Non-oncology products
- Investing in peptides and high-end polymers

Finished Dosage Formulations

- Differentiated portfolio focused on improved patient comfort & compliance
- NDDS platforms of Oral Disintegrating Films (ODF) and Transdermal Systems (TDS)

Biosimilars

- Select high-value, low-competition molecules
- World-class developmental and manufacturing capabilities

Recombinant Albumin

- Synthetic product to address significant global shortage of plasma product
- Manufacturing plant setup with large capacities

Active Pharma Ingredients

Our wholly owned subsidiary, Shilpa Pharma Lifesciences is engaged in our API business. It encompasses the production of APIs (oncology and non- oncology), intermediates and the provision of CDMO services. Also, the Company has made investments in building capabilities for the manufacturing of peptides and bio-polymers. With a focus on introducing generic molecules that face entry barriers, we specialise in complex API processes for both oncology and non-oncology molecules.



Our strengths

1

Renowned Oncology API Manufacturer

We have earned a solid reputation for supplying high-quality Oncology APIs to major pharmaceutical companies

2

Broad Manufacturing Capabilities

Our batch size ranges from 250 gms to 350 kgs, catering to diverse client needs

3

Expanding Expertise

We are developing capabilities in peptide and specialty and bio polymers manufacturing

4

Custom Development and Manufacturing

We offer CDMO services to global pharma players

Manufacturing facilities

Our API manufacturing operations are based out at our facility in Raichur, Karnataka. This facility comprises two units, with an aggregate installed capacity of 1015KL.

Raichur Unit – 1

422

Annual Production Capacity (metric tonnes)

359

Actual Production (metric tonnes)

85

Capacity Utilisation (%)

Raichur Unit – 2

485

Annual Production Capacity (metric tonnes)

361

Actual Production (metric tonnes)

75

Capacity Utilisation (%)

API business updates

Portfolio expansion

- Three new molecules added for validation-
- Methotrexate (Oncology imports substitute)- validation completed
- Liraglutide (3rd peptide molecule)- validation completed
- Teriparatide (4th peptide Molecule)- development completed
- Simaglutide (5th peptide Molecule)- Under development
- Abiraterone Acetate validation completed (Onco product)
- Olaparib engineering batch under progress (Onco product)
- Palbociclib validation under progress (Onco product)
- One nutraceutical product for a customer (validation completed in Q4 FY24)

Commercial updates

- Specialty polymer developed and clinical supplies delivered for the US market
- New polymer project initiated, targeting completion by Q2 FY25
- Clinical supplies and commercialisation initiated for client CDMO projects
- Increased geographical coverage with 244 DMF filings with major regulatory authorities
- Back integration of commercial products of Temozolomide and Irinotecan under progress
- Back integration of and process optimization under progress for Enzalutamide

Capacity enhancements

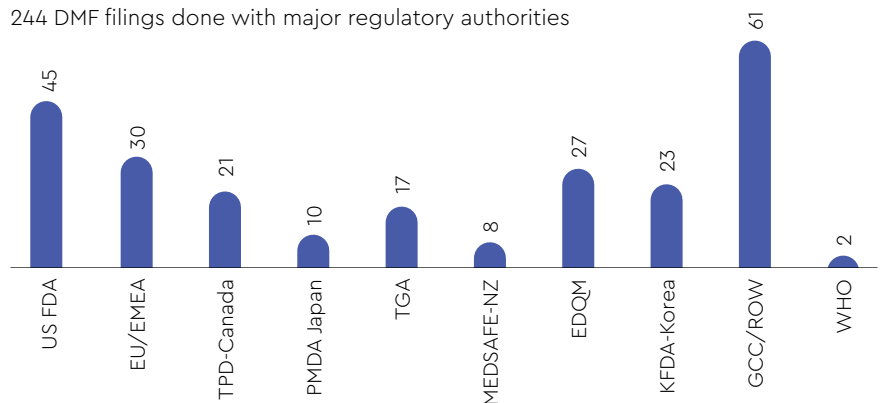
- Tranexamic Acid- expansion of capacity from 14MT to 25 MT per month (completion by December 2024)
- Capacity enhancements of Lenvatinib and Melphalan is taken up
- Lanthanum Dioxo Carbonate capacity enhancement is planned about 75 MT/annum

Other developments

- Supplied pilot quantities of a specialty polymer to a US-based client
- UDCA gaining traction in the Indian market, with international market expansion potential
- Acquired two new CDMO clients from Japan and Spain.

API – DMF Filings

New product introduction and increase in geographical coverage replicated with 244 DMF filings done with major regulatory authorities



As on 31st March 2024

API business highlights in FY24

Oncology

With a strong foundation established in 2004, the Oncology vertical has become a category leader, capturing nearly a third (~30%) of the global market share for the top five oncology drugs. We have a comprehensive product portfolio covering most cancer types and a promising pipeline of upcoming molecules poised to capitalise on expiring patents. This focus on oncology is further underscored by its substantial revenue share, constituting almost 46% of our API business in fiscal year 2024.

source: Company estimates

Non-oncology

Our Non-oncology vertical, initiated in 2003, is designed with a focus on product selection that encourages differentiation through difficult chemistry, import substitution, cost leadership and enhanced potential to capture a larger market share. This approach has enabled us to develop a robust portfolio across various therapeutic areas, including respiratory, CNS, urology, nutraceuticals and anti-infectives. Our focus on these key areas has driven substantial growth, with the revenue share in the API business for FY24 reaching an impressive 45%.

CDMO

With over three years of experience in the CDMO space, we offer expertise across oncology and non-oncology domains. After a renewed focus in the past three years, our CDMO vertical is now collaborating with over 10 global innovators. This segment currently contributes 5% to our FY24 API business revenue and demonstrates our commitment to providing comprehensive solutions to the pharmaceutical industry.

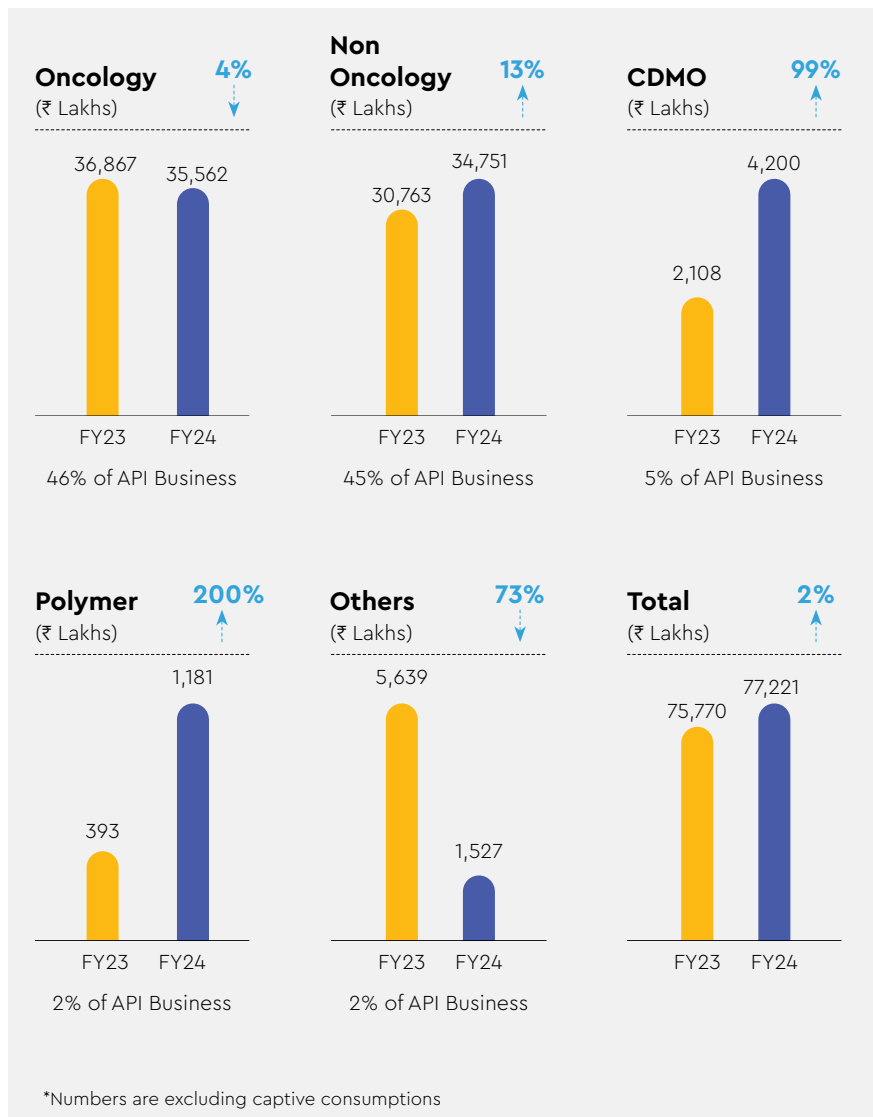
Peptides

Over the past three years, we have made strategic investments in the Peptides sector. Our focus is on developing and manufacturing high-purity multi-cyclic peptides and long-chain peptides. Backed by deep domain expertise, we are targeting the top three global peptide molecules. While the contribution of this business in our API business currently is 2%, the Peptides vertical signifies our commitment to high-value products and future growth.

Polymers

Within our Polymer division, we specialise in developing high-end speciality and bio-polymers, with our development process being closely aligned with customer requirements. We operate a separate R&D Laboratory dedicated for advancing the polymer technologies, ensuring that we meet the specific requirements of our diverse clientele. While the revenue share in the API business for FY24 remains modest at 2%, the Polymer vertical offers high-growth potential with its focus on innovation and customer-centric solutions.

API Business Highlights FY24



Finished Dosage Formulations

Our Company, along with Shilpa Therapeutics, carries out our Formulations business. It encompasses development and manufacturing & licensing of a wide range of products, including oral solids (tablets and hard-gelatin capsules), liquid injections (aseptically and terminally sterilised), dry powder injectable products, orally disintegrating films (ODFs) and transdermal patches and lyophilised injectables for pharmaceutical organisations in various countries. Our domestic business is engaged in the manufacturing of specialised Oncology formulations for cancer treatment facilities across India.



- 1 Carefully selected differentiated portfolio of oncology and non-oncology products, including 505(b)(2) opportunities
- 2 Focus on the ease of administration and patient compliance
- 3 Venturing into NDDS platforms with ODFs and TDS product pipeline
- 4 Global suppliers focusing on the B2B model ensuring licensing, supplies and profit share revenues
- 5 Establishing presence and strengthening teams in the Emerging Markets

Manufacturing facilities

Formulation manufacturing takes place at two of our facilities located in Jadcherla, Telangana and Bengaluru, Karnataka. One of our units is designed to handle potent drug products including oncology therapies, Adjuvant therapy with high-level containment up to occupational exposure level four & another unit at Bangalore for ODF/TDS products .

Key features



Oral Solid Block

Includes two commercial-scale tablet manufacturing lines and one commercial-scale capsule manufacturing line



Packaging Lines

Two blister packing lines, one bottle filling line and fully automatic packaging lines for injectables and oral solid dosage forms. Our injectable packaging lines are specialised for oncology injectables



Serialisation (Track and Trace)

Ensures the integrity and safety of commercial-grade products



Advanced Control Systems

Our process equipment is equipped with Supervisory Control and Data Acquisition (SCADA) systems that meet the U.S. regulatory requirements.

Laboratories

- Chemical Testing- Equipped for undertaking comprehensive chemical analysis
- Microbiology- Staffed with trained and qualified personnel for microbiological testing.

Regulatory approvals

Our facilities have received approvals from various regulatory agencies, including EUGMP-AGES-Austria, ANVISA, Health Canada, Peru, Argentina, South Africa, COFEPRIS Mexico, TGA -Australia, Ministry of Health- UAE & UKMHRA. These well-designed facilities enable us to produce high-quality pharmaceutical products while ensuring safety, efficiency and compliance with international standards.

Jadcherla

3.05

Annual Production Capacity (million vials)

1.21

Actual Production (million vials)

39.74

Capacity Utilisation (%)

29.39

Annual Production Capacity (million tablets/capsules)

18.04

Actual Production (Million tablets/Capsules)

61.37

Capacity Utilisation (%)

Oncology and adjuvants

- Dedicated manufacturing facilities in Jadcherla
- Supplying to global markets including the US, EU, India and Emerging Markets
- Site cleared by agencies like Anvisa Brazil, TGA- Australia, AGES- Austria and more
- On-going communication with USFDA for the import alert post re-inspection in November, 2023
- Critical products transferred to CMO sites.

Non-oncology

- Product selection based on unmet patient needs
- Differentiated product portfolio with low competition and high entry barriers.

NDDS

- Dedicated manufacturing facility at Bangalore
- Received approvals from UK MHRA, TGA Australia, AGES Austria and UAE authorities for the plant
- Commenced nutraceutical supplies to the US market
- Three TDS products out-licensed for the EU markets

Finished dosage form – regulatory filings

Robust regulatory filings to strengthen the foundation for growth in the formulation segment

US ANDA (SML)



US NDA (SML)



EU FILINGS



Emerging Markets



Formulation business updates

SMLNUD07 (Nor UDCA): Oral Products for NAFLD Treatment

- Unmet market needs: NAFLD is the most common liver disease affecting 1.2 billion people globally
- Phase III study underway: Dosing and study completion expected by Q2 2025.

SMLTDP08: Rotigotine – Transdermal Patch for Parkinson's Disease

- Skin irritation study ongoing
- Partnered with an MNC for the European market.

SMLTOP09: Topical Lotion for Androgenic Alopecia

- Phase II completed successfully
- Phase III study initiation with dosing in Q2FY25 and Global market trail planned.

Dr. CLOT Spray: Innovative Tranexamic Acid Formulation

- Launched in the Indian market to address uncontrolled bleeding during trauma, accidents, and surgeries.

Formulation Update – Oncology

- Pemetrexed Injection (NDA) granted code 'J'
- Utilised in treating non-small cell lung cancer and mesothelioma
- Novel ready-to-use injection eliminates reconstitution and dilution needs, improving dosing accuracy and ease of administration.

Formulation Update – Transdermal Systems (TDS) & Oral Disintegrating Films (ODF)

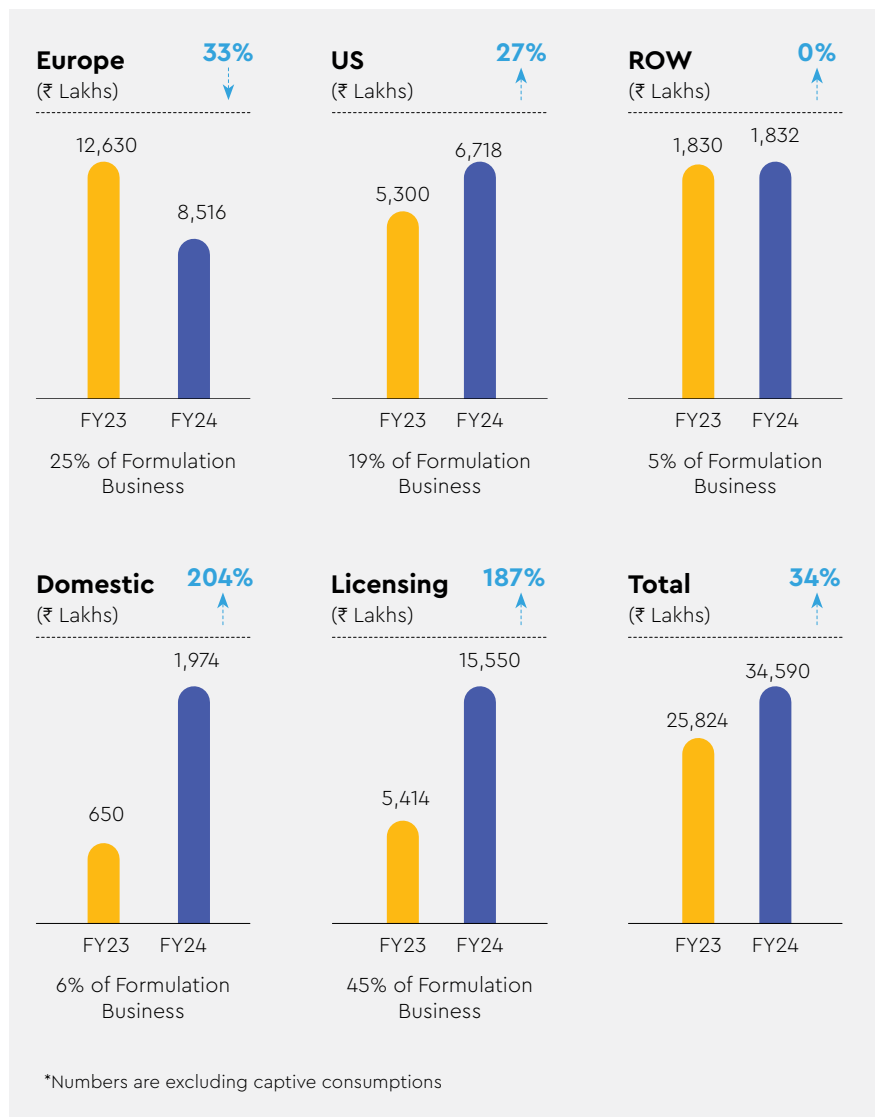
TDS

- Rotigotine Transdermal Patch partnered for Europe and Emerging Markets
- European filing expected soon
- Two more products out-licensed for EU markets
- Two new transdermal patch products were added to the development pipeline.

ODF

- Betahistine ODF approved in the UK market, presenting opportunities for collaboration
- Tadalafil ODF Marketing Authorisation (MA) filed in the European market
- Bilastine ODF clinical study completed, filing expected soon
- ODF products in the nutraceutical space launched in the US market.

Formulation Business Highlights FY24



Biosimilars

At Shilpa Medicare, we have emerged as a leading force in the biosimilar market, specialising in the development and manufacturing biosimilar medications that offer effective and accessible treatment options. We have established a state-of-the-art manufacturing and R&D facility in Dharwad, Karnataka, which is designed to fulfil varied biosimilar production needs, including those for mammalian, microbial and fermentation products.

Our team possesses end-to-end capabilities, encompassing clone development, upstream processing and downstream purification. We follow a prudent approach to portfolio selection, focusing on biosimilars with limited competition and strong differentiation.

Our portfolio features four promising biosimilars, including high-concentration Adalimumab. This innovative product has already been launched in India under our own brand and through a partnership with Sun Pharma. We have also out-licensed it for specific emerging markets.

Our Adalimumab registration has started progressing in multiple international markets outside of India. We have initiated registration procedures in over 15 distinct geographical regions.



Beyond biosimilars

Our expertise extends to the CDMO space, where we've successfully signed three CDMO projects and have started delivering on the projects.

The first phase of one of our CDMO projects has been successfully completed. We are currently in the process of delivering the second phase quantities. Shilpa Biologics serves as the sole manufacturing partner for this project.

Future launches

We are expanding our biosimilar offerings. Here is a glimpse into what lies ahead of us-

- Aflibercept – Having received the Phase III approval from the Central Drugs Standard Control Organisation (CDSCO) in India, we intend to initiate Phase III trials soon
- Additional Biosimilars – Development is underway for Abatacept, Etanercept and Pembrolizumab, which will further enrich our pipeline.

Recombinant Albumin

Recombinant human albumin technology represents a major breakthrough in biotechnology, delivering a versatile solution for various medical and industrial applications. Shilpa's proprietary technology produces recombinant human albumin that meets both therapeutic and excipient-grade standards.

The product has already achieved several milestones, including the recognition as a New Biological Entity (NBE) in India and securing process patents in the United States and the European Union.



Broad spectrum of uses

- Therapeutics- As a potential treatment for various medical conditions
- Vaccine ingredient- Enhancing vaccine stability and efficacy
- Drug delivery- Facilitating the delivery of drugs within the body
- Medical devices- Improving the performance of medical devices
- Media ingredients- Optimising cell culture media for research and biotechnology
- Diagnostics- Playing a role in diagnostic tests
- Cryopreservation and biologics- Supporting the preservation of biological materials.

Recombinant Albumin updates

A large-scale fermentation facility is nearing completion at Kadechur. This will boost production capacity. Phase I clinical trials for the therapeutic application of recombinant albumin has been successfully completed. Planning for Phase III trials will be undertaken in the near future. Additionally, an excipient grade Drug Master File (DMF) has been filed in the USA.

Ongoing research and development

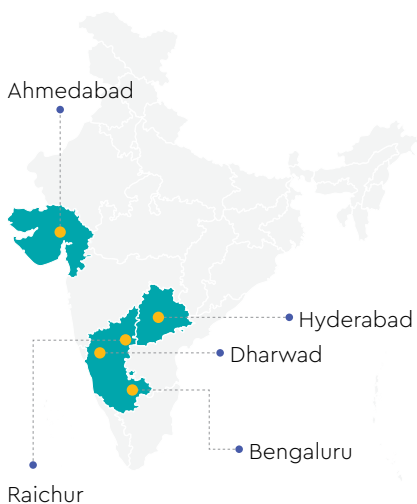
By identifying areas with high growth potential, we undertake targeted R&D initiatives to develop new products and complex molecules. Our focus also extends to enhancing the effectiveness of our existing product portfolio.

Multi-location R&D Centers and Expertise

We operate best-in-class R&D centres in Raichur, Ahmedabad, Dharwad, Bengaluru and Hyderabad, staffed by a team of 310 experts. This team constitutes approximately 12.18% of our total on-roll manpower. Our multi-disciplinary R&D team operates across various verticals, including Active Pharmaceutical Ingredients (APIs), Formulations and Emerging Businesses. The team comprises over 35 personnel holding doctorates, more than 30 personnel with PhDs and over 200 personnel with master's degrees in science and technology.



R&D Locations



Protecting Innovation

We prioritise protecting our intellectual property and have a dedicated intellectual property management team that supports our R&D efforts. This team assists in filing patent applications, crafting strategies for 505(b)(2) filings (referencing existing FDA-approved drugs) and managing patent challenges.

505(b)(2) filings

A 505(b)(2) application is an NDA that contains full reports of investigations of safety and effectiveness, where at least some of the information required for approval comes from studies not conducted by or for the applicant, and for which the applicant has not obtained a right of reference or use, including, for example, the Agency's finding of safety and/or effectiveness for a listed drug or published literature.

Driving efficiency and growth

Our R&D efforts are not only focused on new product development but also on optimising existing processes. We strive to develop cost-effective manufacturing processes that improve efficiency and affordability. This focus on innovation leads us to capitalise on opportunities in both domestic and international markets.

Success stories and future pipeline

Our R&D initiatives have helped us attain major milestones, the approval of our new drug application product for Pemetrexed injection under Section 505(b)(2) of the FD&C Act. Additionally, we have several promising products under development, such as Adalimumab, Etanercept and Abatacept.

Patents	Numbers
API	213
Films and Topicals	37
Biologicals	14
Formulations	300
Total	564

Robust quality assurance

At Shilpa Medicare, providing quality products and services to our customers is our foremost priority. We implement stringent quality control processes and systems across all our developmental and manufacturing facilities.

We have adopted the 'Quality by Design' approach to integrate quality control into our processes and leverage quality tools, including electronic quality management systems, electronic lab notebooks, quantitative structure-activity relationship studies, carcinogenic potency calculation approach systems, system auto-back up mechanisms and cloud storage, to mitigate process risks in our operations.

Our approach to quality control



Quality by Design (Quality control throughout the processes thus minimising risks)



Advanced Quality Tools (Electronic quality management systems, lab notebooks and other digital tools)



cGMP Compliance



Benefit-Risk Management

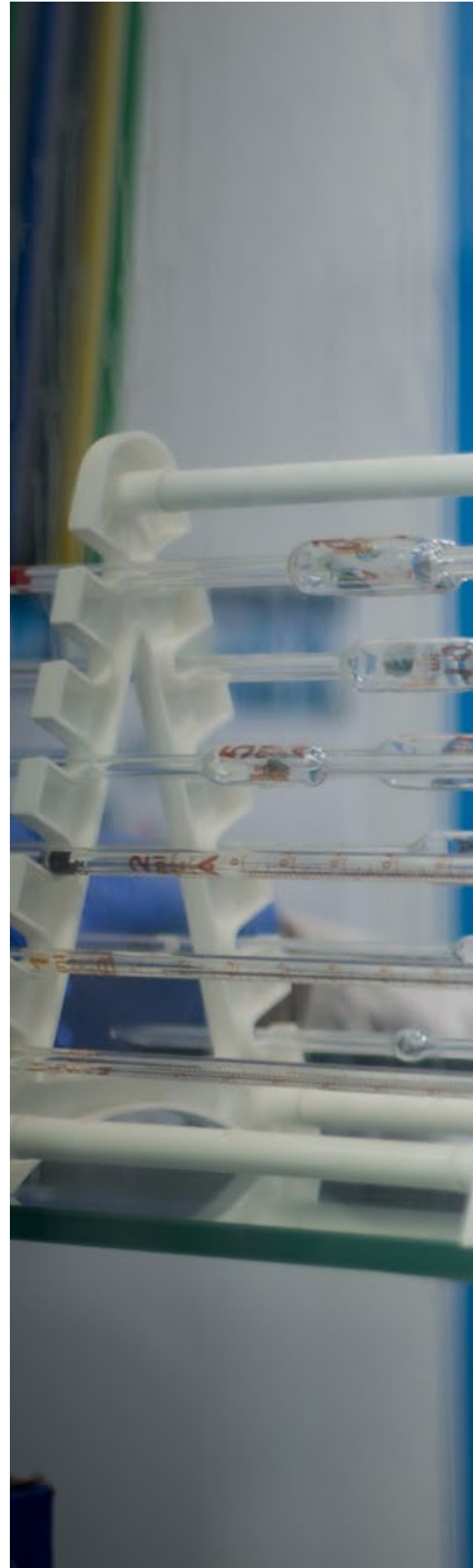


Digitalisation



Continuous Improvement

We make considerable efforts in the areas of production and quality testing to ensure compliance with cGMP regulations. We have systems in place to continuously monitor the benefit-risk profile of our products to ensure their therapeutic benefits outweigh any related safety risks for patients. Additionally, we leverage information technology to digitise and enhance our quality assurance and quality control processes.





All our manufacturing facilities are subjected to inspections and audits by regulatory agencies and our customers on a regular basis. Since 2021, our facilities have been inspected by:



U.S. FDA



In addition to these regulatory inspections, we have undergone over 200 customer audits during the same period. These audits provide a comprehensive evaluation of our adherence to quality control standards. Moreover, we engage with external consultants to assess our compliance across all facilities. In the years ahead, we will continue to identify areas for improving the quality assurance processes throughout our organisation.



**Making ESG an
integral part of
our credo**



Fostering environmental stewardship

The Company is ISO 14001:2015, ISO 45001:2018, 50001:2018 and SA 8000:2014 certified for Environmental Management systems, Occupational Health & safety Management systems, Energy management systems social accountability management systems respectively, the Companies ESG systems maturity is assessed by Ecovadis on its platform & has been Rewarded with Commitment badge.

<p>SHILPA PHARMA LIFESCIENCES LTD</p> <p>Raichur - India Manufacture of basic pharmaceutical p...</p> <p>Company size: L Assessment scope: Entity</p>	<p>Overall score</p> <p>45/100</p> <p>Percentile</p> <p>32nd</p>	
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The Company has won the 1st prize in large industry category for following the best safety practices in the Hubli kallburgi Region of Karnataka by Karnataka Safety institute Department of Factories Boilers Industrial safety & Health. Govt. of Karnataka



The Company is UNGC (United Nations Global Compact) participant , Committed to SBTi (Science Based Target initiative) for Net zero , & reporting its Performance to UNGC

The Company has actively Implemented the sustainable practices with focus on energy conservation, emission monitoring & control, Renewable energy utilization waste minimization, resource reduction, Social accountability , hazard identification & risk assessment, safe operating procedures, Supply chain management with inclusive participation of all the stakeholders

Optimising energy usage

The Company is shifting the sources its energy requirements from non renewable to Renewable sources 88.3% of total energy needs are sourced from renewable origin . The biomass-fired steam generation project is Registered is registered with the UNFCCC under Clean Development Mechanism under the Kyoto Protocol way back in 2011. The Company owns 16MW of wind mills

The Company has implemented the energy-efficient technologies, energy conservation measures are implemented with the participation of all the employees we have saved []GJ during the financial year 2023-24

20,435 GJ/year

Energy saved



Leveraging green chemistry and tech advancements

Investing in green chemistry is central to our strategy to reduce waste generation and promote cleaner, more sustainable manufacturing processes. We have positioned fractional distillation columns for solvent purification and separation,

ensuring that all solvents are recycled. Our commitment to innovation is further demonstrated by our investments in membrane technology for solvent recovery without relying on natural resources.



Managing waste and emissions

We prioritise reducing our environmental footprint by undertaking responsible waste management and treating wastewater and Monitor & control the emissions. scope-1, scope-2 & scope-3 emissions are monitored Overall Raw water consumption is reduced by about 9.0% compared to 22-23 & 23228kl is Recycled from pretreatment

The effluent is segregated to separate high COD & TDS & low COD & TDS effluent for the ease of effective treatment. The Company is equipped with zero-discharge effluent treatment plants, about 42148 KL of treated water is Recycled

65,376 KL

Water recycled



Safeguarding biodiversity

33% of our total site area as a green belt. This enables us to preserve the local flora and fauna while also enhancing and beautifying our premises

As we move ahead, we will continue to minimise our footprint on environment by adopting effective waste management and effluent treatment practices. We will remain dedicated to optimise our resource efficiency to reduce the stress on natural resources. By executing prevention strategies and consistently tracking our performance through an improved data collection system, we will strive to contribute to a cleaner and healthier tomorrow.

Building stronger communities

Corporate Social Responsibility

We undertake an extensive range of CSR initiatives that span diverse fields, including education, healthcare, environment and sports. This reflects our commitment to ensuring the holistic well-being of the communities we serve and enabling inclusive growth.



Education

We, through our Shilpa Foundation initiative, has undertaken a noble cause by donating desks to enhance the educational infrastructure. This initiative aims to support systematic learning in classrooms, thereby improving the quality of education in government schools.

In the fiscal year 2023-24, desks were donated to 5 government schools, benefitting 385 students. Among them, 207 are male and 178 are female

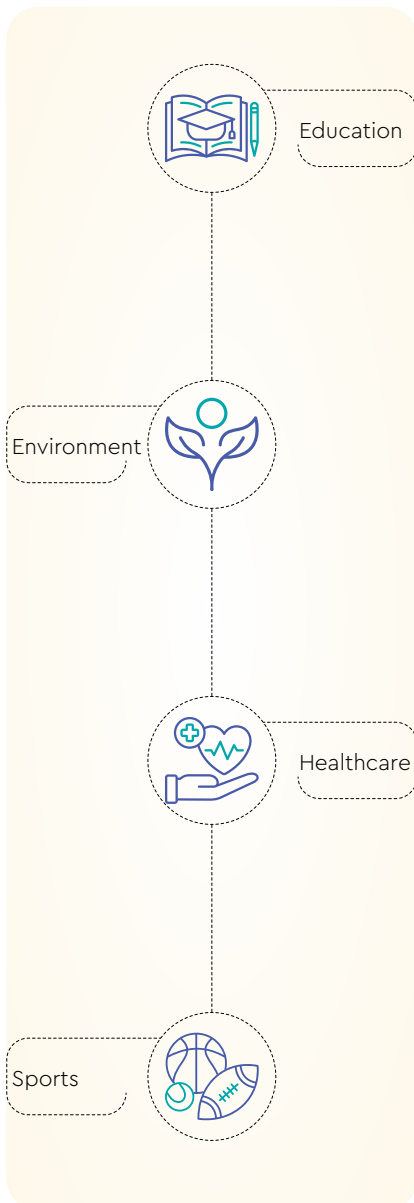
students. This contribution has not only transformed the classroom environment but has also fostered a platform for joyful learning.

Education Program initiatives

Donation the Desk to Government School

Provided scholarship to Students

Our focus areas



Before



After

We have developed and donated a children's playing garden to school students, aiming to enhance their fine motor skills through play and learning. This garden supports their self-confidence and provides outdoor space for physical activity. It also allows children to observe plant growth and promotes cooperative learning among them.



We have constructed and donated a toilet room at GLPS Chika Wadlor School, emphasising hygiene and health for students and staff. This initiative enhances student comfort and well-being by providing privacy, dignity, inclusivity and accessibility. It fosters a positive school culture and supports the school's efforts to impress parents and visitors alike.

We have donated cots, beds, pillows, a solar water heater, and an inverter to Shri Manik Prabhu Academy for the Blind School, benefiting 50 students by significantly enhancing their accommodation facilities. This initiative aims to improve the daily living conditions of blind students, providing essential materials that offer practical and emotional support. By addressing their essential requirements, we aim to contribute towards reducing social inequality and ensuring their well-being.





Environment

We have provided support through NGOs in Raichur district for tree plantation, maintenance, and monitoring. Through this project we have planted a cumulative total of 59,079 saplings over 7 years. We continue to monitor the condition and growth of these saplings closely.



Healthcare

The Company is supporting the Govt. TB cells at taluk & District level, & at District teaching Hospital in their efforts to improve the immunity of patients suffering from TB, particularly those below the poverty line, by providing vitamin supplements. This initiative aims to save lives and serve the community, working in coordination with the government to control TB effectively.



Sports

We are supporting sports by encouraging and promoting sports-related events in the district. Our efforts aim to provide strength and motivation to athletes to participate at international levels. We uphold sports activities and inspire children to engage actively in sports. Through Shilpa Foundation we have funded an athlete from Wadlor village, in Raichur District, enabling his participation in the Asian Dodgeball Championship held in Riyadh, Saudi Arabia.



We sponsored a one-day women empowerment program organized by Mahila Shakti Sanchaya Samiti Raichur. program covered discussions on women empowerment, small-scale

industry work, managing self-help groups for economic empowerment, leadership skills and various topics aimed at empowering women.

~500

Women participated



Nurturing empowered teams

At Shilpa Medicare, the dedication of our workforce, comprising over 1,000 individuals is the cornerstone of our perpetual success. To help our people thrive, we prioritise cultivating a diverse and inclusive work environment, ensuring equal opportunities for all. Also, we seek to empower our people and enable them to excel in their respective roles. In keeping with this, we promote continuous improvement, urging our team members to exceed expectations while maintaining accountability in all their endeavours. We offer training and development programmes to enhance the skills of our personnel and facilitate their career advancement. Additionally, we reward our employees for their exceptional performance, recognising that our success is intrinsically linked to a happy and content workforce.

2,400+

Total Workforce

Employee Health and Safety

At Shilpa Medicare, we prioritise the safety, health and well-being of our employees. Our EHS policy aligns with the Directive Principles for Safety and Health of Workers at the Workplace issued by the Government of India. The key objectives of our policy are:

Eliminating Work-related hazards

Through proactive measures, we aim to prevent the occurrence of work-related injuries, diseases and fatalities, ensuring occupational safety and health

Enhanced Data Coverage

By improving the coverage and data collection of work-related incidents, we facilitate better performance monitoring and management

Community Awareness

We seek to enhance community awareness regarding safety, health and environmental concerns related to workplace areas

Raising Safety Standards

We strive to meet and exceed community expectations for workplace health and safety standards

Sustainable Development

By creating 'green jobs,' we contribute to sustainable enterprise development, ensuring a safer and healthier environment.

Recognising the meaningful impact of a secure workplace on productivity and socio-economic development, we are maintaining clean and safe working conditions. We ensure the safety of our employees by recruiting qualified personnel, providing necessary resources for education and training, as well as implementing robust safety measures. Our systems and processes are designed to identify and mitigate potential risks to both personnel and materials, with the ultimate objective of maintaining an accident-free workplace.

Sound governance in action

At Shilpa Medicare, adhering to the highest standards of corporate governance is integral to our business ethos and operations. Our governance framework is designed to promote a culture that values transparency, accountability and ethical conduct, ensuring that we safeguard the best interests of all our stakeholders.

Our Board of Directors, comprising experienced and independent members, is the apex body that provides us with strategic guidance and oversight. The Board ensures that our governance practices are aligned with the best industry standards and regulatory requirements. These practices are continuously reviewed to adapt to the evolving business landscape, driving our long-term sustainability and success.

Board of Directors



Mr. Omprakash Inani

Chairman

Mr. Omprakash Inani has more than 35+ 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 35+ 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.



Mr. Sharath Reddy Kalakota

Whole Time Director

Mr. Sharath Reddy Kalakota 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 38+ 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.


Dr. Anita Bandyopadhyay

Independent Director

Dr. 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.


Mr. Arvind Vasudeva

Independent Director

Mr. Arvind Vasudeva brings over 41+ 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. 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.

Corporate Information

Board of Directors

Mr. Omprakash Inani

Chairman

Mr. Vishnukant C. Bhutada

Managing Director

Mr. Kalakota Sharath Reddy

Whole Time Director

Mr. Hetal Madhukant Gandhi

Independent Director

Mr. Arvind Vasudeva

Independent Director

Dr. Kamal K Sharma

Independent Director

Dr. Anita Bandyopadhyay

Independent Woman Director

Board Committees

Audit Committee

Mr. Omprakash Inani

Member

Mr. Hetal Madhukant Gandhi

Chairman

Mr. Arvind Vasudeva

Member

Nomination and Remuneration Committee

Mr. Omprakash Inani

Member

Mr. Arvind Vasudeva

Chairman

Dr. Anita Bandyopadhyay

Member

Stakeholders' Relationship Committee

Mr. Omprakash Inani

Chairman

Mr. Vishnukant C. Bhutada

Member

Dr. Kamal K Sharma

Member

Corporate Social Responsibility Committee

Mr. Vishnukant C Bhutada

Member

Mr. Kalakota Sharath Reddy

Member

Dr. Anita Bandyopadhyay

Chairperson

Risk Management Committee

Mr. Vishnukant C. Bhutada

Chairman

Mr. Kalakota Sharath Reddy

Member

Mr. Arvind Vasudeva

Member

Dr. Kamal K Sharma

Member

Chief Financial Officer

Mr. Alpesh M Dalal

Company Secretary & Compliance Officer

Ms. Ritu Tiwary

Secretarial Auditors

Mr. D S Rao

Practicing 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

Axis Bank Ltd
ICICI Bank Limited
HSBC Bank

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@vbshilpa.com
Web: www.vbshilpa.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

SEZ Unit – Jadcherla

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

Manufacturing unit – Bengaluru

Plot No. 29 A5, 4th Phase (Avverahalli) Sompura, Industrial Area, Honnenahalli Village, Dobaspet, Nelamangala, Bengaluru 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, Chicksugur Cross, Chicksugur-584134, Raichur

Bangalore R&D

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

Hyderabad R&D

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, Gujarath -382213.

Sravathi Advance Process Technologies Private Limited

Plot No 63-B, Ground Floor, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bengaluru – 560099 Karnataka-India

Shilpa Biologicals Private Limited R&D

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

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
Makindus INC, USA
Indo Biotech SDN BHD, Malaysia
Pilnova Pharma INC, USA

Joint Ventures

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

Associate Companies & Investment Entity

Maia Pharmaceuticals Inc.
Reva Pharmachem Private Limited (struckoff w.e.f 12th June 2024)
Auxilla Pharmaceuticals and Research LLP (ceased w.e.f 6th March 2024)

Management Discussion & Analysis

Economic overview

Global economy

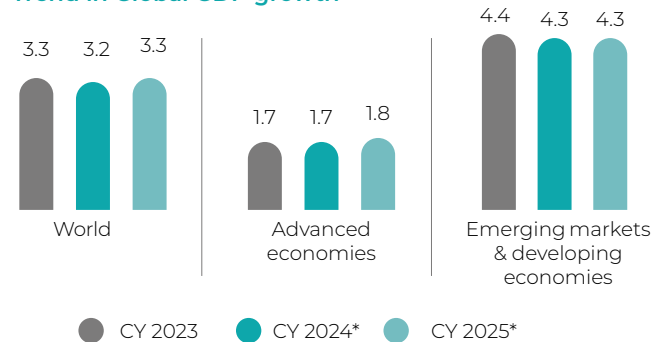
Overview

In the CY 2023, the global economy demonstrated remarkable resilience, expanding by 3.3%, despite facing geopolitical challenges and fluctuations in commodity prices, which led to inflationary pressures across both advanced and emerging markets.

To combat the rising inflation, central banks of major economies implemented measured interest rate increases, effectively curbing its escalation. Despite persistent geopolitical tensions, disrupting global supply chains and trade, inflation rates declined more swiftly than anticipated from their peak in CY 2022, resulting in gradual economic recovery and job creation in the US, Europe and other emerging markets. China's economy continued to experience strain throughout CY 2023, a trend expected to persist into CY 2024, given its significant manufacturing capabilities and supply chain influence,

posing a potential risk to global economic stability. However, several emerging economies like India, Vietnam and Mexico are expected to show positive growth, backed by heightened foreign institutional investor interest.

Trend in Global GDP growth



Source: IMF July 2024 report

*Projected

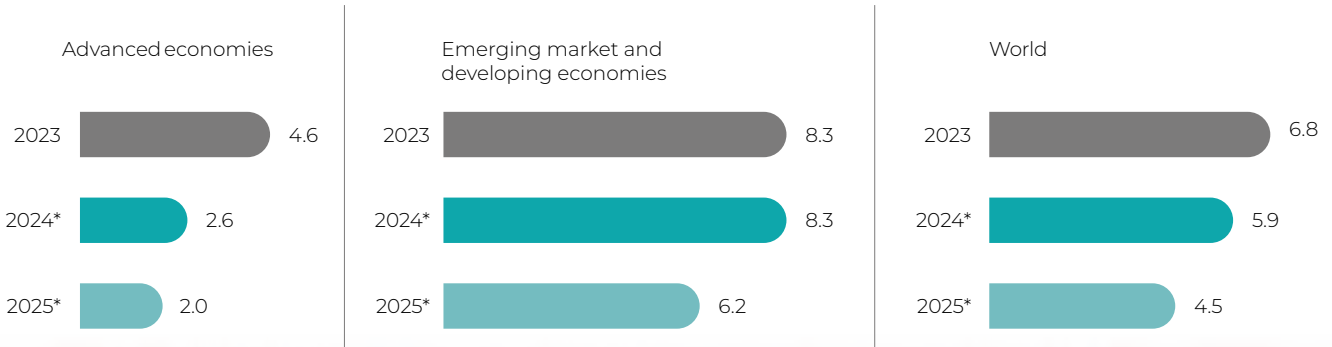
*CY'-Calendar Year

Outlook

The global economy is estimated to continue its growth trajectory at a steady rate of 3.2% in CY 2024 and 3.3% in CY 2025. While modest by historical standards, it reflects continued economic resilience. Inflation is forecast to decline steadily, from 6.8% in CY 2023 to 5.9% in CY 2024 and further to 4.5% by CY 2025². This indicates a positive adjustment of the economy without triggering financial instability. The outlook remains cautiously optimistic, cushioned by easing monetary policies of central banks and positive trends such as a strong labour force, increased manufacturing activities and rising household incomes. However, challenges like evolving trade patterns and fluctuating cross-border investments persist. Overall, the global economy is poised for a sustained growth.

Trends in global Inflation level

Inflation rate, average consumer prices (Annual % change)



Source: IMF, World Economic Outlook, April, 2024

*Projected



²<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

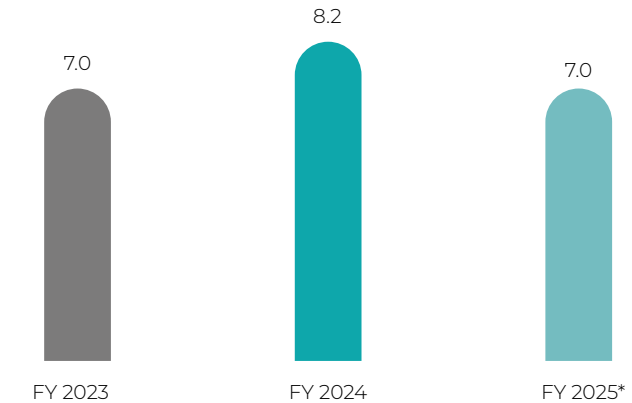
Indian economy

Overview

In the FY 2024, amidst the global headwinds, India has achieved a notable GDP growth rate of 8.2%, surpassing the growth rate of 7.0% during FY 2023³. These positions it as one of the fastest-growing among major global economies. One of the major growth driver was the targeted monetary policy aimed at maintaining inflation within desired levels, thereby enhancing economic stability and boosting consumer confidence essential for driving demand across sectors.

A significant growth was also fuelled by a marked increase in capital expenditure. This rose from ₹10 Lakhs crore in FY 2023 to ₹13 Lakhs crore in FY 2024⁴. This rise has further propelled private investments and expanded economic activities nationwide. Moreover, the strong domestic demand, primarily driven by powerful private consumption, has helped in insulating the economy from the global instability.

Indian GDP growth trend (in %)



*Projected

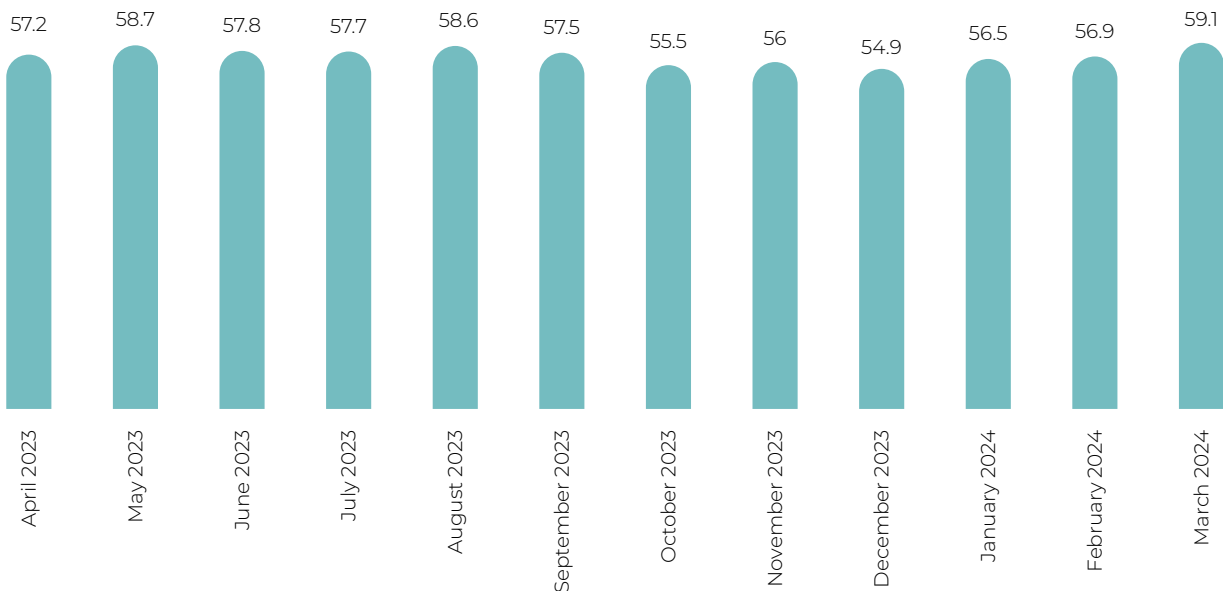
Source: Annual Report 2023-24, Reserve Bank of India (RBI). Ministry of Statistics and Programme Implementation (MOSPI)⁵

Further proof of a positive economic trajectory can be seen in high-frequency economic indicators such as credit growth, GST collections and the Purchasing Managers' Index (PMI) for services and manufacturing.

Notably, the manufacturing PMI is consistently scoring above 50 points, indicating strong growth across sectors. India's strategic prioritisation of increasing public capital expenditure while maintaining fiscal discipline has laid a solid foundation for continued growth and stability in the years ahead.

India manufacturing PMI

Growth in the manufacturing PMI (in points)⁶



³<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2022323>

⁴https://www.indiabudget.gov.in/doc/Budget_at_Glance/budget_at_a_glance.pdf

⁵<https://www.mospi.gov.in/dataviz-quarterly-gdp-growth-rates>

⁶<https://tradingeconomics.com/india/manufacturing-pmi>

Outlook

For the FY 2025, India's economic outlook remains strong with a projected GDP growth rate at 7%.⁷ This forecast is caused by significant public and private investments in key infrastructure projects. These investments are important for stimulating economic activity across several essential sectors, including transportation, housing as well as and urban development. This optimistic outlook is further backed by the anticipated improvement in global economic conditions and a shift towards more accommodative monetary policies by central banks in developed countries. This globally shifting trend is expected to encourage an increase in private investments and enhance India's export capabilities, which in turn could help mitigate the fiscal deficit.

Industry overview

Global pharma industry

The global consumption and expenditure on pharmaceuticals have surpassed pre-pandemic levels and are projected to maintain a substantially higher growth trajectory through CY 2028. The global medical spending is predicted to expand annually by 5 to 8 percent, reaching a total value of approximately USD 2.3 trillion by the year CY 2028⁸.

The industry continues to innovate, particularly in high-impact areas such as immunology, endocrinology and oncology. The growth in these areas is largely due to the expansion of existing therapies rather than the introduction of new medicines. For instance, immunology treatments have expanded by 12% annually, with nearly half of the biologic volume facing biosimilar competition, leading to more affordable treatment options⁹.

Active pharmaceutical ingredient and molecule market

Active Pharmaceutical Ingredients (APIs) and global molecule markets are poised for sustained growth,

which is driven by technological innovations, an ageing population, increased chronic disease prevalence and strategic outsourcing practices. Outsourcing API manufacturing has also grown due to the pharmaceutical industry's evolving supply chain, allowing companies to reduce costs and scale production. India and China are prominent players in this trend, offering 30-35% and 35-40% lower manufacturing costs than the United States, respectively.

Formulations market

In CY 2023, the global drug formulation market attained a market size of USD 1780.87 billion. The growth in the industry was driven by various factors including a shift toward patient-centric drug development, an increasing need for personalized medicines, advancement in biopharmaceutical innovation and the regulatory support for orphan drugs. Technological advancement emerged as a significant trend in supporting the growth of the global industry. Moreover, the consistent development of pharmaceutical production technology further contributed to the innovation of economic dosage formulations.

Global biological markets

The global biologics market was valued at USD 392.95 billion in CY 2023 and the North American markets made significant contributions to the growth of the industry. In addition to this, it is anticipated that the American markets will retain the leading position for global biologics in the coming years as well. The growth in the industry in the reported year was supported by increased chronic diseases such as diabetes and cancer. In addition to this, the increased need for personalised medicines also added to the growth of the industry. The global biologic market witnessed increased investment to enhance its R&D activities in the report.



⁷<https://rbi.org.in/Scripts/AnnualReportMainDisplay.aspx>

^{8,9}<https://www.iqvia.com/-/media/iqvia/pdfs/china/viewpoints/iqvia-institute-general-use-of-medicines-2024-for-print.pdf>

Figure 1: Global molecule market growth



Source: IQVIA - Overview of the Active Pharmaceutical Ingredient Market, April 2024

Outlook

The global pharmaceutical industry is prepared for significant growth and transformation. It is driven by ongoing advancements in therapeutic developments and an expanding understanding of complex diseases. With a strong investment in R&D and a strategic focus on high-value therapeutic areas, the industry is also well-equipped to cater to the evolving health needs of a global population. This further contributes to improved health outcomes and quality of life worldwide.

Looking forward, biotech remains a primary growth sector within the pharmaceutical industry. It is expected to account for USD 890 billion in spending by 2028 or 39% of the global market. The focus is also on specialty medicines, which are projected to represent 43% of global spending by that period. These medicines often involve high costs and complex treatment regimens for chronic, complex or rare conditions.

An aging global population, lifestyle changes and environmental factors have led to higher instances of cancer worldwide. This increases the demand for the corresponding healthcare and pharma services. Consequently, global oncology and immunology are also identified as the leading areas for growth, along with CAGR projections of 14-17% and 2-5%, respectively, through CY 2028¹⁰. The introduction of 100 new oncology treatments is projected for the next five years have complimented this growth. Alongside innovations in treatments for autoimmune disorders and metabolic diseases.

Economic impact - The industry is a key contributor to India's economic growth. It creates substantial employment opportunities. It is projected to reach USD 65 billion by 2024 and aims for USD 130 billion by 2030¹³.

The sector also benefits from strong foreign direct investment (FDI) policies. This allows 100% FDI under the automatic route for greenfield projects and up to 74% for brownfield projects before requiring government approval¹⁴.

India's strategic role in the global pharmaceutical landscape is by its substantial export activities, serving over 200 countries. This fulfils more than 50% of Africa's generics needs, about 40% of the generic demand in the US and 25% of all medicines in the UK. This extensive export network also shows India's critical role in global healthcare¹⁵.

Outlook

The sourcing and manufacturing beyond China will be made possible by capitalising on the 'China+1' strategy. This puts India in an attractive position, providing alternative for international companies looking to mitigate risks and optimise their supply chains.

The outsourcing manufacturing to India continues to grow and it is driven by the country's cost-effective production capabilities and favourable regulatory environment. Continued innovations, along with strategic initiatives and favourable investments, are expected to drive substantial growth in the industry.

¹⁰<https://www.iqvia.com/-/media/iqvia/pdfs/china/viewpoints/iqvia-institute-general-use-of-medicines-2024-for-print.pdf>

¹¹<https://gco.iarc.who.int/tomorrow/en/dataviz/bars>

¹²https://www.ey.com/en_in/health/pharma-and-healthcare-for-india-100-a-century-of-change-on-the-horizon

¹³<https://www.researchandmarkets.com/reports/5820041/drug-formulation-global-market-report>

¹⁴<https://pib.gov.in/PressReleasePage.aspx?PRID=1956906>

¹⁵<https://www.investindia.gov.in/sector/pharmaceuticals>



Government Initiatives

- The Indian government in September 2023, launched the National Policy on Research and Development and Innovation in the Pharma-MedTech Sector, alongside the Promotion of Research and Innovation in Pharma MedTech Sector (PRIP) scheme.
- The government has also initiated production-linked incentives for 35 different APIs in order to reduce import dependency and strengthen domestic manufacturing capabilities¹⁶. This strategic move addresses the disruptions caused by the pandemic and is poised to enhance the self-sufficiency of the Indian pharmaceutical sector.

These initiatives are primarily designed to strengthen the local ecosystem involving academia, private sectors and startups.

Key trends



Personalised Medicine

The shift towards personalised medicine is increasingly prioritising treatments tailored to individual genetic profiles and improving efficacy as well as reducing side effects.



Biologics and Biosimilars

With the expiration of patents on biologics, the market sees a rise in biosimilars, offering cost-effective alternatives to expensive biologic therapies, expanding access to crucial medications.



Technological Innovation

Artificial intelligence and machine learning are transforming drug development. They help make it faster and cost-effective by predicting chemical interactions and therapeutic potential.



Patient-Centric Approaches

Pharmaceutical strategies increasingly focus on patient engagement and satisfaction, recognizing their impact on treatment outcomes and the importance of patient insights in research.



Emerging Market Expansion

Emerging economies like China and India are experiencing a quickened pharmaceutical market growth trajectory. This growth is majorly driven by increasing healthcare spending and demands for improved medical care.



Digital Health Integration

Digital technologies such as health apps, telemedicine and wearables are integrating into healthcare. This facilitates chronic disease management and patient monitoring.

¹⁶<https://www.iqvia.com/-/media/iqvia/pdfs/china/viewpoints/iqvia-institute-general-use-of-medicines-2024-for-print.pdf>

Opportunities and threats

Opportunities	Threats
<p>Advanced Therapy Medicinal Products (ATMPs): In order to aid in the development of potential cures, the Company has made investment in gene therapies and tissue-engineered products</p>	<p>Regulatory and Compliance Risks: Complex regulations in various operations require substantial resources and can impede operations.</p>
<p>Microbiome Therapeutics: various effective treatments are being developed, targeting the human microbiome. This opens new possibilities for treating diverse diseases.</p>	<p>Sustainability Pressures: Environmental regulations are necessary for greener practices, potentially leading to high costs.</p>
<p>AI-driven Predictive Analytics: AI helps enhance logistics and patient adherence. This improves efficiency and care personalisation.</p>	<p>Supply Chain Disruptions: Volatile logistics affects material availability and product distribution.</p>
<p>Expansion of Telemedicine: The growing demand for remote healthcare increases the need for pharmaceuticals, especially in chronic disease management.</p>	<p>Market Saturation: Intense competition, especially in generics, drives down prices and profit margins.</p>
<p>Healthcare Platform Ecosystems: Platforms that offer end-to-end healthcare services can streamline care and access new markets.</p>	

Company overview

Shilpa Medicare Limited (SML), established in 1987 in Raichur, Karnataka, is an integrated pharmaceutical Company. The Company commenced commercial operations in 1989 as a pharmaceutical manufacturing unit of antibiotics and it has since expanded its capabilities to encompass a comprehensive range of pharmaceutical products and services. The Company operates through a network of 18 subsidiaries and step-down subsidiaries ("the Group"). The Group specialises in the manufacture



of Active Pharmaceutical Ingredients (APIs), formulations and biologicals pharmaceutical preparations. The development and manufacturing capabilities cover various therapeutic areas and dosage forms, with a strong emphasis on oncology.

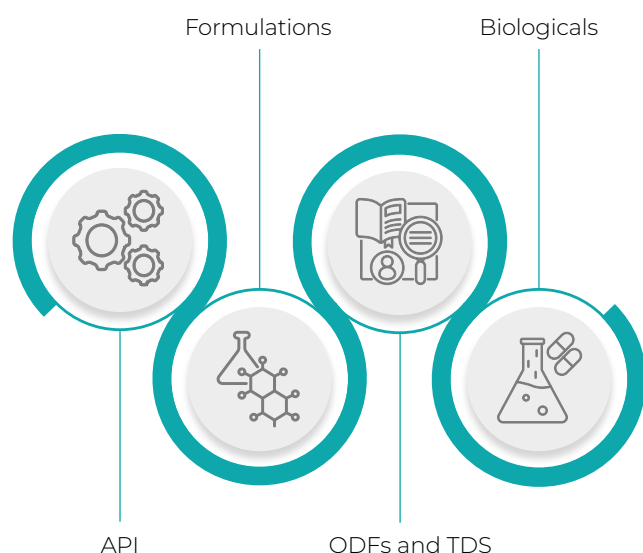
The API manufacturing facilities are located in Raichur, Karnataka. These facilities also hold export clearance from different regulatory bodies including US FDA, TGA Australia, KFDA Korea, EMEA and COFEPRIS. In addition to this, the formulation business of the Company is majorly comprised of manufacturing oral solids, liquid injections and lyophilised injectables for the pharmaceutical organisations of various countries. The manufacturing facilities of the formulations are located in Hyderabad and Telangana. Along with this, the emerging business of Shilpa Medicare is segregated into biologicals and formulations utilising novel drug delivery systems. In addition to this, the Company has 5 Research and development (R&D) facilities in Karnataka, Telangana and Gujarat. The R&D activities are generally carried out by the Company's subsidiary FTF Pharma Private Limited (FTF Pharma).

The Products and services offered by the Group are primarily sold on a Business-to-Business (B2B) model across 65 countries. Having received approvals from various regulatory bodies including the U.S. FDA, the EMA, the PMDA of Japan, the Ministry of Food and Drug Safety (MFDS) of Korea, TPD Canada, TGA Australia, COFEPRIS of Mexico, World Health Organisation (WHO), ANVISA Brazil and the MHRA of the UK.



Key Strategy of the Company

- To strengthen the formulation and complex API business
- Diversification of the business by expanding into international markets.
- To develop novel products keeping in mind improved patient comfort and compliance
- To pursue niche non-Oncology APIs and peptides along with opportunities in biological, biosimilars
- To be onestopsolution for CDMO requirements across API, Formulation & Biologics space of players in pharma industry across the Globe



Active pharmaceutical ingredients

Shilpa is one of the significant players in the Oncology API manufacturing industry. Over the years, the Company has also expanded into non-oncology APIs. Shilpa operates two state-of-the-art facilities in Raichur, Karnataka, with a combined capacity of 907 metric tons. These facilities produce 29 oncology APIs and 20 non-oncology APIs, serving both regulated and emerging markets worldwide, including the US, Europe and Japan.

These facilities comply with global regulatory standards, holding approvals from the U.S. FDA, EMEA, PMDA, COFEPRIS, TGA etc. The Company maintains high-quality standards, as evidenced by ISO 9001:2015, ISO 14001:2015, OSHAS 18001:2007, ensuring top-tier production quality and safety. Additionally, the Company has started investing in niche, high growth potential areas of Peptides, Polymers and CDMO. The Company currently has 4 CDMO customers in Phase III & 7 customers in Phase

I & II. Whilst on Peptides front we have 2 products already approved and 5 more in pipeline.

Performance in FY 2024

In the reported year the total revenue increased from ₹ 75770 Lakhs including CDMO revenue of ₹ 2108 Lakhs in FY 2023 to ₹ 77220 Lakhs including CDMO revenue of ₹ 4200 Lakhs. Moreover, the performance of the Company varied across various segments of the business.

Formulations

The Company also specialises in the production of high-quality pharmaceutical formulations. It focuses on oral solids (tablets and capsules), liquid injections (aseptically and terminally sterilised) and lyophilised injectables. The Company's formulation business is located in Hyderabad and Jadcherla, Telangana. Jadcherla it operates its state-of-the-art facilities accredited by international regulators including the EMA, TPD Canada, TGA Australia, ANVISA Brazil, COFEPRIS, UKMHRA and UAE regulators. In addition to this, the Jadcherla facility was issued GMP certification by Ages, Austria that will help in the consistent supply to different countries of the European Union.

Oncology and adjuvant therapy products are the areas of specialisation of the formulations division in Jadcherla. The facility also supports large-scale production with the capacity to produce millions of vials and oral doses. This adheres to the Company's highest safety and quality standards.

In the reported year, the Company launched Pemetrexed RTU, its first NDA product in the US markets. It marked a landmark achievement for the Company's high commitment towards innovation and ability to deliver cutting-edge products in the global markets. By the end of FY 2024, Shilpa Medicare has made significant growth in regulatory compliance, with 500+ regulatory filings across multiple regions, including 30 in the United States, 28 in the European Union, 34 in India and others in various global markets.

The Company is actively engaged in expanding its formulation portfolio, particularly in oncology, to address the rising cancer cases in India and globally. It also prioritises medical education to enhance product understanding among healthcare providers.

Research and Development - The Company also invests significantly in research and development to enhance its API manufacturing processes and expand its generic drug portfolio. The Company's R&D initiatives are directed towards achieving cost-effectiveness and operational efficiency. The R&D facilities of the Company are supported by the IPM team for the development and filing of patent applications.

Novel Drug Delivery Systems (NDDS) - The NDDS segment is managed by Shilpa Medicare and Shilpa Therapeutics. It produces advanced drug delivery products such as transdermal patches and orally dispersible films.

These products get manufactured at the Unit VI facility of the Company at Bengaluru. The facility is well-equipped for large-scale production and has achieved multiple ISO certifications, ensuring high standards of quality and compliance.

The Company's NDDS business is supported by global registrations, with recognition from MHRA (UK), the Ministry of Health in the UAE and a COPP/WHO License, among others. This global orientation is further strengthened by strategic partnerships, particularly in the U.S. nutraceutical market. Also, the Company has partnered for three transdermal patches for the European markets.

Performance in FY 2024

In the reported year, the business performance of the Company varied across different geographies. The revenue generated from the European markets decreased by 30% whereas, the revenue from the US and Indian markets increased by 27% and 202% respectively. In addition to this, the License Fees grew by 187%, increasing from ₹ 5,414 Lakhs in FY 2023 to ₹ 15,550 Lakhs in FY 2024. The revenue generated from the formulation segment of the Company was 34% of the total revenue generated.

Biologicals and Biosimilars

This segment includes the development of biosimilars, such as monoclonal antibodies, microbial biosimilars and vaccines, along with the production of excipient and therapeutic grade recombinant albumin.

Biologicals:

Targeting critical therapeutic areas like orthopaedics, rheumatology and ophthalmic, Shilpa biologicals aims to capture significant market share with its diversified biosimilar pipeline. Notable achievements of the Company include the launch of Oriadali® and advancements in clinical trials for Aflibercept, demonstrating Shilpa's robust R&D focus. The Company has secured initial CDMO contracts for the biologics business from clients in the US and few other international markets.

Recombinant Human Albumin

The Company is developing a Recombinant Albumin which is a synthetic product compared to generally used Albumin product derived from blood plasma. Recombinant Albumin has advantages of:

- Supply chain predictability &
- Higher purity levels

For this life saving drug there is significant short supply in various geographies across the globe and the Company is proposing to set-up and commission a large-scale manufacturing facility at Kadachur in Karnataka.

The Company has made significant progress for its Recombinant Human Albumin initiative where it has

filed a DMF for the product in the USA and has also had positive results for Phase I clinical trials.

R&D, production and contract development & manufacturing operations capabilities

The Company currently operates five DSIR-accredited R&D facilities. The research and development segment comprised of a team of 310 professionals as of March 31, 2024, and are instrumental in developing a diverse portfolio of niche products suitable for various global markets, including the United States, Canada, Japan as well as and the European Union. The focus on R&D is the key to maintaining the Company's competitive edge in the pharmaceutical industry.

The following are few key operational performance indicators:

Metric	As at March 31, 2024
DMF Filings	196
Patent Filings	113
Formulations Regulatory Filings	500

The Company has six facilities across India and a seventh one is currently in progress, to help enhance its production capacity. These facilities are designed to produce complex APIs, formulations, biologicals and novel drug-delivery systems. Few key aspects of these operations include:

- The Company has dedicated production lines for both oncology APIs and non-oncology APIs, which are crucial for maintaining high-quality standards.
- It has the skill and expertise to produce multi-cyclic and long-chain peptides with high purity, facilitated by a dedicated block at the Raichur API manufacturing facility.
- It is also constructing a specialised facility for microbial fermentation for the production of human recombinant albumin, which supports the Company's expansion in biological products.

The CDMO services of the Company complement its internal production activities by offering chemistry, manufacturing and controls (CMC) solutions across pre-clinical, clinical and commercial stages. These services help improvise the Company's manufacturing capacity and provide tailored solutions to meet specific client needs across API, Formulations & Biological space, thereby enhancing its client relationships and operational efficiencies.

Financial overview (consolidated)

In FY 2024, the operating revenue of the Company increased by 9.7% to ₹ 1,15,160 from ₹ 1,05,011 Lakhs in FY 2023. The net loss for the last reported year was ₹ 2,925 Lakhs whereas, in Current year company has generated net profits of ₹ 2,950 Lakhs. In addition, the other income of the Company decreased from ₹ 1,740 Lakhs in FY 2023 to ₹ 817 Lakhs in the reported year. The cost of the raw materials which included purchasing the goods and changes in the stock of finished goods and work-in-progress for the reported year was ₹ 40,755 Lakhs, representing 35% of the operating revenue whereas, in the

FY 2023, the cost was ₹ 41,643 Lakhs representing 39% of the revenue. In addition to this, employee costs decreased by 2% from ₹ 28,639 Lakhs in FY 2023 to 28,149 Lakhs in FY 2024. The finance cost incurred by the Company was ₹ 9,181 Lakhs in FY 2024 in comparison to ₹ 5,865 Lakhs in FY 2023, reflecting a change of 57%. The depreciation and the amortisation amount for the organisation in FY 2024 was ₹ 10,787 Lakhs, reflecting growth of 13%. Also, the other expenses of the Company in FY 2024 was ₹ 21,806 Lakhs which decreased by 11% from ₹ 24,500 in FY 2023.

Product mix analysis of operating revenue is as follows:

(₹ in Lakhs)

Category	FY 2024	FY 2023	Change
A. Products			
API	73,019.69	71647.00	1.92%
Formulations	19,031.22	20599.10	(7.61%)
CRAMS	0	2,958.52	(100.00)%
Other products	1482.34	429.81	242.43%
Total products	93,533.24	95,634.43	(2.20)%
B. Services			
CDMO/License fee	21,627.06	9,376.81	130.64%
Total services	21,627.06	9376.81	130.64%
C. Total operating revenue (A+B)	1,15,160.30	1,05,011.24	9.66%

Key financials (₹ in Lakhs)

Particulars	Consolidated	
	FY 2024	FY 2023
Revenue from operation	1,15,160	1,05,011
EBITDA	25,267	11,968
Profit before tax (PBT)	5,434	(3,828)
Profit after tax (PAT)	3,187	(3,253)

Key Standalone Financial Ratios

Sr No	Ratio	Numerator	Denominator		FY 2024	FY 2023
1	Current Ratio	Current Assets	Current Liabilities	Times	1.67	2.63
2	Debt Equity Ratio	Total Debt	Share holder equity	Times	0.07	0.14
3	Debt service coverage ratio	Earnings available for debt service	debt service	Times	0.68	2.11
4	Inventory turnover ratio	Cost of Goods sold	Average inventory	Times	0.86	1.85
5	Return on equity	Net profit after taxes	Average shareholders equity	%	1.26	-2.37
6	Trade receivable turnover ratio	Revenue	Average Trade Receivables	Times	2.42	4.14
7	Trade payable turnover ratio	Purchase of trade and services	Average Trade Payables	Times	4.25	11.25
8	Net Capital turnover ratio	Revenue	Average Working Capital	Times	1.47	1.90
9	Net Profit ratio	Net Profit	Revenue	%	6.34	-9.63
10	EBITDA Margin	Earning Before Interest and Tax	Revenue	%	28.93	4.79
11	Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	Times	5.74	2.47



Human resources

The Company recognises the critical role of effective human resource management in innovating and delivering exceptional products to the customers. It focuses on enhancing the skills of its staffs through a regular series of targeted training workshops aimed at improving individual capabilities and overall operational efficiency. Employee safety is given paramount importance as well, through standard safety protocols and safety trainings. A harmonious and stable work environment is maintained along with and constructive industrial relations and building a culture of professionalism and teamwork. This dedication to human resource development is reflected in the consistent performance and adaptability of its workforce, which is crucial for meeting the challenges of the pharmaceutical industry.

Risks and concerns

Risk category	Risk description	Mitigation strategy
Regulatory Compliance Risk	Regulatory requirement alterations can lead to compliance challenges, affecting product approvals.	Shilpa Medicare monitors global regulatory changes and engages with regulatory bodies to ensure ongoing compliance.
Market Competition	The pricing and market share may feel pressured due to competitive scenario	The Company prioritises innovation, quality focus and niche market expansion along with utilising strong R&D capabilities.
Intellectual Property Risk	Challenges related to patent litigation or IP rights, can lead to significant legal costs and market exclusivity loss.	Rigorous IP management strategies are implemented, including thorough patent analysis and active defence/ challenge of IP rights.
Supply Chain Disruptions	Supply Chain disruptions for raw materials can lead to production delays and increased costs.	Supplier diversification, strategic inventory management and development of alternative sources enhances supply chain resilience of the Company.
Product Liability and Safety Risk	Potential health risks posed by products can lead to liability claims and reputational damage.	Strict quality control measures are in place and comprehensive clinical trials are conducted. and Pharmacovigilance systems are robustly implemented as well.
Economic and Political Instability	Operations can be disrupted and profitability can be hampered due to instability in key markets.	Continuous monitoring of Geopolitical situations is conducted and market presence is diversified to minimise regional dependencies.
Technological Advancements and Innovations	Obsolescence of existing products or packages may be caused by rapid technological changes.	The Company also maintains strong focus on investments in technology and continuous innovation through a strong R&D team.

Internal control systems and adequacy

the Company has developed a strong internal control system designed to ensure reliable financial reporting, provide timely operational feedback and maintain compliance with applicable laws and regulations. The implementation of SAP has further improved our financial reporting capabilities, introducing stringent measures to prevent financial irregularities. In addition to deploying advanced monitoring software, comprehensive information and control systems have been implemented throughout the production, materials and marketing departments.

Regular internal audits confirm the effectiveness and proper operation of these controls. Our internal auditors regularly evaluate these controls and pinpoint potential risks. Over time, these systems are reviewed and refined to enhance both efficiency and effectiveness.

Cautionary Statement

This document contains forward-looking statements regarding the anticipated future events and financial as well as operating outcomes of the Company. As inherent in such statements, the Company must rely on assumptions and is exposed to inherent risks and uncertainties. There is a significant possibility that these assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are advised to exercise caution and not place excessive reliance on the forward-looking statements, as various factors could cause the assumptions, actual future results and events to differ significantly from those expressed in the aforementioned statements. Consequently, this document is subject to the disclaimer and is fully contingent upon the assumptions, qualifications and risk factors outlined in the management's discussion and analysis provided in Shilpa Medicare Limited's Annual Report for the period of 2023-24.



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, 2024.

Financial Summary

(All figures are in Rupees in Lakhs)

Particulars	FINANCIAL YEAR 2023-24		FINANCIAL YEAR 2022-23	
	Standalone	Consolidated	Standalone	Consolidated
Continued Operations:				
Operating revenue	30,978.67	1,15,160.30	24,770.20	1,05,011.24
Other Income	8,911.60	817.05	6,864.42	1,739.97
Profit before interest, depreciation, tax and after exceptional Items from continuing operations	10,495.66	25,879.83	909.66	11,968.14
Interest	1,725.66	9,180.94	2,082.51	5,865.21
Depreciation & Amortisation	4,961.09	10,786.99	4,654.75	9,549.90
Net profit/(loss) before tax from continuing operations	3,808.91	5,911.90	(5,827.60)	(3,446.97)
Provision for taxes				
a.current tax/(credit)	1,128.65	4,529.50	(836.56)	3,413.10
b.Deferred Tax/(credit) (Net of MAT credit)	(13.48)	(2,290.95)	(42.74)	(4,143.76)
Profit after tax from continuing operations	2,693.74	3,673.35	(4,948.30)	(2,716.31)
Discontinued operations :				
• Profit/ (loss) before tax from discontinued operation	-	-	7,095.22	-
• Tax expense/(credit) of discontinued operation	-	-	3,572.38	-
Profit/(Loss) after tax from discontinued Operations	-	-	10,667.60	-
Profit for the year from continuing and discontinued operations	2,693.74	3,673.35	5,719.30	(2,716.31)
Share of profit/(Loss) in Associates/ Joint Ventures	-	(477.84)	-	(380.97)
Share of profit/(Loss) in Non-Controlling interest	-	(8.09)	-	(156.04)
Other comprehensive incomes (expenses) (Continued and Discontinued operations)	(165.63)	(237.06)	428.59	328.34
Total Comprehensive Income/(expenses)	2,528.11	2,950.36	6,147.89	(2,924.98)

REVIEW OF OPERATIONS:

During the year under review, the Company reported standalone operating revenues of ₹30,978.67 Lakhs as against ₹24,770.20 Lakhs and Total Comprehensive Income of ₹2,528.11 Lakhs as against ₹6,147.89 Lakhs in the previous year, consolidated gross revenues for the year review were reported at ₹1,15,160.30 Lakhs as against ₹1,05,011.24 Lakhs and Total Comprehensive Income/(loss) of ₹2,950.36 Lakhs as against ₹(2,924.98) 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, Corporate Quality Assurance and 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 & ANVISA Brazil

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 high level of containment & 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 and Non-Oncology batch sizes from 4 kg to 2,000 kg.

The API facilities are certified for ISO9001:2015 for quality Management systems, ISO14001:2015 for

Environmental management systems, ISO45001:2018 for occupational health & safety systems, ISO50001:2018 for Energy Management Systems & SA8000:2014 for Social accountability Management system & R&D is certified by DSIR, Govt. of India.

Shilpa is the **first Company** to invest in India on containment technologies for the manufacturing of oncology drug substances in a contained environment & also latest technologies like Bipolar system from Japan to ensure the manufacturing process are sustainable with less consumption of natural resources & safe operations, we have expanded with 2nd system in FY2023-24. These innovative Technologies provide us the sustainable process which are validated & commercialized. Adopting these novel technologies makes the Company conserve the resources & make our processes environment friendly and give the Company an edge in penetrating the new markets & innovator companies.

As an environmentally conscious Company, we focus on reduce, recycle & reuse of the wastes generated. The Company recycles 100% waste water by treating in its Zero liquid discharge effluent treatment plant. The Company reduces the resource usage for treatment by segregating the liquid wastes based on the TDS & COD. The Company monitors & controls scope-1, scope-2 & scope-3 emissions. The fugitive emissions from the reactors are effectively scrubbed, all the storage facilities solvents are connected to the heat exchangers with chilled water to prevent the air pollution due to evaporation from the storage tanks. The air quality is monitored in the premises work areas are monitored for Volatile Organic Content & effective control measures are in place to keep the emissions in control. The Company has reduced the emissions to the extent of about 10000 Tons of GHG emissions year on year by using the renewable fuel Biomass in place of the Fossil fuel for its thermal energy requirements. This project was registered with UNFCCC. The Company is UNGC participant & submitted its performance for the FY-23-24, & is listed on their site. The Company is signatory to SBTi (Science based Targets Initiative) by committing to become Net Zero by the year 2040. The Company undertakes the targets for the reduction of the wastes & resource usage by involving the whole site team.

The solvents are recovered, purified and reused in its processes and reduces the resource usage, both the facilities are equipped with fractional distillation columns.

The Company strongly believes in sustainable growth by focussing on the ESG systems. All the employees are trained on the ESG aspects. Risks are assessed and mitigation measures and recommendations are implemented by conducting HIRA, Hazop, IH, Process safety modules review. The necessary infrastructure for fire fighting and loss prevention is in place.

The Company understands the importance of involvement of its own employees as the drivers for

ensuring the safe operations at the sites & nominated the safety Co-ordinators, safety squad & emergency response teams. The best training is imparted by external subject experts, state level Fire authorities and practicing the emergency procedures by mockdrills. These drills are monitored by District Authorities. The Company has hired Subject matter expert to advise and guide the operational team on ESG aspects and ensure the compliance.

The API Facilities are equipped with all the utilities to support the process requirements like wide range of temperatures from -50°C to 300°C, purified water, HVAC, clean rooms, nitrogen, compressed air.

The Utilities performance w.r.t capacity, efficiency are monitored by well trained personnel supported by original equipment manufacturers with a deep drive towards energy conservation.

The state of art Quality Control Facility is well equipped for testing and release of Finished goods, Raw Materials, Intermediates, with QMS in place.

The Company has made utilisation of the existing capacity more effectively by bifurcating the intermediate areas into two bay system, to run the two products at the same time with out cross contamination, thereby the opportunity of manufacturing multiple products at a time.

The Company is creating additional capacity 10MT per month for one of its niche molecule Tranexamic Acid, from the current capacity of 14MT per month. This expansion activity will start will commence the production from Jan 2025.

In the FY2023-24 the Company's strong hold product Ambroxol Hcl capacity was increased from 135 MT to 175MT per annum by optimally utilising the ambroxol manufacturing facility and by making the manufacturing equipment into two bays, and the capacity enhancement to 230MT is underway by debottlenecking of some of the equipment within the same facility.

Shilpa proved its Capability and Capacity manufacturing and selling about 175MT Ambroxol and 165MT Tranexamic acid.

The Company has added new manufacturing facility in the existing premises with about 85 KL volume with higher size reactors to ensure UDCA scale is increased and business volume enhanced from 48MT of FY 2022-23 to 100 MT in FY 2023-24 and planning to further expand to 150 MT in FY 2024-25.

Polymer R&D & Peptide R&D of Shilpa is fully functional & started commercial products. One of our Polymer Products transformed to commercial scale which will have substantial addition going forward. The Company has filed CEPs for the 2 No's of peptide molecules with

this Shilpa stepped up in Peptide & extended its wings in regulatory market in this new segment.

SHILPA PHARMA –R&D (API)

As an essential part of its business strategy, the Company sees its consistently excellent R&D skills as what allows it to consistently develop new medicines and offer a long-term, sustainable competitive advantage. As one of the few Indian pharmaceutical firms with a strong R&D foundation, the Company is committed to mastering a variety of chemistries and value chains to meet its worldwide regulatory aspirations. The Company is committed to being a leader in the specialty API and oncology generics markets, which is reflected in its R&D environment. By introducing generic medications to the market as soon as possible and making them accessible to as many patients as possible, our generics business helps to lower drug prices for individuals and governments. This is accomplished by mastering multiple chemistries and value chains. We provide affordable, superior medicine.

The Company will keep up its major efforts to support affordability, aim to diversify its generic product line, and concentrate on boosting accessibility to goods with high entry barriers. We will continue searching for fresh approaches to expand the patient base for generics, working with multinational players to establish long-term manufacturing relationships.

Our research and development center's proficiency in managing diverse chemistries, including Grignard, organolithium, organometallic, and cross-coupling reactions, provides room for the creation of innovative generics that adhere to global regulatory standards. This includes complex API generics that are challenging to make like those for the oncology / non-oncology space.

The effective flow chemistry team at the Company is working hard and has successfully demonstrated two products in the market. In FY2024-25, they plan to demonstrate a pipeline of four more products. This is where close handling really shines.

With a robust R&D foundation, Company began synthesizing the essential impurities needed for the development of new APIs as well as those needed to set up an effective control strategy and resolve regulatory DMF deficiencies for Drug Master Files (DMFs) that were filed, all in an effort to save time and money.

The R&D department helps the Company consistently develop new products and provide alternatives to the KSMs and Intermediates that are being imported in bulk from China. By focusing on the downstream chemistries, the R&D team began working toward self-reliance on KSMs and intermediates.

In order to save production costs, achieve global leadership, and achieve sustainable growth, Shilpa R&D consistently concentrates on new technologies and efforts to improve the commercialized APIs' processes.

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, Health Canada, Peru, Argentina, South Africa, COFEPRIS Mexico, TGA -Australia, Ministry of Health- UAE & UKMHRA.**

For USFDA, currently the facility is under Import Alert, however; USFDA has exempted three products from the Import Alert. Shilpa Medicare Unit 4 is distributing these three products (Azacitidine for Injection, Erlotinib Capsules and Cyclophosphamide Capsules), in the US market. Supplies to Europe are going on uninterrupted.

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

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.

The facility is supported by state of art utilities like purified water, WFI, pure steam, chillers, air compressors, Boilers, Power generators & HVAC, helping the Company to ensure the compliance in process & work environment.

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:

Liq. Inj. – 12.6 million/Annum.
Lyo. Inj.- 2.32 million/Annum
Dry powder Inj.- 0.67 million/Annum
Tablets: 33.5 million/Annum
Capsules: 27 million/Annum.

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.

REGULATORY FILINGS (API RAICHUR UNIT-1 & UNIT-2) FY- 2023-24

API					
Particulars	Filed in 2023-24	Cumulative Filed	Status	Planning to file in 2024-25	Remarks
US DMF	No new DMF's were Filed	44 DMF	25 DMF was Approved 3 DMF was under review 16 DMF's CA listed	15 molecules are planned for validation, which includes on-going validation of 3 products. These molecules shall be ready for filing.	-
CEP-EDQM	4 CEPs were Filed	27 CEP	19 CEP Approved 8 CEPs under review	3 molecules are planned for file for CEP.	-
EDMF	4 ASMF were File	30 ASMF	24 ASMF was Approved 6 ASMF under review	15 molecules are planned for validation, which includes on-going validation of 3 products. Out of these 15 APIs, 3 are EP monograph products and hence other 12 APIs may be filed in EU through ASMF procedures.	-

Regulatory Inspections and approvals (API units) FY- 2023-24

Inspection By Regulatory Authorities	Plant	Remarks
PMDA Japan	API Unit- 2 (EOU)	GMP approved
COFEPRIS – Mexico	API Unit-2 (EOU)	GMP approved
ANVISA-Brazil	API Unit-2 (EOU)	GMP approved

REGULATORY FILINGS (FORMULATION UNIT) FY- 2023-24

Particulars	Filed in FY 2023-24	Cumulative filed	Cumulative Status	Planning to file in FY 2024-25
Formulation				
US Submissions	1 product submission	30 Submissions	13 - Final approvals 3 - Tentative approvals 14 – Under assessment	~ 12 Products
EU Submissions	4 New products Submissions	30 Submissions (product wise)	25- Final approvals 5 – Under assessment	~ 30 Products

Regulatory Inspections and approvals –Formulation Unit

S. No.	Regulatory Agency	Inspection date	Status
1.	Kenya	22.11.2021 to 23.11.2021	GMP Certificate received
2.	Kazakhstan GMP	02.03.2022 & 04.03.2022	GMP Certificate received
3.	Nepal	18.07.2022	GMP Certificate received
4.	Health Canada	12.09.2022 to 16.09.2022	GMP certificate received
5.	TGA Australia	19.09.2022 to 23.09.2022	GMP certificate received
6.	ANVISA (Brazil)	28.08.2023 to 01.09.2023	GMP Certificate received
7.	Tanzania (TFDA)	19.10.2023 to 20.10.2023	GMP Certificate awaited
8.	USFDA	30.10.2023 to 09.11.2023	EIR Awaited
9.	Ukraine	15.01.2024 to 20.01.2024	GMP Certificate received
10.	EUGMP Austria	22.01.2024 to 26.01.2024	GMP Certificate received

Regulatory Inspections and approvals- Unit-VII, ASD.

Regulatory Authorities	Plant	Date of Receipt EIR/Certification
CDSCO and DCA	Unit-VII, ASD	June 22, 2021
DSIR	Unit-VII, ASD	May 24, 2022
DCA (Good Laboratory Practices)	Unit-VII, ASD	Sep 20, 2022
US FDA	Unit-VII, ASD	May, 2023
Ukraine GMP accreditation	Unit-VII, ASD	April 05, 2024

Regulatory inspections and approvals (Unit 6, Bangalore):

Inspection By Regulatory Authorities	Plant	Remarks
Medicines and Healthcare products Regulatory Agency United Kingdom (MHRA) (UK)	Unit 6, Bangalore	Certificate Of GMP Compliance Of A Manufacturer since July 2022
Ministry Of Health , UAE	Unit 6, Bangalore	Manufacturing Site Registration Certificate since Feb 2023
Therapeutic Goods Administration (TGA), Australia	Unit 6, Bangalore	TGA-e-business service Clearance since Dec 2023

SHILPA MEDICARE LIMITED INTELLECTUAL PROPERTY MANAGEMENT (IPM)

The Intellectual Property Rights (IPR) Department at Shilpa Medicare Limited caters to Shilpa and its group companies. Our IPR department plays a critical role in safeguarding the Company's innovations and creative works. Our team is dedicated to managing and protecting our patents, trademarks, copyrights, trade secrets, and other intellectual property assets. By doing so, we ensure that our competitive edge is maintained and our brand integrity is upheld. Our IPR Department works closely with R&D, legal, and marketing teams to develop strategies that align with our business objectives and support our growth.

Key Responsibilities:

Patent Management: Overseeing the filing and maintenance of patents to protect our technological advancements.

Trademark Protection: Ensuring our brand identifiers are registered and defended against infringement.

IP Litigation: Handling disputes and litigation to defend our intellectual property rights.

IP Strategy Development: Crafting policies and strategies to maximize the value of our IP portfolio.

Highlights and Achievements FY 23-24:

Increased Patent Portfolio:

Successfully filed 9 new patents, taking the cumulative total to 563 patents and pending applications in India and other countries.

Shilpa received grant of 16 patents in India and other countries including the US, Europe etc, expanding our global reach and protection.

Trademark Registrations:

Filed 9 new trademark applications and obtained registrations for 10 trademarks from Indian trademark office, enhancing our brand presence in India domestic market.

Achieved a 100% success rate in defending against trademark infringements.

Litigation Successes:

Successfully obtained an injunction against a domestic Indian Company in relation to Shilpa's patent, which was issued and covers dispersible tablets of Capecitabine.

Looking Ahead:

As we move forward, Shilpa remains committed to enhancing our IP management capabilities and supporting the Company's strategic goals. We will continue to focus on expanding our IP portfolio, leveraging our assets through strategic partnerships, and maintaining rigorous enforcement of our rights. Our ongoing efforts will ensure that Shilpa Medicare Limited and its group of companies remain at the forefront of innovation and market leadership.

Shilpa Medicare Transdermal Patches & 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 at Bangalore. This facility shall cater to the Global Regulatory Market.

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.

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 which includes strength wise 104s batches**. We have filed an ODF product in UK MHRA which is got 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**
- Site is approved by **TGA** Australia and Commercial Orders from well known clients are in pipeline.
- **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]
- We have many Nutraceutical ODF products / Sublingual film products / TDS in the development pipeline which are close to scale up and at different stage of development pipeline for Global market.
- These ODF Products are filed in multiple regulated as well as non-regulated markets and commercial agreements with multiple clients are in progress.
- Transdermal product agreements with European clients is done, product is under stability and filing is expected in end of 2024.

API Business Plan

Over the past decade, India has emerged as a key player in the API sector, following regulatory shifts in China and subsequent disruptions in the global chemicals supply chain. Benefiting from robust chemistry expertise and advantageous business conditions such as competitive labor costs, adherence to environmental and safety regulations, and international regulatory certifications, India's API industry has garnered attention from global generic pharmaceutical companies.

The recent challenges in supply chains due to the Covid-19 pandemic and resulting logistical hurdles have further solidified India's reputation as a dependable source of APIs. In 2022, the global API industry was valued

at approximately USD 222.4 billion, with projections suggesting a steady growth at a CAGR of around 6% from 2023 to 2030, reaching USD 353 billion by 2030. Merchant APIs are expected to account for 40% of this market, with specialty small molecules representing close to 14% by value.

By FY25, domestic API consumption in India is anticipated to reach USD 21 billion. The growth of the API market can be attributed to advancements in manufacturing capabilities, coupled with an increase in the prevalence of chronic diseases such as cardiovascular ailments and cancer. Supportive government policies and changes in geopolitical dynamics are also contributing to the industry's expansion.

Despite significant API imports from China, particularly antibiotics, and China's dominance in export markets, global generic companies are adopting a "China + 1" strategy, which is expected to boost exports. Simultaneously, initiatives like backward integration and the Government's Production Linked Incentive (PLI) scheme are likely to reduce reliance on imports and stimulate domestic production.

In 2023 globally CDMO business is valued around @ 146 billion dollars, which is segregated across the globe, China is responsible for 27 billion dollars and India @ 15.63 billion dollars. The opportunity is huge to act as a reliable, trustworthy CDMO player.

Shilpa with its technological capabilities, process efficiencies, high quality manufacturing standards and facilities meeting regulatory standards of all major markets, occupies a sweet spot in the API and CDMO industry. With global spending on treatment for cancer on the rise, Shilpa has a role to play in offering cost competitive oncology APIs to the global generic industry and thereby try and reduce the cost for patient treatment. The Company focusses on sustainable growth through continuous cost reduction measures. With 9 dedicated oncology manufacturing blocks and multi product capability, we are ready to meet the growing demand for oncology APIs.

While we continue to develop new oncology APIs to meet the demand for off patent products, we are also now developing a range of non-oncology API molecules to cater to the growing outsourcing demand from India. 8 production blocks cater to this segment.

Shilpa is investing heavily on API R&D and augmenting its capabilities across various API segments (Peptides, niche oncology, Intermediates). The API business is expected to grow on account of increased capacity and backward integration which will lead to operational efficiencies.

Leveraging on existing infrastructure and geopolitical situation Shilpa has an incremental opportunity to support CDMO business. It needs to further strengthen and R & D

more competent. Develop state of art infrastructure for Drug Substance and Drug Product.

Shilpa's commercialization of Polymers and Peptides would also lead to incremental revenues and offer a complete range of services in Generics and CDMO space.

Shilpa has the requisite approval from Health Authorities to sell APIs in the regulated markets. With 21 valid CEP certifications and 45 active US DFMs and more on the anvil, Shilpa is well poised to grow business in this segment of the market. A strong pipeline of APIs at various stages of development will contribute to the growth of business year on year. The Company maintains the most stringent quality standards for all its products.

Our wide range of APIs, early entry opportunity for customers due to non-infringing chemistry and supply security, will position Shilpa as a preferred partner for API supplies. Our long-standing relationships with existing partners, whom we have supported in establishing leading market positions, will help enhance our share of business with them.

With a large number of products in Shilpa's API portfolio getting genericized between 2025 and 2028, we expect business from commercialization of these molecules to sustain our growth momentum. Attaining cost leadership, product differentiation, backward integration, customer centric approach will form the pillars of our business strategy.

US CDMO Business Plan

Introduction

The Pharmaceutical Contract Development and Manufacturing Organization (CDMO) market is estimated at USD 243.29 billion in 2024, and is expected to reach USD 331.98 billion by 2029, growing at a CAGR of 6.41% (Mordor Intelligence, 2024). The CDMO market revenue in the largest market - United States - was valued at USD 54.21 billion in 2023 and expected to reach USD 68.32 billion by 2028, growing at a CAGR of 4.74% (Mordor Intelligence, 2024).

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. 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, 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 established as a partner of choice for a wide 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) Leveraging exquisite strengths in complex chemistry across pharma and specialty chemicals
- (2) Integrated CMC approach for delivering drug substance and drug product to pharma customers
- (3) Strengthening of biologics business with a focus on monoclonal antibodies, fusion proteins and ADCs
- (4) Technology focus with addition of niche capabilities such as flow chemistry and AI-DD

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) cGMP manufacturing with multi-metric ton commercial manufacturing capacities for advanced intermediates, RSMs and final API, incl., oncology, high potent (OEL Band 5) and cytotoxic compounds
- (3) Flow technology with the ability to conduct asymmetric catalysis, fluorinations, nitrations and a range of hazardous/complex chemistries
- (4) Process intensification using custom printed reactors that offer exceptional COGS benefits over commercial flow reactors

- (5) 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 2024 – 2025

- (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:** The global biologics market was estimated at USD 511.04 billion in 2024 and is projected to hit USD 1,374.51 billion by 2033, growing at a CAGR of 10.4% from 2024 to 2033 (Nova One Advisor report, 2024). Rising burden of cancer, genetic, neurological and autoimmune diseases and approval of novel biologic drugs such as gene therapies, RNAi therapeutics, and antibody-drug conjugates as well as advancements such as personalized medicine and companion diagnostics which allow for targeted treatments, have increased the demand for biologic products (Grand View Research, 2024). Monoclonal antibodies account for the largest number of biologics approved. Next-generation constructs such as bispecific antibodies, antibody fragments, radio-immunotherapies, nanobodies, and antibody-drug conjugates are driving the growth of this segment.

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 three lines for mammalian cell culture with 3x1KL single use bioreactors, 2x2KL single use bioreactors and 10L and 40L ATF systems along with three filling lines incl., a high throughput line with capacities of 300u/m liquid vial fill (for vaccines). In microbial fermentation, we have 2x independent trains with 2KL capacity (for E.coli and Pichia pastoris) and a greenfield project of 220KL SS bioreactor capacity. Notably, 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.

- (3) Therapeutic peptides:** The global peptide therapeutics market is forecasted to exceed USD 101.7 billion by 2033, with a CAGR of 9.1% from 2024 to 2033 (Market.us, 2024). Peptide therapeutics consist of drugs composed of short or long chain amino acid chains designed to target specific disease states and offer advantages over small molecule drugs, such as high selectivity, specificity, low toxicity, and favorable pharmacokinetics. 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. Recent product approvals in this space include Semaglutide, the active ingredient of blockbuster Novo Nordisk drugs Ozempic® and Wegovy®, for treatment of type 2 diabetes and long-term weight management. Semaglutide is a peptide similar to the hormone glucagon-like peptide-1 (GLP-1), modified with a side chain.

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 completed a program in February 2023 for Genentech involving complex macrocyclic peptides. In 2024, a reputed NYSE listed biopharma Company approached us for development of a bispecific small molecule that binds the liver asialoglycoprotein receptor on one hand and the target (IgG) on the other hand joined through a peptide linker. This is an excellent opportunity for us to present our peptide synthesis, small molecule development and manufacturing as well as bioconjugation expertise in the long run. The client will be conducting an audit of the Raichur site at the end of May 2024.

- (4) Polymers and performance materials:** The global polymers market was valued at USD 597.34 billion in 2022 and is expected to experience robust growth with a projected CAGR of 4.81% through 2028 and is expected to reach at USD 785.80 billion by 2028 (Research and Markets, 2024). 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 incl., such names as Bausch and Honeywell. The latter began as a modest R&D project that met the specifications defined by client and became a larger initiative which has the potential to become a multi-million dollar program in 2024-2025. Successful deliveries with this Fortune 500 customer also means excellent potential for follow-on as well as new projects.
- (5) Antibody-drug conjugates (ADCs):** The global antibody drug conjugates market was estimated at USD 11.29 billion in 2023 and is projected to grow at a CAGR of 9.2% from 2024 to 2030 (Grand View Research, 2024). This can be attributed to the growing incidence of cancer, increased need for low-toxicity and effective drugs. 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. In 2024, the Company had interest from a marquee NYSE listed biopharma Company to conduct a site audit of the Raichur facilities for potential qualification for development and manufacturing of ADCs. This is a major achievement and an excellent opportunity to break into the ADC market given significant business potential.

- (6) Cell and gene therapies:** The global cell therapy market size was estimated at USD 4.74 billion in 2023 and is expected to grow at a CAGR of 22.66% from 2024 to 2030. The market for cell therapy is constantly growing to include new cell types, which presents significant opportunities for companies to strengthen their market positions. The growth of the market is attributed to many factors such as expanding area of advanced therapies along with gene delivery technologies and progressive competition among key players focused on commercialization of their therapies. 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 monetizing our existing capabilities and infrastructure in small and large molecules, a future proof strategy will include forward investments into new capabilities, especially in cellular therapies.
- (7) 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.

SML is extremely well positioned because of these superlative and cross value chain capabilities to become a strong contender for innovative solutioning across

modalities to the biopharma, polymer and chemicals industry globally.

Domestic

At Shilpa Medicare Ltd as our key expertise lies in the oncology formulation this Fiscal Year 2023-2024, we have embarked on our journey to reach out to all the cancer treatment facilities nationwide with the primary goal of offering World-Class drugs at competitive pricing, with innovation and affordability to ensure the patient compliance and reduced drug wastage.

By employing the most capable field teams with the best abilities and providing them with the most up-to-date scientific knowledge on treatments and products. In the year 2023-2024, 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.

At Shilpa Medicare Ltd. (**OnKoshil division**), patients are at the heart of all we do. With the Mantra of "**Thoughtful Innovation for Powerful Outcome,**" we have produced distinctive Products.

Capebel Dispersible Tablet (Capecitabine 500mg & 1000 mg dispersible tablet) is a great example. Capebel DT enabled clinicians to deliver appropriate doses with more compliance, resulting in a more potent outcome for over 4000 patients in the last Fiscal Year 23-24.

Along with Capebel DT, Lenshil 12mg & 18mg, Oraal Spray and VRTU (Ready to Use pemetrexed Inj) were the classical examples of Shilpa Medicare's approach towards **Thoughtful Innovation for Powerful Outcome**

Current market trends:

Globally, today India is one of the largest sources of Pharmaceuticals, and Shilpa Medicare Ltd has been one of the strongest API sources for Oncology Products.

In India, an estimated 1.41 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 3.26 million Patients. A recent survey entitled INDIA as the Cancer Capital gives us more responsibility to develop the products and serve the needy.

The domestic oncology market is valued at ₹7212 Cr and growing at a 21% rate across the 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 and new paths for patients needing treatment assistance.

Oncology has a high demand for therapies, making improved formulation with a patient-centric approach even more critical. **Shilpa Medicare Ltd** is therefore obligated to offer such **Thoughtful Innovations for Powerful Outcomes**. Strategic Brand Launches into various therapies with futuristic potential and untouched areas. ONKOSHIL is entering the new therapeutical area of Targeted therapies.

Ca Prostate therapy – Launched Leuprolide 22.5mg and Relugolix 120mg in treating Cancer of the Prostate, developing a strong portfolio in the therapy.

Breast Cancer- Ready to launch OLAPARIB, a well-accepted PARPi in the treatment of Breast and Ovarian Cancers - Targeted Therapy.

Supportive Therapy: Iron replacement products like Ferric Carboxy Maltose, and erythropoietin stimulating agent like Darbepoetin.

Cytotoxins with compliance (Ready to Use formulation) – Ready to use a 10-minute infusion of Pemetrexed for the first time globally, with unique formulations of 100mg, 500mg 850mg, and 1000mg.

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 to effectively reach this communication with the caregivers, and our field force is fully equipped on this front.

Product Reach to the Customers: Product Inclusions into the Formulations of major institutions, which multiply the consumption and provide spread of the brands. Few of the centers where the products are approved.

TATA Memorial Cancer Hospital, KMSCL(Kerala), RAILWAY Hospitals, Command Hospitals, Safdarjung Hospitals (Delhi).

Strategic Growth Factors:

The growth for the next Fiscal is protected with the inclusion of the differentiative formulations into the institutional formulary helps in product awarding and continuous business outcomes,

Unique formulations can have the advantage of monopoly in the formulary and can serve the needs of the needy with the provided advantage of reducing the drug wastage and improving compliance etc.

Registering & making products available at various corporate hospitals to enhance the business & reach

across the country. Key account management (customers) and ensure patient follow-up to develop the base.

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 DT must be developed with the patient in mind. Decreasing medicine wastage by developing Multidose Ready to Use [RTU] formulations, especially injectables like VRTU.

Effectively communicating the same with regular communication aids and engagements with doctors and emerging specialists is the key to improving the reach of innovations to needy humans.

Strong Growth in Biologic & Biosimilars Drugs in Domestic Market:

The Indian biopharmaceutical industry is one of the fastest growing globally and currently valued at US \$60 billion. The country's biosimilars market size was valued at US \$349 million (₹ 2800 Cr) in 2022 and is estimated to expand at a CAGR of 25.2% from 2022 to 2030 to reach US \$2.1 billion (₹ 17500 Cr) in 2030.

There are 98 approved biosimilars in India, with at least 50 on the market, the most of any country in the world. Between now and 2030, biologic products worth some \$170 billion will lose patent protection, opening the window of opportunity for Indian biopharma to explore more biosimilar products.

With plethora of opportunities, Shilpa with its very own entity Shilpa Biologics Pvt. Ltd, Dharwad has indigenously manufactured and introduced the Original OriAdali (Adalimumab 40mg/0.4ml concentration) in FY 23-24. Shilpa Biosciences - OriAdali is similar to the reference product in quality, safety & efficacy. Indian adalimumab market is valued at ₹122 Cr market with CAGR 26% (Source: IQVIA) and with launch in just 6 months we have achieved 1% market share.

Shilpa Biosciences, division of SBPL has a vision to reach & serve comprehensive basket for management of Rheumatoid Arthritis (RA) Osteoporosis (OP), Osteoarthritis (OsA) Inflammatory bowel disease (IBD) & Psoriatic Arthritis (PsA).

Shilpa Biosciences has also launch of Denosumab (Denosta) & Teriperatide (Bone PTH) for Osteoporosis management which has further enhanced our presence in the biologics – biosimilar market. Osteoporosis market valued at ₹466 Cr with CAGR 43%. We have captured

1.30% MS in 1st year of launch. Shilpa Biosciences, at SBPL presence is being felt in market and we have been taken as one of the serious biologic-biosimilar player wherein we have to compete with biologic giants.

Shilpa Biosciences at SBPL, is currently operating in ₹ 693 Cr biologics market with CAGR 34%. IN FY 23-24 we have achieved 1.15% MS of our represented market. Our vision is to attain 7% of MS in first three years of launch.

We have a goal to become one stop solution for the comprehensive management of Rheumatoid Arthritis & Osteoporosis in times to come. We at Shilpa Biosciences at SBPL aim to spread our reach and become one of the strong biologic-biosimilar player in the market.

Shilpa Biologicals Pvt Ltd

Introduction

Shilpa Biologicals Pvt Ltd (SBPL) specializes in the development of biologics and has prioritized obtaining approvals and market authorizations for internal projects while expanding its CDMO capabilities. The Company's relentless focus on quality control and assurance underscores its dedication to meeting regulatory standards and delivering superior products and services to its clients and partners.

Biosimilar Programs

SBPL's biosimilar programs for **Adalimumab, Aflibercept, Abatacept, Pembrolizumab and Nivolumab**, have made significant progress towards global regulatory filing. The strategic focus on obtaining approvals from different markets underscores SBPL's commitment to expanding its global reach and addressing the needs of patients across diverse regions.

OriAdali® Launch:

The SBPL's has launched biosimilar to Humira, OriAdali®, in India during the 1st quarter of 2023-2024 marks a significant milestone for the organization. SBPL's Adalimumab is distinguished as one of the very few biosimilar versions of the **innovator's high-concentration product (100mg/mL)**, offering a cost-effective alternative without compromising quality or efficacy.

Expanding the use of OriAdali® for different indications represents a strategic opportunity for SBPL to further capitalize on its investment in biologics development. By leveraging OriAdali®'s proven efficacy and safety profile, SBPL can explore additional therapeutic areas where anti-TNFα therapy is indicated.

By pursuing regulatory approvals for OriAdali® in these additional indications, SBPL can maximize the commercial potential of its biosimilar while contributing to improved patient outcomes across a diverse range of

medical conditions. Furthermore, expanding Oriadali®'s indication portfolio aligns with SBPL's commitment to innovation and addressing unmet medical needs, further solidifying its position as a key player in the biopharmaceutical industry.

Clinical Trials and Pipeline Expansion:

SBPL is currently taking clinical trial batches of biosimilar to Eylea and planning to initiate the phase III clinical trial in Q2 of FY25, demonstrating its commitment to innovation and patient care in ophthalmology. Additionally, the Company has expanded its pipeline with additional three pipeline drugs which are at different developmental stages, from process optimization to preclinical studies, showcasing SBPL's dedication to research and development.

CDMO Capabilities and Strategic Expansion:

SBPL has strategically expanded its operations to offer comprehensive Contract Development and Manufacturing Organization (CDMO) services to pharmaceutical and biotechnology companies worldwide. SBPL's CDMO division leverages the Company's extensive expertise in biologics development, manufacturing, and quality assurance to provide end-to-end solutions tailored to meet the diverse needs of its clients.

Comprehensive Service Offerings:

SBPL's CDMO capabilities encompass a wide range of services spanning the entire drug development and manufacturing lifecycle. These include:

- 1. Process Development:** SBPL's team of experienced scientists and engineers collaborate closely with clients to develop robust and scalable manufacturing processes tailored to their specific requirements. From cell line development to process optimization and scale-up, SBPL offers comprehensive process development services to accelerate the path to commercialization.
- 2. Analytical Method Development and Validation:** SBPL's state-of-the-art analytical laboratories are equipped with advanced instrumentation and expertise to develop and validate analytical methods for product characterization, quality control, and stability testing. By ensuring the accuracy, precision, and reliability of analytical data, SBPL enables clients to meet regulatory requirements and ensure product quality.
- 3. Manufacturing:** SBPL operates cGMP-compliant manufacturing facilities equipped with cutting-edge bioprocessing technologies to produce biologics at various scales. Whether it's microbial fermentation, mammalian cell culture, or downstream purification, SBPL's manufacturing capabilities are designed to deliver high-quality, cost-effective solutions to meet client demand.

4. Quality Assurance and Regulatory Compliance:

SBPL places a strong emphasis on quality control and assurance throughout its CDMO operations. Its quality management system is aligned with international regulatory standards, ensuring compliance with Good Manufacturing Practices (GMP) and other regulatory requirements. SBPL's dedicated quality assurance team monitors all stages of the manufacturing process to ensure product quality, safety, and efficacy.

Strategic Partnerships and Collaborations:

SBPL actively seeks strategic partnerships and collaborations with pharmaceutical and biotechnology companies to leverage its CDMO capabilities and expand its market presence. By offering flexible and customized solutions, SBPL aims to address the evolving needs of its clients and provide value-added services that contribute to their success.

Recent Achievements and Future Outlook:

In the current year, SBPL's CDMO division has witnessed remarkable growth and achievement, marked by the expansion of its client base and service portfolio. Through successful project executions and unwavering dedication to quality and innovation, SBPL has emerged as a trusted partner in the global biopharmaceutical landscape. With a commitment to excellence, SBPL continues to lead the industry, offering tailored solutions to meet the evolving needs of clients both domestically and internationally.

Regulatory Approvals and Inspections:

SBPL achieved joint inspections and clearance from the Central Drugs Standard Control Organization (CDSCO) for marketing authorization of its Biosimilar to Humira and Bioanalytical Laboratory. These achievements not only facilitate clinical trial programs but also open new avenues for revenue generation through contract research organization (CRO) activities.

Positive Scientific Advice from the FDA & EMA:

SBPL is pleased to announce that we have received positive feedback from the FDA and EMA regarding our CMC package and clinical trial proposals for Aflibercept. This validation from regulatory experts reinforces the robustness and efficacy of our development strategies, positioning us for success in obtaining regulatory approvals for the biosimilar products in the regulatory market. Building on the positive feedback received from the EMA, SBPL remains focused on advancing the development of Aflibercept while maintaining the highest standards of quality and compliance.

Conclusion:

In conclusion, the achievements of Shilpa Biologicals Pvt Ltd in the fiscal year 2023-2024 underscore its position as a leader in the biopharmaceutical sector. Through strategic initiatives, relentless focus on quality, and dedication

to innovation, SBPL is poised for sustained growth and success in the years to come.

FTF PHARMA (P) LTD

The journey started in 2012 for FTF Pharma has been 'unstoppable' and continued to leave its footprints worldwide. FTF Pharma is not a new name in the pharmaceutical world. It has achieved a special 'reputation' milestone over these years, which is evident from the fact that yearly it adds many new clients to its clientele list.

When a dream was seen to become a CDO/CDMO of every partner's choice, the Company was started with very limited resources, infrastructure and manpower. However, steadfastly moving towards its mission, in very short span FTF Pharma grew to a level where it now owns a 55,000 sq. ft. state-of-the-art R&D center with modern & well equipped formulation & analytical research labs and facility for handling highly potent drugs situated in the hub of India's Pharmaceutical giants, Ahmedabad (Gujarat). Over 70 scientists are striving day and night to help FTF Pharma achieve its mission of becoming globally

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. So far, coming age technologies in the pharmaceutical development are concerned, FTF is not lacking behind. FTF is also working on new-edge technologies such as Nano-emulsions, SMEDDS, micellar formulations and lipid nanoparticles.

Success is not a 'dream' for FTF Pharma but a reality. The drug products developed by FTF Pharma are now approved by the world's some of the major regulated markets such as US and UK. These products include first to file generics of Aubagio®, Opsumit® and Otezla®; 505b2 oral liquids such as Norliqva® (amlodipine oral solution), Tadliq® (tadalafil oral suspension), Zonisade® (zonisamide oral suspension), Liqrev® (sildenafil oral suspension), Atorvaliq® (atorvastatin oral suspension), Myhibbin® (mycophenolate mofetil oral suspension) and oral solution of Imatinib mesylate; and a ready-to-use Pemetrexed injection against Alimta® powder for reconstitution under 505b2 NDA approval pathway. These products are now in the market and have met the needs and benefited thousands of patients.

FTF's approach towards drug development through innovation is evident from its Intellectual Property filings. FTF has filed more than 110 patent applications in different jurisdictions including USA, Europe/UK, Canada, China, and India and awarded multiple US & Indian patents covering FTF's 505b2 oral & parenteral technologies.

It's been about 4 years now that FTF has been spearheaded by Shilpa Medicare Limited Group (SML) and achieved

leading player in the Contract Research sector. FTF is a one stop solution for its partners. FTF offers Research and Formulation Development services, Technology Transfer & Contract Manufacturing services, Non-infringing/Design-around strategies, Regulatory filing strategies, and BA/BE & clinical support services.

Visioned to provide the best and most affordable healthcare, FTF is focused 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 eyes its interest on the development of small molecule drug products & peptide drug products as well as repurposing of existing drugs. Since its inception, FTF, so far, has developed & collaborated more than 120 products for major regulated markets & rest of the world markets.

FTF has an expertise of developing different types of solid, liquid, lyophilized & topical dosage forms. These dosage forms include 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,

new milestones by penetrating the US, Europe, Canada, China and other emerging markets. Now it can be foreseen that FTF is not away from its vision of becoming one of the TOP GLOBAL CROs by 2025.

Shilpa Therapeutics Pvt. Ltd (formerly NU Therapeutics Pvt. Ltd.)

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

***Shilpa Therapeutics Pvt. Ltd. (formerly NU Therapeutics Pvt. Ltd.) is the first Company to commercialize prescription products as oral thin strips/films in India.**

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

- Products available in the Domestic Market

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

Molecule	Category
Ondansetron Hydrochloride 2mg , 4mg & 8mg Orally Disintegrating Strips	For the prevention of chemotherapy induced nausea and vomiting (CINV)
Simethicone 62.5mg Orally Disintegrating Strips	Anti-Flatulent.
Sildenafil Citrate 25mg & 50mg Orally Disintegrating Strips	For the treatment of erectile dysfunction (ED)
Tadalafil 5 mg, 10mg & 20mg Orally Disintegrating Strips	For the treatment of erectile dysfunction (ED)
Methylcobalamin 1500 mcg Orally Disintegrating Strips	For the treatment of Diabetic Neuropathy and Peripheral Neuropathy
Montelukast Sodium 4 mg, 5 mg & 10 mg Orally Disintegrating Strips	For the Prophylaxis and Chronic Asthama
Melatonin 3 mg Orally Disintegrating Strips	For the treatment Jet Lag
Vitamin D3 2000 IU Orally Disintegrating strips	Vitamin D3 Supplement
Betahistine Dihydrochloride 16mg & 24 mg Orally Disintegrating Strips	For the treatment of Menier's syndrome characterised by unilateral or bilateral Vertigo, sensorineural hearing loss.
Green Tea Film – Ready to Prepare Green Tea	For Household drink for therapeutic benefits.
Menthol Mouth Freshener in different flavour	Mouth Fresheners
Paracetamol 60 mg & 120 mg Orally Disintegrating Strips	For Paediatric Pain Reliever and a Fever Reducer.
Prucalopride 1mg & 2 mg Orally Disintegrating Strips	For Treatment of Chronic Constipation
2 – Deoxy D Glucose Powder Dosage Form	Adjunct Therapy for Moderate to Severe Covid 19 patients

- Products in the Pipeline

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

Molecule	Category
Rizatriptan 10 mg Orally Disintegrating Strips	For Treatment of Migraine
Methylcobalamin 1500 mcg + Pregablin 75 mg Orally Disintegrating Strips	For Treatment of Pain and for Diabetic and Peripheral Neuropathy
Pregabalin 25 mg/ 50 mg/ 75 mg ODS	For Treatment of Pain
Ketorolac Tromethamine 10mg ODS	Anti – Inflammatory

- Strong Intellectual Property Management Team /Profile**

Shilpa Therapeutics (formerly NU Therapeutics) has a strong IP profile. The Company has been granted several patents on orally disintegrating strips

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

Patent filing statistics:

Total Filed : 35

Total Granted : 5

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

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

- Regulatory Approvals**

ShilpaTherapeuticsPvtLtd(formerlyNUTherapeutics) has received approval for its oral disintegrating strip facility from following regulatory authorities:

- National Pharmaceutical Regulatory Agency (NPRA) Malaysia, which is an PIC/S member (Pharmaceutical Inspection Co-operation Scheme)
- Ministry of Health Thailand'
- Tanzania Medicines and Medical Devices
- Pharmacy Poison Board – Kenya

- National Drug Authority – Uganda
- Regulatory Authority of DR Congo
- Supreme Board Of Yemen
- Regulatory Authority Cambodia

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

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.

RAISING OF FUNDS THROUGH QUALIFIED INSTITUTIONAL PLACEMENT:

The Board of Directors of the Company at its meeting held on February 08, 2024 approved raising of funds for an amount not exceeding ₹ 500 Crores through Qualified Institutional Placement route. The Shareholders' of the Company passed Special Resolution by way of postal ballot on 14th March 2024 to approve the raising of funds through QIP.

The Company submitted Preliminary Placement Documents and Placement Document to National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") on 8th April 2024. Subsequent to which receipt of In-Principle approval from the Stock Exchanges on 8th April 2024, the Board of Directors at its meeting held on April 13, 2024 approved the issue and allotment of 1,09,89,010 Equity Shares of face value ₹1 each to eligible qualified institutional buyers at the issue price of ₹455 per Equity Share, i.e., at a premium of ₹454 per Equity Share (which includes a discount of ₹22.33 per Equity Share (4.68% of the floor price) to the floor price of ₹477.33 per Equity Share, aggregating to ₹ 4,99,99,99,550 (Rupees Four Hundred and Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Five Hundred Fifty only).. Consequently, the Promoter Shareholding in the Company stands decreased from 50.01% to 44.39% whereas the Public shareholding increased from 49.99% to 55.61% w.e.f. April 13, 2024 .

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 ₹ 9,77,90,908/- (Rupees Nine Crore Seventy Seven Lakhs Ninety Thousand Nine hundred and Eight) divided into 9,77,90,908 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 8214 shares, belonging to the shareholders who did not continuously claim dividend for seven years from the financial year 2016- 17 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. Omprakash 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 there were no changes in the Directorship.

Mr. Hetal Madhukant Gandhi & Mr. Arvind Vasudeva were appointed as Independent Directors for a period of 3 yrs in the 34th AGM held on 28th September 2021, effective upto the conclusion of the AGM to be held in 2024.

Members in the 32nd AGM held on 20th September 2019 reappointed Mr. Vishnukant C Bhutada as Managing Director for a period of 5 years effective from 1st October 2019. In 2022, Mr. Bhutada was also appointed as Managing Director of Shilpa Pharma Lifesciences Ltd, a material subsidiary on a remuneration of ₹ 3.50cr as minimum remuneration in case of inadequacy of profits from Shilpa Medicare Ltd and remuneration in excess of 5% on the net profits of Shilpa Pharma Lifesciences Ltd, with an overall remuneration not exceeding ₹ 15.00cr p.a for remainder of the tenure.

Since tenure of the Directors is due for completion, except Mr. Arvind Vasudeva who did not express his willingness to continue, their reappointment sought is subject to the approval of members of the Company at the ensuing Annual General Meeting.

CHANGE IN KEY MANAGERIAL PERSONNEL

There were no changes in the Key Managerial Personnel during the year. Following are the key managerial personnel 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, Seven 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. 25 May 2023
2. 23 June 2023
3. 21 July 2023
4. 10 August 2023

5. 1 September 2023
6. 10 November 2023
7. 8 February 2024

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 And 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 2024-25. 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 2023-24, 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 2023-24 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 2024-25.

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 2024-25.

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 16 September 2023 & 13 March 2024.

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 are placed on the Company's website at <https://www.vbshilpa.com/pdf/NominationRemunerationPolicy.pdf>

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, apart from Pilnova Pharma Inc, a subsidiary in USA there are no new Companies that 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.

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

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 herewith as **Annexure - 10**.

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 - 11**.

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

Place: Raichur
Date: 8th August, 2024

Chairman
DIN: 01301385

Form AOC-1

(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

Annexure -1

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 GMBH (Austria- Unaudited)	INM Nuvent Paints Private Limited (Audited)	Shilpa Biologicals Private Limited (Audited)	Shilpa Biocare Pvt. Ltd. (Erstwhile Shilpa Alburin Private Limited) (Audited)	Shilpa Lifesciences Private Limited (Audited)	Vegli Labs Private Limited (Audited)	Shilpa Lifesciences Private Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.) (Audited)	Koanaa Healthcare Canada Inc. (Unaudited)	FTF Pharma Private Limited (Audited)	Koanaa International FZ LLC (Dubai) (Audited)	Indo Biotech SDN. BHD Malaysia. (Unaudited)	Pinova Pharma Inc USA. (Unaudited)	Koanaa Healthcare Spain, S.L. (Unaudited)				
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024				
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	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR				
Share capital	223.76	4,396.77	0.11	2.83	90.22	1.00	0.08	3,000.00	2,000.00	1.00	951.00	1,000.00	0.06	284.24	2.27	4.41	0.08	6.32	
(Equity + Preference)*																			
Other equity*	(4,081.29)	(4,949.90)	(313.92)	(411.83)	(2,325.57)	(2.53)	(2,086.63)	(17,351.87)	73.00	(0.59)	316.10	1,282.15	(1,228.36)	3,035.35	(681.73)	(358.02)	(273.54)	(407.67)	
Total assets*	4,814.91	1,412.77	713.78	3.48	1,937.03	0.90	625.83	58,655.70	42,666.21	465.49	1,270.03	96,812.15	29.71	4,610.85	31.37	826.06	31.40	740.54	
Total Liabilities (Excluding Share Capital & Other Equity)*	8,672.43	1,965.90	1,027.60	412.48	4,172.38	2.43	2,712.37	73,007.56	40,593.21	465.09	2.92	84,550.00	1,258.01	1,291.25	710.83	1,179.67	304.86	1,141.90	
Investments*	-	0.75	-	-	-	-	-	144.68	-	-	596.88	604.09	-	-	-	-	-	-	
Turnover#	307.48	-	8817	-	411.85	-	154.80	3,687.82	30.40	-	-	85,393.03	73.69	2,612.36	-	-	-	765.10	
Profit/(Loss) before taxation*	(997.69)	(248.08)	(27.55)	-	27.36	34.33	(750.09)	(7,926.36)	(30.42)	(0.21)	533.52	14,702.18	(271.44)	965.47	(65.44)	(196.16)	(202.87)	239.38	
Provision for taxation*	(210.10)	-	(15.03)	-	(727.61)	1.96	(144.03)	(1,322.99)	(1.99)	-	(6.49)	4,117.45	-	288.62	-	-	-	51.25	
Profit after taxation*	(787.59)	(248.08)	(12.52)	-	75.497	32.37	(606.06)	(6,603.37)	(28.83)	(0.21)	540.01	10,584.74	(271.44)	676.85	(65.44)	(196.16)	(202.87)	188.13	
Proposed Dividend % of shareholding	100%	100%	100%	55.78%	100%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Exchange rate considered in the case of foreign subsidiary - 1 USD = 83.37, 1 GBP = 105.29, 1 EUR = 90.22, 1 AED = 22.61, 1 MYR = 17.63, 1 CAD = 61.62

Converted at monthly average exchange rates

Part “B”: Associates and Joint Ventures

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

Name of Associates/ Joint Ventures	Maia Pharmaceuticals 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)
	(Unaudited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)
1. Latest Balance Sheet Date	31-03-2024	31-03-2024	31-03-2024	31-03-2024	05-03-2024	31-03-2024
2. Shares of Associate/ Joint Ventures held by the Company on the year end						
No. of Shares (Equity)	0	5001	100000	81996	-	55000
No. of Shares (Preferanec shares)	14,00,000	-	-	-	-	4,91,900
Amount of Investment in Associates/Joint Venture in Equity shares	795.69	0.50	1.00	3995.58	-	5.50
Extent of Holding %	34.79%	50.01%	33.33%	65.00%	40.00%	55.00%
3. Description of how there is Significant influence	Shareholding	Jointly Controlled Entity	Shareholding	Jointly Controlled Entity	Investment Entity of Wholly Owned Subsidiary	JV of Wholly Owned Subsidiary
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5. Net worth attributable to shareholding as per latest Balance Sheet	-	279.38	-	2,240.14	-	(744.80)
6. Profit/(Loss) for the year(Refer Note 1 below)	-	(30.44)	-	(432.03)	(95.40)	(276.56)
i. Considered in Consolidation	-	(15.22)	-	(280.82)	(38.16)	(152.11)
ii. Not Considered in Consolidation	-	(15.22)	-	(151.21)	(57.24)	(124.45)

Note 1 : During the year 2023-24 , the Group through its wholly owned subsidiary Vegil Labs Private Limited has sold the entire stake in Auxilla Pharmaceuticals and Research LLP (amounting to 40% of the entire capital) for a consideration of ₹1,100.00 Lakhs. Consequently , the Group has recognised a gain of ₹613.07 Lakhs after considering its share of loss upto March 5, 2024 in the consolidated financial results.

Note 2 : Struck off w.e.f. 12th June 2024

Annexure-2

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: 08 August 2024

Place: Raichur

Annexure-3

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

TO

THE MEMBERS

SHILPA MEDICARE LIMITED RAICHUR.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2024, 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. Omprakash Innani	Re-appointment	Reappointed as a director at 36th AGM held on September 29, 2023 upon the retirement by rotation in accordance with the provisions of section 152 of the Act.

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, ₹3,65,343.20 Unpaid/Unclaimed Dividend relating to the FY 2015-16 belonging to 417 shareholders, was transferred to the Investor Education and Protection Fund.

We further report that during the year under review in terms of the provisions of section 124(6) of the Act, 8,214 Equity Shares belonging to 18 shareholders were transferred to the Investor Education and Protection Fund (IEPF) after settling the claims 2,70,589 shares are lying in the IEPF account.

CS D.S. RAO; PCS

M No.: A12394

C.P. No.: 14487

Date: 08 August 2024

Place: Hyderabad

UDIN: A012394F000927341

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.

Sd/-

CS D.S. RAO; PCS

M No.: A12394

C.P. No.: 14487

UDIN: A012394F000927341

PEER REVIEW CER No.1817/2022

Date: 08 August 2024

Place: Hyderabad

Annexure-4

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

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	19,710 Units
Installed Energy Efficiency EC Blower's in AHU system by removing the conventional Belt driven Blowers to reduce the power consumption	5,66,227 Units
Procured and replaced Energy Efficient IE3 Motors to minimize the losses and to save energy	58,526
Identification of Light fixtures for easy operation: Identification provided for light fixtures and control MCB is to make convenient to switching unwanted areas.	3942 Units
In addition to existing APFC additional 350KVAR APFC Panel installed to improve Power Factor from 0.97 to 0.99	21,228 Units
Total Electrical energy conserved in KWH /Units	6,69,633 KWH
Electrical Units Purchased From Wind Power	1,92,25,000 Units
Thermal Energy Conserved	Energy Conserved in Kw
Process intensification in Isomerisation in the Process of Tranexamic acid manufacturing	35162.79
Process intensification elimination of evaporation of water in the process of Tranexamic acid Manufacturing	928000
Energy conservation by recovering the steam condensate	4043972
Total Thermal Energy conserved in Kw	5007134

The Company has utilised all the opportunities to conserve the energy both electrical & Thermal.

The Company conserved 669633 Kwh of electrical energy by adopting all possible energy conservation measures by adopting the latest available technologies like from replacing of Conventional Centrifugal blowers with EC Fans which runs on more efficient DC current , replacing the existing motors with more efficient IE3, by improving the power factor by adding the 350 VR APFC panel apart from the simple technics like identifying the lighting fixtures & giving the easy access to switch off the lights when not required.

Further 5007134 Kcal equivalent to 18025GJ of Thermal energy is conserved by process intensification undertaken in Tranexamic acid.

The capital investment on energy conservation equipment is ₹ 69.24 Lakhs.

Details of total energy consumption GJ and energy intensity;

Parameter	FY 2023-24 (GJ)	FY 2022-23 (GJ)
Total electricity consumption (A)- GJ	166046.1	168280.3
Total fuel consumption (B)- GJ	251190.66	327304.7
Energy consumption through other sources (C)-GJ	0	0
Total energy consumption (A+B+C) -GJ	417236.8	495584.9
Energy intensity per lakh of rupee of turnover (Total energy consumption/ turnover in lakh rupees)	3.74	4.77
Energy intensity per Kg of Product (API)	0.9056	1.5795

The Company has reduced the energy intensity & by adopting various measures of energy conservation Measures by adopting various latest available technologies.

The Resource utilisation is reduced in fuel is achieved by process intensifications.

Total Energy consumption from the renewable sources & Non Renewable sources.

Parameter	FY 23-24	FY 22-23
From renewable sources		
Total electricity consumption (A)- GJ	100259.3	72648
Total fuel consumption (B) -GJ	220350.9	291247.8
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	320610.2	363895.8
From non-renewable sources		
Total electricity consumption(D)	65786.82	95632.28
Total fuel consumption (E)	30839.74	36056.81
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	96626.56	131689.1

The company is continuously reducing 10000 TCO₂ emissions year on year by using Biomass –Rice husk & Bio mass briquettes as fuel for the steam generation for the process requirements & the Company has registered its 10TPH & 6TPH steam generation project in clean development Mechanism , the company has reduced 1& registered its bio mass fired boiler with UNFCC under Kyoto Protocol Project Reference No: 3926; the add 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 & has generated 9668821 Kw of electrical energy

TECHNOLOGY ABSORPTION-GROUP:

The Following efforts made toward technology absorption;

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

- 1) Energy conservation : Electronically communicated fans are brought into place to replace the conventional Blowers which run with AC current motors.
- 2) Resource reduction – Water consumption reduced in the process of Tranexamic acid by process intensification there by reducing the energy requirements.
- 3) Recycling: water consumption reduction by recycling about 50% from various stages of Raw water treatment , Thereby reducing water consumption with this measure the water requirement is reduced. As a result of the Company's stress on efforts to reduce the resource usage reduction by adopting various measures has resulted in Raw water drawl of 58071 KL in FY 23-24, compared to that of 64106 KL in FY 22-23.

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 has engaged highly qualified dedicated personnel & subject matter experts across the sites to develop the processes to reduce the Resource (Raw material consumption, improved process efficiencies & reduction in treatment costs).

The Company improved upon the capacity utilization by motivating the team to improve the productivity by creating the two bay system in the production blocks 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.

FOREIGN EXCHANGES AND OUTGO:

The details of foreign exchange earning in terms actual inflows and out flows during the year are detailed in note 45 to the Standalone Financial Statements for the financial Year ended 31st March 2024.

For and on behalf of the
Shilpa Medicare Limited

Sd/-
Omprakash Inani

Chairman
DIN: 01301385

Date: 08 August 2024
Place: Raichur

Annexure-5

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	Number of Meetings of CSR Committee attended during the year
1	Mrs. Anita Bandyopadhyay	Chairman- Independent Director	11.08.2022	1	1
2	Mr. Vishnukant Chaturbhuj Bhutada	Member- Manging Director	01.04.2014	1	1
3	Mr. Kalakota Sharath Reddy	Member- Whole Time Director	08.02.2022	1	1

- 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>
- 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.
- 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 of Directorship Financial Year	Amount required to be set off for the financial year, if any.
		Not Applicable	

- Average net profits of the Company as per Section 135(5): ₹ 12,085.68 Lakhs
- Two percent of average net profits of the Company as per section 135(5): ₹ 241.71Lakhs
 - Surplus arising out of the CSR Projects, programs, or activities of the Previous Financial Years: NIL
 - Amount required to be set off for the Financial Year: NIL
 - Total CSR obligation for the Financial Year (a+b+c): ₹ 241.71Lakhs

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
₹ 241.71 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	241.71 Lakhs	-	Indirect	Shilpa Foundation	CSR00003272

*transferred to implementing agency

- 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
NIL									

- 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): ₹ 241.71 Lakhs
- g. Excess amount for set off if any: NIL

S. No.	Particulars	Amount in ₹Lakhs
1.	Two percent of average net profit of the Company as per section 135(5)	241.71
2.	Total amount spent for the Financial Year	241.71
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.			Mode of Implementation Direct (Yes / No)
				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	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	1249.91	Ongoing

*transferred to implementing agency

- 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: ₹ 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
Shilpa Medicare Limited

Date: 08 August 2024
Place: Raichur

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 Four (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 2023-24		Attendance at AGM held on 29.09.2023	1No. of Directorships held in other Companies	2Committees	
			Held	Attended			Chairmanship	Membership
1	Omprakash Innani	Chairman, Non-Executive- Promoter	7	7	Yes	5	1	1
2	Vishnukant C Bhutada	Managing Director – Promoter	7	7	Yes	14	0	1
3	Arvind Vasudeva	Non-Executive Independent Director	7	7	Yes	1	0	1
4	Hetal Madhukant Gandhi	Non-Executive Independent Director	7	7	Yes	9	2	3
5	Kalakota Sharath Reddy	Whole-Time Director	7	7	Yes	2	0	0
6	Dr. Kamal K Sharma	Independent Director	7	6	Yes	7	0	2
7	Dr. Anita Bandyopadhyay	Independent Director	7	6	Yes	3	1	-

¹Excluding directorship in existing Company i.e. Shilpa Medicare Limited, 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.

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
		Allcargo Gati Limited	Non-Executive Director
		Allcargo Logistics Limited	Director
		Syrma SGS Technology Limited	Independent Director
		Singer India Ltd	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, seven (07) board meetings were held, on the following dates.

25	23	21	10	01	10	08
May 2023	June 2023	July 2023	August 2023	September 2023	November 2023	February 2024

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

i. Corporate Governance

Name of Director	Designation	Years of experience	Field of expertise
Vishnukant Chaturbhuj Bhutada	Managing Director	35	Pharmacy and Administration
Omprakash Inani	Chairman	35	Business and Administration
Arvind Vasudeva	Independent Director	41	Pharmaceutical Industry
Hetal Madhukant Gandhi	Independent Director	38	Financial services
Sharath Reddy Kalakota	Whole-time Director	34	API manufacturing, operations & execution of greenfield & brownfield projects, quality and projects.
Dr. Kamal K Sharma	Independent Director	42	Pharmaceutical and Chemical industries
Dr. Anita Bandyopadhyay	Independent Director	29	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 29 March 2024, 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.

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.

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

Composition, name of members and chairperson:

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

Meetings and attendance during the Year 2023-24

During the year, seven (07) 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
25 May 2023	03
23 June 2023	03
21 July 2023	03
10 August 2023	03
01 September 2023	03
10 November 2023	03
08 February 2024	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/pdfNominationRemunerationPolicy.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	Dr. Anita Bandyopadhyay	Independent Director	Member

Meetings and attendance during the year 2023-24

During the year, One (01) meeting of the Nomination and Remuneration Committee were held and the details of attendance of the directors in such meetings are as follows.

Date of the Meeting	Number of Members attended
29 March 2024	03

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 29 March 2024.

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	162.62
b. Performance Linked Incentives		
Allowances, Perquisites & others		
Commission		
Perks		
Total	350	162.62

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 31-03-2024
Mr. Omprakash Inani	Chairman	350000	2867691
Mr. Hetal Madhukant Gandhi	Independent Director	4000000	8000
Mr. Arvind Vasudeva	Independent Director	3000000	-
Dr. Kamal K Sharma	Independent Director	3000000	-
Dr. Anita Bandyopadhyay	Independent Director	1800000	-

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. Omprakash Inani	Non-Executive Director	Chairman
2	Mr. Vishnukanth C Bhutada	Managing Director	Member
3	Dr. Kamal K Sharma	Independent Director	Member

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 FY2023-24	NIL
Number not solved to the satisfaction of shareholders	-
Number of pending complaints	-

Meetings and attendance during the year 2023-24

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
29 March 2024	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.	Dr. Anita Bandyopadhyay	Independent Director	Chairperson
2.	Mr. Vishnukanth C Bhutada	Managing Director	Member
3.	Mr. Sharath Reddy	Whole-Time Director	Member

Meetings and attendance during the year 2023-24

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
01 September 2023	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	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 2023-24

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
26 September 2023	4
13 March 2024	3

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
31st March 2023	29 September 2023	Registered office: 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur – 584135, Karnataka	11:00 AM	-
31st 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 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
31st March 2021	28 September 2021	Registered office: 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur – 584135, Karnataka	11:30 AM	1. Appointment of Ms. Sirisha Chintapalli (DIN: 08407008) as an Independent Women Director of the Company. 2. Appointment of Mr. Arvind Vasudeva (DIN:00669039) as an Independent Director of the Company 3. Appointment of Mr. Hetal Madhukant Gandhi (DIN: 00106895) as an Independent Director of the Company.

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
2023-24	-	-	-	-
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

One (1) Special Resolution has 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
1	23 June 2023	30 June 2023 To 29 July 2023	31 July 2023	-
2	29 July 2023	30 July 2023 To 28 August 2023	29 August 2023	Creation of Security under section 180(1) (a) of the Companies, Act 2013.
3	04 January 2024	7th January 2024 to 05 February 2024	06 February 2024	

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	17 th September 2024 @ 10:00 AM		
Venue	The Company will conduct the 37 th AGM for FY 2023-24 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	14 th September 2024 to 16 th September 2024		
Financial Year	01 st April, 2023 - 31 st March, 2024		
Book Closure	9 th September 2024 to 17 th September 2024		
Dividend Payment Date	NA		
Listing on Stock Exchanges	<ol style="list-style-type: none"> BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. 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 2023-24 have been paid.

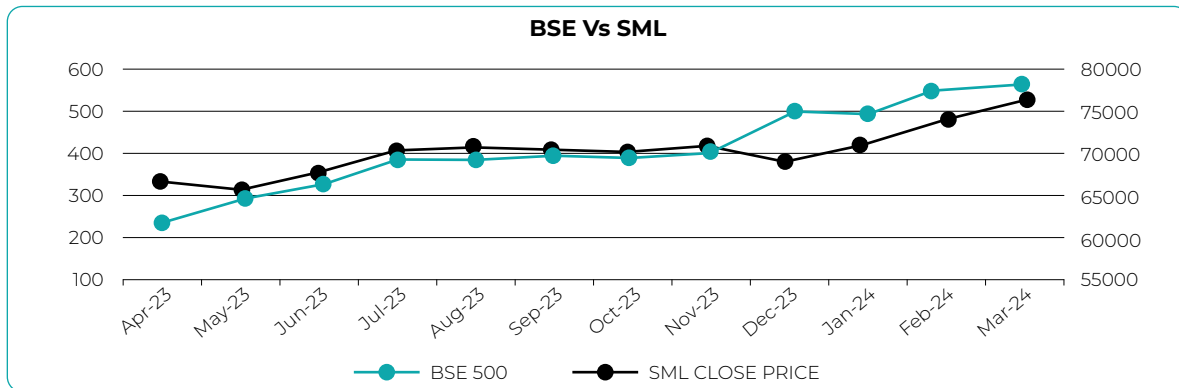
Market price data & Share performance of the Company:

The monthly high, low and trading volumes of the Company's equity shares during the financial year 2023-24 at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

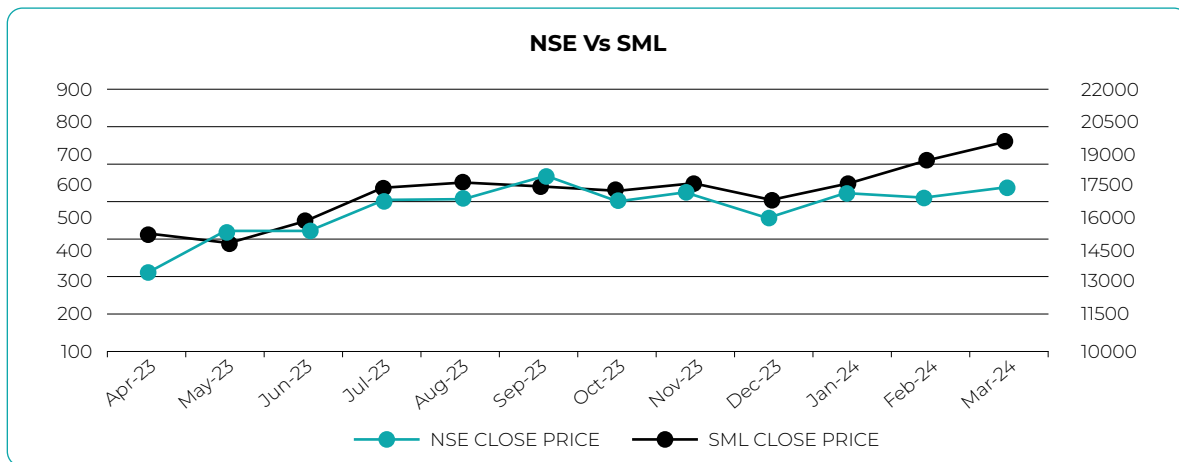
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2023	278.00	230.80	16,23,221	278.00	230.50	2,89,81,611
May, 2023	269.50	233.65	4,92,128	269.70	233.05	52,13,643
June, 2023	289.90	228.25	37,67,672	289.90	228.50	3,62,43,049
July, 2023	365.80	281.15	17,49,296	366.00	281.40	3,04,59,292
August 2023	384.70	325.55	9,88,897	384.50	325.05	1,78,25,739
September 2023	381.45	337.55	3,32,287	382.00	344.95	45,70,229
October, 2023	366.35	296.45	2,64,020	366.50	296.80	45,12,530
November, 2023	395.85	348.00	4,53,808	397.00	347.50	84,63,011
December, 2023	391.00	328.05	4,47,489	391.35	328.00	61,51,344
January, 2024	375.00	313.55	7,48,911	374.75	313.15	1,18,45,342
February, 2024	455.00	357.95	17,11,176	454.80	357.55	2,93,13,745
March, 2024	468.65	384.80	6,07,428	469.00	384.50	1,01,50,510

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

SENSEX Vs. SML CLOSING PRICE



NIFTY Total Market v/s SML Close 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, 2024.

Sl.No	Category	No of Cases	% of Cases	No of Shares	% to Equity
1.	1-5000	45351	98.49	8900281.00	10.25
2.	5001- 10000	320	0.69	2362333.00	2.72
3.	10001- 20000	166	0.36	2436833.00	2.81
4.	20001- 30000	55	0.12	1394059.00	1.61
5.	30001- 40000	35	0.08	1226677.00	1.41
6.	40001- 50000	15	0.03	678440.00	0.78
7.	50001- 100000	28	0.06	2065251.00	2.38
8.	100001& Above	76	0.17	67738024.00	78.04
	Total	46869	100.00	86801898.00	100.00

Shareholding Pattern as on 31st March, 2024.

Category of Share Holder	No of Shares	Percentage
PROMOTERS	43409715	50.01
MUTUAL FUNDS	13,46,673	1.55
ALTERNATIVE INVESTMENT FUND	82,527	0.10
BANKS	1500	0.00
FOREIGN PORTFOLIO - CORP	36,59,453	4.22
FOREIGN PORTFOLIO - CORP	12,27,914	1.41
FOREIGN INSTITUTIONAL INVESTORS	0	0
DIRECTORS	31,077	0.04
KEY MANAGERIAL PERSONS	2,000	0.00
IEPF	2,70,589	0.31
RESIDENT INDIVIDUALS	2,39,72,627	27.62
NON RESIDENT INDIANS	15,04,155	1.73
BODIES CORPORATES	1,04,44,511	12.03
CLEARING MEMBERS	1,270	0.00
HUF	8,46,387	0.98
TRUSTS	1,500	0.00
Total	86801898	100.00

Dematerialization of shares and liquidity.

Number of shares	% of total shares	Number of shareholders	% of total shareholders
86611776	99.78	46843	0.22

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, 2024 is as follows.

Particulars	No. of shares of ₹1/- each	% of Shares
Demat Segment		
NSDL	31807031	36.64
CDSL	54804745	63.14
Sub-total	86611776	99.78
Physical Segment	190122	0.22
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 2023-24.

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	Unit II
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	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 TSIIIC 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 (Averahalli) Sompura, Industrial Area, Honnenahalli Village, Dobaspet, Nelamangala, Bangalore Rural – 562 111, Karnataka, India	Unit under Construction - Kadechur: Shilpa Biocare Private Limited Plot No: 286, 287 & 288, Kadechur Industrial Area, Yadgir, Kadechur – 585221, India.
Therapeutics Unit - Hyderabad: Shilpa Therapeutics Private Limited Plot No. 118, IDA, Phase III, Cherlapally, Hyderabad – 500051, Telangana	

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

R&D Unit- Bengaluru

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

R&D Unit- Dharwad

Plot no: 531,532 (A) KIADB,
Belu Industrial Area,
Dhrwad- 580011, Karnataka

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

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-3: Vanivilas Sagar, Dist. Chitradurga

Machine-5: Kalasapura; Dist. Gadag

Machine-2: Jogimatti, Dist. Chitradurga

Machine-4: Kodameedipalli, Dist. Kurnool

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 2nd July 2024, rated Fund Based Working Capital Limits at IND A+/Stable/IND A1 with upgraded rating and have withdrawn the ratings for term loan.

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 Company and its Subsidiaries on a Consolidated Basis, to the Statutory Auditors of the Company :

The details of payment made to them on Consolidated basis are available under Note 38 of the Consolidate Financial Statements for the financial Year ended 31st March 2024.

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 (Formerly known as Shilpa Corporate Holdings Private 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, 2024.

(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. During the year at the review the Company has credited ₹ 3,65,343.20 towards unpaid/unclaimed dividend amount for the financial year 2015-16 belonging to 417 shareholders, was transferred to the Investor Education and Protection Fund (IEPF). The Company has transferred 8,214 Equity Shares belonging to 18 shareholders were transferred to the Investor Education and Protection Fund (IEPF).

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 ₹ 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 ₹ 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.
- (iv) Personal guarantee by two of its promoter.

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

Sd/-
Omprakash Inani
Chairman
DIN: 01301385

Place: Raichur
Date: 08 August 2024

Annexure-7

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

SI No	Name of Director/Key Managerial Personnel and Designation	% increase in the remuneration for the year ended March 31,2024	Ratio of the remuneration of the Director to the median remuneration of the employee
1	Mr. Omprakash Innani Chairman	-	0.58
2	Mr. Vishnukant Chaturbhuj Bhutada Managing Director	-	58.33
3	Mr. Sharath Reddy Kalakota Whole-time Director	10%	27.23
4	*Mr. Arvind Vasudeva Independent Director	0	5.00
5	* Mr. Hetal Madhukant Gandhi Independent Director	0	6.67
6	Dr. Kamal K Sharma Independent Director	0	5.00
7	Dr. Anita Bandyopadhyay Independent Director	0	3.00
8	Mr. Alpesh Dalal Chief Financial Officer	4.00%	22.88
9	Ms. Ritu Tiwary Company Secretary & Compliance Officer	8.00%	8.10

- The median remuneration of employees of the Company for the year ended March 31, 2024 was 6.00 Lakhs.
- During the year ended March 31, 2024, there was an increase of 10.83% in the median remuneration of employees.
- As on March 31, 2024, the Company had 931 permanent employees, at standalone.
- 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

Date: 08 August 2024
Place: Raichur

Sd/-
Omprakash Inani
Chairman DIN: 01301385

Annexure-8

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

Sl No	Employee Name	Designation	Educational Qualifications	Age	Experience (in Years)	Date of Joining	Gross Remuneration	Previous Employment and Designation, if any	No of Shares held, if any	Remarks
1	Dr. Jayant Karajgi	Chief Operating Officer (Formulations)	M Pharmacy, PhD	56	31	16-Oct-2019	269.52	Chief Operating Officer Rubicon Research Private Limited	-	Not related to any Promoter, Directors or KMP of the Company
2	Mr. Alpesh Dalal	CFO-Finance & Accounts	CA	49	24	4-May-2021	147.28	"Raymond Limited-Director-Corporate Finance	2000	Not related to any Promoter, Directors or KMP of the Company
3	Mr. Sunil Subhash Karpe	Senior Vice President-OSD Production	B Pharmacy	47	27	22-Jan-2024	135.00	Sovevax Biologics	-	Not related to any Promoter, Directors or KMP of the Company
4	Mr. Rajeev Saxena	Senior Vice President	B.Sc.	52	26	13-Jun-2022	138.96	Senior Vice President Cadilla Pharmaceuticals Ltd V.P - Vertical Head	-	Not related to any Promoter, Directors or KMP of the Company
5	Mr. Awez Mohinuddin Pathan	Vice President	PG- Master of Science	55	30	26-Apr-2013	127.73	Wockhardt Limited Sr.Mgr-Head of quality	-	Not related to any Promoter, Directors or KMP of the Company
6	Mrs.Smitha Holey	Executive Vice President-Marketing	PGDM- International Marketing	46	25	16-Jan-2023	125.00	Cadilla Pharmaceuticals Ltd. V.P	-	Not related to any Promoter, Directors or KMP of the Company
7	Mr. Abhay Sapre	Senior Vice President (Formulation)	M Pharmacy	54	31	14-Oct-2019	124.97	Cadilla Healthcare Limited V.P	-	Not related to any Promoter, Directors or KMP of the Company
8	Mr.Ganesh Chandra Sonavane	President	Phd	46	25	2-Jan-2023	115.00	PAR Pharma V.P	-	Not related to any Promoter, Directors or KMP of the Company
9	Mr.Anil Dondappa Pokalwar	General Manager	B Pharmacy	54	34	22-May-2015	94.24	Cadilla Healthcare Limited G.M	-	Not related to any Promoter, Directors or KMP of the Company
10	Mr.Ramakant Innani	Finance Manager	B Com	46	19	1-Nov-2005	92.43		1497778	Promoter Group

Annexure-9

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, 2024, 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)	
				Sale/Purchases	
				Sales Purchase	
Koanaa Healthcare GmbH Austria	Wholly Owned Subsidiary	Not applicable	Not applicable	(390.21)	-
INM Technologies Private Limited	Subsidiary	Not applicable	Not applicable	-	-
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Not applicable	Not applicable	4.08	25.25
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	-	-
Koanaa Healthcare Spain, S.L. Spain	Joint Venture	Not applicable	Not applicable	292.98	117.31
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Not applicable	Not applicable	41.57	95.75
FTF Pharma Pvt. Ltd.	Wholly owned Subsidiary	Not applicable	Not applicable	579.15	142.55
Auxilla Pharmaceuticals and Research LLP(ceased w.e.f 6th March 2024)	Investment Entity	Not applicable	Not applicable	-	-
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly owned Subsidiary	Not applicable	Not applicable	64.00	182.76
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly owned Subsidiary	Not applicable	Not applicable	1640.91	8,146.55
				Commission Paid	
Reva Medicare Private Limited	Joint Venture	As per the sale Agreement	As per the sale Agreement		77.40
Shilpa Pharma INC. USA	Wholly Owned Subsidiary	As per the sale Agreement	As per the sale Agreement		83.23
				Remuneration Paid	
Deepak Kumar Inani	Relative to Director	As per the terms of appointment	As per the terms of appointment		86.82
Ramakant Innani	Relative to Promoter	As per the terms of appointment	As per the terms of appointment		91.47
Ravi Kumar Innani	Relative to Promoter	As per the terms of appointment	As per the terms of appointment		62.86
Sagar Innani	Relative to Promoter	As per the terms of appointment	As per the terms of appointment		12.40

Name of Associates/Joint Ventures	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹ in Lakhs)
Interest Received				
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing	Not applicable	545.43
Koanaa Healthcare GmbH Austria	Wholly Owned Subsidiary	Ongoing	Not applicable	318.98
Koanaa Healthcare Limited United Kingdom	Wholly Owned Subsidiary	Ongoing	Not applicable	77.73
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Ongoing	Not applicable	4,017.50
Shilpa Pharma Inc.	Wholly owned Subsidiary	Ongoing	Not applicable	199.23
Koanna Healthcare Canada INC	Wholly owned Subsidiary	Ongoing	Not applicable	86.73
INDO BIOTECH SDN. BHD	Wholly owned Subsidiary	Ongoing	Not applicable	85.32
Koanna International FZ LLC. UAE	Wholly owned Subsidiary	Ongoing	Not applicable	53.44

Name of Associates/Joint Ventures	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹ in Lakhs)
Koanaa Healthcare Spain, S.L. Spain	Wholly owned Subsidiary	Ongoing	Not applicable	60.46
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly owned Subsidiary	Ongoing	Not applicable	25.67
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly owned Subsidiary	Ongoing	Not applicable	1,439.21
Vegil Labs Private Limited	Wholly owned Subsidiary	Ongoing	Not applicable	22.22
Pilnova Pharma INC USA	Wholly owned Subsidiary	Ongoing	Not applicable	3.46
Shilpa Lifesciences Private Limited	"Step down Subsidiary"	Ongoing	Not applicable	20.35
Corporate Guarantee #				
Shilpa Biologicals Pvt. Ltd.	Wholly owned Subsidiary	Ongoing	Not applicable	10000
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	Not applicable	35000
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	Not applicable	15000
Koanaa Healthcare Spain, S.L. Spain	Wholly Owned Subsidiary	Ongoing	Not applicable	141
Dividend Accrued				
INM Technologies Private Limited	Wholly Owned Subsidiary	Ongoing	As per preference share agreement	260.30
FTF Pharma Private Limited	Wholly Owned Subsidiary	Ongoing	As per preference share agreement	20.93
Shilpa Therapeutics Private Limited	Wholly Owned Subsidiary	Ongoing	As per preference share agreement	3.2

Name of Associates/Joint Ventures	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹ in Lakhs)
Corporate Social Responsibility Expenses				
Shilpa Foundation	Trust in which key management are the board of trustees	Ongoing	Not applicable	241.71
Interest Paid				
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	Not applicable	9.24
Vegil Labs Private Limited	Wholly Owned Subsidiary	Ongoing	Not applicable	7.80
INM Technologies Pvt. Ltd.	Wholly Owned Subsidiary	Ongoing	Not applicable	67.62
Corporate guarantee income				
Shilpa Therapeutics Pvt. Ltd.	Wholly Owned Subsidiary	Ongoing	Not applicable	12.10
Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	Not applicable	14.26
Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly Owned Subsidiary	Ongoing	Not applicable	50.00
Shilpa Biologicals Pvt. Ltd.	Wholly Owned Subsidiary	Ongoing	Not applicable	96.45

Annexure-10

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

(₹ in Lakhs)

In the accounts of	Particulars	As on 31st March, 2024			Maximum Outstanding during FY 2022-23		
		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)	7,965.06	1,112.46	40.00	6,039.30	1,112.46	40.00
	INM Technologies Private Limited (Including Share Application Money)	-	113.25	4,246.77	-	113.25	4,246.77
	Reva Medicare Private Limited	-	0.50	-	-	0.50	-
	Zatortia Holdings Limited	-	-	-	1.34	3.06	-
	Koanaa Healthcare Spain, S.L. Spain	870.60	6.24	-	739.26	6.24	-
	Koanaa Healthcare Limited,UK	907.35	0.10	-	852.40	0.10	-
	Reva Pharmachem Pvt.Ltd.	-	10.00	-	-	10.00	-
	Koanaa Healthcare GmbH Austria	4,514.93	77.63	-	4,417.19	89.61	-
	Maia Pharmaceuticals Inc.	-	795.69	-	-	795.69	-
	INM Nuvent Paints Pvt Ltd	-	0.75	-	-	0.75	-
	Shilpa Pharma Inc.	2,430.35	0.07	-	1,808.77	0.08	-
	Shilpa Biocare Pvt. Ltd.(Erstwhile)	21,467.29	2,052.44	-	16,482.62	2,000.00	-
	Shilpa Albumin Private Limited	-	-	-	-	-	-
	Shilpa Biologicals Private Limited	55,396.34	3,360.93	-	46,647.59	3,000.00	-
	Sravathi Advance Process Technologies Pvt. Ltd.	-	3,995.58	257.50	-	6.50	3,732.50
	Koanna Healthcare Canada Inc.,	1,170.86	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.	942.13	4.42	-	929.05	4.42	-
	FTF Pharma Pvt. Ltd.	-	6,577.97	390.00	-	6,577.97	390.00
	Vegil Labs Private Limited	-	951.00	-	280.25	951.00	-
	Shilpa Lifesciences Private Limited	270.05	1.00	-	253.08	1.00	-
	Sravathi AI Technologies Pvt. Ltd.	-	-	489.88	-	-	489.88
	Koanna International FZ-LLC,	608.63	1.98	-	563.19	2.24	-
Makindus Inc	-	454.20	-	-	454.20	-	
Pilnova Pharma Inc	291.81	0.08	-	-	-	-	

Annexure-11

Business Responsibility & 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	+91- 8532 - 238704
8	Website	https://www.vbshilpa.com/
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11	Paid-up Capital (as on 31 st March 2024)	₹ 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: +91- 8532 - 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
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Product & Services

16. 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	98.30

17. 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	Formulations	21001	98
2	Power	21001	2

III. Operations

18. 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

19. Markets served by the entity:

A. Number of Locations

Locations	Number
National (No of States including union territories)	24 (21 States and 3 union territories)
International (No of Countries)	64 countries

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

91.15%

c. A brief on types of customers

Our business serves a diverse customer base such as wholesalers, distributors, doctors, pharmacy chains NGOs, hospitals, Pharmacy chains (Jan Aushadhi) pharmaceutical distributors, government institutions, and companies.

IV Employees

20 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)	931	911	97.86%	20	2.14%
2	Other than Permanent (E)	0	0	0	0	0
3	Total Employees (D+E)	931	911	97.86%	20	2.14%
Workers						
4	Permanent (F)	76	56	73.68%	20	26.31%
5	Other than Permanent (G)	0	0	0	0	0
6	Total (Workers F+G)	76	56	73.68%	20	26.31%

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 Workers (D+E)	0	0	0	0	0

21 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%

22. Turnover rate for permanent employees and workers.

Particulars	Turnover Rate – FY 2023-24			Turnover Rate – FY 2022-23			Turnover Rate – FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	34.90%	0.75%	35.65%	35%	0.03%	35.03%	33%	0	33%
Permanent Workers	0	0	0	5.31%	0	5.31%	3.64%	0	3.64%

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

23. 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' which forms a part of the annual report.

VI CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) **YES**

(ii) Turnover (₹ in Lakhs) – ₹ **30,978.66**

(iii) Net worth (₹ in Lakhs)- ₹ **214,271.82**

VII. Transparency and Disclosures Compliances

25. 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 2023-24			FY 2022-23		
		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	NIL	0	0	NIL
Investors	Yes	0	0	NIL	0	0	NIL
(Other than Shareholders)							
Shareholders	Yes	0	0	NIL	0	0	NIL
Employees & Workers	Yes	0	0	NIL	0	0	NIL
Customers	Yes	0	0	NIL	0	0	NIL
Value Chain	Yes	0	0	NIL	0	0	NIL
Partners							
Other (Please specify)	-	-	-	-	-	-	-

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

26. 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	Water & Waste Management	Risk	Since water is critical for the manufacturing of pharmaceutical products, preparation of reagents and cleaning (e.g. washing and rinsing), inadequate water supply is identified as a significant risk. Additionally, irresponsible waste management may affect water and soil quality, which in turn affects the ecosystem and health of the society at large.	As part of an established risk management framework, we periodically assess water and waste related risks. The key focus areas of our water management strategy include optimising water usage and identifying alternate water sources. We have implemented waste management systems at all our facilities.	Negative

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
2	Research & Development	Opportunity	R&D is essential for green product innovation and ESG performance enhancement of an enterprise. Therefore, strategic investments and public disclosure of R&D initiatives allow stakeholders to gain insight into the organisation's approach and scope of operations.	We have undertaken several initiatives for 'Green Chemistry' including transition from solvent-based to water based reactions, using harmless, greener solvents instead of hazardous ones, enhancing our solvent recovery capabilities and ultimately, improving our processes to maximise resource efficiency. We have initiated Life Cycle Assessments (LCA) for certain products to identify and further reduce our environmental footprint.	Positive
3	Community Engagement	Opportunity	Engaging with communities in which we operate increases trust and fosters harmony, enabling smoother operations.	Shilpa Foundation is the principal channel for the corporate philanthropy undertaken by the Company. The aim is to build resilient solutions that enable underserved communities to improve their livelihood continually. The core areas of intervention are Primary Healthcare, Environmental Sustainability, Rural Development and Education.	Positive
4	Business Ethics / Anti-Bribery & Anti-Corruption / Ethical Governance	Risk	Our commitment to efficient corporate governance helps us create long-term value for all our stakeholders. Our Business and Supplier Code of Conduct incorporates the principles of ethics and integrity (anti-bribery, anti-corruption, anti-money laundering, whistle blowing and so forth) and roles and responsibilities of concerned personnel are defined in accordance to it.	While the Business Code of Conduct applies to all Directors and employees of our Company, subsidiaries and affiliates, our suppliers and service providers have to follow the Supplier Code of Conduct which encompasses the ethics and principles of integrity, transparency and accountability. These principles form a moat around our business, guiding our conduct and decision-making as well as promoting stakeholder trust. We conduct our business adhering to our anti-corruption policies and all applicable laws.	Negative
5	Occupational Health & Safety, Safe & Empowering Workplace	Risk	Accidents at workplace may confer risk to operational efficiency. Additionally, since employees form the backbone of all our operations, it is incumbent upon us to prioritise their health, safety and well-being through a nurturing and secure work environment.	Our Safety, Health and Environment (EHS) policy governs our business facilities and employees through research and operation. Our employees, both permanent workers and contractors are trained on occupational health and safety, specific work-related risks and hazards. We have implemented "Occupational Health & Safety Management System" and "Process Safety Management System" at all our plants. Periodic safety assessments against international standards are conducted to evaluate the effectiveness of current systems to further improve our safety measures.	Negative

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	Statutory & Regulatory Compliances	Risk	Our Company strictly abides by guidelines and requirements set by governing bodies, including manufacturing quality standards. Periodic inspections are conducted across all 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	<p>We are dedicated to delivering quality. We continue to invest time, money and effort into our production and robust quality-testing systems at our developmental and manufacturing facilities to ensure that every product adheres to quality standards and cGMP regulations. Through 'Quality by Design', we ensure quality and use exceptional tools to minimise risks.</p> <p>We leverage information technology to digitise and enhance our quality control processes.</p>	Negative
7	Diversity, Equity & Inclusion	Opportunity	We cultivate a workplace that values diversity and inclusion, across all levels of the organisation (Board, senior, junior and mid-levels). Such a work environment supports the introduction of alternative perspectives, diverse experiences, novel concepts and inventive approaches, facilitating sustainable value creation for our stakeholders in the long run.	<p>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.</p> <p>Numerous steps have been undertaken to build a gender-inclusive workplace.</p> <p>The Company has an 'Equal Pay for Equal Work' practice in place, where employees are compensated based on their merit, irrespective of the gender they identify with.</p> <p>We promote non-discrimination and no harassment through established policies and procedures.</p>	Positive
8	Talent Attraction & Retentions	Opportunity	Since the employees form the most important asset for the Company, it is essential to hire and retain skilled talent to enable the organisation to meet its target. This is a difficult challenge to address since the industry is primarily knowledge-driven, technology-based and heavily reliant on individuals well versed with advanced technology.	We use people analytics to track employee performance, identify skill gaps and flight risks to enable retention of skilled employees. By providing long-term upskilling and reskilling opportunities for our workforce and embracing strategic workforce planning for our operations, we not only address structural pay gaps but also foster internal mobility, optimise productivity and staff expenses.	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
9	Risk Management & Business Continuity	Opportunity	Our complex geopolitical and regulatory environment presents potential challenges to operations, supply chains, market access and overall business performance. These can arise from geopolitical instability, changes in government policies, trade disputes, sanctions and intricate compliance requirements. Through proactive monitoring and strategic adaptation, these risks can be mitigated .	<p>We are focused on identification of key business, operational, strategic, and business continuity risks, which are reviewed periodically by the Risk Management Committee at the Board level.</p> <p>We prioritise a sustainable supply chain for the timely availability of our medicines, and to ensure business continuity in the face of disruptions.</p> <p>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.</p>	Positive
10	Industry Risk	Risk	Sectoral and market downturns could have potential/ immediate impact on Company performance.	Analysing industry and pharma sectoral trends and periodic horizon scanning, implementation of plans for business continuity can minimise this risk.	Negative
11	Sustainable EHS Work Practices (EHS)	Opportunity	The Company has adopted a culture of sustainability. Our practices focus on energy conservation, emission control, waste management, resource reduction, preventive maintenance, hazard and risk assessment, safe operating procedures, hazard & operability studies.	<p>Improving focus on sustainable energy.</p> <p>Strengthening and promoting awareness across the Company.</p>	Positive
12	Access & Affordability of Medicines	Opportunity	Our purpose "Innovating for Affordable Healthcare" aims to improve accessibility, availability and affordability of life-saving medicines for patients belonging to low and middle-income countries	We aim to achieve health equity and believe that everyone, across the globe, has the right to access affordable and quality medicines. Through our pharmaceuticals products, we consistently work towards enhancing our value proposition and deliver best-in-class solutions to our patients.	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
13	Supply Chain Sustainability	Risk	<p>Our sustainable supply chain addresses the relevant environmental and social aspects of business, which are critical for the timely availability of our supplies and deliveries of our medicines to patients worldwide.</p> <p>Initiatives are undertaken to anticipate, prevent and mitigate any concerns related to EHS, labour & human rights, ethics and quality that may cause supply disruptions.</p>	<p>Our 'Environmental & Social Assessments' ensure uninterrupted supply, supporting our customers and healthcare systems, globally.</p> <p>It is mandatory for our key suppliers to abide by the Supplier Code of Conduct that guides them regarding applicable laws, regulations, policies and procedures as well as behavioural and ethical standards.</p>	Negative
14	Energy & GHG Emissions Management	Opportunity	<p>Our environmental sustainability initiatives encompassing energy conservation and efficiency, the use of renewable energy, , water conservation and waste management has positioned us to convert these environmental aspects to business opportunity.</p> <p>Reduce GHGs by using the renewable fuels.</p> <p>Energy costs reduction by energy (Electrical and Thermal) conservation measures.</p> <p>The Energy conservation measures are taken up continuously.</p> <p>Resource usage reduction, water recycling .</p>	<p>We have reduced GHG emissions significantly from our manufacturing operations and we have announced our commitment to lead the energy transition with a goal to be 100% powered by renewable sources by 2030 and are committed to be a net-zero carbon Company by 2050.</p> <p>Our key levers to reducing GHG emissions include energy productivity improvements, use of renewable fuel and electricity.</p>	Positive
15	Corporate Governance	Opportunity	<p>Business growth with strong focus on ESG compliance requirements from regulators, customers, investors and other relevant stakeholders. Sustainable operations resulting in sustainable growth. ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 Certifications for continual improvement in EHS and Social performance.</p>	<p>Periodic risk assessments, internal audits and management reviews are conducted to ensure effective implementation of relevant management systems as part of efficient corporate governance.</p>	Positive



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, 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 supplier code of conduct as well as related policy and procedures imbibe the above-mentioned principles and the Company expects its suppliers 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, Trust) 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 <p>Our facilities have received accreditations from various regulatory authorities including EUGMP-AGES-Austria, ANVISA, Health Canada, Peru, Argentina, South Africa, COFEPRIS Mexico, TGA -Australia, Ministry of Health-UAE.</p>								
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): Shilpa Medicare Limited (SML), established in 1987, is an integrated pharma organisation with diverse R&D and manufacturing capabilities, specialising in pharmaceuticals, APIs and formulations. SML provides high-quality, affordable APIs and formulations trusted by customers worldwide.	<p>SML is committed to integrating National Guidelines on Responsible Business Conduct (NGRBC) in the business processes, aligned to its vision of "Innovating for Affordable Healthcare" by formulating and implementing ESG policies, adopting relevant management systems through efficient leadership, compliance, proactive impact assessment, GHG reduction and climate change mitigation, resource conservation, communication, consultation and participation, training, setting objectives and monitoring performance to inculcate an interdependent work culture. We engage with our supply chain partners to understand mutual expectations on sustainability and ESG, while also adopting safer and greener practices, as feasible.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Vishnukant C Bhutada, Managing Director								
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								

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	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 Environment helath Safety (EHS) & Labour and Human Rights (LHR) related processes including compliances are subject to planned periodic audits by internal auditors and the status of compliance is updated to the Board. 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	3	Familiarisation/ awareness programme for the Board of Directors/ KMPs of the Company is conducted periodically, covering various areas pertaining to 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	3		100%	
Employees other than BoD and KMPs	8		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 ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine			NIL		
Settlement					
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 Medicare Limited 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 in a transparent manner. 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. You can find the policy through the web link <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 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

Particulars	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	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

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	106	64

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format: **NOT APPLICABLE**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	9.27	3.89
	b. Number of dealers / distributors to whom sales are made	164	240
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	44.12	67.23
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)-%	91	75
	b. Sales (Sales to related parties / Total Sales)-%	7	5
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)-%	97	97
	d. Investments (Investments in related parties / Total Investments made)-%	100	100

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	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent workers											
Male	56	0	0	0	0	0	0	0	0	0	0
Female	20	0	0	0	0	0	0	0	0	0	0
Total	76	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

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.27%	0.39%

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

Benefits	FY 2023-24			FY 2022-23		
	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	93.98%	100%	Yes	96.24%	100%	Yes
Gratuity	93.01%	0	NA	84.31%	0	NA
ESI	7.08%	100%	Yes	7.89%	100%	Yes
Others specify	100%		Yes			

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 smooth and easy wheelchair 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 treating 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 skilled talent in the organisation. 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	0	0	0
Female	0	0	0	0
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 2023-24			FY 2022-23		
	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 2023-24					FY 2022-23				
	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	911	911	100%	911	100%	1015	1015	100%	1015	100%
Female	20	20	100%	20	100%	18	18	100%	18	100%
Total	931	931	100%	911	100%	1033	1033	100%	1033	100%
Workers										
Male	56	56	100%	56	100%	120	120	100%	120	100%
Female	20	20	100%	20	100%	26	26	100%	26	100%
Total	76	76	100%	76	100%	146	146	100%	146	100%

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	911	911	100%	1015	1015	100%
Female	20	20	100%	18	18	100%
Total	931	931	100%	1033	1033	100%
Workers						
Male	56	56	100%	120	120	100%
Female	20	20	100%	26	26	100%
Total	76	76	100%	146	146	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 the same.

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)'. Hazards are also identified through regular safety inspections and controlled through appropriate actions.

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

Yes, our units contain Health Centres, which provides healthcare services for both occupational and non-occupational medical needs.

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

Yes, our units contain Health Centres, 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 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0	0
	Workers	0	2.48
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

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

The Company is committed to achieving the target of "Zero work-related injury and ill-health". To achieve this, the Company has implemented occupational health and safety (OHS) policy and procedures like OHS risk assessment, change management, personal protective equipment, pre-startup safety reviews, safe work permit, unsafe practice reporting, incident reporting & investigation, mechanical integrity, hazardous area classification, emergency preparedness and response as well as training on these procedures. Effective implementation of these procedures is crucial to improve workplace safety and wellbeing of everyone involved in the business and surrounding communities. The Company focuses on proactive risk assessment and emergency preparedness through communication, consultation and participation, training, safe work culture development for OHS.

The Company actively monitors the OHS practices and reports the same in the form of dashboard, which focuses on status of PPE adherence, unsafe practices, work related Injuries, work related illnesses, OHS incidents, near misses, fire incidents, environmental hazards, site safety observations, work permits, emergency/fire drills, management of change issued, toolbox talks and 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 to its activities. The Company practices Good Industrial Hygiene protocols, uses containment equipment for handling of the potent molecules, local dust extraction system connected to pulsejet bag filters and equipment wash areas connected to the local exhaust systems.

The Company has incorporated a Business Continuity Plan and On-Site Emergency Plan, approved by the Department of Factories for all its units. These plans are rehearsed periodically for ensuring preparedness to handle emergency and business continuity concerns

13. Number of complaints made by employees and workers

	FY 2023-24			FY 2022-23		
	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 Health & Safety		0			0	

14. Assessments for the year

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (third party as part of ISO 14001: 2015 and ISO 45001:2018 surveillance audits)
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 are implemented, monitored and periodically reviewed 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

The Company has implemented a procedure to determine, report and manage material topics related to sustainability and ESG applicable for all units of the Company including its supply chain. The Company identifies key stakeholders across its activities to engage with them and establish business relationships. The Company draws a list of individuals and groups whose interests are affected or could be affected by its activities. Potential stakeholders for the Company are relevant government agencies, employees/other workers, local communities, suppliers, business partners, consumers, customers, shareholders/other investors, etc. When identifying its stakeholders, the Company ensures that identified stakeholders do not have a direct relationship with it (workers in the supply chain or local communities that live at a distance from its facilities), those who are unable to articulate their views (future generations). By following this process, the Company identifies key stakeholders whose views should be considered while determining the material topics, which are reviewed and updated once a year

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
Government & regulatory authorities	No	Our interactions with authorities take place through emails, meetings, submissions, etc. as required.	Frequent and need based	Regarding regulatory permits/licences, query response submissions, compliance submissions, clarification on guidelines and advice on technical/regulatory policies, regular correspondence, meetings, marketing related submissions, follow ups, discussions, submissions for regulatory approvals/permissions, post approval variation submissions/ fee payments, scientific advice, etc.

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 shall meetings, 3. Communication from senior management, 4. Communication through Emails 5. safety committee 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 and recognition programmes, spot award programmes, cultural programmes, sports meet, 10. trainings, get-togethers, appreciation meetings, daily, monthly review meetings, exit suggestions in sealed covers, risk assessment activities, HIRA, EAIA, Hazop, HAC, etc. 	Frequent and need based	Employee engagement, operational efficiencies, improvement opportunities, long-term strategy plans, on job and classroom training and awareness on safety/ behavioural safety, motivation, personality development; innovations, sharing of knowledge, learning, performance, training and career development reviews, seeking feedback on work culture, building a safe, diverse and inclusive work environment, providing employees with adequate training and development for career progression, ensuring employees are aligned with organisational values and code of conduct, addressing employee grievances, adopting health and safety practices in the organisation.
Contract Workforce	No	Through trainings, toolbox talks and celebrations like environment day, safety day, fire safety day, etc.	Frequent	To create awareness on health, safety and environment related policies and practices. To engage them in consultation.
Suppliers & Partners	No	on site meetings, Virtual meetings, business partner meet , supplier forums, partner events, calls, email, website.	Annual and need based	Making a holistic impact on the health of patients worldwide requires us to work with suppliers and partners across the healthcare value chain. We emphasise fair, transparent, and ethical practices and identify partners who share the same commitment towards compliance with laws, regulations, published standards and environmental practices. Ensuring business ethics and alignment with organisational values. Integration of ESG aspects into supplier operations while ensuring quality .

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	Trade fairs (national and international), customer meetings, customer site visits, customer audits for ESG, BD Team interactions with customers, virtual meetings with customers, calls, e-mails, website, customer feedback forms.	Frequent	Ensuring customer satisfaction, resolving customer grievances, ensuring regular supply of products, keeping customers informed about new products, participating in bids/tenders, confirming compliance with customer audit CAPAs, recognising and addressing customer expectations on ESG and sustainability, addressing customer needs, audits and compliance to audit points, climate change disclosures, ESG compliance, life cycle assessment.
Community	No	Our engagement with the community includes physical visits, digital channels, CSR activities.	Frequent and need based	Our corporate social responsibility and employee volunteering programmes target education, skilling, livelihood, health and environmental sustainability through partners and local NGOs. Understanding the social/developmental challenges of the communities. Developing sustainable ecosystems for our communities. Ensuring community growth and development with regards to employment, education, healthcare, etc.
Academia	No	Meetings, campus events and on-site visits.	Need based	Transfer of knowledge through engagement with students and universities. Recruitment and hiring of freshers.
Civil Society Institutions	No	Pamphlets / community meetings.	Need based	Engagement through: a) Building awareness towards health services. b) Sensitisation workshops on preventive health. c) Capacity building on relevant topics in health / education.
Shareholders & Investors	No	Calls/in person meetings (one on one/group), annual general meeting, press releases, website, annual report, investor presentations, shareholder meets, BRSR report, communication of financial results through emails, media and news, stock exchange intimations and investor presentations. We also provide various updates on our website and other sites of engagement.	Frequent and need based	To discuss about business performance and outlook, details of the announced events and to discuss about concerns/ issues (if any), ensure transparency and accountability. The key areas of engagement include 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 2023-24			FY 2022-23		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total C	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	931	931	100%	1033	1033	100%
Other than Permanent						
Total Employees	931	931	100%	1033	1033	100%
Workers						
Permanent	76	76	100%	146	146	100%
Other than permanent						
Total Workers	76	76	100%	146	146	100%

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

Category	FY 2023-24					FY 2022-23				
	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	911	0	0	911	100%	1015	0	0	1015	100%
Female	20	0	0	20	100%	18	0	0	18	100%
Other than Permanent										
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	56	0	0	56	100%	120	0	0	120	100%
Female	20	0	0	20	100%	26	0	0	26	100%
Other than Permanent										
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, in the following format:

- a. The details are provided below:

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors	6	30 Lakhs	1	18 lakhs
Key Managerial Personal	1	147.28 lakhs	1	48.6 lakhs
Employees other than BoD and KMP	908	5.59 lakhs	19	4.30 lakhs
Workers	56	1.04 Lakhs	20	0.265 Lakhs

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	3.15%	2.76%

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 to protect human rights and any grievance is escalated to the HR team, which is responsible for implementing these. The HR team takes appropriate measures to redress such grievances, ensuring a fair outcome.

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

Category	FY 2023-24			FY 2022-23		
	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	0	0
Discrimination at workplace	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human right related issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)		NIL
Complaints on POSH as a % of female employees / workers		
Complaints on POSH upheld		

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

We have a zero-tolerance policy towards all forms of discrimination, including sexual discrimination. We maintain a workplace where everyone is treated with respect and dignity. We actively encourage employees, contractors, and suppliers to report any instances of discrimination they witness. All reports are addressed promptly and effectively, ensuring that appropriate action is taken to prevent future occurrences.

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

Yes

10. 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	
Discrimination at workplace	100%
Wages	
Others – please specify	

11. 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, in the following format:

Parameter	FY 2023-24 (GJ)	FY 2022-23 (GJ)
From renewable sources		
Total electricity consumption (A)	6540.51	-
Total fuel consumption (B)	32143.89	35482.81
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	38684	35482.81
From non-renewable sources		
Total electricity consumption (D)	55580.73	64499.98
Total fuel consumption (E)	3785.73	4115.79
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	59366.46	68651.77
Total energy consumed (A+B+C+D+E+F)	98050.86	104098.58
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.00	0.00
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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.

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 2023-24	FY 2022-23
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	-	-
(ii) Ground water	9257.00	14660.00
(iii) Third party water	34136.40	39654.60
(iv) Seawater / desalinated water	-	-
(v) Others	8160.30	7434.21
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	51553.70	61748.81
Total volume of water consumption (in kiloliters)	51553.70	61748.81
Water intensity per Lac₹ of turnover (Water consumed / turnover)	0.00	0.00
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

No

4. Provide the following details related to water discharged :

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	11472.08	11260.00
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	11472.08	11260.00

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.

No

5. 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) at Units 3 and 6 in Dabaspet, Karnataka. Unit 4 and 7, located in Jadcherla and Nacharam, Telangana, respectively, employ a pre-treatment process, sending their wastewater to a CETP for further treatment.

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

Parameter	Please specify Unit	FY 2023-24	FY 2022-23
NOx	MT/A	3,819	4,195
SOx	MT/A	2,089	2,292
Particulate Matter	MT/A	3,450	3,985
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

7. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:

The details are provided below:

Parameter	Unit	FY 2023-24	FY 2022-23
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	3690.31	1523.28
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	20389.90	14691.66
Total Scope 1 and Scope 2 emissions per Lac₹ of turnover	TCO ₂ e/₹	0.00	0.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
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

8. 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 are working towards improving our energy conservation, energy efficiency, expanding the use of renewable energy and biofuels across operational locations. To achieve this, we are implementing several projects to enhance the proportion of renewable energy resources (electricity and biofuels) in our overall energy mix, while simultaneously reducing greenhouse gas (GHG) emissions.

The Company consciously sources its energy from renewable fuel and electricity resources to reduce its carbon footprint and monitors the consumption regularly.

Project implemented for use of renewable fuel and electricity has resulted in a 61% of our total consumption coming from renewable energy sources during FY24. Our use of renewable energy has led to a substantial reduction of 7980.87 tons of CO₂ equivalent (tCO₂e) in greenhouse gas emissions.

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

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1.73	0.67
E-waste (B)	-	-
Bio-medical waste (C)	10.11	5.45
Construction and demolition waste (D)	-	-
Battery waste (E)	0.31	49.00
Radioactive waste (F)	-	-
Other Hazardous waste (G)	24.10	24.32
Other Non-hazardous waste generated (H) (Break-up by composition i.e., by materials relevant to the sector)	54.35	11.9
Total (A+B+C+D+E+F+G+H)	90.59	91.34
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	54.38	61.51
ii. Re-used	3.67	0
iii. Other recovery operations	0	0
Total	58.05	61.51
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i. Incineration	23.03	9.77
ii. Landfilling	0.36	9.03
iii. Other disposal operations	40.87	-
Total	64.27	18.80

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

No

10. 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.

At SML we strive to minimise the volume of waste generated. The Company implements low-waste technologies and work practices, optimises manufacturing processes and uses high-quality raw materials to reduce waste. These initiatives have resulted in consistent reduction in volume of waste generated.

SML currently generates 12 types of solid and liquid wastes. This waste can be categorised into two main groups: disposable hazardous waste (3 types) and recyclable hazardous and other wastes (9 types). To ensure responsible waste management, we maintain a segregation process at the point of generation, followed by collection and storage in designated areas that are well-ventilated and environmentally safe.

During FY23-24, about 60.43% of waste was reused, recycled or recovered. This encompasses plastic, paper, metal, glass, civil debris, e-waste, battery waste, used oil, canteen waste, boiler ash, select process residues and recovered solvents. The remaining waste is disposed of through authorised agencies, ensuring environmentally safe and regulatory-compliant processes.

SML regularly assesses the ecological effect of its generated wastes and explores innovative methods for recycling, reuse, recovery and disposal as well as safe storage and transportation of wastes.

11. 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

12. 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					

13. 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

S 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 Manufacturers 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

During the year ended 2023 there are no new projects/ capacity experience of existing projects which require clearance of social impact assessment.

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

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 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	35%	11%

Particulars	FY 2023-24		FY 2022-23	
	Local	non-Local	Local	non-Local
Sourced directly from within the district and neighbouring districts	48%	52%	41%	59%

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 a Standard Operating Procedure (SOP) in place to handle consumer complaints and feedback. Upon receiving the complains via email, we conduct a thorough investigation before responding. Each complaint is logged in, evaluated and investigated from the following perspectives: (i) Quality , (ii) Safety or (iii) both . The complaint is formally closed after investigation is completed 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 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	NIL	NIL		NIL	NIL	
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

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

Particulars	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

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.

7. Provide the following information relating to data breaches:

	Provide the following information relating to data breaches:
a. Number of instances of data breaches along-with impact	NIL
b. Percentage of data breaches involving personally identifiable information of customer	NA
c. Impact, if any, of the data breaches	NIL

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 2024 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: 08 August 2024

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 2024.

Place: Raichur
Date: 08 August 2024

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, 2024, 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, 2024.

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: 08 August 2024
Place: Hyderabad

Sd/-
D.S. RAO
ACS No.: 12394
CP. No.: 14487
UDIN: A012394F000927363
Place: Hyderabad 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, 2024 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 Chaturbhuji Bhutada	Managing Director	01243391
2	Omprakash Inani	Chairman, Non-Executive Director	01301385
3	Sharath Reddy Kalakota	Whole-time Director	03603460
4	Hetal Madhukant Gandhi	Independent Director	00106895
5	Arvind Vasudeva	Independent Director	00669039
6	Kamal Kishore Sharma	Independent Director	00209430
7	Anita Bandyopadhyay	Independent Director	08672071

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.

Sd/-

CS D.S. RAO; PCS

ACS. No.: 12394

CP. No.: 14487

UDIN: A012394F000927374

PEER REVIEW CER NO.: 1817/2022

Date: 08 August 2024

Place: Hyderabad

Independent Auditor's Report

To the Members of **Shilpa Medicare Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Shilpa Medicare Limited ("the company"), which comprise the standalone Balance Sheet as at March 31, 2024, 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, 2024, 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.

Emphasis of Matter

We draw your attention to note no 52 in respect of unfavourable foreign arbitration award dated 22.01.2024 to Celltrion Inc, of Rs.3,659.10 lakhs towards breach of contract along with legal cost and interest calculated upto the year end date, which the company is proposing to challenge at the execution stage based on the legal advice. Hence the management is of the view that no provision is required as of now in respect of this matter in the Financial Statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

Revenue from sale of products and services

Refer to Note 1.1 (L) of the summary of significant accounting policies to the standalone Ind AS financial statements.

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.

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.

How the matter was addressed in our audit

Principal audit procedures

Our audit procedures included the following:

- 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.

Key Audit Matters

Assessment of carrying value of Investment and Loans to Subsidiaries, Associates and Joint Ventures

The Company has investments of Rs. 24,643.05 Lakhs in equity and preference shares in subsidiaries, associates and joint ventures as at March 31, 2024. Further the Company has granted loans having a carrying value of Rs. 94,689.37 lakhs as at March 31, 2024.

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.

Refer to note 1.1 (d) in the Standalone Financial Statements for details of accounting policies on impairment of assets and related disclosures.

Valuation of investment in and loans to subsidiaries, associates and joint ventures is a key audit matter due to:

- 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.

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, 2024 is Rs.7,600.12 Lakhs (refer note 1.1(q) 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.

How the matter was addressed in our audit

- 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"

Principal audit procedures

Our audit procedures include the following substantive procedures:

- 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.

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

Key Audit Matters

How the matter was addressed in our audit

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, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

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 except for the matters stated in paragraph 2(vi) below on reporting under Rule 11(g).
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,

Statement of Changes in Equity and the Statement of Cash Flows 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 the requirement of Section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us, remuneration paid by the Company to its directors during the current 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:
 - 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.
- v. During the year no dividend is declared or paid by the company.
- vi. Based on our examination, which included test checks, and relying on the representations / explanations from the Company, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31,2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except for the Payroll related data for which audit trail (edit log) facility was not enabled throughout the year. Further, during the course of our audit we did not come across any instance of the

audit trail feature being tampered with in respect of accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

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

CA. Yogesh R Bung

Partner

Place : Mumbai
Date : 23.05.2024

Membership No. 143932
UDIN : 24143932BKAE0F4272

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:

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 thereunder.
- 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/revised quarterly returns / statements with banks or financial institutions which are in agreement with the books of account of the Company.
- 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.
 - 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 made investments by way of subscription to equity shares in 01 foreign subsidiary during the year. The Company has not provided any guarantee, security or granted any advances in the nature of loans, secured or unsecured to companies other than subsidiary companies, limited liability partnership, and other parties during the year.

- 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:

(₹ in lakhs)		
Particulars	Guarantees	Loans
Aggregate amount granted / provided during the year – Subsidiaries	45,000.00	18,392.52
Balance outstanding as at balance sheet date – Subsidiaries (Net)	57,629.92	96,835.39

- (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, except for following subsidiaries, there are no other loans which have been granted and 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.

Name of the entity	Amount	% to total loans granted during the year	Due date	Remarks
Koanaa Healthcare Ltd, Austria.	4,514.93	24.55%	December 31, 2023	Extended to March 31, 2029 through amendment
Koanaa Healthcare Ltd, UK.	907.35	4.93%	December 31, 2023	Extended to March 31, 2029 through amendment
Shilpa Pharma Inc.	2,430.35	13.21%	September 17,2023	Extended to March 31, 2029 through amendment

- 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, 2024 outstanding 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 not availed / taken any term loans during the year. Accordingly, reporting under clause (ix)(b) of the order is not applicable.
- 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.
- f) 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, 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 convertible debentures (fully, partially or optionally convertible) 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 whistle-blower 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 : Mumbai
Date : 23.05.2024

Membership No. 143932
UDIN : 24143932BKAE0F4272

Annexure – B to the Independent Auditor's Report on the standalone financial statements of Shilpa Medicare Limited for the year ended 31 March 2024.

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, 2024 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, 2024, 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

Membership No. 143932

UDIN : 24143932BKAE0F4272

Place : Mumbai

Date : 23.05.2024

Standalone Balance Sheet

As at 31 March, 2024

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

Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
Non-Current Assets			
(a) Property, plant & equipment	2	48,346.03	49,563.27
(b) Right-of-use assets	2A	2,065.02	2,134.72
(c) Capital work-in-progress	3	991.85	4,183.93
(d) Intangible assets	4	8,221.89	9,195.44
(e) Intangible assets under development	5	21,831.91	18,458.84
(f) Financial assets	6		
(i) Investments		24,645.10	24,392.39
(ii) Loans		94,689.37	78,562.52
(iii) Other financial assets		316.09	315.72
(g) Other non-current assets	7	3,058.53	1,433.91
Total Non-Current Assets		2,04,165.80	1,88,240.73
Current Assets			
(a) Inventories	8	11,191.74	9,450.01
(b) Financial assets	9		
(i) Investments		-	-
(ii) Trade receivables		14,382.17	11,189.59
(iii) Cash and cash equivalents		291.68	458.18
(iv) Other bank balance other than (iii) above		20.99	24.64
(v) Loans		-	1.34
(vi) Others financial assets		8,444.48	38,413.23
(c) Other current assets	10	2,451.60	2,744.21
(d) Current tax assets (net)	11	910.06	1,343.97
Total Current Assets		37,692.72	63,625.18
TOTAL ASSETS		2,41,858.49	2,51,865.91
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	868.02	868.02
(b) Other equity	14	2,13,403.80	2,10,890.38
Total Equity		2,14,271.82	2,11,758.40
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities	15		
(i) Borrowings		1,624.92	12,280.33
(ii) Lease liability		127.21	180.14
(iii) Others		-	500.00
(b) Provisions	16	339.60	82.68
(c) Deferred tax liabilities (Net)	17	2,486.97	2,617.56
(d) Other non-current liabilities	18	373.86	176.11
Total Non-Current Liabilities		4,952.56	15,836.83
Current Liabilities			
(a) Financial liabilities	19		
(i) Borrowings		12,629.74	16,461.29
(ii) Lease liability		52.92	36.56
(iii) Trade payables			
- Total outstanding dues of micro and small enterprises		53.13	459.71
- Total outstanding dues of other than micro and small enterprises		5,216.13	2,732.50
(iv) Other financial liabilities		2,333.47	2,320.78
(b) Other current liability	20	982.26	1,303.20
(c) Provisions	21	1,366.46	956.65
Total Current Liabilities		22,634.11	24,270.69
TOTAL EQUITY & LIABILITIES		2,41,858.49	2,51,865.91

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

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 : Mumbai
Date : 23.05.2024

Ritu Tiwary
Company Secretary

Alpesh Maheshkumar Dalal
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended 31 March, 2024

(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, 2024	For the year ended 31 March, 2023
Continuing operations :			
INCOME			
(a) Revenue from operations	22 & 23	30,978.66	24,770.20
(b) Other Income	24	8,911.60	6,864.42
Total Income		39,890.26	31,634.62
EXPENSES			
(a) Cost of materials consumed	25	7,386.89	6,260.67
(b) Purchases of stock-in trade	26	1,274.89	1,551.32
(c) Change in inventories of finished goods, work-in-progress and stock-in- trade	27	263.46	407.96
(d) Employee benefits expense	28	10,363.85	10,953.59
(e) Finance costs	29	1,725.66	2,082.51
(f) Depreciation and amortisation expenses	28&4	4,961.09	4,654.75
(g) Other expenses	30	9,060.41	9,996.77
Total Expenses		35,036.25	35,907.57
Profit before exceptional item and tax from continuing operations		4,854.01	(4,272.95)
Exceptional (income) / expense	31	1,045.10	1,554.65
Profit/(Loss) before tax from continuing operations		3,808.91	(5,827.60)
Tax Expenses of continuing operations			
a) Current Tax		1,128.65	(836.56)
b) Deferred Tax (net of Mat credit)		(13.48)	(42.74)
Total tax expenses		1,115.17	(879.30)
Profit for the year from continuing operations		2,693.74	(4,948.30)
Discontinued operations :			
Profit/ (loss) before tax from discontinued operation		-	7,095.22
Tax expense/(credit) of discontinued operation		-	(3,572.38)
Profit for the year from discontinued operations		-	10,667.60
Profit for the year		2,693.74	5,719.30
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		254.58	(357.07)
Income tax related to the above		(88.95)	73.44
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income / (loss) for the year from the continued operations		165.63	(283.63)
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)		-	(182.49)
Income tax related to the above		-	37.53
Total other comprehensive income / (loss) for the year from the discontinued operations		-	(144.96)
Total comprehensive income/(expenses) for the year from continuing operations		2,528.11	(4,664.67)
Total comprehensive income for the year from discontinued operations		-	10,812.56
Total comprehensive income for the year from continuing and discontinued operations		2,528.11	6,147.89
Earning per equity share , par value of ₹ 1/- each			
Continuing operations :			
Basic (₹)		3.10	(5.70)
Diluted (₹)		3.10	(5.70)
Discontinued operations :			
Basic (₹)		-	12.29
Diluted (₹)		-	12.29
Total Operations:			
Basic (₹)		3.10	6.59
Diluted (₹)		3.10	6.59

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

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 : Mumbai
Date :23.05.2024

Ritu Tiwary
Company Secretary

Alpesh Maheshkumar Dalal
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended 31 March, 2024

(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, 2022	868.02
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	868.02
Changes in equity share capital during the year	-
Balance as at 31 March, 2024	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, 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
Addition/Deletion during the year	-	-	-	-	-	-	-
Dividend including dividend distribution tax	-	-	(954.82)	-	-	-	(954.82)
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
Profit for the year	-	-	2,693.74	-	-	-	2,693.74
Other Comprehensive income, net of tax	-	-	-	-	(165.63)	-	(165.63)
Addition/Deletion during the year	-	-	-	-	(14.69)	-	(14.69)
Dividend including dividend distribution tax	-	-	-	-	-	-	-
Balance as at 31 March, 2024	72,495.13	5,182.68	135,904.61	(2.59)	(184.80)	8.76	213,403.80

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

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.
- Remeasurement of the net defined benefit 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 : Mumbai
 Date :23.05.2024

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, 2024

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

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Cash Flows from Operating Activities		
Profit/ (Loss) before tax from		
- Continuing Operations	3,808.91	(5,827.60)
- Discontinued Operations	-	7,095.22
Adjustment for:		
Finance cost	1,725.66	2,082.51
Depreciation and amortization expense	4,961.09	4,654.75
Provision for gratuity and compensated absence	105.26	(37.78)
Bad debts written off	277.94	100.53
Provision for doubtful debts	21.66	-
Provision for Capital advances	84.08	-
Liabilities/ Provision Written back	(197.84)	(101.98)
(Profit)/Loss on sale of Asset	(59.71)	31.20
Unrealised foreign exchange (gain)/loss	183.20	(784.89)
Corporate guarantee fees	(172.81)	(104.36)
Provision for ECL on Interest accrued on loans to subsidiaries	314.95	-
Provision for Impairment on Investments	6.40	132.37
Provision for impairment loss on advances in subsidiaries	723.74	1,422.28
Interest Income	(6,969.33)	(5,395.35)
Dividend Income	(284.43)	(313.50)
Net gain recognized on sale of stake in Group Company	-	(5,238.96)
Capital Subsidy(Grants)	(2.64)	(2.64)
Operating profit before working capital changes	4,526.14	(2,288.21)
Movement in working capital		
Decrease / (Increase) in financial and non financial assets	(72.18)	783.94
Decrease/ (Increase) in inventories	(1,741.73)	(1,800.22)
Decrease/ (increase) in trade receivables	(3,812.93)	3,137.50
Increase / (decrease) in financial Liabilities and other liabilities	509.36	(1,328.67)
Increase / (decrease) trade payables	2,089.46	2,544.87
Net Cash flow generated from Operations	1,498.11	1,049.21
Taxes Paid	(694.74)	(841.12)
Net Cash flow generated from Operating activities (A)	803.37	208.09
Cash Flows From Investing Activities		
Purchase of Property plant and equipment and intangible assets (Refer Note No 2)	(5,507.89)	(5,827.18)
Loan given to Subsidiaries (Net)	(16,703.58)	(21,671.47)
Proceeds from sale of assets	1,041.05	60.66
Slump sale consideration received	31,601.08	15,392.11
Investments in Group Companies and Others (Net)	(252.14)	(775.19)
Interest received	5,403.73	3,287.79
Dividend received	-	50.00
Net cash used in Investing Activities (B)	15,582.26	(9,483.27)

Standalone Statement of Cash Flow

for the year ended 31 March, 2024

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

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Cash Flows From Financing Activities		
Interest paid	(1,748.36)	(2,123.85)
Payment of Lease Liabilities	(52.78)	(40.42)
Dividend paid	-	(954.82)
Long-term loans and borrowings (net)	(14,533.53)	(985.50)
Short-term loans and borrowings (net)	27.21	12,872.46
Net Cash earned from Financing Activities (C)	(16,307.47)	8,767.87
Net Increase/(decrease)in Cash and Cash Equivalents	78.16	(507.310)
Cash & Cash Equivalents at the Beginning of the year	234.51	741.82
Cash & Cash Equivalents at the end of the period	312.67	234.51

Components of Cash and Cash Equivalents	For the year ended 31 March, 2024	For the year ended 31 March, 2023
- Cash in Hand	16.35	20.98
- Balances with banks - on current accounts	249.81	290.65
- Balances with banks - on unpaid dividend accounts #	20.99	24.64
- Deposits with original maturity of less than 03 months	25.51	146.56
- Book overdraft	-	(248.32)
Total Cash and Cash Equivalents	312.67	234.51

The Company can utilise these balances only towards settlement of the respective unpaid dividend liabilities

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

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. Nil (PY Rs.248.32 Lakhs) for the period ended 31 March 2024.
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 : Mumbai
Date :23.05.2024

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, 2024

(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, 2024. 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, 2024 were approved by the Board of Directors on May 23, 2024.

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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

- (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.

1.1 Material 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 and Goodwill (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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

out of the separately purchased transaction is considered to be probable).

Acquired research and development intangible assets that are under development are recognized as Intangible Assets under Development. These assets are not amortized, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Where a determination of impairment in respect of any such asset is made, the impairment of such asset is recognized in the Profit and Loss Statement in the year in which such determination is made. Where a determination is made to the effect that future economic benefits are probable, the total cost is capitalized in the year in which such determination is made.

Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset

d) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

e) Business Combination and Goodwill:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognized

amount of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises on account of such business combination is tested annually for impairment.

f) Non-Current asset held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Held for Sale".

g) Inventory:

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be 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.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense/(income) on the net defined (liability)/assets is computed by applying the discount rate, used to measure the net defined (liability)/asset. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss

i) Cash and Cash Equivalent:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk. Cash flow statement is prepared under the indirect method as per Ind AS 7, For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of book overdraft.

j) Dividends to Shareholders:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors, Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

k) Leases:

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease

arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

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.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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.

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.

Other Income:

- v. Interest Income is recognized using the Effective interest rate (EIR) method.

- vi. Dividend income is recognized when right to receive is established.

- vii. 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.

m) 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.

n) Government Grant:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as 'Deferred Government Grant' and are credited to profit & loss account under other income on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

o) 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.

p) 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.

1) 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.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The classification is made on initial recognition and is irrevocable

Investments in subsidiaries, associates and joint venture:

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

De-recognition of financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

- Financial Assets that are debt instruments and are measured at FVTOCI.
- Lease receivables under Ind AS 117.
- 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.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

- 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 ₹ 2230.14 Lakhs in two of its foreign 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 obligations 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.

q) 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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

r) 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.

s) 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.

t) 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.

u) 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.

v) Exceptional Items:

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

1.2 Recent Indian Accounting Standards (Ind AS): Standards Issued.

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. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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, 2023	Additions	Transfer	Deduction/ Adjustment during the Year	As at 31 March, 2024	As at 01 April, 2023	For the Period	Deduction/ Adjustment during the Year	As at 31 March, 2024
Tangible Assets									
i) Owned									
a) Borewell	12.28	-	-	-	12.28	9.78	0.61		10.38
b) Building	14,688.71	102.56	-	-	14,791.27	1,858.32	493.67		2,351.98
c) Canteen Equipment	69.38	0.21	-	0.17	69.42	30.23	11.15	(0.16)	41.21
d) Computer	773.68	81.03	-	46.04	808.67	594.98	123.72	(43.67)	675.03
e) Network Server equipment	297.94	31.62	-	21.28	308.28	139.49	40.20	(11.28)	168.40
f) Electrical Installation	4,104.38	112.01	2.62	51.21	4,162.56	1,777.04	320.27	(37.98)	2,059.33
g) ETP Machinery	138.43	-	-	11.80	126.63	14.17	6.18	(1.36)	18.99
h) Furniture	1,694.52	18.46	-	33.84	1,679.14	820.57	134.14	(14.02)	940.69
i) Land & Green Field	773.11	-	-	-	773.11	-	-	-	773.11
j) Lab Equipments	12,183.59	263.98	162.74	1,634.30	10,650.54	3,375.66	1,051.89	(1,017.43)	3,410.12
k) Office Equipment	157.34	1.44	-	0.47	158.30	107.63	14.87	(0.46)	122.05
l) P/M (Power Generation Unit)	3,843.04	-	-	-	3,843.04	2,419.83	103.97	-	2,523.81
m) Pipeline	1,275.73	91.69	-	-	1,367.42	333.42	60.38	-	393.80
n) Plant & Machinery	27,765.68	2,723.25	47.07	133.21	30,308.64	6,972.32	1,353.69	(35.39)	8,290.61
o) Pollution Control Equipment	9.17	-	-	-	9.17	0.44	0.40	-	0.83
p) Vehicle	202.49	89.29	-	-	291.78	65.16	28.43	-	93.59
q) EHS Equipment	113.28	3.86	-	-	117.14	25.24	11.02	(1.67)	34.59
r) Vehicles Electrical Operated	40.36	-	-	-	40.36	35.58	0.71	-	36.29
Total	68,143.11	3,519.40	212.43	1,932.33	69,517.75	18,579.83	3,755.30	(1,163.42)	21,171.71
									48,346.03

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

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	As at 31 March, 2023
Tangible Assets												
i) Owned												
a) Borewell	12.28	-	-	-	-	12.28	9.13	0.65	-	0.01	9.78	2.50
b) Building	14,688.71	4.27	-	-	4.27	14,688.71	1,393.26	525.75	-	60.69	1,858.32	12,830.39
c) Canteen Equipment	69.38	-	-	-	-	69.38	18.54	11.70	-	0.01	30.23	39.15
d) Computer	763.28	17.86	-	-	7.46	773.68	463.00	137.36	-	5.38	594.98	178.70
e) Network Server equipment	297.94	2.16	-	-	2.16	297.94	96.01	45.28	-	1.81	139.49	158.45
f) Electrical Installation	4,072.77	122.53	-	5.95	84.97	4,104.38	1,397.68	438.96	(2.02)	57.58	1,777.04	2,327.34
g) ETP Machinery	138.43	-	-	-	-	138.43	7.59	13.90	-	7.33	14.17	124.26
h) Furniture	1,686.87	11.46	-	0.88	2.93	1,694.52	669.69	162.19	0.31	11.62	820.57	873.95
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	8,807.93
k) Office Equipment	156.05	2.69	-	-	1.40	157.34	89.48	19.59	-	1.44	107.63	49.71
l) P/M (Power Generation Unit)	3,843.04	-	-	-	-	3,843.04	2,315.86	103.97	-	-	2,419.83	1,423.21
m) Pipeline	1,249.32	56.36	-	-	29.95	1,275.73	275.28	131.17	-	73.03	333.42	942.31
n) Plant & Machinery	27,290.88	803.45	-	14.27	314.38	27,765.68	5,679.37	1,543.24	(7.42)	242.87	6,972.32	20,793.36
o) Pollution Control Equipment	9.17	-	-	-	-	9.17	0.04	0.49	-	0.10	0.44	8.73
p) Vehicle	257.08	-	-	54.59	-	202.49	71.75	26.15	(32.61)	0.14	65.16	137.33
q) EHS Equipment	114.52	-	1.24	-	-	113.28	12.95	12.66	1.46	1.83	25.24	88.04
r) Vehicles Electrical Operated	40.36	-	-	-	-	40.36	33.98	1.60	-	-	35.58	4.78
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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

2A Right to use of asset

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net block	
	As at 01.04.2023	Additions	Disposals	As at 31.03.2024	For the period	Deductions/ Other adjustments	As at 31.03.2024	As at 31.03.2024
Leasehold Land	2,206.36	-	-	2,206.36	29.30	-	188.49	2,017.88
Leasehold Building	121.22	-	-	121.22	40.41	-	74.08	47.14
Total	2,327.58	-	-	2,327.58	69.70	-	262.56	2,065.02

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net block	
	As at 01.04.2022	Additions	Disposals (Held for sale)	As at 31.03.2023	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	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	71.39	-	192.86	2,134.72

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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

3 Capital work in progress

Particulars	As at 01 April, 2023		Additions	Deletions / Transfer*	As at 31 March, 2024	
	As at 01 April, 2023	As at 01 April, 2023			As at 31 March, 2024	As at 31 March, 2024
i) Machinery under erection	1,814.48	418.66	2,062.92	170.21		
ii) Projects under erection	2,369.45	39.10	1,586.90	821.64		
Total	4,183.93	457.76	3,649.82	991.85		

Particulars	As at 01 April, 2022		Additions	Deletions / Transfer*	As at 31 March, 2023	
	As at 01 April, 2022	As at 01 April, 2022			As at 31 March, 2023	As at 31 March, 2023
i) Machinery under erection	2,654.98	509.14	1,349.64	1,814.48		
ii) Projects under erection	2,601.61	700.63	932.78	2,369.45		
Total	5,256.59	1,209.77	2,282.42	4,183.93		

*Including sold and maintenance consumption during the year

4 Intangible Asset

Particulars	Gross Block				Depreciation / Adjustment				Net Block		
	As at 01 April, 2023	Additions during the Year	Transfer	As at 31 March, 2024	As at 01 April, 2023	For the Period during the Year	As at 31 March, 2024	As at 01 April, 2023	For the Period during the Year	As at 31 March, 2023	As at 31 March, 2024
a) Computer software	1,067.15	162.53	-	1,229.67	515.64	157.53	673.17	556.50	-	556.50	556.50
b) Technical Know How	9,056.84	-	-	9,056.84	653.28	912.98	1,566.26	7,490.58	-	7,490.58	7,490.58
c) ANDA/Patents Fees	646.97	-	-	646.97	406.60	65.56	472.17	174.81	-	174.81	174.81
Total	10,770.96	162.53	-	10,933.49	1,575.53	1,136.07	2,711.60	8,221.89	-	8,221.89	8,221.89

Particulars	Gross Block				Depreciation / Adjustment				Net Block		
	As at 01 April, 2022	Additions during the Year	Transfer	As at 01 April, 2022	As at 01 April, 2022	For the Period during the Year	As at 31 March, 2023	As at 01 April, 2022	For the Period during the Year	As at 31 March, 2023	As at 31 March, 2023
a) Computer software	1,030.87	45.22	7.22	356.16	183.75	(2.63)	21.64	551.50	21.64	515.64	551.50
b) Technical Know How	861.29	8,173.68	-	94.05	536.36	24.06	119	8,403.56	119	653.28	8,403.56
c) ANDA/Patents Fees	646.97	-	-	341.02	94.33	-	28.75	240.37	-	406.60	240.37
Total	2,539.13	8,218.90	7.22	791.23	814.45	21.43	51.58	9,195.44	21.43	1,575.53	9,195.44

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

5 Intangible assets under development (IAUD) as at March 31, 2024

Particulars	As at 01 April, 2023	Additions	Deletions / Transfer	As at 31 March, 2024
i) Software under installation	19.76	185.20	162.53	42.43
ii) Product under development	18,437.52	3,350.39	-	21,787.92
iii) ANDA Fees/Patents filing	1.56	-	-	1.56
Total	18,458.84	3,535.59	162.53	21,831.91

5A Intangible assets under development (IAUD) as at March 31, 2023

Particulars	As at 01 April, 2022	Additions	Deletions / Transfer	As at 31 March, 2023
i) Software under installation	38.18	26.79	45.22	19.76
ii) Product under development	24,015.14	2,596.06	8,173.68	18,437.52
iii) ANDA Fees/Patents filing	1.56	-	-	1.56
Total	24,054.89	2,622.85	8,218.90	18,458.84

6 Financial Assets

(i) Non-Current Investment

Particulars	As at 31 March, 2024	As at 31 March, 2023
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
ii) 1,837,634 (1,837,634) shares of ₹ 10 each in Shilpa Therapeutic (P) Ltd, Hyderabad.	1,112.46	1,112.46
iii) 15,00,000 (15,00,000) shares of ₹ 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	6.24	6.24
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 ₹ 100/- each in Shilpa Biologicals Pvt. Ltd., Hubli. (Including deemed investment)	3,360.93	3,360.93
ix) 2,00,00,000 (2,00,00,000) shares of ₹ 10/- each in Shilpa Biocare Pvt. Ltd.(Erstwhile Shilpa Albumin Private Limited), Yadagir.	2,000.00	2,000.00
x) Deemed Investment in Shilpa Biocare Private Limited (Erstwhile Shilpa Albumin Pvt Ltd).	52.44	45.46
xi) 1000 (1000) shares of CAD 0.1 each in Koanna Healthcare Canada Inc., Canada.	0.06	0.06
xii) 1,00,00,000 (1,00,00,000) shares of ₹ 10/- each in Shilpa Pharma Lifesciences Limited (formerly known as Shilpa Corporate Holdings Pvt. Ltd., Raichur.)	1,000.00	1,000.00

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
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 ₹ 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 ₹ 10/- each in Vegil Labs Pvt Ltd, Raichur	951.00	951.00
xvii) 100 (PY Nil) shares of USD 1 each of Pilnova Pharma Inc, USA	0.08	-
II) In Associate Companies		
i) 100,000 (100,000) shares of ₹ 10 each in Reva Pharmachem Pvt. Ltd., Raichur.	10.00	10.00
III) In Joint Venture Companies		
i) 5,001 (5,001) share of ₹ 10 each in Reva Medicare Pvt. Ltd., Raichur.	0.50	0.50
ii) 81,996 shares of Rs.10/- each of which 26,147 shares with premium of Rs.15,250/- each (65,000 shares of Rs.10/- each) of Sravathi Advance Process Technologies Pvt Ltd, Bengaluru. 9151 shares sold during the current year.	3,995.58	6.50
IV) Others (At Cost)		
I) Investments in Equity Instruments (Unquoted)		
i) 2,000 (2000) shares of ₹ 100 each of Mana Effluent Treatment Plant Ltd., Hyderabad.	2.00	2.00
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
c) Investments in Preference Instruments (Unquoted)(At Cost)		
I) In Subsidiary Companies		
i) 4,00,000(4,00,000) cumulative shares of ₹ 10 each in Shilpa Therapeutic Pvt. Ltd., Hyderabad.	40.00	40.00
ii) 3,25,37,670 (3,25,37,670) cumulative shares of ₹ 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 ₹ 10 each in INM Technologies Pvt. Ltd., Bangalore.	993.00	993.00
iv) 39,00,012 (39,00,012) convertible preference shares of ₹ 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) Nil (3732500) Non-cumulative convertible preference shares of ₹ 100 each in Sravathi Advance Process Technologies Pvt.Ltd., Bangalore	-	3,732.50
d) Investment in Government Securities (At Cost)		
National saving certificate	0.05	0.05
	25,193.42	24,934.31
Less: Provision for impairment loss in value of Investment in Subsidiaries/Associates	(548.33)	(541.92)
Total value of unquoted investment	24,645.10	24,392.39
Aggregate value of unquoted investment	24,645.10	24,392.39
Aggregate amount of impairment in the value of investments in the unquoted equity shares	548.33	541.92

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

(ii) Loans

Particulars	As at 31 March, 2024	As at 31 March, 2023
Loans to Related parties		
Considered good, unsecured		
(i) Shilpa Therapeutic Pvt. Ltd. Hyderabad (Wholly owned subsidiary)	7,965.06	6,039.30
(ii) Koanaa Healathcare GmbH, Austria. (Wholly owned subsidiary)	4,514.93	4,417.19
(iii) Koanaa Healthcare Limited, UK. (Wholly owned subsidiary)	907.35	852.40
(iv) Shilpa Pharma INC., USA. (Wholly owned subsidiary)	2,430.35	1,808.77
(v) Shilpa Biologicals Pvt. Ltd., Dharwad. (Wholly owned subsidiary)	55,396.34	46,647.59
(vi) Koanna Healthcare Canada Inc., Canada. (Wholly owned subsidiary)	1,170.86	972.09
(vii) Indo Biotech SDN.BHD. Malaysia. (Wholly owned subsidiary)	942.13	929.05
(viii) Koanna International FZ-LLC, Dubai. (Wholly owned subsidiary)	608.63	563.19
(ix) Koanna International FZ-LLC, Dubai. (Wholly owned subsidiary)	870.60	739.26
(x) Shilpa Biocare Pvt Ltd, Kadechur (Wholly owned subsidiary)	21,467.29	16,482.62
(xi) Shilpa Lifesciences Pvt Ltd, Raichur (Step-down subsidiary)	270.05	253.08
(xii) Shilpa Pharma Lifesciences Limited, Raichur (formerly known as Shilpa Corporate Holdings Pvt Ltd - Wholly owned subsidiary)	291.81	-
(xiii) Vegil Labs Pvt Ltd, Raichur	-	280.25
Total	96,835.39	79,984.79
Less: Provision for impairment in advance in Subsidiaries	(2,146.02)	(1,422.27)
Total	94,689.37	78,562.52

(iii) Other Financial Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Security deposits (unsecured considered good)		
(i) Electricity deposits	236.36	236.07
(ii) Rental deposits	19.79	18.70
(iii) Telephone deposits	0.08	0.08
(iv) Miscellaneous deposits	59.86	60.87
Total	316.09	315.72

7 Other Non-Current Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Capital advances		
(i) Unsecured, considered good	3,023.48	1,497.88
Less: provision for doubtful	(168.15)	(84.07)
b) Others		
(i) GST paid under protest	165.46	-
(ii) Prepaid Expenses	10.06	20.11
(iii) Fixed deposits having maturity more than 12 months held as Security	27.69	-
Total	3,058.53	1,433.92

8 Inventories

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Raw materials	5,865.49	4,047.89
(ii) Work-in-progress	149.05	859.53
(iii) Finished goods	2,586.53	2,260.93
(iv) Stock-in-trade	417.72	296.30
(v) Stores and Spares	1,175.20	1,042.18
(vi) Packing materials	997.75	943.18
Total	11,191.74	9,450.01

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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, 2024	As at 31 March, 2023
Investment in IL & FS 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, 2024	As at 31 March, 2023
Unsecured		
a) Unsecured considered doubtful	317.50	118.42
Less:Written-off	(277.94)	(19.96)
Less:Expected Credit Loss	(39.55)	(98.46)
Total (a)	-	-
b) Considered good	14,382.17	11,189.59
Total (b)	14,382.17	11,189.59
Total(a+b)	14,382.17	11,189.59

Note : Trade receivable in above note no: 9 (ii) (b) includes ₹ 822.98 Lakhs (PY ₹ 998.62) 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, 2024	As at 31 March, 2023
i) Cash on Hand	16.35	20.97
ii) Balance with Banks		
- In current account	249.81	290.65
iii) Deposit with original maturity of less than 3 month	25.51	146.56
Total	291.68	458.18

(iv) Other Bank Balance other than (iii) above

Particulars	As at 31 March, 2024	As at 31 March, 2023
Earmarked Balances		
(i) Unclaimed dividend Accounts	20.99	24.64
Total	20.99	24.64

(v) Loans

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Unsecured, considered good		
(i) Zatortia Holdings Ltd (Wholly owned subsidiary)	-	1.34
Total	-	1.34

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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, 2024	As at 31 March, 2023
i) Income accrued and due	55.63	18.47
ii) Paid to ICC under protest	-	87.37
iii) Staff advance	21.49	1.64
iv) Tender deposits	29.36	20.82
v) Fixed deposit having maturity less than 12 months and held as margin money	133.07	14.00
vi) Interest accrued on advances/fixed deposits/otheres	6,186.66	4,936.02
vii) Dividend accrude on preference shares	2,018.26	1,733.83
viii) Slump Sale Consideration receivable	-	31,601.08
Total	8,444.48	38,413.23

10 Other Current Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
i) Prepaid Expenses	836.99	554.42
ii) Advances to supplier/ receivables	403.11	694.23
iii) Export incentives receivables	78.59	414.86
iv) CGST /IGST /SGST receivable	1,121.11	1,080.70
v) Custom Duty	11.80	-
Total	2,451.60	2,744.21

11 Current Tax Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Income tax (Net)	910.06	1,343.97
Total	910.06	1,343.97

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. Property, plant and equipment's and intangible assets once classified as held for sale are not depreciated or amortised.

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, 2024

(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 ₹ 48,630.00 Lakhs (Final consideration being ₹ 47,228.00 Lakhs after making working capital and other customary adjustments.

i. Analysis of profit from discontinuing operations

Income	For the Period ended 31.03.2024	For the Period ended 31.03.2023
Revenue from operations	-	19,668.37
Other income	-	98.37
Total Income	-	19,766.74
Expenditure		
Cost of material consumed	-	9,902.35
Employee benefits expense	-	3,640.93
Finance costs	-	393.69
Depreciation and amortisation expenses	-	606.07
Other expenses	-	3,367.45
Total expenditure	-	17,910.49
Profit / (loss) before tax from the discontinued operations	-	1,856.25
Exceptional (income) / expense	-	-5,238.96
Profit before tax from the discontinued operations	-	7,095.21
Tax expense / (income)		
Current tax	-	1,423.59
Deferred tax	-	-4,995.97
Total tax expense	-	-3,572.38
Profit / (loss) after tax from the discontinued operations	-	10,667.59
Other comprehensive (Income)/expenses net of tax	-	-144.96
Total comprehensive income for the year	-	10,812.55

13 Equity Share Capital

Particulars	As at 31 March, 2024	As at 31 March, 2023
Authorised share capital		
110,000,000 (PY 95,000,000) shares face value of Re. 1/- each.	1,100.00	950.00
	1,100.00	950.00
Issued, subscribed & fully paid up capital		
Opening Balance	868.02	868.02
Changes During the Year	-	-
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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

(a) Reconciliation of the number of shares.

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	8,68,01,898	868.02	8,68,01,898	868.02
Add : Nil (PY-Nil) issued during the year	-	-	-	-
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, 2024		As at 31 March, 2023	
	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) Promoters Share Holding

S. No.	Name of the Shareholders	Number of shares held at the beging of the year 2023	Shareholding as a % of total no. of shares as on 31.03.2023	Number of shares held at the end of the year 2024	Percentage of shares held to total shares 31.03.2024	Change in Shareholding in the year 2022-23	Change in percentage of shares held to total shares in the year 2022-23
1	VISHNUKANT CHATURBHUJ 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, 2024

(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, 2024	As at 31 March, 2023
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	1,35,902.03	1,33,208.28
d) Other comprehensive income (OCI)		
i) Cash flow hedge reserve	-	-
ii) Remeasured of defined benefit plan	(184.80)	(4.48)
e) Gain on Forfeiture of Equity share	8.76	8.76
Total	2,13,403.80	2,10,890.38

15 Financial Liabilities

(i) Long Term Borrowings

Particulars	As at 31 March, 2024	As at 31 March, 2023
Term Loans		
a) From Banks (secured)		
I) Axis Bank - Term Loan	-	3,125.00
Nature of Security		
Term loan of ₹ 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 with a moratorium period of 12 months and would be repayable in 16 equal quarterly installments of ₹ 625.00 Lakhs with the final installment falling due at the end of the June- 2025. Interest payable monthly rests even during moratorium period. This term loan has been fully repaid during the current financial year.		
II) SCB - Term Loan	-	3,675.00
Nature of Security		
Term loan of ₹ 7350.00 Lakhs 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 at Jedcherla unit and also secured by personal guarantee given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of term loan from SCB would be repayable within 5 years in 16 equal quarterly installments starting from 15 th month from the date of draw down and the final installment falling due at the end of the January - 2026. Interest payable monthly rests. This term loan has been fully repaid during the current financial year.		
b) From others (Unsecured)		
a) INM Technologies Pvt Ltd	974.33	890.33
Terms of repayment & interest rate:		
Interest is be accrued on compounding basis every year and shall be paid annually. The applicable rate of intrest is 7.50% on loan outstanding. The repayment will be made after 31.03.2025 in 3 equal installments.		
b) Vegil Labs Private Ltd	650.59	-
Terms of repayment & interest rate:		
Repayable in 12 equal quarter installment s after mortarium period of 5 year along with interest if any due. Interest is payable. applicable rate of interest is 7.50%		

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
c) Bajaj Finance Limited	-	4,590.00
Nature of Security		
Sanctioned loan is Rs.5000.00 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 of 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. This term loan has been fully repaid during the current financial year.		
Total	1,624.92	12,280.33

(ii) Lease liability

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Land and Building	127.21	180.14
Total	127.21	180.14

(iii) Others

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Deferred Consideration Payable	-	500.00
Total	-	500.00

16 Provisions

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Provision for gratuity	339.60	82.68
Total	339.60	82.68

17 Deferred Tax Liabilities (Net)

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Deferred tax liability (Difference in tax base of property, plant, equipment & others)	10,776.19	10,467.96
b) Deferred tax asset (On account of disallowable items under Income Tax Act)	(689.10)	(1,378.93)
c) MAT Credit Entitlement	(7,600.12)	(6,471.47)
Total	2,486.97	2,617.56

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

18 Other Non-Current Liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Deferred revenue	266.79	-
b) Capital subsidy / Deferred Government grant	44.49	47.12
c) Corporate guarantee liability	62.58	128.99
Total	373.86	176.11

19 FINANCIAL LIABILITIES

(I) Borrowings

Particulars	As at 31 March, 2024	As at 31 March, 2023
i) Secured Loan		
A) Working capital loan		
From Banks		
i) HDFC (WCDL) [refer note 'b' & 'e (i)' below]	-	1,950.00
ii) Citi Bank (WCDL) [refer note 'a' & 'e (ii)' below]	-	757.95
iii) Axis Bank PCFC [refer note 'd' & 'e (iii)' below]	501.03	698.68
iv) IDBI-WCDL [refer note 'c' & 'e (iv)' below]	1,500.00	1,500.00
v) Axis Bank-WCDL [refer note 'd' & 'e(v)' below]	5,550.00	4,300.00
vi) Citibank-Cash Credit [refer note 'a' & 'e(vii)' below]	-	1,386.43
vii) IDBI-Cash Credit [refer note 'c' & 'e(vi)' below]	1,453.09	1,990.10
viii) IDBI-PCFC [refer note 'c' & 'e (viii)' below]	500.24	-
ix) Axis Bank-Cash Credit (refer note "d" & e(ix))	1,748.48	-
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 interchangeably as PCFC/Cash credit and applicable interest will be charge.		
b) Working capital loan from HDFC is secured by first pari passu charge on current assets of the company. Second pari passu charge on Factory land and building of Jadcherla SEZ unit. Second pari passu charge on Factory movable and immovable fixed assets of Jadcherla SEZ unit and personal Gurantee of 02 Directors .		
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 interchangeably as PCFC/Cash credit/WCDL/LC and applicable interest will be charge.		
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 inter changeable as PCFC/Cash Credit/WCDL and applicable interest will be charge.		
e) Interest rate as at March 31, 2024 is as under:		
(i) HDFC-WCDL- Nil (PY 2023-12.10%)		
(ii) CITI-WCDL- Nil (PY 2023-8.60%)		
(iii) AXIS-PSFC/PCFC 8.27% (PY 2023 -5.243%)		
(iv) IDBI-WCDL-8.80% (PY 2023-7.80%)		
(v) Axis-WCDL-9.00% (PY 2023-8.85%)		
(vi) IDBI-Cash Credit 8.15% (PY 2023-8.90%)		
(vii) CITI-Cash Credit- Nil (PY 2023-13.00%)		
(viii) IDBI-PCFC-6.26% (PY 2023-Nil)		
(ix) Axis-Cash Credit-9.05% (PY 2023-Nil)		
B) Current maturities of long term debt	-	3,878.13

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
ii) Unsecured Loan from others		
a) From Shilpa Pharma Lifesciences Ltd	1,376.89	-
Total	12,629.74	16,461.29

(ii) Lease liability

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Land and Building	52.92	36.56
Total	52.92	36.56

(iii) Trade Payable (Refer Note: 50)

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Trade payables due to micro and small enterprises	53.13	459.71
b) Trade paybles due to other than micro and small enterprises	5,216.13	2,732.50
Total	5,269.26	3,192.21

Note : Trade payable in above note no: 19 (iii) (b) includes ₹ 3,564.21 Lakhs (PY ₹ 892.63 lakhs) 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

(iv) Other financial liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Interest accrued but not due on borrowings	92.90	131.82
b) Unclaimed dividends	20.99	24.64
c) Employee benefit liability	1,023.41	1,141.81
d) Capital creditors	571.91	774.19
e) Book overdraft	-	248.32
f) Deferred Consideration Payable	500.00	-
g) Deferred Revenue (Unamortised)	111.94	-
h) Others	12.31	-
Total	2,333.47	2,320.78

20 Other Current Liability

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Advances from customers	572.08	770.33
b) Tax deduction at source	270.96	364.15
c) ESI, Professional tax Etc.	2.76	2.71
d) Security trade deposit	0.59	0.59
e) Provident fund payable	85.31	108.27
f) Unclaimed bonus & salary	50.56	56.41
g) Custom duty	-	0.74
Total	982.26	1,303.20

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

21 Provisions

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Provision for employee benefits		
i) Gratuity	58.06	41.69
b) Others	1,308.40	914.96
Total	1,366.46	956.65

22 Revenue From Operations - Sales

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a) Sales of Goods		
i) Sales of products	17,811.30	19,859.09
ii) Export Incentives	-	666.60
iii) Energy sales	528.04	477.73
Total	18,339.34	21,003.42
Abstract		
(i) Formulation	15,838.33	15,884.17
(ii) Export Incentives	-	666.60
(iii) Power	528.04	477.73
(iv) Trading and others	1,972.97	3,974.92
Total	18,339.34	21,003.42

23 Revenue From Operations - Service and License Fees

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Product development & License fees	12,639.32	3,766.78
Total	12,639.32	3,766.78

24 Other Income

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a) Interest Income on :		
i) Deposit with bank	11.96	41.28
ii) Loans to subsidiaries and others	6,957.37	5,332.99
b) Liabilities written back	197.84	101.98
c) Corporate guarantee fees	172.81	104.70
d) Capital Subsidy (Grants)	2.64	2.64
e) Dividend on preference shares	284.43	263.50
f) Dividend on equity shares	-	50.00
g) Miscellaneous income	1,284.55	965.32
h) Gain on Lease Liability written off	-	2.02
Total	8,911.60	6,864.42

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

25 Cost Of Material Consumed

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Inventory at the beginning of the year	4,991.07	5,007.77
Add: Purchases	9,259.07	6,243.97
Less: Inventory at the end of the year	6,863.25	4,991.07
Cost of raw materials and packing materials consumed	7,386.89	6,260.67
Material consumed comprises of:		
i) Raw material	6,402.77	5,366.86
ii) Packing material	984.13	893.81
Total	7,386.89	6,260.67

26 Purchase Of Stock -In-Trade

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Purchase of Medicines/Bulk Drugs/Others	1,274.89	1,551.32
Total	1,274.89	1,551.32

27 Changes in Inventories of Finished Goods,Work-in-Progress and Stock -in-Trade

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening Inventories		
(i) Finished goods	2,557.23	3,218.20
(ii) Work-In-progress	859.53	606.52
Closing Inventories		
(i) Finished goods	3,004.25	2,557.23
(ii) Work-In-progress	149.05	859.53
(Increase) / decrease in inventory	263.46	407.96

28 Employee Benefits Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a) Salaries, wages and bonus	9,620.09	10,184.72
b) Contribution to provident fund /gratuity and other funds	637.97	645.12
c) Staff welfare expenses	105.79	123.75
Total	10,363.85	10,953.59

29 Finance Costs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a) Interest expense on financial liability measured at amortised cost :		
i) Working capital facility	1,055.73	855.54
ii) Term loans	388.95	1,012.86
iii) Amortised of processing fee	18.75	6.25
iv) Interest on unsecured Loan	243.78	189.06
v) Others	2.24	1.65
b) Interest on Lease liability	16.21	17.15
Total	1,725.66	2,082.51

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

30 Other Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a) Power and fuel	1,872.76	1,870.27
b) Repairs and maintenance		
Buildings	122.75	219.62
Plant and machinery	1,038.69	1,104.27
Others	176.49	301.39
c) Rent	2.17	14.59
d) Foreign exchange fluctuation,(gain)/ loss (net)	(422.24)	(1,117.32)
e) Rates, taxes and fees	146.50	86.78
f) Insurance	188.76	206.36
g) Travelling and conveyance	336.34	280.82
h) Contractor labour charges	194.35	202.43
i) Legal & Professional fees	1,255.03	1,916.18
j) Facility fees	1,182.50	600.14
k) Payments to auditors (Refer Note:42)	26.20	21.58
l) Quality Control/Research and development	1,025.94	2,114.87
m) Transportation Charges	38.62	64.60
n) Commission and brokerage	187.71	145.73
o) Directors sitting fees	3.50	1.98
p) Sales promotion and advertisement	172.91	156.24
q) Bad debts / advance written-off	277.94	19.96
r) Clearing and forwarding expenses	319.10	310.88
s) Loss/(gain) on sale /discard of assets.	(59.71)	31.20
t) Custom Duty & GST Exp	10.56	2.30
u) CSR expenditure	241.71	328.94
v) Tech Transfer Expenses	78.44	80.44
w) Prov for Bad Debts	21.66	80.57
x) Provision for Doubtful Capital Advance Written Off	84.08	94.60
y) Miscellaneous expenses	537.67	857.35
Total	9,060.41	9,996.77

31 Exceptional (Income)/ Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
i) Loss on reduction of investment in Zatoria due to strike off	-	54.65
ii) Loss on Impairment of Investment and Advance in Subsidiaries	730.15	1,500.00
iii) Provision for ECL on Interest accrued on subsidiaries	314.95	-
Total	1,045.10	1,554.65

Note: Exceptional loss for the year ended March ₹ 31,2024 of ₹ 1,045.10 Lakhs (PY-Loss of ₹ 1,554.65) is on account of ₹ 0.002 Lakhs investment write back in Zatortia Holdings Ltd, a wholly owned foreign subsidiary, ₹ 610.61 Lakhs provision towards impairment losses on account of investment in and advance to Koanna International FZ-LLC, a wholly owned foreign subsidiary, ₹ 119.53 Lakhs provision towards impairment losses on account of investment in and advance to Indo Biotech, a wholly owned foreign subsidiary. in Previous Year is on account of ₹ 54.65 Lakhs investment write off in Zatortia Holdings Ltd, a wholly owned foreign subsidiary, ₹ 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, ₹ 500.00 Lakhs provision towards impairment losses on account of investment in and advance to Koanna Healthcare Limited, United Kingdom, a wholly owned foreign subsidiary.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

32 Contingent Liabilities and Commitments

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a) Bank guarantees / Corporate guarantee (Refer Note 1 below)	60,402.75	44,622.03
b) Claims against the Company not acknowledged as debt (Refer Note 2 below)	3,670.00	6,296.93
c) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,451.57	85.95
Total	65,524.32	51,004.91

- Out of the guarantee given of CY ₹ 60,402.75 lakhs (PY ₹ 44,622.03) lakhs, the outstanding liabilities against corporate guarantee given to banks/NCD holders to its Subsidiaries for the financial year ended 31.03.2024 is CY 57,629.93 lakhs (PY 41,347.87) Lakhs.
- 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, 2024	As at 31 March, 2023
Defined Contribution Plan		
Provided fund	499.41	608.33
Movement of present value of the defined benefit obligation		
i) Change in defined benefit obligation		
Obligations at year beginning	266.58	2,096.98
Service cost	99.18	93.64
Interest on defined benefit obligation	12.98	47.81
Benefits settled	(186.95)	(168.63)
Actuarial (gain)/loss	-	(1,360.46)
Increase/(Decrease) due to effect of any business combination/ diversture/transfer*	253.47	(442.76)
Obligations at year end	445.25	266.58
ii) Change in plan assets		
Plans assets at year beginning, at fair value	142.21	179.75
Expected return on plan assets	6.90	11.84
Actuarial gain/(loss)	(1.12)	(96.40)
Benefits payout	(100.40)	(47.43)
Increase/(Decrease) due to effect of any business combination/ diversture/transfer*	-	94.45
Plans assets at year end, at fair value	47.59	142.21
iii) Amount recognised in the balance sheet		
Closing BPO	445.25	266.58
Closing fair value of plan assets	47.59	142.21
Net asset/(liability) recognised in the balance sheet	397.66	124.37
iv) Expenses recognised in the statement of P & L account		
Service cost	99.18	93.64
Interest cost	12.98	47.81
Expected return on plan assets	6.08	35.97
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	(40.36)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(11.41)	(1.86)
Actuarial (Gain)/ Losses due to Experience on DBO	264.87	(400.54)
Return on Plan Assets (Greater) / Less than Discount rate	1.12	6.80
Total actuarial (gain)/loss included in OCI	254.58	-435.96
v) Assets Information		
i) Insured (fund is managed with Life insurance corporation of India)	47.59	142.21
%	10.69	53.35
ii) Non fund based (Company manages at its own)	397.66	124.37
%	89.31	46.65
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)	7.22%	7.50%
Expected rate of return on assets		
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	10%	11%
Attrition rate of employees	29%	29%
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, 2024		As at 31 March, 2023	
	Decrease	Increase	Decrease	Increase
Discounted rate	3.47%	(3.22%)	4.24%	(3.92%)
Salary increase	(3.42%)	3.55%	(4.17%)	4.41%
Attrition rate	0.82%	(0.79%)	1.64%	(1.58%)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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, 2024						As at 31 March, 2023						
	Amortised Cost			Carrying Amount			Amortised Cost			Carrying Amount			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
Financial Assets													
I. At Amortized Cost													
Non-current investments	-	-	-	-	-	-	24,645.10	-	-	-	-	-	24,392.39
Loans	-	-	-	-	-	-	94,689.37	-	-	-	-	-	78,562.52
Trade receivable	-	-	-	-	-	-	14,382.17	-	-	-	-	-	11,189.59
Cash & bank balance	-	-	-	-	-	-	291.68	-	-	-	-	-	458.18
Other bank balance	-	-	-	-	-	-	20.99	-	-	-	-	-	24.64
Other financial assets	-	-	-	-	-	-	8,760.57	-	-	-	-	-	38,728.95
Total							1,42,789.88						1,53,356.28
Financial Liabilities													
Borrowings	-	-	-	-	-	-	14,254.66	-	-	-	-	-	28,741.62
Trade payables	-	-	-	-	-	-	5,269.26	-	-	-	-	-	3,192.20
Other financial liabilities	-	-	-	-	-	-	2,333.47	-	-	-	-	-	2,820.78
Lease Liability	-	-	-	-	-	-	180.14	-	-	-	-	-	216.70
Total							22,037.53						34,971.30

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, 2024

(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, 2024			As at 31 March, 2023		
	USD	EURO	GBP	USD	EURO	GBP
Loan	51.25	59.69	8.62	40.15	57.56	8.37
Trade receivables	89.90	58.37	0.39	74.99	36.87	-
Cash and cash equivalents	1.22	0.36	0.01	0.14	0.16	0.01
Short-term borrowings	(6.00)	(5.55)	-	-	(7.80)	-
Trade payables	(1.61)	(1.92)	-	(5.52)	(2.42)	-
Net Foreign Currency Risk	134.76	110.95	9.02	109.76	84.38	8.38

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	
	31.03.2024	31.03.2023	31.03.2023	31.03.2022
USD-Sensitivity				
Increase by 1% (gain/(loss))	112.36	90.24	-	-
Decrease by 1% (gain/(loss))	(112.36)	(90.24)	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	100.10	75.61	-	-
Decrease by 1% (gain/(loss))	(100.10)	(75.61)	-	-
GBP-Sensitivity				
Increase by 1% (gain/(loss))	9.49	8.53	-	-
Decrease by 1% (gain/(loss))	(9.49)	(8.53)	-	-

(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, 2024

(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, 2024 and 31 March, 2023 respectively.

Particulars	31-Mar-24	31-Mar-23
Change in 0.50% interest on WCL	56.26	62.92

(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. Two customer are accounted for more than 10% of the trade receivable as of 31 March, 2024 and Three customer for 31 March, 2023. 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-24	31-Mar-23
Impairment loss recognised - trade receivable	21.66	80.57
%	0.15	0.72

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, 2024:

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	12,629.74	-	-	-
Long term borrowings	-	974.33	-	650.59
Trade and other payables	-	5,269.26	-	-
Lease liability	-	180.14	-	-
Other financial liability	-	2,333.47	-	-
Total	12,629.74	8,757.20	-	650.59

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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, 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 Liability	-	2,320.78	-	-
Total	12,583.16	9,607.82	12,280.33	-

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-24	31-Mar-23
Total Debts(A)	14,254.66	28,741.62
Total equity (B)	2,14,271.82	2,11,758.40
Net Debt to Equity Ratio A/B	0.07	0.14

37 Earnings Per Share ('Eps')

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Profit for the year before OCI from continuing operations	2,693.74	(4,948.30)
Profit for the year before OCI from discontinued operations	-	10,667.60
Shares		
Weighted average shares used for computing basic EPS	8,68,01,898	8,68,01,898
Weighted average shares used for computing diluted EPS	8,68,01,898	8,68,01,898
Earnings Per Share		
from continuing operations		
Basic (in ₹)	3.10	(5.70)
Diluted (in ₹)	3.10	(5.70)
from discontinued operations		
Basic (in ₹)	-	12.29
Diluted (in ₹)	-	12.29
Total operation		
Basic (in ₹)	3.10	6.59
Diluted (in ₹)	3.10	6.59

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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, 2024		For the year ended 31 March, 2023		
	Bengaluru Facility	Hyderabad Facility	Raichur Facility *	Bengaluru Facility	Hyderabad Facility
A) Eligible Expenses					
a) Capital Expenditure	342.61	60.47	56.64	228.08	17.31
b) Revenue Expenditure					
i) Employee Cost	1,238.45	900.51	594.22	1,983.78	846.51
ii) Research & Development expenses	178.14	197.67	320.04	605.42	263.19
iii) Equipment Maintenance	53.02	107.41	18.60	275.24	20.54
iv) Power & Fuel	0.11	84.97	0.24	0.57	71.04
v) Other Expenses	37.06	55.75	34.06	80.32	1.18
Total	1,849.39	1,406.78	1,023.81	3,173.41	1,219.76
Less : Revenue Income	124.75	68.62	181.99	37.62	68.56
Less : Sale of Assets	856.57	0.77	-	-	-
Total (A)	868.06	1,337.39	841.82	3,135.79	1,151.20
B) Ineligible Expenses					
a) Revenue Expenditure					
i) Misc. Expenses	64.55	115.71	11.91	133.15	159.59
ii) Depreciation	1,116.65	430.88	48.61	1,018.36	427.11
Total	1,181.21	546.59	60.52	1,151.51	586.70
b) Capital Expenditure	2.01	2.76	7.22	1,647.48	-
Total (B)	1,183.21	549.35	67.74	2,798.99	586.70
Total (A+B)	20,51.27	1,886.73	909.56	5,934.78	1,737.90

* 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 2023-24	For the year 2022-23
A) Amount required to be spent by the company during the year	241.71	397.52
B) Amount of expenditure on construction/acquisition of any asset	-	746.30
C) Amount of expenditure other than B above	241.71	397.52
D) Short fall at the end of the year	-	-
E) Total of previous year shortfall	-	-
F) Details of related party transaction	241.71	393.85

The Company has transferred ₹ 241.71 Lakhs (₹ 393.85 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.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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, 2024	For the year ended 31 March, 2023
Dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2023 : Nil (March 31, 2022: Rs. 1.10 per share)	-	954.82
Proposed Dividend on equity shares :		
Proposed dividend on equity shares for the year ended on March 31, 2024 NIL (March 31, 2023 : NIL)	-	-

41 Reconciliation Of Tax Expenses

(I) Income Tax

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Statement of Profit or loss		
On continuing operations		
Current Tax	1,128.65	(836.56)
Deferred Tax	(13.48)	(42.74)
On discontinued operations		
Current Tax	-	392.85
Deferred Tax	-	(3,965.24)
Amount recognised in statement of profit & loss account	1,115.17	(4,451.68)
Profit/(Loss) before tax from continuing operation after exceptional item	3,808.91	(5,827.60)
Profit before tax from discontinued operations	-	7,095.22
Profit before tax from operations	3,808.91	1,267.62
Tax at enacted tax rate in India C.Y. @ 34.944% (P.Y. 34.944%)	1,330.99	442.96
Effect of:		
Exempt Income & others(Net) (Sec. 10AA Benefit)	(140.85)	(177.15)
Non-deductible expenses for tax purpose	(34.75)	543.43
Income which is chargeable at different rate	-	(8.74)
Effect of Slump sale transaction (Net)	-	(5,799.07)
Others	(40.21)	546.89
Income tax expense reported in the profit or loss relating to operations	1,115.17	(4,451.68)

(II) Recognised Deferred Tax Assets / Liabilities

Movement of Deferred Tax Assets / Liabilities	As at 31 March, 2024	As at 31 March, 2023
Deferred Tax Liabilities		
Property, plant and equipment, and intangible assets	10,776.19	10,467.96
Gross Deferred Tax Liabilities	10,776.19	10,467.96
Deferred Tax Assets		
Defined benefit obligations/Employees benefit liability	138.96	45.86
MAT Credit Entitlement Benefit	7,600.12	6,471.47
On Business Losses	235.30	1,333.07
On doubtful loans & investments	110.06	-
Others	204.76	-
Gross Deferred Tax Assets	8,289.20	7,850.40
Net Deffered Liabilities	2486.99	2,617.56

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Movement of Deferred Tax Assets / Liabilities	As at 01 April, 2023	Recognised in statement of profit & loss	Recognised in OCI	As at 31 March, 2024
Deferred Tax Assets				
Defined benefit obligations /Employees benefit liability	45.86	4.16	88.95	138.97
MAT Credit Entitlement Benefit	6,471.47	1,128.65	-	7,600.12
On Business Losses	1,333.07	(1097.77)	-	235.30
On provision loans, Investment & Advances	-	110.06	-	110.06
Others	-	204.77	-	204.77
Total	7850.40	349.86	88.95	8,289.21
Deferred Tax Liabilities				
Property, plant and equipment, and intangible assets	10,467.96	308.23	-	10,776.19
Total	10,467.96	308.23	-	10,776.19
Net Deferred Liabilities recognised	2,617.56	(41.63)	88.95	2486.98

42 PAYMENTS TO AUDITORS

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
For Statutory audit fees	12.00	12.08
For Tax audit	7.00	3.00
For Certification	7.20	5.00
For Others	-	1.50
Total	26.20	21.58

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.

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, 2024	As at 31 March, 2023
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	1,747.14	1,780.62
Total	1,914.52	1,948.00

(b) Building

Particulars	As at 31 March, 2024	As at 31 March, 2023
Not later than one year	45.46	43.13
One to Five Year	7.61	53.07
Total	53.07	96.20

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

(c) The following are the amounts recognised in the statement of Profit or Loss :

Particulars	As at 31 March, 2024	As at 31 March, 2023
Depreciation expenses on right of use-assets	69.70	71.39
Interest expenses on lease liabilities	16.22	17.15
Total amount recognised in Profit or loss	85.92	88.54

(d) The following is the movement in lease liabilities during the year ended March 31, 2024

Particulars	Land	Buildings	Total
Balance as the beginning	127.00	89.70	216.70
Addition during the year	-	-	-
Finance cost accrued during the year	11.20	5.03	16.22
Disposals	-	-	-
Payment of lease liabilities	(9.66)	(43.13)	(52.78)
Balance as at March 31, 2024	128.54	51.61	180.14

(e) 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

(f) The following is the breakup of current and non current lease liability:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current lease liabilities	52.93	36.56
Non current lease liabilities	127.21	180.14
Total	180.14	216.70

45 FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Earning in Foreign Currency

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Products & Services	28,238.38	27,702.90
Others	885.35	711.53
Total	29,123.73	28,414.43

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

(ii) Expenditure in foreign currency

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Import of raw material	852.12	4,939.86
Others	3,795.16	3,640.34
Total	4,647.21	8,580.20

(iii) Dividend remitted in foreign currency

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Number of share holders	-	-
(b) Number of equity shares held		
(i) 2022-23	-	1,46,31,961
(ii) 2023-24	-	-
(c) Amount of Dividend Paid		
(i) 2022-23	-	160.95
(ii) 2023-24	-	-

46 Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the period from 01st April 2023 to 31st March 2024 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)

2. Subsidiaries

- Zatortia Holdings Ltd. (Wholly- owned Subsidiary)
- Shilpa- Therapeutics Pvt. Ltd. (Wholly-owned Subsidiary)
- INM Technologies Pvt. Ltd. (Wholly-owned Subsidiary)
- INM Nuvent Paint Pvt Limited (Step-down Subsidiary)
- Koanna Healthcare Ltd. U.K (Wholly-owned Subsidiary)
- Koanna Healthcare GmbH. Austria (Wholly- owned Subsidiary)
- Makindus LLC. USA. (Subsidiary)
- Shilpa Pharma Inc. (Wholly-owned Subsidiary)
- Shilpa Biocare Pvt. Ltd (Formerly known as Shilpa Albumin Pvt. Ltd.) (Wholly-owned Subsidiary)
- Shilpa Biologicals Pvt. Ltd. (Wholly-owned Subsidiary)
- Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.) (Wholly-owned Subsidiary)
- Koanna Healthcare Canada Inc. (Wholly-owned Subsidiary)
- INDO BIOTECH SDN. BHD (Wholly-owned Subsidiary)
- FTF Pharma Private Limited (Wholly-owned Subsidiary)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

- 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)
- s) Pilnova Pharma INC USA (Wholly-owned Subsidiary)

3. Joint Venture (JV)

- a) Reva Medicare Pvt. Ltd.
- b) Sravathi Advance Process Technologies Pvt. Ltd.
- c) Sravathi AI Technologies Pvt. Ltd. (JV)

4. (i) Key Management Personnel-(KMP)

- a) Vishnukant C. Bhutada - Managing Director
- b) Alpesh Dalal - Chief Financial Officer
- c) Kalakota Sharath Reddy - Whole Time Director
- d) Ritu Tiwari- Company secretary

(ii) Remuneration paid to Directors

- a) Omprakash Inani - Non-executive Chairman
- b) Arvind Vasudev - Independent Director
- c) Hetal Gandhi - Independent Director
- d) Anita Bandyopadhyay- Independent Women Director
- e) Kamal Kishore Sharma - Independent Director
- f) Sirisha Chintapalli -Independent Women Director (retired on 28.09.2022)

5. Relatives to promoters

- a) Deepak Kumar Inani
- b) Keshav Bhutada
- c) Madhav Bhutada
- d) Ramakant Inanni
- e) Sagar Innani
- f) Ravi Innani
- g) Triveni Inani

6. Enterprises having common Directors/ Board of Trustees

- a) Shilpa Foundation

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023
				Transaction	(Payable) / Receivable	Transaction	(Payable) / Receivable
A	Remuneration paid to Key Management Personnel						
i)	Vishnukant.C. Bhutada	Managing Director	Salary and perquisites/ Managerial commission*	350.00	(14.48)	555.80	(202.44)
ii)	Kalakota Sharath Reddy	Whole Time Director	Salary and perquisites	162.62	(7.71)	158.65	(5.80)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023
				Transaction	(Payable) / Receivable	Transaction	(Payable) / Receivable
iii)	Alpesh Dalal	Chief Financial Officer	Salary and perquisites	124.67	(5.57)	119.16	(3.02)
iv)	Ritu Tiwari	Company Secretary	Salary and perquisites	45.10	(2.39)	45.00	(2.71)
B	Remuneration paid to other Directors						
i)	Omprakash Inani	Chairman & Non-executive Chairman	Sitting Fees	3.50	-	2.00	-
ii)	Sirisha Chintapalli	Independent Woman Director	Sitting Fees	-	-	1.50	-
iii)	Arvind Vasudev	Independent Director	Sitting Fees	-	-	0.50	-
v)	Hetal Madhukant Gandhi	Independent Director	Sitting Fees	-	-	0.50	-
vii)	Arvind Vasudev	Independent Director	Remuneration	30.00	(6.75)	29.50	(6.75)
viii)	Hetal Madhukant Gandhi	Independent Director	Remuneration	40.00	(9.00)	39.50	(9.00)
ix)	Anita Bandyopadhyay	Independent Director	Remuneration	18.00	(4.05)	11.50	(4.05)
x)	Kamal Kishore Sharma	Independent Director	Remuneration	30.00	(6.75)	22.50	(6.75)
C	Relative						
i)	Deepak Kumar Inani	Relative to Director	Salary and perquisites	86.82	(4.60)	80.36	(3.92)
ii)	Keshav Bhutada	Relative to Managing Director	Salary	-	-	24.76	(0.64)
iii)	Madhav Bhutada	Relative to Managing Director	Salary	-	-	24.76	(0.64)
iv)	Ramakant Innani	Finance Manager	Salary and perquisites	91.47	(4.89)	84.03	(4.09)
v)	Ravi Kumar Innani	General Manager	Salary and perquisites	62.86	(3.08)	57.66	(1.90)
vi)	Sagar Innani	Relative to Promoter	Salary and perquisites	12.40	(0.82)	10.80	(0.30)
vii)	Keshav Bhutada	Relative to Managing Director	Rent	-	-	1.20	-
viii)	Madhav Bhutada	Relative to Managing Director	Rent	-	-	1.20	-
ix)	Triveni Inani	Relative to Director	Rent	-	-	0.85	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024 (Payable) / Receivable	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023 (Payable) / Receivable
				Transaction	Transaction	Transaction	Transaction
D	Others						
i)	Koanna Healthcare GmbH, Austria	Wholly owned Subsidiary					
			Sales of Goods or Service	-	-	91.08	-
			Interest Income (Loan)	318.98	-	308.04	-
			Loan repaid during the year	-	-	248.32	-
			Loan given during the year	66.88	-	-	-
			Loan Receivable	-	4,514.93	-	4,417.19
			Trade Receivable	-	30.34	-	411.91
			Trade Payable	-	-	-	90.18
			Interest accrued but not received (Loan)	-	320.76	-	308.04
			Investment in equity Shares	-	77.63	-	77.63
			Sales Return	390.21	-	-	-
ii)	Koanna Healthcare Ltd, United Kingdom	Wholly owned Subsidiary					
			Interest Income (Loan)	77.73	-	58.07	-
			Loan given during the year	51.86	-	107.14	-
			Loan repaid during the year	26.91	-	-	-
			Loan Receivable	-	907.35	-	852.40
			Interest accrued but not received (Loan)	-	79.45	-	58.07
			Investment in equity Shares	-	0.10	-	0.10
iii)	Shilpa Therapeutics Pvt. Ltd.	Wholly owned Subsidiary					
			Purchases of Goods or Service	25.25	-	115.21	-
			Sales of Goods or Service	4.08	-	10.89	-
			Interest Income (Loan)	545.43	-	415.76	-
			Dividend Income (Preference shares)	3.20	-	3.20	-
			Corporate Guarantees to Banks **	-	-	-	3,000.00
			Loan given during the year	1,925.76	-	1,135.00	-
			Loan Receivable	-	7,965.06	-	6,039.30
			Trade Payable	-	(0.58)	-	(107.51)
			Interest accrued but not received (Loan)Net of TDS	-	490.89	-	374.19
			Dividend accrued but not received (Pref Share)	-	32.01	-	28.81
			Income on Corp Guarantee	12.10	-	15.59	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023
				Transaction	(Payable) / Receivable	Transaction	(Payable) / Receivable
			Investment in equity Shares	-	1,112.46	-	1,112.46
			Investment in Preference equity Shares	-	40.00	-	40.00
iv)	Zatortia Holdings Limited	Wholly owned Subsidiary					
			Loan Receivable	-	-	-	1.34
			Investment written off			58.53	-
			Investment in Equity Shares	-	-	-	4.53
v)	INM Technologies Pvt. Ltd.	Wholly owned Subsidiary					
			Purchases of Capital goods	-	-	27.87	-
			Interest Paid (Loan)	67.62	--	66.77	-
			Dividend Income (Preference shares)	260.30	-	260.30	-
			Loan received	84.00	-	-	-
			Loan Payable	-	(974.33)	-	(890.33)
			Interest accrued but not paid (Loan)	-	(60.86)	-	(60.10)
			Dividend accrued but not received (Preference shares)	-	1,965.32	-	1,705.02
			Investment in Equity Shares	-	113.25	-	113.25
			Investment in Pref Shares	-	4,246.77	-	4,246.77
vi)	Reva Medicare Pvt. Ltd.	Joint Venture					
			Commission charges	77.40	-	93.16	-
			Sales of Goods or Service	4.20	-	4.20	-
			Trade Payable	-	(8.25)	-	(120.27)
			Commission Accrued but not paid	-	(70.27)	-	(36.32)
			Trade Receivable	-	0.41	-	-
			Investment in equity shares	-	0.50	-	0.50
vii)	Maia Pharmaceuticals INC. USA	Associates					
			Investment in equity shares	-	795.69	-	795.69
viii)	Shilpa Pharma INC. USA	Wholly-owned Subsidiary					
			Interest Income (Loan)	199.23	-	124.44	-
			Commission	83.23	-	-	-
			Interest accrued but not received (Loan)		201.20	-	124.44

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024 (Payable) / Receivable	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023 (Payable) / Receivable
				Transaction	Transaction	Transaction	Transaction
			Loan Given during the year	593.40	-	442.75	-
			Loan Receivable	-	2,430.35	-	1,808.77
			Investment in equity shares	-	0.07	-	0.07
ix)	Sravathi Advance Process Technologies Pvt. Ltd.	Joint Venture					
			Investment in equity shares	3,990.00	3,995.58	-	6.50
			Investment in Pref Shares	(3,990.00)	-	889.00	3,732.50
x)	Shilpa Biocare Pvt. Ltd (Erstwhile Shilpa Albumin Pvt. Ltd.)	Wholly-owned Subsidiary					
			Sales of Goods or Service	-	-	20.94	-
			Sales of Capital Goods	64.00	-	-	-
			Purchase of Capital Goods	182.76	-	-	-
			Interest Income (Loan)	1,439.21	-	931.85	-
			Loan given during the year	4,281.00	-	10,967.46	-
			Loan repaid during the year	135.00	-	-	-
			Loan Receivable	-	21,467.29	-	16,482.62
			Interest accrued but not received (Loan) Net of TDS	-	1,295.29	-	838.66
			Trade Receivable	-	47.42	-	3.26
			Corp Guarantee to Banks ****	-	15,000.00	-	15,000.00
			Corporate Guarantee Income	14.26	-	3.77	-
			Investment in equity shares(financial gaurantee)	52.44	2,052.44	45.46	2,045.46
xi)	Shilpa Biologicals Pvt. Ltd.	Wholly-owned Subsidiary					
			Sales of Goods or Service	31.40	-	17.57	-
			Sales of Capital Goods	1.52	-	-	-
			Sales other consumables	8.66	-	-	-
			Purchases of Goods or Service	12.47	-	-	-
			Purchases of Capital goods	83.28	-	36.95	-
			Expenses incurred by related party on behalf of Shilpa	-	-	-	-
			Interest Income (Loan)	4,017.50	-	3,225.28	-
			Trade Receivable	-	19.55	-	-
			Loan given during the year	5,996.00	-	8,428.04	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023
				Transaction	(Payable) / Receivable	Transaction	(Payable) / Receivable
			Loan repaid during the year	150.00	-	-	-
			Loan Receivable	-	55,396.34	-	46,647.59
			Interest accrued but not received (Loan) Net of TDS	--	3,615.75	-	2,902.75
			Income on Corp Gaurantee/Written back Corporate Guarantees to Banks/NCD ***	96.45	-	85.35	-
			Investment in equity shares	10,000.00	10,000.00	-	25,000.00
xii)	Shilpa Foundation	Trust in which key management are the board of trustees or Director are Trustee		-	3,360.93	-	3,360.93
			Corporate Social Responsibility Expenses	241.71	-	397.54	-
xiii)	FTF PHARMA PVT LTD	Wholly-owned Subsidiary					
			Sales of Goods or Service	31.66	-	3.86	-
			Sales of capital Goods	544.17	-	-	-
			Sale of Consumables	3.32	-	-	-
			Purchases of Goods or Service	142.55	-	335.41	-
			Trade Receivable	-	606.09	-	-
			Advance paid against PO	-	-	-	227.57
			Corporate Guarantees to Banks ****	-	-	-	1,204.50
			Investment in Equity shares	-	6,577.97	-	6,577.97
			Investment in Pref shares	-	390.00	-	390.00
			Dividend on Pref Shares	20.93	-	-	-
			Dividend accrued but not received (Preference shares)	-	20.93	-	-
			Trade Payable	-	(1.17)	-	-
xiv)	Koanna Healthcare Canada INC	Wholly-owned Subsidiary					
			Interest Income (Loan)	86.73	-	61.86	-
			Loan given during the year	184.04	-	228.86	-
			Loan repaid during the year	-	-	91.07	-
			Loan Receivable	-	1,170.86	-	972.09
			Interest accrued but not received (Loan)	-	87.15	-	61.86
			Investment in equity shares	-	0.06	-	0.06

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023
				Transaction	(Payable) / Receivable	Transaction	(Payable) / Receivable
xv)	Auxilla Pharmaceuticals and Research LLP	Investment Entity					
			Purchases of Goods or Service	-	-	78.36	-
xvi)	Shilpa Pharma Lifesciences Limited (Formerly known as Shilpa Corporate Holdings Pvt. Ltd.)	Wholly owned Subsidiary	Sales of Goods and services	1,207.65	-	903.56	-
			Wind Energy Sales	228.29	-	285.76	-
			Sale of Capital Goods	204.97	-	-	-
			Purchase of goods	8,146.55	-	4,129.45	-
			Interest paid	9.24	-	32.60	-
			Interest Income (Loan)	25.67	-	-	-
			Trade Payable	-	(3,438.24)	-	(574.67)
			Loan given during the year	1,080.00	-	892.22	-
			Loan repaid during the year	1,080.00	-	951.50	-
			Trade Receivable	-	43.38	-	583.45
			Slump Sales	-	-	47,228.00	-
			Consideration	-	-	-	31,601.08
			Slump Sales	-	-	-	-
			Consideration	-	-	-	-
			Receivable	-	-	-	-
			Investment in Equity shares	-	1,000.00	-	1,000.00
			Loan Received	4,075.00	-	-	-
			Loan Repaid	2,675.00	-	-	-
			Loan Payable	-	(1,376.89)	-	-
			Interest due but not paid (Loan)	-	(8.32)	-	-
			Corporate Guarantees to NCD	35,000.00	35,000.00	-	-
			Corporate Guarentee Income	50.00	-	-	-
xvii)	INDO BIOTECH SDN. BHD	Wholly owned Subsidiary					
			Interest Income (Loan)	85.32	-	81.81	-
			Interest accrued but not received (Loan)	-	231.80	-	81.81
			Loan Receivable	-	942.13	-	929.05
			Investment in equity shares	-	4.42	-	4.42

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023
				Transaction	(Payable) / Receivable	Transaction	(Payable) / Receivable
xviii)	Koanna International FZ LLC. UAE	Wholly owned Subsidiary		-	-	-	-
			Interest Income (Loan)	53.44	-	39.17	-
			Interest accrued but not received (Loan)		93.68	-	39.17
			Loan given during the year	37.17	-	238.21	-
			Loan Receivable		608.63	-	563.19
			Investment in Equity shares		1.98	-	1.98
xix)	Koanaa Healthcare Spain, S.L. Spain	Wholly owned Subsidiary					
			Sales of Goods and services	292.98	-	-	-
			Interest Income (Loan)	60.46	-	38.15	-
			Interest accrued but not received (Loan)	-	60.80	-	38.15
			Purchase of Goods/Service	96.06	-	-	-
			Purchase of Capital Goods	21.25	-	-	-
			Loan given during the year	125.57	-	234.60	-
			Loan Receivable	-	870.60	-	739.26
			Investment in Equity shares	-	6.24	-	6.24
			Corp Gaurantee	-	141.04	-	143.37
			Trade receivable	-	75.78	-	-
			Trade Payable	-	(115.98)	-	-
xx)	Vegil Labs Private Limited	Wholly owned Subsidiary					
			Interest Income (Loan)	22.22	-	10.18	-
			Interest accrued but not received (Loan)	-	-	-	9.16
			Loan given during the year	150.00	-	280.25	-
			Loan repaid during the year	439.41	-	-	-
			Loan Receivable	-	-	-	280.25
			Investment in Equity shares	-	951.00	-	951.00
			Loan Received	650.59	-	-	-
			Loan Payable	-	(650.59)	-	-
			Interest Paid	7.80	-	-	-
			Interest accrued but not paid (Loan)	-	(7.02)	-	-
xxi)	Shilpa Lifesciences Private Limited	Step down Subsidiary					
			Interest Income (Loan)	20.35	-	22.00	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024	Balance as at 31 st March 2024	01 st April 2022 to 31 st Mar 2023	Balance as at 31 st Mar 2023
				Transaction	(Payable) / Receivable	Transaction	(Payable) / Receivable
			Interest accrued but not received (Loan)	-	18.32	-	16.97
			Loan given during the year	19.47	-	7.83	-
			Loan repaid during the year	2.50	-	-	-
			Loan Receivable	-	270.05	-	253.08
xxii)	Makindus LLC USA		Investment in Equity shares	-	454.20	-	454.20
xxiii)	Pilnova Pharma INC USA	Wholly owned Subsidiary	Investment in Equity shares	0.08	0.08	-	-
			Loans Given during the year	291.81	-	-	-
			Loan receivable	-	291.81	-	-
			Interest received	3.46	-	-	-
			Interest accrued but not received	-	3.50	-	-
xxiv)	Reva Pharmachem Pvt Ltd		Investment in Equity shares	-	10.00	-	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.
- ** the outstanding liabilities against corporate guarantee given to Non-convertible Debenture holders on behalf of Shilpa Pharma Lifesciences Ltd. is for the financial period ended 31.03.2024 is ₹ 35,000.00 lakhs (As on 31.03.2023 ₹ Nil)
- *** the outstanding liabilities against corporate guarantee given to Non-convertible Debenture holders on behalf of Shilpa Biologicals Pvt. Ltd. is for the financial period ended 31.03.2024 is ₹ 10,000.00 lakhs (As on 31.03.2023 ₹ Nil)
- **** the outstanding liabilities against corporate guarantee given to banks on behalf of FTF Pharma Pvt. Ltd. is for the financial period ended 31.03.2024 is ₹ Nil (As on 31.03.2023 ₹ 228.80 lakhs)
- ***** the outstanding liabilities against corporate guarantee given to banks on behalf of Shilpa Biocare Pvt Ltd. is for the financial period ended 31.03.2024 is ₹12,485.56 lakhs (As on 31.03.2023 ₹6,429.06 lakhs)
- c) The Company Reva Pharmachem P Ltd has applied for strike off on 26.03.2024

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

- 47** A sum of Rs.53.13 lakhs is payable to Micro and Small Enterprises as at 31 March, 2024 (Rs. 459.71 lakhs as at 31 March, 2023). There are Rs.46.86 Lakhs dues outstanding more than 45 days to Micro and Small Enterprises during the year 31 March, 2024. 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 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 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 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 matter was placed before special bench on 22nd July 2024. It is now placed before the Regular Bench on 13th September 2024. The Company is awaiting for the final order of the Hon'ble tribunal in this regard.
- 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 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.

- 50** Balance of trade receivables/ trade payables/advances and security deposits are subject to confirmation

51 Additional disclosures required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013;

- 1) The Company do 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 do not have any transactions with companies struck off.
- 3) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 4) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

- 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 Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 7) The Company 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 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 31,2024 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	7,037.41	5,188.27	1,682.81	399.80	100.44	290.92	14,382.17
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	(39.55)	(277.94)	-
Total	7,037.41	5,188.27	1,682.81	399.80	60.89	12.98	14,382.17

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	555.57	11,189.59
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

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	555.57	11,189.59
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
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

Trade payables Ageing Schedule as at March 31, 2024

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	
a)	MSME	53.13	-	-	-	53.13
b)	Others	5136.82	63.93	8.65	6.73	5,216.13
	Total	5,189.95	63.93	8.65	6.73	5,269.26

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	
a)	MSME	459.01	0.70	-	-	459.71
b)	Others	2,480.35	168.11	78.45	5.59	2,732.50
	Total	2,939.36	168.81	78.45	5.59	3,192.21

Capital Work in Progorss (CWIP) Ageing Schedule as at March 31,2024

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	247.05	66.47	39.36	155.21	508.09
Project temporarily suspended	6.03	0.72	446.52	30.49	483.76
Total	253.08	67.19	485.88	184.02	991.85

Capital Work in Progorss (CWIP) Ageing Schedule as at March 31,2023

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	962.27	957.67	320.05	57.43	2,297.42
Project 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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

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

Intangible assets under development (IAUD) as at March 31, 2024

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	3,141.52	2,265.73	4,216.64	12,208.01	21,831.91
Project temporarily suspended	-	-	-	-	-
Total	3,141.52	2,265.73	4,216.64	12,208.01	21,831.91

Intangible assets under development (IAUD) as at March 31, 2023

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	2,464.45	3,680.39	5,564.44	6,749.56	18,458.84
Project temporarily suspended	-	-	-	-	-
Total	2,464.45	3,680.39	5,564.44	6,749.56	18,458.84

Raio Analysis and its elements

Sr No	Particulars	Numerator	Denominator	31 st March 2024	31 st March 2023	Change in ratio	Reasons for variance
1	Current Ratio	Current Assets	Current Liabilities	1.67	2.63	(37%)	Decrease is on account of receipt of full sale consideration towards slump sale during the year.
2	Debt Equity Ratio	Total Debt	Share holder equity	0.07	0.14	(51%)	Decrease is primarily on account of full repayment of term loan made out of proceeds from issue of NCD during the year.
3	Debt service coverage ratio	Earnings available for debt service	debt service	0.68	2.11	(68%)	Decrease is primarily on account of full repayment of term loan made out of proceeds from issue of NCD during the year.
4	Inventory turnover ratio	Cost of Goods sold	Average inventory	0.86	1.85	(53%)	Decrease is mainly on account of rise in the margin & fall in the price of raw materials.
5	Return on equity	Net profit after taxes	Average shareholders equity	1.26%	(2.37%)	153%	This is mainly on account of significant increase in sales & proportionate reduction in the expenses during the year.
6	Trade receivable turnover ratio	Revenue	Average Trade Receivables	2.42	4.14	(41%)	Decrease is primarily on account of revenue from discontinued operations considered for previous year.
7	Trade payable turnover ratio	Purchase of trade and services	Average Trade Payables	4.25	11.25	(62%)	Decrease is primarily on account of purchases from discontinued operations considered for previous year.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2024

(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 2024	31 st March 2023	Change in ratio	Reasons for variance
8	Net Capital turnover ratio	Revenue	Working Capital	1.47	1.90	(23%)	
9	Net Profit ratio	Net Profit	Revenue	6.3%	(9.6%)	166%	This is mainly on account of significant increase in sales & proportionate reduction in the expenses during the year.
10	Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	5.74%	2.47%	133%	This is mainly on account of significant increase in sales & proportionate reduction in the expenses during the year.
11	Return on investment	Income generated from investments	Investments	NA	NA		The Company is not having any market linked investments

* All ratios have been given excluding discontinuing operations

52 The ICC International court of Arbitration, London in terms of its order dated January 22, 2024 has pronounced an arbitration award to Celltrion Inc of \$ 3.05 MN for breach of contract and interest till the date of payment and legal cost of \$0.7 MN which aggregating to Rs.3,659.10 Lakhs as on 31 March 2024. The Company is legally advised that it has sufficient grounds to challenge the order at appropriate forum and is proposing to act accordingly to the legal advice and hence the ultimate outcome of the order cannot be determined presently. Therefore, the management is of the view that no provision deemed necessary as of now in respect of this matter in the financial statements and the same is disclosed as a contingent liability.

53 Events after the reporting period:

Capital infusion through "Qualified Institutions Placement (QIP)

The Company has raised Rs 50,000.00 Lakhs on 13th April 2024 thorough Qualified Institutional placement of equity shares & allotted 1,09,89,010 Equity Shares of face value ₹1 each to eligible qualified institutional buyers at the issue price of ₹455 per Equity Share, i.e., at a premium of ₹454 per Equity Share (which includes a discount of ₹22.33 per Equity Share (4.68% of the floor price) to the floor price of ₹477.33 per Equity Share, aggregating to ₹4,99,99,99,550 (Rupees Four Hundred and Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Five Hundred Fifty only).

54 Figures of the previous year have been regrouped/rearranged wherever necessary.

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 : Mumbai
 Date :23.05.2024

Ritu Tiwary
 Company Secretary

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, 2024, 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, 2024, of its consolidated profit and other comprehensive loss, 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.

Emphasis of Matter

We draw your attention to note no 45 in respect of unfavourable foreign arbitration award dated 22.01.2024 to Celltrion Inc, of Rs.3,659.10 lakhs towards breach of contract along with legal cost and interest calculated upto the year end date, which the company is proposing to challenge at the execution stage based on the legal advice. Hence the management is of the view that no provision is required as of now in respect of this matter in the Financial Statements.

Our opinion is not modified in respect of this matter.

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

Impairment of intangible assets under development

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 2024.

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

Auditor's Response

Principal audit procedures

- 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;

Key Audit Matters

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.

For further information on the carrying value of intangible assets refer to:

- 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, 2024.

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

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 2024 is Rs.7,670.61 Lakhs (refer note 1.1 (r) to the consolidated financial statements).

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.

Auditor's Response

- 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.

Principal audit procedures

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

- 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.

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.

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

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

The Holding Company's Board of Directors are responsible for the other information. The other information comprises of the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

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.7894.23 Lakhs as at March 31, 2024, total revenue of Rs. 2,973.00 Lakhs, total net (loss) after tax of Rs. (110.74) Lakhs, total comprehensive loss of Rs. (113.42) and net cash flows of Rs. 583.82 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. (95.40) Lakhs for the year ended March 31, 2024, 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. 4,301.39 Lakhs as at March 31, 2024 and total revenue of Rs. 1,602.12 Lakhs, total net (loss) after tax of Rs. (411.38) Lakhs, and net cash flows of Rs. (107.65) 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, 2024 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 auditors 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 except for the matters stated in paragraph 2(h) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- (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, 2024 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, 2024 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. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 143(3)(1)(vii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
 - iii. 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.
 - iv. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India.
 - v.
 - (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.
- vi. During the year, no dividend is declared or paid by the company.
- vii. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, except for the below mentioned entities, the company, its subsidiaries, associates and joint ventures have used an accounting software for maintaining its

books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares.

S. No	Name of the entity	Relationship
01	INM Technologies Private Limited	WOS
02	Shilpa Lifesciences Private Limited	WOS
03	Vegil Labs Private Limited	WOS
04	Reva Medicare Private Limited	Joint Venture
05	Sravathi AI Technologies Private Limited	Joint Venture
06	INM Nuvent Paints Pvt Ltd	Stepdown Subsidiary

Further, audit trail (edit log) facility for the payroll data was not enabled throughout the year in the Holding Company, its subsidiaries, associates and joint ventures where we are the auditors.

Further, during the course of our audit, we and respective auditors of the subsidiaries, did not come across any instance of audit trail feature being tampered with.

As proviso to Rule (1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) 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 and by the auditors of other Companies included in the consolidated financial statements of the Holding Company, no unfavourable answers or qualifications or adverse

remarks have been reported in their CARO reports except for our remarks vide our report dated May 23, 2024 which is reproduced as under:

- iii (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, except for following subsidiaries, there are no other loans which have been granted and 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.

Name of the entity	Amount	% to total loans granted during the year	Due date	Remarks
Koanaa Healthcare Ltd, Austria	4,514.93	24.55%	December 31, 2023	Extended to March 31, 2029 through amendment
Koanaa Healthcare Ltd, UK	907.35	4.93%	December 31, 2023	Extended to March 31, 2029 through amendment
Shilpa Pharma Inc	2,430.35	13.21%	September 17, 2023	Extended to March 31, 2029 through amendment

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

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

CA. Yogesh R Bung

Partner

Membership No. 143932
UDIN : 24143932BKAE0G3243

Place : Mumbai
Date : 23.05.2024

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, 2024, 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, 2024 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. 0008127S/S200013

CA. Yogesh R Bung

Partner

Place : Mumbai
Date : 23.05.2024

Membership No. 143932
UDIN : 24143932BKAE0G3243

Consolidated Balance Sheet

As at 31 March, 2024

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

Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
Non-Current Assets			
(a) Property, plant & equipment	2	1,16,592.12	1,15,148.02
(b) Right-of-use assets	2A	2,727.20	2,796.90
(c) Capital work-in-progress	3	40,300.13	35,803.85
(d) Goodwill		4,623.08	4,552.67
(e) Intangible assets	4	14,543.83	14,335.86
(f) Intangible assets under development	5	31,577.91	29,728.91
(g) Financial assets	6		
(i) Investments		3,990.92	4,265.82
(ii) Other financial assets		636.03	626.60
(h) Deferred tax Assets (net)	16	1,026.14	-
(i) Other non-current assets	7	5,620.56	6,178.55
Total Non-Current Assets		2,21,637.92	2,13,437.18
Current Assets			
(a) Inventories	8	34,492.81	31,982.10
(b) Financial assets	9		
(i) Investments		-	-
(ii) Trade receivables		39,204.55	32,434.91
(iii) Cash and cash equivalents		3,022.56	2,131.82
(iv) Other bank balance other than (iii) above		20.99	24.64
(v) Others financial assets		285.06	300.16
(c) Other current assets	10	10,187.73	9,198.66
(d) Current tax assets (net)	11	468.84	883.17
Total Current Assets		87,682.54	76,955.46
TOTAL ASSETS		3,09,320.46	2,90,392.64
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	868.02	868.02
(b) Other equity	13	1,80,001.39	1,77,459.68
Equity attributable to owners of the Company		1,80,869.41	1,78,327.70
(c) Non-controlling interest		(873.72)	(892.05)
Total Equity		1,79,995.69	1,77,435.65
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities	14		
(i) Borrowings		56,015.99	28,881.89
(ii) Lease liability		127.21	180.14
(iii) Others		-	500.00
(b) Provisions	15	2,242.92	1,764.90
(c) Deferred tax liabilities (Net)	16	-	1,405.08
(d) Other non-current liabilities	17	1,603.83	1,780.33
Total Non Current Liability		59,989.95	34,512.34
Current Liabilities			
(a) Financial liabilities	18		
(i) Borrowings		37,542.73	50,690.29
(ii) Lease liability		52.93	36.56
(iii) Trade payables			
- Total outstanding dues of micro and small enterprises		558.53	1,842.35
- Total outstanding dues of other than micro and small enterprises		16,923.89	12,437.66
(iv) Other financial liabilities		9,479.74	8,485.82
(b) Other current liability	19	2,719.11	2,859.52
(c) Provisions	20	2,057.89	2,092.45
Total Current Liabilities		69,334.82	78,444.77
TOTAL EQUITY & LIABILITIES		3,09,320.46	2,90,392.64

The accompanying notes form an integral part of the consolidated financial statements.

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 : Mumbai
Date :23.05.2024

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 Profit and Loss

for the year ended 31 March, 2024

(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, 2024	For the year ended 31 March, 2023
INCOME			
(a) Revenue from operations	21 & 22	1,15,160.30	1,05,011.24
(b) Other income	23	817.05	1,739.97
Total Income		1,15,977.35	1,06,751.21
EXPENSES			
(a) Cost of materials consumed	24	42,431.76	36,746.08
(b) Purchases of stock-in trade	25	1,801.39	3,398.49
(c) Change in inventories of finished goods, work-in-progress and stock-in- trade	26	(3,477.76)	1,498.32
(d) Employee benefits expense	27	28,149.31	28,639.30
(e) Finance costs	28	9,180.94	5,865.21
(f) Depreciation and amortisation expenses	2 & 4	10,786.99	9,549.90
(g) Other expenses	29	21,805.89	24,500.88
Total Expenses		1,10,678.52	1,10,198.18
Profit before Share of Profit/(loss) in Associate/ Joint Venture, Exceptional item and tax		5,298.83	(3,446.97)
Share of Profit / (loss) in Associate/ Joint Venture, net of tax		(477.84)	(380.97)
Profit before Exceptional item and tax		4,820.99	(3,827.94)
Exceptional (income) / expense	30	(613.07)	-
Profit before tax		5,434.06	(3,827.94)
Tax Expenses			
a) Current Tax		4,529.50	3,413.10
b) Deferred Tax (net of MAT credit)		(2,290.95)	(4,143.76)
Total Tax Expenses		2,238.55	(730.66)
Profit for the year		3,195.51	(3,097.28)
Other comprehensive Income/ (Expenses)			
(a) Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit (liability)/asset		(346.92)	407.38
Income Tax relating to the above		109.86	(79.04)
(b) Items that will be reclassified to profit or loss			
Total Other Comprehensive Income/(Loss) for the year		(237.06)	328.34
Total Comprehensive Income/(Loss) for the year		2,958.45	(2,768.94)
Profit for the year attributable to:			
a) Owners of the Company		3,187.42	(3,253.32)
b) Non Controlling Interest		8.09	156.04
Other Comprehensive Income for the year attributable to:			
a) Owners of the Company		(237.06)	328.34
b) Non Controlling Interest		-	-
Total Comprehensive Income for the year attributable to:			
a) Owners of the Company		2,950.36	(2,924.97)
b) Non Controlling Interest		8.09	156.04
Earning per equity share , par value of Re. 1/- each			
Basic (Rs)		3.67	(3.75)
Diluted (Rs)		3.67	(3.75)

The accompanying notes form an integral part of the consolidated financial statements.

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 : Mumbai
Date :23.05.2024

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, 2024

(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, 2022	868.02
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	868.02
Changes in equity share capital during the year	-
Balance as at 31 March, 2024	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, 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 including dividend distribution tax	-	-	(954.82)	-	-	-	-	(954.82)
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
Addition/Deletion during the year	-	-	74.10	-	37.21	(519.96)	-	(408.66)
Profit for the year	-	-	3,187.43	-	-	-	-	3,187.43
Other Comprehensive income, net of tax	-	-	-	-	(237.06)	-	-	(237.06)
Dividend paid	-	-	-	-	-	-	-	-
Security premium raised during the year	-	-	-	-	-	-	-	-
Balance as at 31 March, 2024	72,495.15	5,182.68	1,03,379.56	(2.59)	(300.71)	(761.46)	8.76	1,80,001.39

The accompanying notes form an integral part of the consolidated financial statements.

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.
- Remeasurement 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 : Mumbai
Date :23.05.2024

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 Cash Flow

for the year ended 31 March, 2024

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

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Cash Flows from Operating Activities		
Profits Before Tax (PBT)	5,434.07	(3,827.95)
Adjustment for:		
Finance cost	9,180.94	5,865.21
Depreciation & Amorisation expenses	10,786.99	9,549.90
Provision for Gratuity & Compensated absence	535.73	379.87
Bad debts / Advances written off	472.09	44.54
Provision for doubtful debts	176.91	128.40
Provision for advances to suppliers	84.08	94.70
Liabilities written back	(213.52)	(1,024.98)
Government Grant	(150.36)	(156.51)
(Profit)/ Loss on sale of Assets	(54.36)	26.48
Unrealized foreign exchange (Gain) / Loss	85.30	(406.39)
Share of (profit) / Loss of associates and Joint Ventures	477.84	380.97
Interest Income	(138.40)	(101.45)
Profit on sale of investments	(666.12)	-
Operating profit before working capital changes	26,011.19	10,952.79
Movement in working capital		
(Decrease) / Increase in financial & non-financial liabilities	(656.47)	(219.93)
Decrease / (Increase) in Financial & non-financial Assets	(1,037.84)	681.17
Decrease / (Increase) in Inventory	(2,510.71)	3,541.73
Decrease / (Increase) in Trade receivables	(7,589.87)	6,506.36
(Decrease) / Increase in Trade payables	3,432.72	(232.28)
Net Cash flow generated from Operations	17,649.02	21,229.84
Taxes paid	(4,115.18)	(3,237.48)
Net Cash flow generated from Operating activities (A)	13,533.84	17,992.36
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment including intangible assets (Refer Note No 1)	(18,456.05)	(22,666.74)
Proceeds from sale of assets	1,209.85	120.87
Investments in Group Companies and Others	(650.64)	(892.97)
Sale of Investments in Associate	1,100.00	-
Interest received	138.40	127.62
Dividend received from equity accounted investees	-	50.00
Net cash used in Investing Activities (B)	(16,658.44)	(23,261.22)
Cash Flows From Financing Activities		
Interest paid	(9,236.90)	(5,791.91)
Payment of Lease liabilities (Net)	(52.78)	(54.41)
Long-term loans and borrowings (net)	12,330.07	(2,745.29)
Short-term loans and borrowings (net)	1,637.11	14,126.23
Dividend paid including DDT	-	(954.82)
Net Cash earned from Financing Activities (C)	4,677.50	4,579.80
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	1,552.90	(689.06)
Change in foreign currency translation arising on consolidation	(417.50)	33.97
Cash & Cash Equivalents at the Beginning of the year	1,907.14	2,562.23
Cash & Cash Equivalents at the end of the period	3,042.54	1,907.14

Consolidated Statement of Cash Flow

for the year ended 31 March, 2024

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

Components of Cash and Cash Equivalents	For the year ended 31 March, 2024	For the year ended 31 March, 2023
- Cash in Hand	32.62	30.13
- Balances with banks - on current accounts	2,261.97	1,952.70
- Balances with banks - on unpaid dividend accounts*	20.99	24.64
- Deposits with original maturity of less than 03 months	727.98	148.99
- Book overdraft	(1.02)	(249.32)
Total Cash and Cash Equivalents	3,042.54	1,907.14

* The Company can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

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 ₹1.02 Lakhs (PY ₹249.32 Lakhs) for the period ended 31 March 2024.
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.

The accompanying notes form an integral part of the consolidated financial statements.

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

Place : Mumbai
Date :23.05.2024

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 2024

(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, 2024. 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, 2024 were approved by the Board of Directors on May 23, 2024.

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

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

adding together like items of assets, liabilities, equity, income and expenses. InterCompany transactions, balances and unrealised gains on transactions between 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 2024

(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	Shilpa Therapeutics Pvt. Ltd. (Shilpa Therapeutics')	India	100.00%
2	Makindus. Inc ('Makindus')	Delaware (USA)	55.78%
3	INM Technology Private Limited ('INM')	India	100.00%
4	INM Nuvent Paint Pvt Ltd (Step-down Subsidiary)	India	75.00%
5	Koanna Healthcare Limited	United Kingdom	100.00%
6	Koanna Healthcare GmbH	Austria	100.00%
7	Shilpa Pharma Inc.	USA	100.00%
8	Shilpa Biologicals Private Limited	India	100.00%
9	Shilpa Biocare Pvt. Ltd.(Erstwhile Shilpa Albumin Private Limited)	India	100.00%
10	Shilpa Pharma Lifesciences Limited (Previously referred Shilpa Corporate Holdings Pvt. Ltd.)	India	100.00%
11	FTF Pharma Private Limited	India	100.00%
12	Koanna Healthcare Canada Inc.	Canada	100.00%
13	Koanna International FZ LLC	Dubai	100.00%
14	Indo Biotech SDN. BHD	Malaysia	100.00%
15	Koanna Healthcare Spain S.L	Spain	100.00%
16	Vegil Labs Private Limited	India	100.00%
17	Pilnova Pharma Inc	USA	100.00%
18	Shilpa Lifesciences Pvt Ltd, (Step-down subsidiary)	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. New Jersey	USA	34.79%
2	Auxilla Pharmaceuticals & Research LLP	India	40%

III) The Joint Venture considered in the Consolidated Financial Statements are as under:

Sl. No.	Name of the Joint Venture	Country	Extent of Holding
1	Reva Medicare Pvt. Ltd.	India	50.001%
2	Sravathi Advance Process Tech Private Limited	India	65.00%
3	Sravathi AI Technology Private Limited	India	55.00%

1.1 Material 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))
- Estimation of provision and contingent liabilities (Note 1.1 (s))
- Business Combination and Good will (Note-1.1(e))

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

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.

Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

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.

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 2024

(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 2024

(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 conditions.

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for the year ended 31 March 2024

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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 (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.

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for the year ended 31 March 2024

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

Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The classification is based on initial recognition and is irrevocable

De-recognition of Financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model by adopting the simplified approach using

a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- Financial Assets that are debt instruments and are measured at FVTOCI.
- Lease receivables under Ind AS 117.
- 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

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

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 recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

r) Taxes on Income:

Tax expense comprises of current and deferred tax.

- i. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act
- ii. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the

tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- iii. Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

s) Provisions, Contingent Liabilities and Contingent Assets.

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

t) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

u) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

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;
- 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 counterparty, 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 non-recurring 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

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. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

(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, 2023	Additions	Deduction/ Adjustment during the Year	FCTR	As at 31 March, 2024	As at 31 March, 2024		FCTR		
a) Borewell	28.59	2.10	-	-	30.69	23.53	2.22	-0.82	26.57	4.12
b) Building	29,466.17	2,605.94	-	-	32,072.11	4,991.47	966.43	0.95	5,956.94	26,115.17
c) Canteen Equipment	78.89	0.21	-	-	79.10	37.91	11.73	-0.10	49.74	29.36
d) Computer	1,657.51	126.06	50.37	(0.06)	1,733.26	1,371.57	165.38	46.18	1,490.82	242.44
e) Electrical Installation	9,877.74	344.21	29.79	-	10,192.16	4,220.51	776.31	49.64	4,947.18	5,244.98
f) ETP Building	565.85	18.61	-	-	584.45	240.92	18.28	-	259.19	325.26
g) ETP Machinery	921.48	-	11.80	-	909.68	269.82	41.11	1.31	309.61	600.07
h) EHS Equipment	197.12	7.37	-	-	204.49	56.82	19.75	-1.24	77.81	126.68
i) Furniture	3,126.24	160.81	26.04	(0.15)	3,261.16	1,432.98	251.97	11.93	1,673.13	1,588.02
j) Land & Green Field	3,252.93	38.08	-	-	3,291.01	-	-	-	-	3,291.01
k) Lab Equipments	22,591.40	811.30	1,946.50	-	21,456.20	8,069.43	1,801.12	1,056.03	8,814.52	12,641.68
l) Network Server equipment	361.05	39.54	21.28	-	379.30	180.36	47.68	11.28	216.76	162.54
m) Office Equipment	440.70	6.54	-0.54	(0.15)	447.93	278.44	54.60	0.38	332.80	115.12
n) P/M (Power Generation Unit)	3,843.04	-	-	-	3,843.04	2,419.83	103.97	-	2,523.81	1,319.23
o) Pipeline	8,959.67	416.76	0.02	-	9,376.41	2,035.81	418.86	-0.02	2,454.69	6,921.72
p) Plant & Machinery	72,962.64	6,095.55	361.57	-	78,696.62	17,740.80	3,451.69	135.70	21,056.78	57,639.84
q) Pollution Control Equip.	46.24	-	2.22	-	44.02	32.64	0.59	-0.16	33.39	10.63
r) Vehicle	282.32	89.29	16.68	-	354.92	115.75	30.00	-0.78	146.53	208.39
s) Vehicles Electrical Operated	40.92	-	-	-	40.92	35.58	0.72	-	36.29	4.63
t) Weigh bridge	8.42	-	-	-	8.42	6.73	0.47	-	7.20	1.22
Total	1,58,708.92	10,762.35	2,465.75	(0.37)	1,67,005.89	43,560.89	8,162.88	1,310.29	50,413.78	1,16,592.12

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

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	-	-	-	28.59	21.76	1.77	-	-	23.53	5.06
b) Building	29,062.35	403.82	-	-	29,466.17	4,077.49	914.12	(0.14)	-	4,991.47	24,474.71
c) Canteen Equipment	78.89	-	-	-	78.89	25.60	12.32	-	-	37.91	40.98
d) Computer	1,629.12	45.34	17.03	-	1,657.51	1,171.83	216.54	(16.80)	-	1,371.57	285.94
e) Electrical Installation	9,432.33	498.74	53.32	-	9,877.74	3,396.80	797.52	26.18	-	4,220.51	5,657.23
f) ETP Building	565.85	-	-	-	565.85	223.19	177.3	-	-	240.92	324.93
g) ETP Machinery	912.98	8.50	-	-	921.48	228.24	41.48	0.10	-	269.82	651.66
h) EHS Equipement	193.11	5.25	1.24	-	197.12	39.93	18.35	(1.46)	-	56.82	140.30
i) Furniture	3,014.38	123.87	12.86	0.85	3,126.24	1,181.89	258.07	(6.98)	-	1,432.98	1,693.26
j) Land & Green Field	2,872.73	380.20	-	-	3,252.93	-	-	-	-	-	3,252.93
k) Lab Equipments	22,314.42	498.63	221.65	-	22,591.40	6,261.14	1,858.59	(50.29)	-	8,069.43	14,521.96
l) Network Server equipment	358.88	2.16	-	-	361.05	129.52	50.84	-	-	180.36	180.69
m) Office Equipment	441.24	5.05	6.54	0.94	447.00	214.69	63.03	0.72	-	278.44	162.26
n) P/M (Power Generation Unit)	3,843.04	-	-	-	3,843.04	2,315.86	103.97	-	-	2,419.83	1,423.21
o) Pipeline	8,108.58	851.09	-	-	8,959.67	1,653.85	381.99	(0.04)	-	2,035.81	6,923.86
p) Plant & Machinery	70,516.85	2,604.38	158.58	-	72,962.65	14,413.09	3,347.91	(20.19)	-	17,740.81	55,221.84
q) Pollution Control Equip.	46.24	-	-	-	46.24	31.81	0.79	0.04	-	32.64	13.60
r) Vehicle	337.72	-	55.40	-	282.32	136.87	28.80	(49.92)	-	115.75	166.57
s) Vehicles Electrical Operated	40.92	-	-	-	40.92	33.98	1.60	-	-	35.58	5.34
t) Weigh bridge	8.42	-	-	-	8.42	6.26	0.47	-	-	6.73	1.69
Total	1,53,806.64	5,427.04	526.64	1.87	1,58,708.92	35,563.79	8,115.88	(118.77)	-	43,560.89	1,15,148.02

2A Right to use of asset

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net block	
	As at 01 April 2023	Additions	Disposals	As at 01 April 2023	For the period	Deductions/Other adjustments	As at 31 March 2024	As at 31 March 2024
Leasehold Land	2,878.83	-	-	169.48	29.30	-	198.78	2,680.06
Leasehold Building	121.22	-	-	33.67	40.41	-	74.08	471.4
Total	3,000.05	-	-	203.15	69.70	-	272.85	2,727.20

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

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net block		
	As at 01 April 2022	Additions	Disposals	As at 31 March 2023	As at 01 April 2022	For the period	Deductions/ Other adjustments	As at 31 March 2023	As at 31 March 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	-	3,000.05	131.76	71.39	-	203.15	2,796.90

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 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

3 CAPITAL WORK-IN-PROGRESS

Particulars	As at 01 April, 2023		Additions	*Deletions / Transfer	As at 31 March, 2024
	01 April, 2023	31 March, 2023			
a) Machinery under erection	4,450.02	31,353.83	1,224.60	3,404.09	2,270.53
b) Projects under erection	-	-	14,093.71	7,417.94	38,029.60
Total	35,803.85	35,803.85	15,318.31	10,822.03	40,300.13

Particulars	As at 01 April, 2022		Additions	*Deletions / Transfer	As at 31 March, 2023
	01 April, 2022	31 March, 2022			
a) Machinery under erection	4,869.20	14,135.00	1,270.09	1,689.27	4,450.02
b) Projects under erection	-	-	21,905.48	4,686.65	31,353.83
Total	19,004.20	19,004.20	23,175.57	6,375.92	35,803.85

*including sold and maintenance consumption during the year

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

4 INTANGIBLE ASSET

Particulars	Gross Block				Depreciation / Adjustment				Net Block	
	As at 01 April, 2023	Additions	(Deduction)/ Adjustment during the Year	FCTR	As at 31 March, 2024	For the Year	(Deduction)/ Adjustment during the Year	FCTR		As at 31 March, 2024
a) Computer software	1,792.84	192.92	17.02	-	2,002.78	196.34	(31.96)	-	1,336.97	665.81
b) DMF/ANDA/Patents Fees	1,915.26	510.3	(3.90)	0.20	1,962.59	365.01	3.86	0.03	1,364.67	597.92
c) Non compete Agreement	1,245.00	-	(200.00)	-	1,045.00	68.56	14.93	-	1,045.00	-
d) Acquired Assets through fair valuation	247.48	-	-	-	247.48	24.75	(13.08)	-	49.50	197.99
e) Others/Technical knowhow	13,205.78	2,512.71	(939.79)	9.29	14,787.99	959.90	212.66	3.34	1,705.88	13,082.11
Total	18,406.36	2,756.66	(1,126.67)	9.49	20,045.84	1,614.56	186.42	3.37	5,502.01	14,543.83

Particulars	Gross Block				Depreciation / Adjustment				Net Block	
	As at 01 April, 2022	Additions	(Deduction)/ Adjustment during the Year	FCTR	As at 31 March, 2023	For the Year	(Deduction)/ Adjustment during the Year	FCTR		As at 31 March, 2023
a) Computer software	1,792.66	89.05	(91.42)	2.55	1,792.84	284.11	(91.42)	2.55	1,108.67	684.17
b) DMF/ANDA/Patents Fees	1,885.58	29.68	-	-	1,915.26	102.69	3.73	-	1,003.50	911.76
c) Non compete Agreement	1,245.00	-	-	-	1,245.00	164.63	-	-	991.37	253.63
d) Acquired Assets through fair valuation	247.48	-	-	-	247.48	24.75	(13.07)	-	11.68	235.80
e) Others/Technical knowhow	5,910.25	8,315.36	(1,025.61)	5.78	13,205.78	786.44	(23.32)	-	955.28	12,250.50
Total	11,080.97	8,434.09	(1,117.03)	8.33	18,406.36	1,362.63	(124.08)	2.55	4,070.50	14,335.86

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5 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 01 April, 2023	Additions	Deletions / Transfer	As at March, 2024
a) Software under installation	30.37	205.86	192.92	43.32
b) Product under development	28,272.77	4,183.84	2,512.71	29,943.90
c) DMF, ANDA & Patent Fees	1,425.77	215.95	51.03	1,590.69
Total	29,728.91	4,605.65	2,756.66	31,577.91

Particulars	As at 01 April, 2022	Additions	Deletions / Transfer	As at March, 2023
a) Software under installation	52.39	67.03	89.05	30.37
b) Product under development	31,145.81	5,442.32	8315.36	28,272.77
c) DMF, ANDA & Patent Fees	416.06	1,039.39	29.68	1,425.77
Total	31,614.26	6,548.74	8,434.09	29,728.91

6 FINANCIAL ASSETS

(i) Non-Current Investment

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Investments (Unquoted) (At Cost) fully paid up		
I) In Joint Venture/Associate Companies		
a) Investments in Equity Instruments (Unquoted)		
i) 5,001 (5,001) share of ₹10 each in Reva Medicare Pvt. Ltd., Raichur.	173.70	188.93
ii) Investment in Auxilla Pharmaceuticals & Research LLP (40% Capital Contribution). During current financial year the Group through its wholly owned subsidiary Vegil Labs Private Limited has sold the entire stake.	-	484.56
iii) Deemed Investment in Sravathi AI Technology Pvt Ltd, Bangalore	99.21	102.26
iv) 100,000 (100,000) Equity Shares of Rs 10/- each - Reva Pharmachem (P) Ltd, Raichur	10.00	10.00
v) In 55,000 equity shares of Rs 10/- each - in Sravathi AI Tech Pvt Ltd, Bangalore	5.50	5.50
vi) 81,996 shares of Rs.10/- each of which 26,147 shares with premium of Rs.15,250/- each (65,000 shares of Rs.10/- each) of Sravathi Advance Process Technologies Pvt Ltd, Bengaluru. 9151 shares sold during the current year.	2,602.87	-
b) Investments in Preference Instruments		
i) 14,00,000 (14,00,000) Preference Share Stock at par value of 0.0001 USD of MAIA Pharmaceuticals INC .USA	250.00	250.00
ii) NIL (P.Y 37,32,500) Non Cumulative Convertible Preference shares of ₹100/-each- of -Sravathi Advance Process Technologies Pvt Ltd	-	2,627.10
iii) 4,91,000 (P.Y. 4,91,000), Non Cumulative compulsory Convertible share of ₹100/- each of Sravathi AI Technology Pvt Ltd Bangalore	321.75	313.96
II) Investments in Government Securities		
i) National Savings Certificate.	0.20	0.20
III) Others		
i) 2,000 (2000) shares of ₹100 each of Mana Effluent Treatment Plant Ltd., Hyderabad.	2.00	2.00

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
ii) 99,457 (PY Nil) equity shares of Rs. 197.07 each Atria Wind Power (Basavana Bagewadi) Pvt Ltd	196.00	-
iii) Investment in 1,35,335 (PY 1,16,060 of ₹ 100 each at premium of ₹ 251/-) equity Share of Rs 100/- each in Atria Wind Power (Chitradurga) Private Limited issued at premium of Rs 251/-	339.69	291.31
Total value of unquoted investment	4,000.92	4,275.82
Less: Provision for diminution in the value of investments	10.00	10.00
Net Amount of investments	3,990.92	4,265.82
Aggregate value of unquoted investment	3,990.92	4,265.82
Aggregate value of impairment in the value of investments in the unquoted equity shares	10.00	10.00

(ii) Other Financial Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Security deposits (unsecured considered good)		
(i) Electricity deposits	513.47	502.66
(ii) Rental deposits	30.54	33.36
(iii) Telephone deposits	0.92	0.92
(iv) Miscellaneous deposits	91.10	89.66
	636.03	626.60
Less: Provision for Doubtful Deposits	-	-
Total	636.03	626.60

7 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Capital advances		
(i) Unsecured, considered good	4,398.56	5,110.61
Less: Provision for Doubtful advances	(168.15)	(84.08)
Total (a)	4,230.41	5,026.53
b) Others		
(i) Prepaid Expenses	154.55	56.87
(ii) Fixed deposited having maturity more then 12 month held has Security	37.69	1,089.99
(iii) Unamortised -NCD Expenses	727.17	-
(iv) GST Paid under Protest	465.07	-
(v) Other	5.68	5.15
Total (b)	1,390.14	1,152.02
Total (a+b)	5,620.56	6,178.55

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

8 INVENTORIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Raw materials	13,360.67	14,442.30
(ii) Work-in-progress	6,954.51	5,209.69
(iii) Finished goods	8,345.76	6,524.35
(iv) Stock-in-trade	417.72	528.92
(v) Stores and Spares	3,745.95	3,705.15
(vi) Packing materials	1,668.21	1,571.69
Total	34,492.81	31,982.10

9 FINANCIAL ASSETS

(i) Current Investment

Particulars	As at 31 March, 2024	As at 31 March, 2023
Investment in mutual funds/ bonds		
Investment in IL & FS 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 43)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured		
(a) Considered good		
Total (a)	39,204.55	32,434.91
(b) Unsecured considered doubtful		
Significant increase in credit risk	412.99	44.58
Expected Credit Losses (ECL)	39.55	
Less Loss allowance	(452.54)	(44.58)
Total (b)	-	-
Total (a+b)	39,204.55	32,434.91

Note : Trade receivable in above note no: 9 (ii) (a) includes Rs 201.57 Lakhs (PY ₹198.36 Lakhs) is receivable from related parties (refer note no: 41 Related Party Transaction)

(iii) Cash and Cash Equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
i) Cash on Hand	32.62	30.13
ii) Balance with Banks in Current Account	2,261.97	1,952.70
iii) Deposit with original maturity of less than 3 months	727.98	148.99
Total	3,022.56	2,131.82

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

(iv) Other Bank Balance other than (iii) above

Particulars	As at 31 March, 2024	As at 31 March, 2023
Earmarked Balances		
(i) Unclaimed dividend Accounts	20.99	24.64
Total	20.99	24.64

(v) Other Financial Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Income accrued and due	55.63	18.47
b) Paid to ICC under protest	-	87.37
c) Staff advance	32.17	28.09
d) Tender deposits	29.36	20.82
e) Fixed deposit having maturity less than 12 months and held as margin money	133.07	14.00
f) Interest accrued on fixed deposits/others	34.82	131.41
Total	285.06	300.16

10 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Prepaid Expenses	1,581.84	783.45
b) Advances to supplier/ receivables	1,629.59	2,412.38
c) CGST /IGST /SGST receivable	6,766.48	5,470.50
d) Export Incentive Receivables	164.07	500.34
e) Others	45.75	31.99
Total	10,187.73	9,198.66

11 CURRENT TAX ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
Income tax (Net)	468.84	883.17
Total	468.84	883.17

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

12 EQUITY SHARE CAPITAL

Particulars	As at	
	31 March, 2024	31 March, 2023
Authorised share capital		
110,000,000 (PY 95,000,000) shares face value of Re. 1/- each.	1,100.00	950.00
	1,100.00	950.00
Issued, subscribed & fully paid up capital		
Opening Balance	868.02	868.02
Changes During the Year	-	-
Closing Balance	868.02	868.02
8,68,01,898 (PY. 8,68,01,898) shares face value of Re. 1/- each.		

(a) Reconciliation of the number of shares.

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	8,68,01,898	868.02	8,68,01,898	868.02
Add : Issued during the year	-	-	-	-
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, 2024		As at 31 March, 2023	
	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

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

(d) Promoters Share Holding

S. No.	Name of the Shareholders	Number of shares held at the beging of the year 2023	Share-holding as a % of total no. of shares as on 31.03.2023	Number of shares held at the end of the year 2024	Percentage of shares held to total shares 31.03.2024	Change in Share-holding in the year 2023-24	Change in percentage of shares held to total shares in the year 2023-24
1	VISHNUKANT CHATURBHUIBHUTADA	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	-	-

13 OTHER EQUITY

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Securities Premium Account	72,495.15	72,495.15
(b) General Reserves	5,182.68	5,182.68
(c) Retained Earning	1,03,379.56	1,00,118.04
(d) Others		
i) Cash flow hedge reserve	(2.59)	(2.59)
ii) Remeasured of defined benefit plan	(300.71)	(100.86)
(e) Gain on forfeiture of equity shares	8.76	8.76
(f) Foreign Currency Monetary Translation Difference Account	(761.46)	(241.50)
Total	1,80,001.39	1,77,459.68

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

(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, 2024	As at 31 March, 2023
Term Loans		
a) From Banks (secured)		
I) HDFC - Term Loan	-	7,781.58
Nature of Security		
Shilpa Pharma : Term loan of ₹ 10,000 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 ₹ 20,000 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. This term loan has been fully repaid during current financial year.		
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. This term loan has been fully repaid during current financial year.		
III) Axis Bank - Term Loan	-	5,625.00
Nature of Security		
Shilpa Medicare: Term loan of ₹ 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.		
Shilpa Pharma: Term loan of ₹ 4375.00 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.		
Terms of Repayment & Interest Rate:		
Shilpa Medicare: Repayment of term loan from Axis Bank with a moratorium period of 12 months and would be repayable in 16 equal quarterly installments of ₹ 625.00 Lakhs with the final installment falling due at the end of the June- 2025. Interest payable monthly rests even during moratorium period. This term loan has been fully repaid during current financial year		
Shilpa Pharma: Repayment of term loan from Axis Bank is repayable in 10 equal quarterly installments of ₹ 3125.00 Lakhs with the final installment falling due on 04.02.2026. Interest payable monthly rests even during moratorium period. This term loan has been fully repaid during current financial year		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
IV) SCB - Term Loan	-	3,675.00
Nature of Security		
Term loan of ₹ 7,350.00 Lakhs taken from SCB, Bangalore and is secured by first pari passu charge on the movable fixed assets at Jedcherla, Formulation unit and first pari passu charge on Land and building of Formulation unit at Jedcherla and secured by personal guarantee given by two (02) of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of term loan from SCB would be repayable within 5 years in 16 equal quarterly installments starting from 15 th month from the date of draw down and the final installment falling due at the end of the January - 2026. Interest payable monthly in arrears. This term loan has been fully repaid during current financial year		
V) Citi Bank - Term Loan	-	781.25
Nature of Security		
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.		
Terms of Repayment & Interest Rate:		
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. This term loan has been fully repaid during current financial year		
vi) IDFC First Bank	11,015.99	6,429.06
Nature of Security		
Shilpa Biocare-The term loan of ₹ 15,000.00 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.		
Terms of Repayment & Interest Rate:		
The loan is repayable in 17 quarterly installments starting from December 24.		
ii. Redeemable Non Convertible Debenture (Secured)		
a) 13.05% NCD-ICICI Prudential Corp Cre Opp (22500 Non Convertible Debenture of ₹1,00,000/- each payable @ par)-Series 1	22,500.00	-
b) 12.53% NCD-OCM Asia Credit I Pte Ltd (22500 Non Convertible Debenture of ₹1,00,000/- each payable @ par) -Series 2	22,500.00	-
Nature of Security		
i. First charge on all movable & immovable Fixed Assets of Shilpa Pharma Lifesciences. Ltd (SPLL) & Shilpa Biological Pvt Ltd (SBPL) both wholly owned subsidiaries and hypothecation of all receivables /loans from inter-company made by SPLL and SBPL to other group entities.		
ii. Second charge on all current assets of SPLL and SBPL.		
iii. Personal guarantees of Mr. Vishnukant Bhutada and Mr. Omprakash Innani.		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
iv. Pledge of 100% equity shares of SPLL and SBPL.		
v. Corporate guarantee provided by the holding Company and cross guarantee between SPLL and SBPL.		
vi. Non-Disposal Undertaking (NDU) from the Promoter group.		
Terms of Repayment & Interest Rate:		
During the year the Company has issued 45,000 redeemable Non-Convertible Debentures (NCD) in 2 series each having a face value of Rs 1,00,000 with agreed coupon rate of 13.05% p.a. for series-1 and 12.53% p.a. for series 2 respectively. They are redeemable over a period of 5 years starting from 27th month and ending at 60th month from the date of allotment or earlier based on agreed terms of the debenture trust deed. Catalyst Trusteeship Limited is appointed as Debenture Trustee for the said issue.		
b) From Others (unsecured)		
1) From Bajaj Finance Limited	-	4,590.00
Nature of Security		
Sanctioned loan is Rs.5,000.00 Lakhs and is secured by lien of pledge of equity shares of Shilpa Medicare Limited owned by three 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. This term loan has been fully repaid during current financial year		
Total	56,015.99	28,881.89

(ii) Lease liability

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Land & Building	127.21	180.14
Total	127.21	180.14

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

(iii) Others

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Deferred Consideration Payable on acquisition of FTF Pharma Pvt Ltd	-	500.00
Total	-	500.00

15 PROVISIONS

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Provision for gratuity	1,977.26	1,548.75
b) Provision for leave encashment	265.66	216.15
Total	2,242.92	1,764.90

16 DEFERRED TAX LIABILITY/(ASSET) (NET)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Deferred tax liability (Difference in tax base of property, plant, equipment & Others)	17,598.00	16,982.52
(ii) Deferred tax asset (On account of disallowable items under Income Tax Act)	(8,901.25)	(8,890.59)
(iii) MAT Credit Entitlement	(7,670.61)	(6,686.83)
Total	(1,026.14)	1,405.08

17 OTHER NON-CURRENT LIABILITY

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Capital subsidy / Deferred Government grant	1,597.29	1,747.65
(b) Others	6.54	32.68
Total	1,603.83	1,780.33

18 FINANCIAL LIABILITY

(i) Borrowings

Particulars	As at 31 March, 2024	As at 31 March, 2023
Secured Loan		
A) Working capital loan		
From Banks		
i) Axis Bank- PCFC [refer note 'c' & 'k (i)' below]	501.03	698.68
ii) IDBI-PCFC [refer note 'h' & 'k (vi)' below]	500.24	-
iii) Axis Bank-WCDL [refer note 'd' & 'k (ii)' below]	5,550.00	4,300.00
iv) HDFC -WCDL-[refer note 'e' & 'k (iii)' below]	-	1,950.00
v) HSBC-WCDL(SPLL)[refer note 'b' & 'k (iv)' below]	1,500.00	3,450.00
vi) ICICI-WCDL[refer note 'g' & 'k (v)' below]	6,000.00	4,964.39
vii) IDBI-WCDL[refer note 'h' & 'k (vi)' below]	1,500.00	1,500.00
viii) Axis Bank-WCDL(SPLL)[refer note 'd' & 'k (viii)' below]	11,850.00	7,850.00

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
ix) HDFC -WCDL (SBPL)[refer note 'f' & 'k (xi)' below]	-	1,500.00
x) CITI-WCDL (SPLL) [refer note 'j' & 'k (xii)' below]	-	2,279.55
xi) CITI-WCDL [refer note 'a' & 'k (xiii)' below]	-	757.95
xii) Citibank-Cash Credit [refer note 'a' & 'k (vii)' below]	-	2,876.43
xiii) DBS-Cash Credit (SPLL)[refer note 'i' & 'k (ix)' below]	-	299.59
xiv) IDBI-Cash Credit [refer note 'h' & 'k (x)' below]	1,453.09	1,990.10
xv) Axis bank-Cash Credit (SPLL) [refer note 'c' & 'k (xiv)' below]	2,049.10	-
xvi) ICICI Bank-Cash Credit (SPLL) [refer note 'g' & 'k (v)' below]	3,421.22	-
xvii) Axis bank-Cash Credit [refer note 'c' & 'k (xv)' below]	1,748.48	-
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 interchangeably as PCFC/Cash credit and applicable interest will be charge.		
b) Working capital loan from HSBC is secured by first pari passu charge on current assets and second charge on moveable and immovable assets (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors of it's Holding Company		
c) 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 inter changeable as PCFC/Cash Credit/WCDL and applicable interest will be charge.		
d) 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 charge on movable and immovable fixed assets of Raichur Unit-I situated at Deosugur Industrial Area, Shaktinagar and personal gurantee of two of its directors.		
e) Working capital loan from HDFC is secured by first pari passu charge on current assets of the Company. Second pari passu charge on Factory land and building of Jadcherla SEZ unit. Second pari passu charge on Factory movable and immovable fixed assets of Jadcherla SEZ unit and personal Gurantee of 02 Directors .		
f) Shilpa Biologicals: The Working capital loan from HDFC was sanctioned by the bank on 29.09.2021. The said loan was initial repayable on bullet basis by 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.		
g) Working capital from ICICI Bank (ICICI) is secured by first pari passu charge on current assets (both current and future and second charge on movable and immovable fixed assets) of the Company. The sanction facility is inter changeable as PCFC/Cash Credit/WCDL and applicable interest will be charge.		

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
h) 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 interchangeably as PCFC/Cash credit/WCDL/LC and applicable interest will be charge.		
i) Working capital from DBS Bank (SPLL) 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)		
j) 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.		
k) Interest rate as at March 31, 2024 is as under:		
(i) AXIS-PSFC/PCFC- 8.27% (PY 2023 5.24%)		
(ii) AXIS-WCDL(SPLL)- 9.00% (PY 2023-8.85%)		
(iii) HDFC -WCDL- NIL (PY 2023-12.30%)		
(iv) HSBC-WCDL(SPLL)- 9.42% (PY 2023-9.40%)		
(v) ICICI-WCDL(SPLL)- 8.75% (PY 2023 8.54%)		
(vi) IDBI-WCDL- 8.80% (PY 2023 7.80%)		
(vii) CITIBANK-Cash Credit- NIL (PY 2023 13%)		
(viii)Axis Bank-WCDL- 9.00% (PY 2023 8.65%)		
(ix) DBS-Cash Credit- NIL (PY 2023 5.50%)		
(x) IDBI-Cash Credit - 8.90% (PY 2023 8.15%)		
(xi) HDFC-WCDL(SBPL)- NIL (PY 2023 12.32%)		
(xii) CITI-WCDL(SPLL)- NIL (PY 2023 9.27%)		
(xiii) CITI-WCDL- NIL (PY 2023 8.60%)		
(xiv) Axis Bank-Cash Credit (SPLL)-9.67% (PY 2023 NIL)		
(xv) Axis Bank-Cash Credit- 9.05% (PY 2023 NIL)		
B) Current maturity of long term debt	1,469.56	16,273.60
Total	37,542.73	50,690.29

(ii) Lease liability

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Land & Building	52.93	36.56
Total	52.93	36.56

(iii) Trade Payable (Refer Note 43.)

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Trade payables due to micro and small enterprises	558.53	1,842.35
b) Trade paybles due to other than micro and small enterprises	16,923.89	12,437.66
Total	17,482.42	14,280.01

Note : Trade payable in above note no: 18 (iii) (b) includes Rs77.4 Lakhs (PY ₹175.76 Lakhs) payable to related parties (refer note no: 41 Related Party Transaction)

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

(iv) Other financial liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Current maturities of government grants	131.33	131.33
b) Interest accrued but not due on borrowings	205.46	277.64
c) Unclaimed dividends	20.99	24.64
d) Employee benefit liability	2,968.65	2,914.95
e) Books overdraft	1.02	249.32
f) Capital creditors	5,639.68	4,789.36
g) Deferred Revenue	-	71.44
h) Deferred Consideration Payable	500.00	-
i) Others	12.61	27.14
Total	9,479.74	8,485.82

19 OTHER CURRENT LIABILITY

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Advances from customers	805.00	1,098.90
b) Tax deduction at source	1,614.26	1,422.31
c) ESI, Professional tax Etc.	7.36	33.85
d) Security/Trade deposit	0.59	0.59
e) Provident fund payable	182.50	197.78
f) Unclaimed bonus & salary	109.40	105.35
g) Custom Duty Payable	-	0.74
Total	2,719.11	2,859.52

20 PROVISIONS

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Leave Encashment	84.29	64.53
b) Gratuity	471.42	353.77
c) Others	1,502.18	1,674.15
Total	2,057.89	2,092.45

21 REVENUE FROM OPERATIONS - SALES

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Sales of Goods		
i) Sales of products	93,156.87	94,775.86
ii) Export Incentives/Sale of license	76.62	666.60
iii) Energy sales	299.75	191.97
Total	93,533.24	95,634.43
Abstract		
(i) Bulk Drugs/Intermediates	70,301.70	74,606.06
(ii) Formulation	17,058.25	17,625.99
(iii) Export Incentives	76.62	666.60
(iv) Power	299.75	191.97
(v) Trading	2,286.93	2,305.94
(vi) Others	3,509.99	237.87
Total	93,533.24	95,634.43

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

22 REVENUE FROM OPERATIONS - SERVICE AND LICENSE FEES

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Product development & License fees	21,627.06	9,376.81
Total	21,627.06	9,376.81

23 OTHER INCOME

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Interest Income on :		
i) Deposit with bank	56.77	101.92
ii) Others	81.64	74.15
b) Liabilities written back	213.52	1,025.52
c) Government grant	150.36	156.51
d) Miscellaneous income	314.77	381.87
Total	817.05	1,739.97

24 COST OF MATERIAL CONSUMED

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Inventory at the beginning of the year	16,013.99	16,649.73
Add: Purchases/Transfer	41,446.65	36,110.34
Less: Inventory at the end of the year	15,028.88	16,013.99
Cost of raw materials and packing materials consumed	42,431.76	36,746.08

25 PURCHASE OF STOCK -IN-TRADE

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Purchase of Medicines/Bulk Drugs/Others	1,770.23	3,359.74
Packing Material	31.15	38.75
Total	1,801.39	3,398.49

26 CHANGES IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK -IN-TRADE

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Opening Inventories		
(i) Finished goods	7,030.57	9,244.65
(ii) Work-In-progress	5,209.69	4,493.94
Closing Inventories		
(i) Finished goods	8,763.52	7,030.57
(ii) Work-In-progress	6,954.51	5,209.69
(Increase) / decrease in inventory	(3,477.76)	1,498.32

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

27 EMPLOYEE BENEFITS EXPENSES

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Salaries, wages and bonus	26,194.75	26,668.10
b) Contribution to provident fund /gratuity and other funds	1,577.93	1,546.31
c) Staff welfare expenses	376.63	424.89
Total	28,149.31	28,639.30

28 FINANCE COSTS

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Interest expense on :		
i) Working capital facility	3,056.16	2,147.46
ii) Interest on lease Liability	16.22	17.15
iii) Term loans	1,142.05	3,373.48
b) Amortisation of processing fees	18.75	6.25
c) Interest on unsecured Loan	159.11	87.38
d) Factoring Charges	392.81	204.89
e) NCD		
i) Interest on NCD	3,999.35	-
ii) Finance cost-NCD expenses	283.63	-
f) Others	112.86	28.60
Total	9,180.94	5,865.21

29 OTHER EXPENSES

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Power and fuel	5,241.15	5,679.09
b) Repairs & Maintenance		
i) Buildings	486.63	784.53
ii) Plant and machinery	2,742.51	3,133.86
iii) Others	368.64	481.28
c) Rent	125.36	100.95
d) Exchange Loss / (Gain) Net	(842.01)	(1,401.19)
e) Rates and taxes,	253.59	206.59
f) Insurance	394.66	402.70
g) Traveling and Conveyance	506.23	535.88
h) Contractor Labour Charges	1,373.39	1,438.42
i) Legal and Professional Fees	1,730.96	2,497.12
J) Facility Fees	1,233.23	642.97
k) Payment to auditors (Note No 38)	57.92	53.09
l) Research and Development expenses	3,095.58	4,910.23
m) Transportation Charges	171.15	203.22
n) Brokerage and Commission	450.56	399.75
o) Job work charges	0.05	41.50
p) Directors Sitting Fees	4.00	4.40
q) Sales Promotion and Advertisement	286.81	262.25
r) Advance Written-off	20.61	35.73

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
s) Clearing and Forwarding expenses	794.67	797.44
t) (Profit) Loss on sale /Discard of Assets.	(54.36)	26.48
u) Custom Duty & GST Exp	558.97	396.10
v) CSR Expenses	318.69	397.61
w) License Fees	2.49	2.27
x) Product Filing Fees /patent application fees	48.83	159.49
y) Tech Transfer Expenses	78.44	80.44
z) Provision for ECL/Doubtful debt	176.91	92.77
aa) Provision for Capital Advance Written Off	84.08	94.60
ab) Bad Debts written-off	451.48	44.54
ac) Miscellaneous Expenses	1,644.70	1,996.78
Total	21,805.89	24,500.88

30 EXCEPTIONAL (INCOME) / EXPENSES

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Gain on sale of stake in Auxilla Pharmaceuticals and Research LLP	(613.07)	-
Total	(613.07)	-

31 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2024	As at 31 March, 2023
a) Foreign letter of credit	743.00	9.26
b) Bank guarantees	258.38	417.53
c) Claims against the Company not acknowledged as debt	3,870.00	6,296.93
d) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	5,168.14	11,915.48
Total	10,039.52	18,639.20

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

32 EMPLOYEE BENEFIT DEFINED CONTRIBUTION PLANS

i) Provided fund

Particulars	As at 31 March, 2024	As at 31 March, 2023
Defined Contribution Plan		
Provided fund	998.33	1,036.88

ii) Defined benefit Plan (Gratuity)

a) Consolidated (Indian Companies)

Movement of present value of the defined benefit obligation	As at 31 March, 2024	As at 31 March, 2023
i) Change in defined benefit obligation		
Obligations at year beginning	2,188.65	2,346.28
Service cost	302.60	323.18
Interest on defined benefit obligation	147.16	64.95
Benefits settled	(462.23)	(226.70)
Divestures (Demerger)	-	(1,236.76)
Actuarial (gain)/loss	348.47	-
Increase/(Decrease) due to effect of any business combination/divestiture/transfer*	-	917.70
Obligations at year end	2,524.64	2,188.64
ii) Change in plan assets		
Plans assets at year beginning, at fair value	281.72	217.09
Expected return on plan assets	8.12	17.87
Actuarial gain/(loss)	(1.12)	(67.86)
Benefits payout	(260.92)	(88.24)
Increase/(Decrease) due to effect of any business combination/divestiture/transfer*	-	192.53
Plans assets at year end, at fair value	27.80	271.39
iii) Amount recognised in the balance sheet		
Closing BPO	2,523.94	2,188.64
Closing fair value of plan assets	65.32	271.39
Net asset/(liability) recognised in the balance sheet	2,458.62	1,917.25
iv) Expenses recognised in the statement of P & L account		
Service cost	300.18	318.88
Interest cost	145.29	61.92
Expected return on plan assets	-	28.89
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	7.71	(63.66)
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(22.40)	10.45
Actuarial (Gain) / Losses due to Experience on DBO	350.09	(226.80)
Return on Plan Assets (Greater) / Less than Discount rate	1.38	(18.91)
Total actuarial (gain)/loss included in OCI	336.77	(298.92)
v) Assets Information		
i) Insured	27.80	271.39
(fund is managed with Life insurance corporation of India)		
%	1.10	12.40

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

(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, 2024	As at 31 March, 2023
ii) Non fund based (Company manages at its own)	2,433.25	1,917.25
%	96.41	87.60
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)	7.22%	7.46%
Expected rate of return on assets	7.22%	7.46%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	9.67%	10.33%
Attrition rate of employees	19.42%	16.00%
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.

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Decrease	Increase	Decrease	Increase
Discounted rate	2.99%	(2.44%)	5.74%	(5.17%)
Salary increase	0.25%	0.08%	(4.90%)	5.31%
Attrition rate	0.98%	(0.35%)	1.22%	(1.18%)

Sensitivity of signification actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points keeping all other actuarial assumption constant.

33 FAIR VALUE MEASUREMENT HIERARCHY:

Particulars	As at 31 March, 2024					As at 31 March, 2023				
	Carrying Amount					Carrying Amount				
	Amortised Cost	FVTPL			Total	Amortised Cost	FVTPL			Total
	Level 1	Level 2	Level 3			Level 1	Level 2	Level 3		
FINANCIAL ASSETS										
I. At Amortized Cost										
Non-current investments	3,990.92	-	-	-	3,990.92	4,265.82	-	-	-	4,265.82
Trade receivable	39,204.55	-	-	-	39,204.55	32,434.91	-	-	-	32,434.91
Cash & bank balance	3,022.56	-	-	-	3,022.56	2,131.82	-	-	-	2,131.82
Other bank balance	20.99	-	-	-	20.99	24.64	-	-	-	24.64
Other current and non current financial assets	921.09	-	-	-	921.09	926.76	-	-	-	926.76
Total	47,160.11	-	-	-	47,160.11	39,783.95	-	-	-	39,783.95
FINANCIAL LIABILITIES										
Borrowings	93,558.73	-	-	-	93,558.73	79,572.18	-	-	-	79,572.18
Trade payables	17,482.42	-	-	-	17,482.42	14,280.01	-	-	-	14,280.01
Other current and non current financial liabilities	9,479.74	-	-	-	9,479.74	8,985.82	-	-	-	8,985.82
Lease Liability	180.14	-	-	-	180.14	216.70	-	-	-	216.70
Total	1,20,701.02	-	-	-	1,20,701.02	1,03,054.71	-	-	-	1,03,054.71

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value:

- 1) The use of quoted market prices or dealer quotes for similar instruments
- 2) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- 3) The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

34 FINANCIAL RISK MANAGEMENT

The Company activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The Company's focuses on minimizing potential adverse effect on its financial performance.

A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets/liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(i) Foreign Currency Risk

The Company operates internationally and a major portion of the business is transacted in USD, EURO & GBP currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

Particulars	As at 31 March, 2024			As at 31 March, 2023		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	200.58	67.93	0.39	191.89	37.11	-
Cash and cash equivalents	179.47	0.36	0.01	88.71	0.86	0.01
Short-term borrowings	(6.00)	(5.55)	-	-	(7.80)	-
Trade payables	(72.00)	(4.97)	-	(41.00)	(3.06)	(0.44)
Net Foreign Currency Risk	302.05	57.77	0.40	239.60	27.11	(0.43)

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
USD-Sensitivity				
Increase by 1% (gain/(loss))	251.83	196.99	-	-
Decrease by 1% (gain/(loss))	(251.83)	(196.99)	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	52.11	24.29	-	-
Decrease by 1% (gain/(loss))	(52.11)	(24.29)	-	-
GBP-Sensitivity				
Increase by 1% (gain/(loss))	0.42	(0.43)	-	-
Decrease by 1% (gain/(loss))	(0.42)	0.43	-	-

(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, 2024 and 31 March, 2023 respectively.

Particulars	As at 31 March, 2024	As at 31 March, 2023
Change in 0.50% interest on WCL	180.37	172.08

(iii) Price Risk

Company does not have any exposure to price risk , as there is no market based equity investment made by the Company.

B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk is arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored and transaction with such customer are covered under letter of credit. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable. Two & Three customers account for more than 10% of the trade receivable as of 31 March, 2024 and for 31 March, 2023 respectively. Since the Company is dealing with the customer from past several years, hence there is no concordent risk in dealing with said customers.

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Expected credit loss assessment

The Group reviewed customers outstanding at the end of each reporting period and determine incurred and expected credit losses. Past trend of impairment of trade receivables do not reflect any significant credit losses. The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	As at 31 March, 2024	As at 31 March, 2023
Impairment loss recognised - trade receivable	176.91	92.77
%	0.45	0.29

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, 2024 :

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	36,073.17	1,469.56	-	-
Long term borrowings	-	-	56,015.99	-
Trade and other payable	103.62	17,263.83	114.59	-
Lease liability	-	52.93	127.21	-
Other Financial Liability	-	9,479.57	-	-
Total	36,176.79	28,265.89	56,257.79	-

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 liability	-	36.56	180.14	-
Other Financial Liability	-	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 2024

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

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, 2024	31 March, 2023
Total Debts	93,558.72	79,572.18
Net Debt (A)	93,558.72	79,572.18
Total equity attributable to the equity shareholders of the Company (B)	1,79,995.69	1,77,435.65
Net Debt to Equity Ratio	0.52	0.45

36 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Profit for the year before OCI	3,187.42	(3,253.32)
Shares		
Weighted average shares used for computing basic EPS	8,68,01,898	8,68,01,898
Weighted average shares used for computing diluted EPS	8,68,01,898	8,68,01,898
Earning Per Shares		
Basic (in Rs)	3.67	(3.74)
Diluted (in Rs)	3.67	(3.74)

37 RECONCILIATION OF TAX EXPENSES

(I) Income Tax

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Current tax on profit for the year	4,266.72	3413.10
Deferred Tax (net of MAT Credit)	(2,296.98)	(4149.46)
Total Current Tax expenses	1,969.74	(736.36)
Profit before tax	5,298.84	(3,984.18)
Enacted tax rate in India (%) C.Y. 34.944% (P.Y. 34.944%)	1,851.63	(1,392.07)
Differences between tax rates	510.11	1,503.63
Non-deductible expenses for tax purpose	(87.10)	594.04
Income which is chargeable at different rate	-	(8.74)
Tax Impact on slum sale transaction	-	(1,129.30)
Exempt income & Other (net)	(166.81)	(177.15)
Others	(138.08)	(126.78)
Income tax rate	1,969.74	(736.36)

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

(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, 2024	As at 31 March, 2023
Deferred Tax Liabilities		
Property, plant and equipment, and intangible assets	17,598.00	16,982.52
Gross Deferred Tax Liabilities	17,598.00	16,982.52
Deferred Tax Assets		
Defined benefit obligations/Employees benefit liability	720.98	513.41
On unabsorbed loss of subsidiaries	7,393.43	7,458.48
MAT Credit Entitlement Benefit	7,670.61	6,686.83
Others	7,86.85	918.71
Gross Deferred Tax Assets	16,571.87	15,577.42
Net Deferred Liabilities	1,026.13	1,405.09

Recognised Deferred Tax Assets / Liabilities	As at 01 April, 2023	Recognised in statement of profit & loss	Recognised in OCI	As at 31 March, 2024
Movement of Deferred Tax Assets / Liabilities				
Deferred Tax Liabilities				
Property, plant and equipment, and intangible assets	16,982.52	615.48	-	17,598.00
Gross deferred tax liabilities	16,982.52	615.48	-	17,598.00
Deferred Tax Assets				
Defined benefit obligations/Employees benefit liability	513.41	85.78	121.79	720.98
MAT Credit Entitlement Benefit	6,686.83	983.78	-	7,670.61
On Business Losses	7,458.48	(65.05)	-	7,393.43
Others	918.71	(131.86)	-	786.85
Gross Deferred Tax Assets	15,577.42	872.65	121.79	16,571.87
Net Liability	1,405.09	(257.17)	(121.79)	1,026.13

38 PAYMENTS TO AUDITORS*

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
For Statutory audit fees	31.46	34.28
For Tax audit	15.14	5.70
For Limited Review	1.33	1.36
For Income tax matters	0.53	2.91
For Certification	9.47	5.70
For Others	-	3.15
Total	57.92	53.09

*Incl. fees paid to Auditors of subsidiary companies

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

39 SEGMENT INFORMATION

The Company is mainly engage in the business of manufacturing of pharmaceutical product and wind power generation. The formulation and product development are inter related and integral part of business of "pharmaceutical products". In accordance with the provisions of IND AS - 108 power segment is not falling in the prescribed limit specified, hence segment reporting is not applicable.

(a) Information about Products and Services:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Pharmaceutical product and services	1,14,783.93	1,04,152.57
Power sales	299.75	191.97
others	76.62	666.70
Total	1,15,160.30	1,05,011.24

(b) Information about geographical areas

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Revenues		
(A) Within India	53,941.54	51,057.19
(B) Outside India		
(i) USA	23,053.79	16,392.26
(ii) Europe	23,448.75	21,313.09
(iii) ROW	14,716.21	16,248.70
Total	1,15,160.30	1,05,011.24

Particulars	As at 31 March, 2024	As at 31 March, 2023
ii) Non-current Assets		
(A) Within India	2,13,315.51	2,06,146.70
(B) Outside India	2,669.31	2,398.06
Total	2,15,984.82	2,08,544.76

Note: Non-current Assets excludes financial assets and deferred tax assets

(c) Information about major customer

The Company has one customer who contributed more than 10% of the Company's total revenue during the current year and one customer during the 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, 2024	As at 31 March, 2023
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	1,747.14	1,780.62
Total	1,914.52	1,948.00

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

(b) Building

Particulars	As at 31 March, 2024	As at 31 March, 2023
Not later than one year	45.46	43.13
One to Five Year	7.61	61.42
Total	53.07	104.55

(c) The following are the amounts recognised in the statement of Profit or Loss :

Particulars	As at 31 March, 2024	As at 31 March, 2023
Depreciation expenses on right of use-assets	69.70	71.39
Interest expenses on lease liabilities	16.22	17.15
Total amount recognised in Profit or loss	85.92	88.54

(d) The following is the movement in lease liabilities during the year ended March 31, 2024

Particulars	Land	Buildings	Total
Balance as the beginning	127.00	89.70	216.70
Addition during the year	-	-	-
Finance cost accrued during the year	11.19	5.03	16.22
Disposals	-	-	-
Payment of lease liabilities	(9.66)	(43.13)	(52.78)
Balance as at March 31, 2024	128.53	51.61	180.14

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

(e) The following is the breakup of current and non current lease liability:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current lease liabilities	52.93	36.56
Non current lease liabilities	127.21	180.14
Total	180.14	216.70

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

41 Related party transactions

Related parties where control exists with JV and Associate and related parties with whom transactions have taken place during period 01st April 2023 to 31st March 2024 are listed below ;

List of Related Parties

1. Associates

- a) Maia Pharmaceuticals INC. USA
- b) Reva Pharmachem Pvt Ltd
- c) Auxilla Pharmaceuticals and Research LLP (Investment Entity of WOS(Vegil Labs Pvt Ltd))

2. Joint Venture (JV)

- a) Reva Medicare Pvt. Ltd.
- b) Sravathi Advance Process Technologies Pvt. Ltd.
- c) Sravathi AI Technologies Pvt. Ltd.

3. (i) Key Management Personnel-(KMP)

- a) Vishnukant C. Bhutada - Managing Director
- b) Alpesh Dalal - Chief Financial Officer
- c) Kalakota Sharath Reddy - Whole Time Director
- d) Ritu Tiwari- Company secretary
- e) Santosh Kumar Mahil-CEO-Shilpa Pharma Lifesciences Limited
- f) Venkatesh Katakam CEO-Shilpa Therapeutics Pvt Ltd
- g) Jayant Kumar Mandal-Director FTF Pharma Pvt Ltd (resigned on 31.03.2023)
- h) Geneshchandra Shivajirao Sonawane -Director FTF Pharma Pvt Ltd
- i) Jayant Shrikant Karajgi -Director FTF Pharma Pvt Ltd

(ii) Remuneration paid to Directors

- a) Omprakash Inani - Non-executive Chairman
- b) Arvind Vasudev - Independent Director
- c) Hetal Gandhi - Independent Director
- d) Anita Bandyopadhyay- Independent Women Director
- e) Kamal Kishore Sharma - Independent Director
- f) Sirisha Chintapalli -Independent Women Director (retired on 28.09.2022)
- g) Venkata Vinod Kumar Valipireddy-Independent director-INM Technologies Pvt Ltd
- h) Raghavendra Prasad Movva-Independent director-INM Technologies Pvt Ltd

4. Relatives to Promoters

- a) Deepak Kumar Innani
- b) Keshav Bhutada
- c) Madhav Bhutada
- d) Ramakant Innani
- e) Sagar Innani
- f) Ravi Innani
- g) Triveni Innani

5. Enterprises having common Directors/ Board of Trustees

- a) Shilpa Foundation

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to	Balance	01 st April 2022 to	Balance
				31 st March 2024	as at 31 st March 2024	31 st Mar 2023	as at 31 st Mar 2023
				(Income)/ Expenses Other Transaction	(Payable) / Receivable	(Income)/ Expenses Other Transaction	(Payable) / Receivable
A	Remuneration paid to Key Management Personnel						
i)	Vishnukant C. Bhutada	Managing Director	Salary and perquisites/ Managerial commission*	1,100.00	(764.48)	1,064.39	(717.71)
ii)	Kalakota Sharath Reddy	Whole Time Director	Salary and perquisites	162.62	(7.71)	158.65	(5.80)
iii)	Alpesh Dalal	Chief Financial Officer	Salary and perquisites	124.67	(5.57)	119.16	(3.02)
iv)	Ritu Tiwari	Company Secretary	Salary and perquisites	45.10	(2.39)	45.00	(2.71)
v)	Michel Roy	Managing Director-Koanna Canada	Salary and perquisites	253.69	-	246.82	-
vi)	Santosh Kumar Mahil	Chief Executive Officer -Shilpa Pharma Lifesciences Limited	Salary and perquisites	2.53	(2.53)	-	-
v)	Venkatesh Katakam	Chief Executive Officer - Shilpa Therapeutics	Salary and perquisites	-	-	37.49	-
vi)	Venkata Vinod Kumar Valipireddy	Independent director-INM Technologies Pvt Ltd	Salary and perquisites	0.25	(0.23)	0.25	(0.23)
vii)	Raghavendra Prasad Movva	Independent director-INM Technologies Pvt Ltd	Salary and perquisites	0.25	(0.23)	0.25	(0.23)
viii)	Jayant Kumar Mandal	Director-FTF Pharma P Ltd	Salary and perquisites	-	-	77.87	-
B	Remuneration paid to other Directors						
i)	Omprakash Inani	Chairman & Non-executive Chairman	Sitting Fees	3.50	-	2.00	-
ii)	Sirisha Chintapalli	Independent Woman Director	Sitting Fees	-	-	1.50	-
iii)	Arvind Vasudev	Independent Director	Sitting Fees	-	-	0.50	-
iv)	Anita Bandyopadhyay	Independent Director	Sitting Fees	-	-	-	-
v)	Hetal Madhukant Gandhi	Independent Director	Sitting Fees	-	-	0.50	-
vi)	Kamal Kishore Sharma	Independent Director	Sitting Fees	-	-	-	-
vii)	Arvind Vasudev	Independent Director	Remuneration	30.00	(6.75)	29.50	(6.75)
viii)	Hetal Madhukant Gandhi	Independent Director	Remuneration	40.00	(9.00)	39.50	(9.00)
ix)	Anita Bandyopadhyay	Independent Director	Remuneration	18.00	(4.05)	11.50	(4.05)
x)	Kamal Kishore Sharma	Independent Director	Remuneration	30.00	(6.75)	22.50	(6.75)
C	Relative						
i)	Deepak Kumar Inani	Relative to Director	Salary and perquisites	86.82	(4.60)	80.36	(3.92)
ii)	Keshav Bhutada	Relative to Managing Director	Salary and perquisites	25.60	(1.42)	24.76	(0.64)
iii)	Madhav Bhutada	Relative to Managing Director	Salary and perquisites	25.60	(1.42)	24.76	(0.64)

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024		Balance as at 31 st March 2024		01 st April 2022 to 31 st Mar 2023		Balance as at 31 st Mar 2023	
				(Income)/Expenses	Other Transaction	(Payable)/Receivable	(Payable)/Receivable	(Income)/Expenses	Other Transaction	(Payable)/Receivable	(Payable)/Receivable
iv)	Ramakant Innani	Relative to Promoter	Salary and perquisites	91.47	-	(4.89)	-	84.03	-	(4.09)	-
v)	Ravi Kumar Innani	Relative to Promoter	Salary and perquisites	62.86	-	(3.08)	-	57.66	-	(1.90)	-
vi)	Sagar Innani	Relative to Promoter	Salary and perquisites	12.40	-	(0.82)	-	10.80	-	(0.30)	-
vii)	Keshav Bhutada	Relative to Managing Director	Rent	-	-	-	-	1.20	-	-	-
viii)	Madhav Bhutada	Relative to Managing Director	Rent	-	-	-	-	1.20	-	-	-
ix)	Triveni Inani	Relative to Director	Rent	-	-	-	-	0.85	-	-	-
x)	Mousumi Mandal	Relative to Director	Salary and perquisites	-	-	-	-	8.52	-	-	-
D	Others										
i)	Reva Medicare Pvt. Ltd.	Joint Venture	Commission charges	149.07	-	-	-	134.96	-	-	-
			Sales of Goods or Service	4.20	-	-	-	4.20	-	-	-
			Trade Payable	-	-	(76.44)	-	-	-	(172.45)	-
			Commission Accrued but not paid	-	-	(78.46)	-	-	-	(50.16)	-
			Trade Receivable	-	-	0.41	-	-	-	-	-
			Investment in equity shares	-	-	0.50	-	-	-	0.50	-
ii)	Maia Pharmaceuticals INC. USA	Associate	Investment in equity shares	-	-	795.69	-	-	-	795.69	-
iii)	Sravathi Advance Process Technologies Pvt. Ltd.	Joint Venture	Trade receivable	-	-	201.16	-	-	-	201.16	-
			Purchases of Goods or Service	55.00	-	-	-	90.55	-	-	-
			Trade Payable	-	-	-	-	-	-	(2.61)	-
			Investment in equity shares	-	-	3,995.58	-	-	-	6.50	-
iv)	Shilpa Foundation	Trust in which key management are the board of trustees or Director are Trustee	Investment in Pref Shares	257.50	-	-	-	889.00	-	3,732.50	-
			Corporate Social Responsibility Expenses	318.69	-	-	-	397.54	-	-	-
v)	Mohini Infra (P) Ltd	Company in which key management are the board of trustees or Director	Godown Rent	9.20	-	-	-	7.80	-	-	-
			Trade Payable	-	-	(0.70)	-	-	-	(0.70)	-

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Sl. No.	Name of the related party	Relationship	Description of transaction	01 st April 2023 to 31 st March 2024		Balance as at 31 st March 2024		01 st April 2022 to 31 st Mar 2023		Balance as at 31 st Mar 2023	
				(Income)/ Expenses	Other Transaction	(Payable) / Receivable	(Payable) / Receivable	(Income)/ Expenses	Other Transaction	(Payable) / Receivable	(Payable) / Receivable
vi)	Auxilla Pharmaceuticals and Research LLP	Investment Entity	Purchases of Goods or Service Investment	-	-	-	-	78.36	-	-	-
			Sale Consideration received	1,100.00	-	-	-	-	-	463.52	-
			Interest received on delay in payment of Sale Consideration	10.00	-	-	-	-	-	-	-
vii)	Reva Pharmachem Pvt Ltd	Associate	Investment in Equity shares	-	-	10.00	-	-	-	-	10.00
viii)	Sravathi AI Technology Pvt Ltd	Joint Venture	Investment in Equity Shares	-	-	5.50	-	-	-	-	5.50
			Investment in Preference shares	148.25	-	601.04	-	310.75	-	-	586.64

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.

c) Managerial Commission for FY 2023-24 ₹ 750.00 Lakhs and for FY 2022-23 ₹ 714.39 Lakhs

d) The Company Reva Pharmachem Pvt Ltd has applied for strike off on 26.03.2024

** the outstanding liabilities against corporate guarantee given to Non-convertible Debenture holders on behalf of Shilpa Pharma Lifesciences Ltd. is for the financial period ended 31.03.2024 is ₹ 35000 Lakhs (As on 31.03.2023 ₹ NIL)

*** the outstanding liabilities against corporate guarantee given to Non-convertible Debenture holders on behalf of Shilpa Biologicals Pvt. Ltd. is for the financial period ended 31.03.2024 is ₹ 10000. Lakhs (As on 31.03.2023 ₹ NIL)

**** the outstanding liabilities against corporate guarantee given to banks on behalf of FTF Pharma Pvt. Ltd. is for the financial period ended 31.03.2024 is ₹ NIL (As on 31.03.2023 ₹ 228.80 Lakhs)

***** the outstanding liabilities against corporate guarantee given to banks on behalf of Shilpa Biocare Pvt Ltd. is for the financial period ended 31.03.2024 is ₹ 11,015.99 Lakhs (As on 31.03.2023 ₹ 6429 Lakhs)

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

42 Amount payable to Micro and Small enterprises as at 31st March, 2024 is Rs 558.53 Lakhs (₹ 1842.35 lakhs as at 31st March, 2023). There are Micro and Small Enterprises, to whom the Company overdues, which are outstanding for more than 45 days as at 31st March, 2024. 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 do 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 do not have any transactions with companies struck off.
- 3) The Group has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- 4) 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
- 5) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year
- 6) 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).
- 7) 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.
- 8) Borrowings obtained by the Group from Banks and financial institutions have been applied for the purposes for which such loans were taken

Trade Payables ageing schedule as at March 2024

Outstanding for following periods from due date of Payment

INR in Lacs

S NO	Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
a)	MSME	558.53	-	-	-	558.53
b)	Disputed Dues-MSME	-	-	-	-	-
	Total of MSME	558.53	-	-	-	558.53
c)	Others	16,276.31	112.35	54.56	480.67	16,923.89
d)	Disputed-Others	-	-	-	-	-
	Total of Others	16,276.31	112.35	54.56	480.67	16,923.89

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Trade Payables ageing schedule as at March 2023

Outstanding for following periods from due date of Payment

INR in Lacs

S NO	Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
a)	MSME	1,835.68	3.98	2.69	-	1,842.35
b)	Disputed Dues-MSME	-	-	-	-	-
	Total of MSME	1,835.68	3.98	2.69	-	1,842.35
c)	Others	11,707.86	163.44	154.96	411.40	12,437.66
d)	Disputed-Others	-	-	-	-	-
	Total of Others	11,707.86	163.44	154.96	411.40	12,437.66

Capital Work in Progress (CWIP) Ageing Schedule as at March 31, 2024

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	23,139.84	933.61	7,146.34	197.59	39,816.38
Project temporarily suspended	6.03	0.72	446.52	30.48	483.75
Total	23,145.87	933.33	7,592.86	228.08	40,300.13

Capital Work in Progress (CWIP) Ageing Schedule as at March 31, 2023

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	22,954.56	9,358.66	1,518.53	85.60	33,917.35
Project temporarily suspended	1,225.35	521.94	139.21	-	1,886.50
Total	24,179.91	9,880.60	1,657.74	85.60	35,803.85

Intangible assets under development (IAUD) as at March 31, 2024

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	2,890.21	305.20	14,878.49	13,504.01	31,577.91
Project temporarily suspended	-	-	-	-	-
Total	2,890.21	305.20	14,878.49	13,504.01	31,577.91

Intangible assets under development (IAUD) as at March 31, 2023

Particulars	Sum of Less Than 1 Year	Sum of 1-2 Years	Sum of 2-3 Years	Sum of More than 3 Years	Total
Project in Progress	898.71	10,602.50	10,783.87	7,443.83	29,728.91
Project temporarily suspended	-	-	-	-	-
Total	898.71	10,602.50	10,783.87	7,443.83	29,728.91

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

Trade receivable ageing schedule as at 31 March 2024

₹/Lakhs

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	22,679.78	12,205.30	1,831.29	1,152.93	735.70	14.18	38166.64
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	(39.55)	-	-
Undisputed Trade receivable – credit impaired	-	-	-	25.23	-	-	25.23
Disputed Trade receivables - considered good	-	23.85	25.77	-	963.06	-	1,012.68
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	(412.99)	-	-
Total	22,679.78	12,229.15	1,857.06	1,178.16	1,246.22	14.18	39,204.55

Trade receivable ageing schedule as at 31 March 2023

₹/Lakhs

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	16,761.19	11,196.63	1,369.65	1,451.33	104.79	405.22	31,288.81
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	1.40	961.65	32.19	150.86	1,146.10
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	16,761.19	11,196.63	1,371.05	2,412.98	136.98	556.08	32,434.91

Notes Forming Part of Consolidated Financial Statement

for the year ended 31 March 2024

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

45. The ICC International court of Arbitration, London in terms of its order dated January 22, 2024 has pronounced an arbitration award to Celltrion Inc of \$ 3.05 MN for breach of contract and interest till the date of payment and legal cost of \$0.7 MN which aggregating to Rs.3,659.10 Lakhs as on 31 March 2024. The Company is legally advised that it has sufficient grounds to challenge the order at appropriate forum and is proposing to act accordingly to the legal advice and hence the ultimate outcome of the order cannot be determined presently. Therefore, the management is of the view that no provision deemed necessary as of now in respect of this matter in the financial statements and the same is disclosed as a contingent liability.

46 Events after the reporting period:

Capital infusion through "Qualified Institutions Placement (QIP)

The Company has raised Rs 50,000.00 Lakhs on 13th April 2024 thorough Qualified Institutional placement of equity shares & allotted 1,09,89,010 Equity Shares of face value ₹1 each to eligible qualified institutional buyers at the issue price of ₹455 per Equity Share, i.e., at a premium of ₹454 per Equity Share (which includes a discount of ₹22.33 per Equity Share (4.68% of the floor price) to the floor price of ₹477.33 per Equity Share, aggregating to ₹ 4,99,99,99,550 (Rupees Four Hundred and Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Five Hundred Fifty only).

47 Figures of the previous year have been regrouped/rearranged wherever necessary.

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

Place : Mumbai
Date :23.05.2024

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 2024

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

ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF COMPANY CONSOLIDATED AS SUBSIDIARY/ ASSOCIATES/JOINT VENTURE

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss Account		Share in Other Comprehensive Income As % of		Share in Total Comprehensive Income As % of	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/Los	Amount	Consolidated Other Comprehensive Income	Amount	Consolidated Total Comprehensive Income	
A Holding Company								
Shilpa Medicare Limited	106.48	2,14,270.13	43.89	2,693.74	69.87	(165.63)	42.80	2,528.11
B (A) Subsidiaries - Indian								
1 Shilpa Therapeutics Private Limited	(1.94)	(3,897.53)	(12.83)	(787.59)	5.94	(14.09)	(13.57)	(801.68)
2 INM Technology Private Limited	(2.39)	(4,802.18)	(3.51)	(215.71)	-	-	(3.65)	(215.71)
3 Shilpa Biologicals Private Limited	(7.13)	(14,351.72)	(107.59)	(6,603.37)	(4.92)	11.65	(111.59)	(6,591.71)
4 Shilpa Biocare Pvt Ltd (Erstwhile Shilpa Albumin Pvt. Ltd)	1.03	2,073.00	(0.47)	(28.83)	(0.93)	2.19	(0.45)	(26.63)
5 Shilpa Pharma Lifesciences Limited-Consol	6.10	12,281.56	172.46	10,584.53	34.84	(82.60)	177.79	10,501.93
6 FTF Pharma Pvt Ltd	1.52	3,066.12	11.03	676.85	(4.81)	11.41	11.65	688.25
7 Vegll Labs Private Limited-Consol	0.63	1,267.10	8.80	540.01	-	-	9.14	540.01
(B) Subsidiaries - Foreign								
1 Mankindus,INC	(0.20)	(409.00)	-	-	-	-	-	-
2 Koanaa Healthcar Limited(UK)	(0.16)	(313.82)	(0.20)	(12.52)	-	-	(0.21)	(12.52)
3 Koanaa Healthcar, CMBH(Austria)	(1.11)	(2,235.35)	12.30	754.97	-	-	12.78	754.97
4 Zatoria Holding Limited	-	-	-	-	-	-	-	-
5 Koanaa Healthcare Spain,S.L	(0.11)	(229.05)	3.07	188.13	-	-	3.18	188.13
6 Shilpa Pharma Inc.	(1.04)	(2,086.54)	(9.87)	(606.06)	-	-	(10.26)	(606.06)
7 Koanna Healthcare Canada Inc.	(0.61)	(1,228.30)	(4.42)	(271.44)	-	-	(4.60)	(271.44)
8 INDO BIOTECH SDN. BHD	(0.18)	(353.61)	(3.20)	(196.16)	-	-	(3.32)	(196.16)
9 Koanna International FZ LLC.	(0.34)	(679.46)	(1.07)	(65.44)	-	-	(1.11)	(65.44)
10 Pilnova Pharma Inc	(0.14)	(273.46)	(3.31)	(202.87)	-	-	(3.43)	(202.87)
C Non Controlling Interests in all Subsidiaries Associates (Investment as per equity method)	(0.43)	(873.00)	(0.13)	(8.09)	-	-	(0.14)	(8.09)
D - Indian								
1. Reva Pharmachem Private Limited	-	-	-	-	-	-	-	-
E Joint Ventures (Investment as per equity method) - Indian								
1. Reva Medicare Private Limited			(0.25)	(15.22)	-	-	(0.26)	(15.22)
2. Sravathi Advance Process Technologies Private Limited			(4.68)	(287.39)	-	-	(4.75)	(280.82)
Gross Total	100.00	2,01,224.56	100.00	6,137.55	100.00	(237.06)	100.00	5,907.05
Adjustment arising on consolidation		(21,228.88)						(2,956.69)
Total		1,79,995.69		3,187.42		(237.06)		2,950.36

Notice

Notice is hereby given that the 37th Annual General Meeting ("AGM") of the members of Shilpa Medicare Limited will be held on Tuesday, 17th September 2024 at 10:00 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 2024, 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 2025 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."

4. Reappointment of Mr. Hetal Madhukant Gandhi (DIN: 00106895) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, read with Schedule IV, Section 197

and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to SEBI (LODR) Regulations 2015, as recommended by the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded for re-appointment of Mr. Hetal Madhukant Gandhi (DIN:00106895) for a second term for further period of five years with effect from conclusion of this Annual General Meeting till the Conclusion of Annual General Meeting to be held in the year 2029, whose period is not subject to retirement by rotation.

RESOLVED FURTHER THAT pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modifications or reenactment, clarifications thereof, read with Schedule V (as amended from time to time) and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals as may be necessary), Mr. Hetal Madhukant Gandhi (DIN: 00106895), be paid a remuneration of ₹60,00,000/- (Rupees Sixty Lakhs only) by way of sitting fees, profit related commission excluding reimbursement of expenses for participation in the Board meetings and effective from the FY 2024-25 on an annualized basis and prorated for the part of the year, as may be approved by the Board of Directors & members which may exceed the overall limits under Companies Act, 2013 i.e upto 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, the said remuneration shall be payable as minimum remuneration under Schedule V read with Section 197 of the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary to give effect the said resolution and to do all the needful in relation thereto."

5. Reappointment of Mr. Vishnukant Chaturbhuj Bhutada (DIN: 01243391) as a Managing Director of the Company and Shilpa Pharma Lifesciences Limited, a material subsidiary

To consider and if thought fit to pass with or without modification(s) the following resolution as Special resolution:

“RESOLVED THAT pursuant to Section 188, 196, 203, and other applicable provisions read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and other applicable provisions of SEBI(LODR) Regulations 2015, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the members be and is hereby accorded to appoint Mr. Vishunkant C Bhutada as a Managing Director of Shilpa Medicare Limited, holding Company and Shilpa Pharma Lifesciences Ltd, a wholly owned material subsidiary for a period of 5 years effective from 1st October 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 188, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendment(s), modification(s), or reenactment(s) thereof for the time being in force), and other applicable regulations of SEBI (LODR) Regulations, 2015, if any, Articles of Association of the Company and subject to such approvals as may be necessary, Mr. Vishnukant Bhutada (DIN: 01243391) be paid a remuneration apart from the minimum remuneration of ₹3.50 cr p.a in absence of profit or no profits in any year from Shilpa Medicare, a remuneration in excess of 5% on the net profits of Shilpa Pharma Lifesciences Ltd., a wholly owned subsidiary with an overall remuneration not exceeding ₹15.00cr p.a for a period of 3 yrs w.e.f 1st October 2024 excluding contributions made to provident fund, superannuation fund or annuity fund, gratuity and leave encashment at the end of the tenure.

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.

6. Re-designation of Mr Keshav Bhutada (DIN: 08222057) as Executive Director in Shilpa Pharma Lifesciences Ltd, a material subsidiary w.e.f 19th June 2024

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 188, 196, 203 and other applicable provisions read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and other applicable provisions of SEBI(LODR) Regulations 2015, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be necessary,

consent of the members be and is hereby accorded to re-designate Mr. Keshav Bhutada as Executive Director of Shilpa Pharma Lifesciences Ltd, a wholly owned subsidiary for a period of 5 years effective from 19 June 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 188(1)(f), 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and Regulation 17(6)(e) and other applicable provisions of SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals and permissions as may be required consent of the Member be and is hereby accorded towards payment of remuneration to Mr. Keshav Bhutada (DIN: 08222057) as Executive Director of ₹1.00 Cr. (Rupees One Crore only) exclusive of all perquisites, leave encashment, gratuity and other benefits as applicable to other employees as per the Company policy with an annual increment of minimum of 5% and maximum as per HR policies.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of his service, the remuneration specified here-in above shall be paid as minimum remuneration as per the provisions of Section II of Part of II of Schedule V to the Act, including any statutory modification(s) thereof.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution.”

7. Reappointment of Mr. Madhav Bhutada (DIN: 08222055), as Managing Director, Shilpa Biocare Pvt Ltd

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 188, 196, 203 and other applicable provisions read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and other applicable provisions of SEBI(LODR) Regulations 2015, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to re-appoint Mr. Madhav Bhutada (DIN: 08222055) as Managing Director of Shilpa Biocare Pvt Ltd, a wholly owned subsidiary for a period of 5 years effective from 1st October 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 188(1)(f), 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) and other applicable provisions of SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals and permissions as may be required, Mr. Madhav Bhutada (DIN: 08222055) be paid a minimum remuneration of ₹1.00 Cr. (One Crores only) per annum) exclusive of all perquisites, leave encashment, gratuity and other benefits as applicable to other employees as per the Company policy with an annual increment of minimum of 5% and maximum as per HR policies, in absence of profits or no profits in any year for a period of 3 years i.e. 1 April 2024.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution.

8. Payment of Remuneration/Commission to Non Executive Directors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in conformity with the provisions of Article 87 of the Articles of Association of the Company and pursuant to the provisions of Section 197 of the Companies Act, 2013 (“the Act”), read with Schedule V, and Rules thereto, and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent be and is hereby accorded to the Board for payment of remuneration/commission to all Non-Executive Directors (Other than Managing Director and Whole-time Directors) of the Company not exceeding in aggregate 1.00% of the net profits of the Company to be determined by the Board of Directors or ₹3.00cr p.a, whichever is higher for all Non-Executive Director for each financial year upto FY 26-27, for their tenure, be calculated in accordance

with the provisions of Section 198 of the Act and distributed between such Non-Executive Directors in such a manner as the Board of Directors may from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of their service, the remuneration specified herein above shall be paid and in any case it shall be within the overall limits specified in Section II of Part of II of Schedule V to the Act, including any statutory modification(s) thereof and not exceeding ₹3.Cr. p.a in aggregate whichever is higher for all Non-Executive Directors.”

9. Payment of Remuneration to Mr. Hetal Madhukant Gandhi (DIN:00106895), Independent Director in excess of payment made to all other Non Executive Directors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in pursuant to provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof for time being in force), remuneration to Mr. Hetal Madhukant Gandhi (DIN: 00106895), Independent Director, for the financial year 2024-25 exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all the Non-Executive Directors of the Company for the financial year 2024-25 be and is hereby approved.

By order of the Board of Directors
For Shilpa Medicare Limited

Date: 08 August 2024
Place: Raichur

Sd/-
Ritu Tiwary
Company Secretary

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 recommendation 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 2024 -25 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, 2025.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested, financially or otherwise in the above resolution.

ITEM NO.4

Mr.Hetal Madhukant Gandhi aged 59 yrs., was appointed as an Independent Director of the Company at the 34th Annual General Meeting for a term of 3(three) yrs. The tenure of the Director is due for completion at the ensuing Annual General Meeting.

Considering Mr. Hetal's skills, competencies, expertise and experience, the Board of Directors are of opinion that it would be in the interest of the Company to reappoint him for another term as an Independent Director. Board in its meeting held on 8th August 2024 on recommendation of the Nomination and Remuneration Committee recommends reappointment of Mr. Hetal Gandhi for a second consecutive term of 5(five) yrs w.e.f conclusion of this meeting till the conclusion of Annual General meeting to be held in 2029 on a remuneration of ₹60,00,000 p.a. which may exceed the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together and the same may be paid as minimum remuneration in case of inadequacy of profits. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

The Company has received declaration from Mr. Hetal Gandhi, stating that he meets the criteria of Independence as prescribed under sub-section (6) of

Section 149 of the Act read with Schedule IV & other applicable provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015.

In the opinion of the Board, he fulfils the conditions specified in the said Act and the rules made thereunder for his reappointment as Independent Directors of the Company and is independent of the management.

Mr. Hetal Gandhi holds 8000 equity shares in the Company as on date and is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent in writing to act as a Director of the Company.

The Board recommends the resolution as set out for members approval by way of special resolution.

Except Mr. Hetal Gandhi, none of the Directors, or Key Managerial Personnel or their relatives are in anyway concerned or interested financially or otherwise in the above resolution.

ITEM NO.5

Mr. Vishnukant Chaturbhuj Bhutada, aged 61 years has been on the Board of the Company since incorporation i.e. 20-11-1987. A founder member of Shilpa Medicare., his in depth Knowledge in pharmaceutical industry is unparalleled and has successfully carved a niche for the Company in a highly competitive industry set up . His strong business acumen, strategic thinking, analytical vision in global medicare market has given impetus to scale up the operations of the Company. Mr. Bhutada has been instrumental in steering the Company to its present position. Under his able guidance, Company achieved various prestigious awards and has had a tremendous growth trajectory. His vision, foresightedness and planning has always been giving a good path to the Company in its new ventures. He has been heading the Company with his vast experience in pharmaceutical industry and international marketing.

Mr. Vishnukant Chaturbhuj Bhutada, was appointed as Managing Director for a period of 5 yrs effective from 1st October 2019 and later in AGM held in 2022 he was appointed as Managing Director of Shilpa Pharma Lifesciences Ltd, a material subsidiary of the Company for the remainder of his tenure, on a consolidated remuneration of ₹15.00cr p.a. i.e with minimum remuneration of ₹3.50cr p.a in case of inadequacy of profits in Shilpa Medicare Ltd., as approved by members in their AGM held in 2019 and a remuneration in excess of 5% on the net profits of Shilpa Pharma Lifesciences Ltd., with an overall remuneration not exceeding ₹15.00cr p.a for the remainder of his tenure.

As his term is due for completion, the Board of Directors in its meeting held on 8th August 2024 on recommendation

of the Nomination and Remuneration Committee, recommend reappointment for a further term of 3 yrs effective from 1st October 2024 on same remuneration.

This Minimum remuneration is being paid as approved by members as there may be inadequacy in profits due to the transfer of API business to Shilpa Pharma Lifesciences Ltd.

Compared to the size of the Company and the position of Mr. Vishnukant C Bhutada and his arduous responsibilities, the proposed remuneration is reasonable. Shilpa Medicare is engaged in the business of manufacturing, developing and marketing of pharmaceutical products. It commenced its operations in 1989 and has foreign investments through Subsidiaries and Associate Companies. Company is taking adequate measures to improve the productivity and profits, in this stride we continue to pursue the path of innovation for making health care affordable. The Company is hopeful of achieving a higher growth by expanding our product offerings & strengthening formulation business.

Mr. Vishnukant Chaturbhuj Bhutada, holds Bachelor's Degree in Pharmacy and has more than 35+ years of experience in the Pharmaceutical Industry. He has conveyed his consent to act as a Director and he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Vishnukant Chaturbhuj Bhutada holds 63,65,610 eq.sh of the Company constituting 6.51% of the shareholding.

All elements of remuneration package have been duly given in the Report on Corporate Governance. Members approval is sought by way of special resolution. Except Mr. Vishnukant Chaturbhuj Bhutada, Mr. Omprakash Inani and their relatives, none of the other directors & key managerial persons and their relatives are concerned or interested in this resolution.

Item NO.6

Mr. Keshav Bhutada, aged 29 years, has been on Board of Shilpa Pharma Lifesciences Ltd., a material subsidiary of the Company since 9th March 2022 as a Non-Executive Director. During his tenure, he has provided strategic guidance and leadership, led efforts to expand the Company's API portfolio, while driving growth in both oncology and non-oncology segments. Mr. Keshav played a pivotal role in increasing top-line revenues through strategic planning and execution. He oversaw the development of a robust product pipeline, leveraging his expertise in Contract Development and Manufacturing Organization (CDMO) serviced, championed the advancement of capabilities in multi-cyclic and long-chain peptides, positioning the Company as a leader in cutting-edge pharmaceutical technologies. His focus throughout has been on delivering high-end specialty and bio-polymers tailored to customer needs, driving innovation and excellence in the pharmaceutical industry.

Mr. Keshav had also been associated with Shilpa Medicare as Management Associate since 2016. A millennial leader coming in with a newer perspective to drive business growth Demonstrated expertise in Formulation, and Biologics sectors, contributing to the Company's in-depth industry knowledge, significantly increasing top-line revenues and has utilized hands-on experience to identify and capitalize on opportunities for growth and development in various pharmaceutical sectors.

He is the son of Mr. Vishnukant Chaturbhuj Bhutada, Promoter and Managing Director of Shilpa Medicare Ltd & holds 20,00,000 eq.sh i.e 2.05% of the shareholding of Shilpa Medicare Ltd.

Mr. Keshav Bhutada is not debarred from holding the office of a Chief Executive Officer (CEO) by virtue of any SEBI order or any other such authority as required under the circulars.

Except Mr. Keshav Bhutada, Mr. Madhav Bhutada, Mr. Vishnukant Chaturbhuj Bhutada and Mr. Omprakash Inani, none of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested financially or otherwise in the above resolution.

All elements of remuneration package have been duly given in the Report on Corporate Governance. Members approval is sought by way of special resolution.

Item NO.7

Mr. Madhav Bhutada, aged 29 yrs has been on Board of Shilpa Biocare Pvt Ltd as a Managing Director since January 24, 2022 spearheading the operations of the Company with core focus on Recombinant Albumin & large-scale microbial fermentation facility. Mr. Madhav has significantly contributed towards the large-scale fermenting facility for the manufacture of recombinant Albumin which is under construction, and is expected to be completed by the end of Q1 FY25. Company has already successfully completed phase I trials for this novel product, opening up potential licensing opportunities and positioning Shilpa Biocare at the forefront of innovation in this. Mr. Madhav plays a pivotal role in steering the course of the Company towards its strategic goals while safeguarding its interests. His responsibilities encompass providing guidance, oversight, and stewardship to ensure the organization's success and sustainability.

Mr. Madhav had been associated with Shilpa Medicare as Management Associate since 2016. During his tenure of over 8 years, he has lend his contributions in growth of both API and formulation divisions of the Company. Mr Madhav is also leading Biologics division as a Director since last 3 years and has contributed significantly in turning around the division and is poised to contribute substantial revenue to overall revenue in coming years.

Mr. Madhav Bhutada has completed his B.E Chemical Engineering from RV College of Engineering, Bangalore and a distance course from IIM Ahmedabad on Young Entrepreneurs Programme (YEP) and is currently a Director on Board of Shilpa Biologicals Pvt Ltd and KMN Investments Pvt Ltd.

He is the son of Mr. Vishnukant Chaturbhuj Bhutada, Promoter and Managing Director of Shilpa Medicare Ltd & holds 20,00,000 eq.sh i.e 2.05% of the shareholding of Shilpa Medicare Ltd.

Mr. Madhav Bhutada is not debarred from holding the office of a Chief Executive Officer (CEO) by virtue of any SEBI order or any other such authority as required under the circulars.

Except Mr. Madhav Bhutada, Mr. Keshav Bhutada, Mr. Vishnukant Bhutada and Mr. Omprakash Inani, none of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested financially or otherwise in the above resolution.

Board on recommendation of the Nomination and Remuneration Committee, the Board proposes members to consider this resolution for approval.

Item NO.8

With the enhanced role of Directors under the Act and the SEBI (LODR) Regulations, 2015, coupled with the size, complexity and global operations of the Company, the role and responsibilities of the Non-executive Directors, including Independent Directors, has become more onerous, requiring greater time commitments, attention and a higher level of oversight. In view of the above, the Board of Directors recommended passing of an enabling resolution for the payment of commission to the Non-Executive Directors of the Company (other than the Managing Director and/or Whole-time Directors of the Company) of the Company, whichever is higher exceeding in aggregate 1.00% of the net profits of the Company to be determined by the Board of Directors or ₹3.00cr for all such Director for each financial year upto FY 2026-27, during their tenure of appointment, to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine in terms of Section 197 of the Act, and computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time.

Regulation 17(6) of the Listing Regulations authorizes the Board of Directors to recommend all fees and compensation, if any, paid to Non-Executive Directors and the same would require approval of members in general meeting. In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of their service, the remuneration specified herein above shall be paid and in any case it shall be within the overall

limits specified in Section II of Part of II of Schedule V to the Act, including any statutory modification(s) thereof and not exceeding ₹ 3.Cr. p.a, whichever is higher in aggregate for all Non-Executive Directors.

The Board of Directors recommends the passing of the resolution at Item No. 8 as Special Resolution. All the Non Executive Directors of the Company, and their respective relatives are deemed to be concerned or interested in this resolution.

Item No.9

Members in the 34th AGM held on 28th September 2021 and 35th AGM held on 28th September 2022 have accorded payment of remuneration to Mr. Hetal Madhukant Gandhi ,Mr. Arvind Vasudeva, Dr. Anita Bandyopadhyay and Dr. Kamal Sharma., Independent Directors in line with the Company's remuneration policy for Independent Directors, The Independent Directors were entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time to time, reimbursement of expenses for participation in the Board meetings and commission as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together.

Regulation 17(6)(ca) states that approval of shareholders by special resolution shall be obtained every year, in which annual remuneration payable to a single non executive director exceeds fifty per cent of the total annual remuneration payable to all non executive directors. With the reappointment of Mr. Hetal Gandhi and revised terms of appointment, the remuneration paid to Mr. Hetal Gandhi may exceed fifty per cent of the total annual remuneration payable to all the Non Executive Directors in the FY 2024-25, hence this resolution. Members approval is sought by way of special resolution.

Except Mr. Hetal Madhukant Gandhi, none of the other directors & key managerial persons and their relatives are concerned or interested in this resolution.

By order of the Board of Directors
For Shilpa Medicare Limited

Date: 08 August 2024
 Place: Raichur

Sd/-
Ritu Tiwary
 Company Secretary

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 10.00 a.m. (IST) on Tuesday, 17th September 2024. 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 Monday, 9th September 2024 to Tuesday, 17th September 2024 (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 11th September 2024 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 37th AGM along with the Annual Report for FY 2023-24 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 Saturday, 14th September 2024 to Sunday 15th September 2024.

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 on or before 10th September 2024, 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 submitting ISR form and supporting documents at the email ID inward.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 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., 11th September 2024 only shall be entitled to avail the facility of remote e-voting.

The remote e-voting period commences on 14th September 2024 at 09:00 AM and ends on 16th September 2024 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 Saturday 14th September 2024 to and ends on Monday 16th September 2024.
- 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:

I) 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	<ol style="list-style-type: none"> 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 cdsl website www.cdslindia.com and click on login icon & New System My Easi New. 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. If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System My Easi New and then click on registration option. 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	<ol style="list-style-type: none"> 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.nsdl.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. If the user is not registered for iDeAS e-Services, option to register is available at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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 022- 23058738 or 022-23058542-43
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.: 022- 48867000

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) 8312, 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., 37th 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 "37th AGM SHILPA MEDICARE LIMITED- AGM" Even No.
- 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 on or before 10 September 2024 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.
- 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

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 Saturday 14th September 2024 day 2024 to Sunday 15th September 2024 (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 opened from - (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 — September 2024, 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.

ANNEXURE – A

Details of directors seeking appointment/ re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 (Secretarial Standards on General Meetings):

Particulars	Details				
Name of the Director	Omprakash Inani	Mr. Vishnukant Chaturbhuj Bhutada	Mr. Hetal Madhukant Gandhi	Mr. Keshav Bhutada	Mr. Madhav Bhutada
Brief Resume:	Set out in Annexure B	Set out in Annexure B	Set out in Annexure B	Set out in Annexure B	Set out in Annexure B
Age	67Years	61 Years	59 Years	29 Years	29 Years
Relationship with directors	Not related to any Director inter-se	Not related to any Director inter-se	Not related to any Director inter-se	Related to Managing Director	Related to Managing Director
Date of initial appointment	23rd March 1988	20th November 1987	02nd September, 2021	9th March 2022 as a Non-Executive Director of Shilpa Pharma Lifesciences Ltd	January 24, 2022 as Managing Director of Shilpa Biocare Pvt Ltd
Qualification	Bachelor of Commerce	Bachelor's degree in Pharmacy	Chartered Accountant	Bachelor of Engineering	B.E Chemical Engineering
Experience and expertise in specific functional area	Over 35 years of experience in all facets of the Company's business and its functional aspects.	Mr. Vishnukant Bhutada holds bachelor's degree in Pharmacy and has 35 years of experience in the Pharmaceutical Industry. He is one of the founder member of Shilpa Medicare Limited. He is the main guiding force behind the progress of Shilpa Medicare Limited	Mr. Hetal Gandhi has over 38 years of experience in the financial services industry that encompasses private equity investments, credit markets, investment banking and turnaround situations. Hetal co-founded the India Advisory firm for Tano Capital. Prior to co-founding Tano India Advisors Pvt. Ltd, Hetal was the CEO for a large financial services Institution.	Mr. Keshav provides strategic guidance and leadership, led efforts to expand the Company's API portfolio, while driving growth in both oncology and non- oncology segments. He played a pivotal role in increasing top-line revenues through strategic planning and execution. He has more than 8 of experience in Pharmaceutical industry	Madhav plays a pivotal role in steering the course of the Company towards its and spearheading the operations of the Company with core focus on Recombinant Albumin & large-scale microbial fermentation facility & has more than 8 of experience in Pharmaceutical industry
Terms and conditions of appointment or re-appointment	As set forth in the resolution pertaining to his initial appointment	As set forth in the resolution	As set forth in the resolution	As set forth in the resolution	As set forth in the resolution

Particulars	Details				
	Name of the Director	Omprakash Inani	Mr. Vishnukant Chaturbhuj Bhutada	Mr. Hetal Madhukant Gandhi	Mr. Keshav Bhutada
Remuneration sought to be paid and the remuneration last drawn	Nil	In line with the resolution passed by the Nomination & Remuneration Committee subject to approval of members at the Annual General Meeting. Last drawn remuneration is disclosed in the corporate governance report section.	In line with the Company's remuneration policy for Independent Directors, Mr. Hetal Gandhi will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors from time to time, reimbursement of expenses for participation in the Board meetings and commission subject to members approval.	As set forth in the resolution	As set forth in the resolution
Directorship on the Boards of other companies	<ol style="list-style-type: none"> Srinidhi Cottons Private Limited Jaijanaki Fabrics Private Limited Inok Cottons Private Limited Mohini Infra Private Limited Lucky finger infratainment Pvt Ltd 	<ol style="list-style-type: none"> Shilpa Pharma Lifesciences Limited Inm Nuvent Paints Private Limited Ftf Pharma Private Limited Shilpa Biologicals Private Limited Shilpa Lifesciences Private Limited Shilpa Therapeutics Private Limited Vegil Labs Private Limited Sravathi Advance Process Technologies Private Limited Shilpa Biocare Private Limited Dharamkeshav Infra Private Limited Mohiniradha Infra Private Limited Mohini Infra Private Limited Kmn Investments Private Limited Inm Technologies Private Limited 	<ol style="list-style-type: none"> Chalet Hotels Limited Ami Organics Limited Allcargo Gati Limited Allcargo Logistics Limited Syrma SGS Technology Limited Singer India Ltd Tano India Advisors Private Ltd Inhabitr India Private Ltd SGS Tekniks Manufacturing Pvt Ltd Maia Pharmaceuticals, Inc Ecuhold N.V. 	<ol style="list-style-type: none"> KMN Investments Pvt Ltd Sravathi AI Technology Pvt Ltd 	<ol style="list-style-type: none"> KMN Investments Pvt Ltd Shilpa Biologicals Pvt Ltde
Chairmanship on the Committees of Boards of other companies	-	-	Chalet Hotels Limited-CSR Committee-Chairman		

Particulars	Details					
	Name of the Director	Omprakash Inani	Mr. Vishnukant Chaturbhuj Bhutada	Mr. Hetal Madhukant Gandhi	Mr. Keshav Bhutada	Mr. Madhav Bhutada
Membership on the Committees of Boards of other companies	Nil	Nil		Chalet Hotels Limited- Audit Committee Ami Organics Limited- Audit Committee Member.		
No. of meetings of the Board attended during the year	7	7	7			
Number of shares held in the Company as on 31st March, 2024	28,67,691 equity shares of Re. 1/- each	63,65,610 equity shares of Re. 1/- each	8000 equity shares of Re. 1/- each	20,00,000 equity shares of Re. 1/- each	20,00,000 equity shares of Re. 1/- each	

By order of the Board of Directors
For Shilpa Medicare Limited

Date: 8th August 2024
Place: Raichur

Ritu Tiwary
Company Secretary

ANNEXURE – B

Brief profile of Mr. Omprakash Inani

Mr. Omprakash Inani has more than 35 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.

Brief profile of Mr. Hetal Madhukant Gandhi

Mr. Hetal Madhukant Gandhi has over 37 years of experience in the financial services industry that encompasses private equity investments, credit markets, investment banking and turnaround situations. Hetal co-founded the India Advisory firm for Tano Capital. Tano is a mid-market Private Equity Fund manager that has, over the last 15 years, facilitated investments in high growth companies in their early stages. Hetal has been on the Board of companies, both listed and private, actively contributing to their strategy, organization, building and execution, and helped them scale up significantly. Prior to co-founding Tano India Advisors Pvt. Ltd, Hetal was the CEO for a large financial services Institution.

Hetal is a certified member of the Institute of Chartered Accountants of India.

He has conveyed his consent to continue as a Director and he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Hetal holds 8000 eq.sh of the Company.

Brief profile of Mr. Vishnukant Chaturbhuj Bhutada

Mr. Vishnukant C. Bhutada., holds Bachelor's Degree in Pharmacy and has more than 35+ 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 strong business acumen, strategic thinking, analytical vision and indepth knowledge in global medicare market has 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.

Mr. Vishnukanth Chaturbhuj Bhutada, aged about 61 years has been on the Board of the Company since incorporation i.e. 20-11-1987, is a key and an instrumental

person in promoting and steering the Company to its present position. Due to his untiring & constant efforts and planning, the Company has reached to its present level of operations in API, Biologicals and Formulations segments. The Company achieved various prestigious awards under his stewardship. His vision, foresightedness and planning has always been giving a good path to the Company in its new ventures. He has been heading the Company with his vast experience in pharmaceutical industry and international marketing.

He has conveyed his consent to act as a Director and he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Vishnukant Chaturbhuj Bhutada holds 63,65,610 eq.sh of the Company.

Brief profile of Mr. Keshav Bhutada

Mr. Keshav Bhutada, aged 29 years, has been on Board of Shilpa Pharma Lifesciences Ltd., a material subsidiary of the Company since 9th March 2022 as a Non-Executive Director. During his tenure, he has provided strategic guidance and leadership, led efforts to expand the Company's API portfolio, while driving growth in both oncology and non- oncology segments. Mr. Keshav played a pivotal role in increasing top-line revenues through strategic planning and execution. He oversaw the development of a robust product pipeline, leveraging his expertise in Contract Development and Manufacturing Organization (CDMO) serviced, championed the advancement of capabilities in multi-cyclic and longchain peptides, positioning the Company as a leader in cutting-edge pharmaceutical technologies. His focus throughout has been on delivering high-end specialty and biopolymers tailored to customer needs, driving innovation and excellence in the pharmaceutical industry.

Mr. Keshav had also been associated with Shilpa Medicare as Management Associate since 2016. A millennial leader coming in with a newer perspective to drive business growth Demonstrated expertise in Formulation, and Biologics sectors, contributing to the Company's in-depth industry knowledge, significantly increasing top-line revenues and has utilized hands-on experience to identify and capitalize on opportunities for growth and development in various pharmaceutical sectors.

Mr. Keshav Bhutada is a Bachelor of Engineering from RV College of Engineering, Bangalore and is currently Director on Board of Sravathi AI Technology Pvt Ltd and KMN Investments Pvt Ltd.

He is the son of Mr. Vishnukant C Bhutada, Promoter and Managing Director of Shilpa Medicare Ltd and holds 20,00,000 eq.sh of Shilpa Medicare Ltd.

Brief profile of Mr.Madhav Bhutada

Mr. Madhav Bhutada, aged 29 yrs has been on Board of Shilpa Biocare Pvt Ltd as a Managing Director since January 24, 2022 spearheading the operations of the Company with core focus on Recombinant Albumin & large scale microbial fermentation facility. Mr. Madhav has significantly contributed towards the large-scale fermenting facility for the manufacture of recombinant Albumin which is under construction, and is expected to be completed by the end of Q1 FY25. Company has already successfully completed phase I trials for this novel product, opening up potential licensing opportunities and positioning Shilpa Biocare at the forefront of innovation. Mr. Madhav plays a pivotal role in steering the course of the Company towards its strategic goals while safeguarding its interests. His responsibilities encompass providing guidance, oversight, and stewardship to ensure the organization's success and sustainability.

Mr. Madhav had been associated with Shilpa Medicare as Management Associate since 2016. During his tenure of 6 years he has lend his contributions in growth of both API and formulation divisions of the Company. Mr Madhav is also leading Biologics division as a Director since last 3 years and has contributed significantly in turning around the division and is poised to contribute substantial revenue to overall revenue in coming years.

Mr. Madhav Bhutada has completed his B.E Chemical Engineering from RV College of Engineering, Bangalore and a distance course from IIM Ahmedabad on Young Entrepreneurs Programme (YEP) and is currently a Director on Board of Shilpa Biologicals Pvt Ltd and KMN Investments Pvt Ltd.

Mr. Madhav Bhutada is son of Mr. Vishnukant C Bhutada, Promoter and Managing Director of Shilpa Medicare Ltd and holds 20,00,000 eq.sh of Shilpa Medicare Ltd.



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