Shilpa Medicare Limited

Innovating for affordable healthcare

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Dated 16th June, 2020

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

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

Dear Sir,

Sub: Presentation made to analysts and investors.

Ref: **Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;**

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

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find herewith enclosed copy of 04th Quarter and Financial Year 2019-20 Results presentation made to analysts and Investors.

This is for your information and Records.

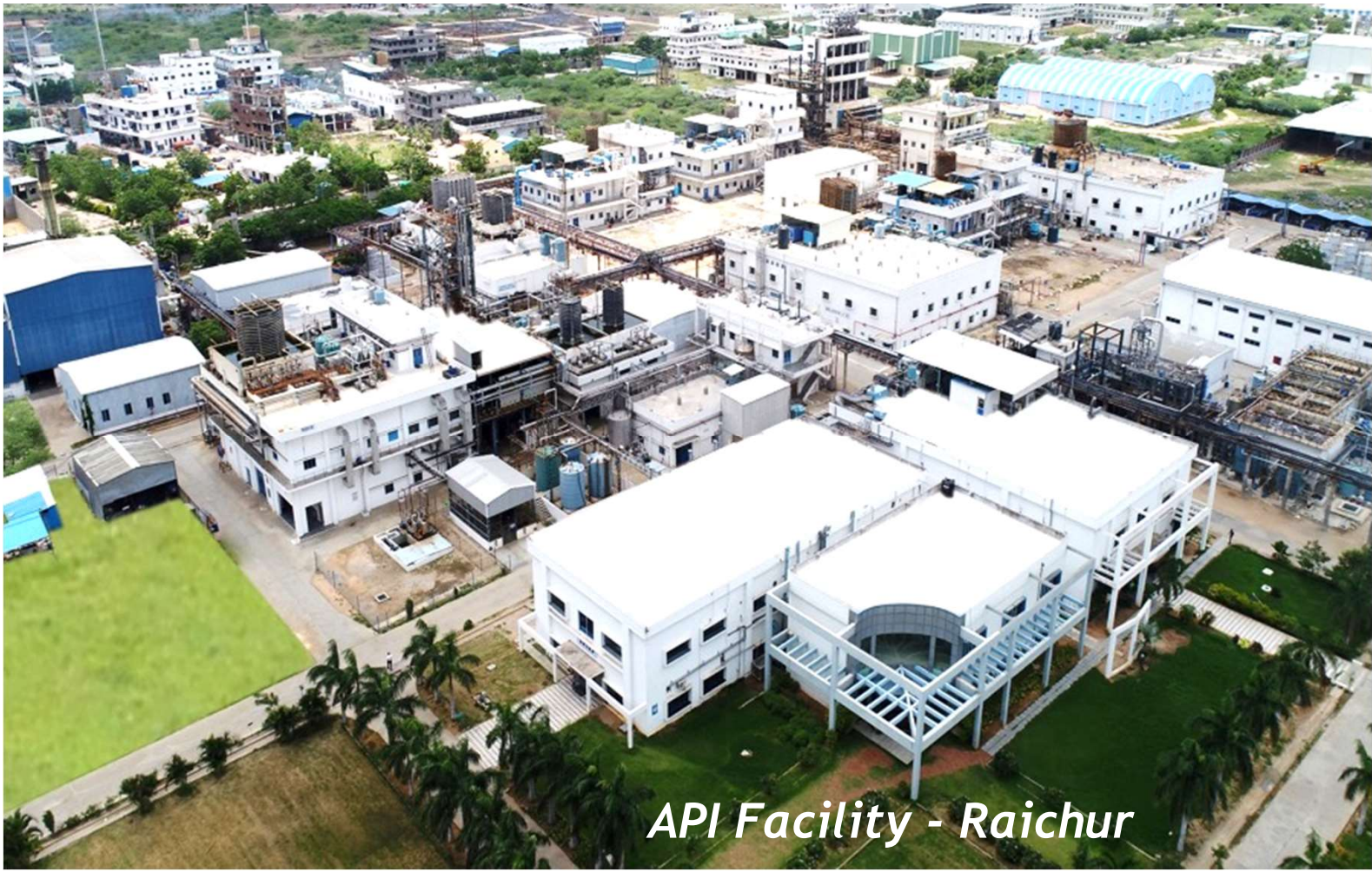
For Shilpa Medicare Limtied.

SHILPA MEDICARE LTD. RAICHUR

V V Krishna Chaitanya
Company Secretary and Compliance Officer

Q4 & FY20
Results Presentation

Shilpa Medicare Limited (SML)



Shilpa
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Disclaimer

Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Shilpa Medicare Limited (SML) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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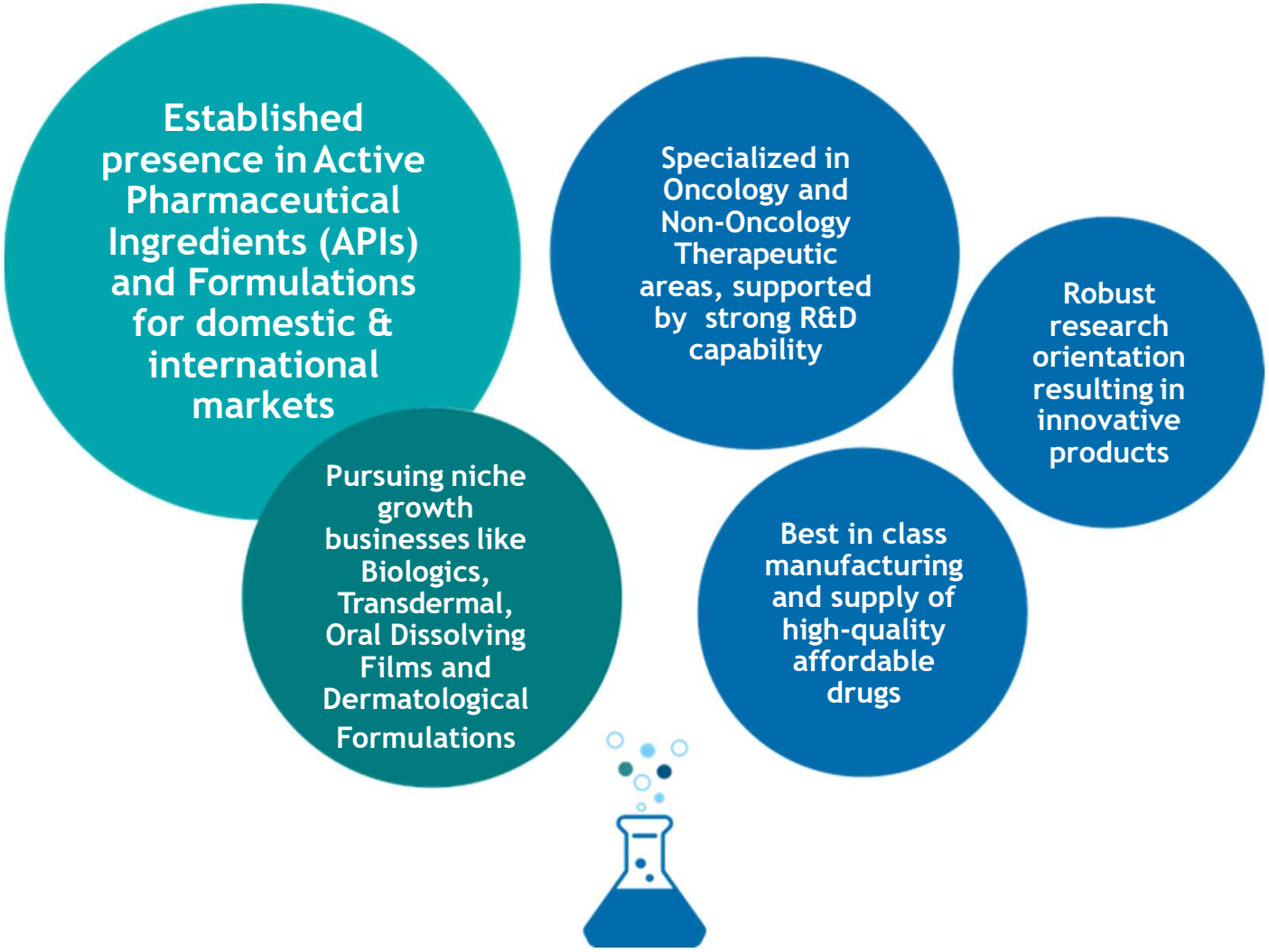
Company Overview



Affordable & Effective Pharmaceutical Solutions

Established Business Segments

	Description	Capacities
API	➢ Manufacturing API products with highly précised Isolator Technology ➢ The facility is approved by USFDA, WHO-GMP, EUGMP, TGA, PMDA, KFDA & MFDS	➢ 9 dedicated Blocks for Oncology & 4 Blocks for Non-Oncology ➢ Multi-product capability for Oncology & Non-Oncology ➢ Expansion of Various API Capacities
Formulations	➢ Products includes Liquid and Lyophilized injectable, sterile dry powder in the facility approved by USFDA, EUGMP, ANVISA & COFEPRIS ➢ Develops in-house formulas that allows greater control over the production process, resulting in cost savings	➢ 2 self contained Oncology & Adjuvant Therapy Manufacturing lines for Oral Solids products ➢ 2 Self Isolated Oncology & Adjuvant Therapy manufacturing lines for Injectable products (Liquid & Lyophilized) ➢ 1 Injectable line (Lyophilized / Liquid / Sterile Dry Powder) commissioned in the month of March 2020

Growth Business Segments

	Description	Capacities
Biologicals	➢ Company will pursue an aggressive IP strategy for Bio similar and NBE assets ➢ 4 of the top 15 Biologic products in the pipeline	➢ 2 Lines independent - single use lines (1000L Bioreactor each) for production of MABS from mammalian cells ➢ 1 single use line (200L bioreactor) for production of MABS from mammalian cells ➢ 1 multi use SS line (1000Lx2nos) for production of recombinant proteins from microbial cells
Oral Dissolving Films & Transdermal Products	➢ Transdermal Therapeutic systems facilitate better treatment for the patient ➢ Enhancing technology and capabilities to develop and manufacture Oral Dissolving Films and Transdermal products	➢ Combo –Line will be commission in July 2020 ➢ 2 dedicated lines for ODF at Hyderabad ➢ Combo-Line (ODF & TD), first of its kind from Harrow, Germany at Bengaluru, India

Growth Business Segments

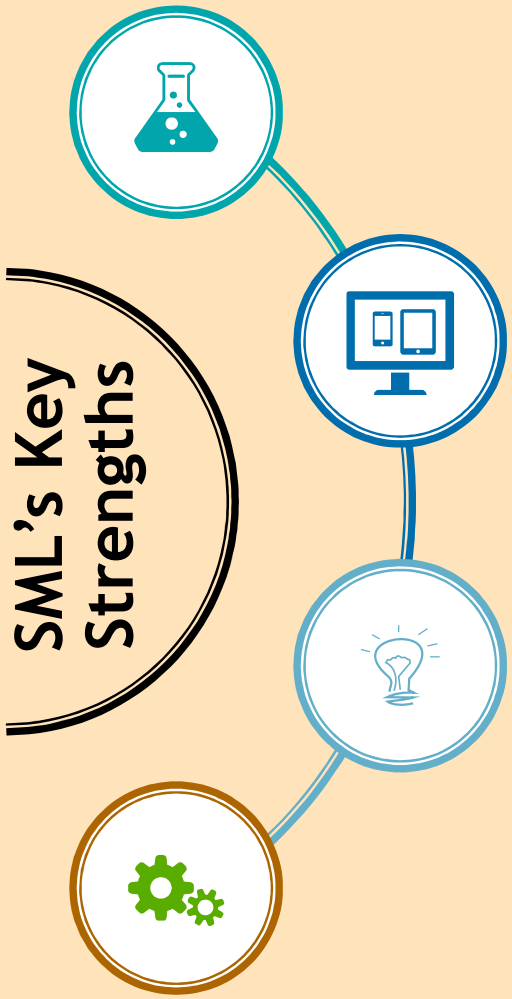
Dermatological Formulations

Description

- Company is engaged in R&D in various Dermatological products
- 2 Products are ready to be filed under which 1 Product is Niche Generic and 1 Product is Niche OTC

Capacities

- R&D is carried out at Shilpa Medicare's in-house R&D Facility
- Exhibit batches are taken at a Contract Manufacturing Organization



R&D Competence

Technology Edge

Rich Scientific Talent

Manufacturing Excellence

Research & Development Competence

R&D capabilities, a vital component providing a sustainable, long-term competitive advantage

API R&D Centre aids the development of Generics which meet international development standards

Formulation R&D centre develops Generic equivalents and super Generics for global markets of Injectable and Oral Formulations which are primarily used for the treatment of cancer & adjuvant therapy

Upcoming state of the art centralized R&D center at Bengaluru for the development of Formulation, will be fully commissioned by September 2020

Technology Edge API

X-Ray Diffraction for Polymorphic Identification Instrument

- Improved safety in the process
- Reduced pain points in the process
- Reduced manual intervention which improves effluent quality
- Flexibility to use the equipment in multiple processes (with similar chemistries)

- The Company has made progress in the field of 'Targeted Therapy,' which has enabled the identification of neoplastic cells and the development of novel targeted therapies
- The Company constantly works on reducing the prices of medicines by developing Generic versions of off-patented drugs

Rich Scientific Talent API

125+

Scientists

200+

Patents filed

44+

High quality products

Devise new processes, or validate new processes, or refine existing ones, to optimize the manufacturing process

Improve the yields by reducing costs, e.g. investigating alternative materials or new machinery to improve efficiency and quality in bottleneck areas

Implement product protocols and procedures and product evaluation
Transfer new technologies across a range of product categories

Oversee the integration of new products with other commercial areas, including brand development, sales strategy, quality assurance, legal, marketing and manufacturing

Patents Status as on March 31, 2020

Patents	Filings	Granted	Pending
- API	200	34	166
- Formulation	83	8	75
- Films Topical & Transdermal	46	2	44
- Biologicals	6	2	4
- Others	22	1	21
TOTAL	**357**	**47**	**310**

Product wise DMF filings as on March 31, 2020

Name of the API	US FDA	EU/ EMEA	TPD-Canada	PMDA Japan	TGA & Medsafe-NZ	EDQM	KFDA Korea	GCC & ROW	WHO Market
Ambroxol HCl						✓	✓	✓	
Azacitidine	✓	✓	✓	✓			✓	✓	
Bicalutamide	✓	✓	✓	✓				✓	
Bendamustine HCl	✓	✓	✓		✓		✓	✓	
Bortezomib	✓	✓	✓				✓	✓	
Busulfan	✓		✓	✓	✓	✓	✓	✓	
Capecitabine	✓	✓	✓	✓	✓	✓		✓	
Decitabine	✓		✓				✓	✓	
Erlotinib HCl	✓	✓					✓		
Fingolimod HCl	✓	✓	✓			✓			
Gemcitabine HCl	✓		✓	✓	✓	✓	✓	✓	
Imatinib Mesylate	✓	✓			✓	✓	✓		
Letrozole	✓			✓		✓			
Irinotecan HCl	✓	✓	✓		✓	✓		✓	
Irinotecan HCl (Process-2)						✓			
Melphalan HCl	✓	✓	✓						
Oxaliplatin	✓		✓		✓	✓	✓	✓	
Pemetrexed Disodium	✓	✓	✓		✓		✓	✓	
Temozolomide	✓	✓	✓	✓	✓	✓	✓	✓	
Zoledronic Acid	✓	✓							
Pemetrexed Dipotassium (Nonahydrate)	✓	✓			✓				
Anastrozole	✓								

Product wise DMF filings as on March 31, 2020

Name of the API	US FDA	EU/ EMEA	TPD-Canada	PMDA Japan	TGA & Medsafe-NZ	EDQM	KFDA Korea	GCC & ROW	WHO Market
Clofarabine	✓	✓							
Dimethyl Fumarate	✓								
Axitinib	✓								
Enzalutamide	✓								
Pirfenidone	✓					✓			
Gemcitabine Hydrochloride (Process-2)	✓	✓	✓			✓			
Ibrutinib	✓								
Teriflunomide	✓								
Pomalidomide	✓								
Tranexamic Acid	✓					✓			
Thalidomide	✓	✓						✓	
Sunitinib Malate	✓	✓							
Lenvatinib Mesylate	✓								
Tenofovir Alafenamide Fumarate	✓								
Praziquantel						✓			✓
Tenofovir Disoproxil Fumarate									✓
Cyclophosphonamide	✓					✓			
Prucalopride succinate		✓					✓		
Lenalidomide	✓								
Acebrophylline							✓		
Sorafenib (Base)							✓		
Sunitinib (Base)							✓		

Formulation Product Pipeline as on March 31, 2020

Patents	Filings	Approved (Including Tentative)	Pending
US ANDA			
- On SML's Name	22	13	9
- On Customer's Name	20	12	8
TOTAL (In US)	**42**	**25**	**17**
- EU Filing	19	13	6
TOTAL (In US & EU)	**61**	**38**	**23**

Manufacturing Excellence

Facility Location	Facility Type
Dharwad	R & D Biologicals
Bengaluru	R & D (All segments except Biologics)
Raichur Unit I	API (Onco – Non Oncology)
Raichur Unit II	API (Onco – Non Oncology) and R & D API
Jadcherla Unit	Formulations (Onco & Adjuvant Therapy of Onco – Injectable & Oral)
Hyderabad Unit	Formulations (Oral Dissolving Films)
Hubli	Biologicals Manufacturing Site and R & D
Hyderabad	Bio Analytical & Pharmacovigilance R & D
Austria	API Manufacturing

- Currently 5 manufacturing facilities for API's & Formulations products in India & 1 manufacturing facility for API in Austria
- World-class manufacturing unit of Transdermal Patch and Oral Films at Bengaluru, Karnataka,
- The manufacturing equipment are state of the art and with all necessary machine controls to maintain quality and consistency
- Four single use and one multi use best in class Bio reactor

Company's Headquarters at Raichur, Karnataka, India

Manufacturing Facilities

- 2 API plants at Raichur, India
- 4 R&D units. (Bangalore, Dharwad Hubli and Raichur, India)
- 1 Manufacturing site for Biologicals at Hubli, India
- 2 Formulation plants at Jadcherla and Hyderabad, India
- 1 API plant at Austria

Filtration, Milling, Sieving & Packing Isolator

Financial Performance

Covid19

- As per guidelines issued by the Government on March 24, 2020 the Company has been following all standard operating procedures at its Manufacturing, Research and Office sites
- The COVID-19 pandemic outbreak is impacting the global economy in multiple ways and also impacted on the pharmaceuticals industry. During the quarter ended March, 31 2020 the Company had moderate impact on the revenue due to disruption in the manpower, supply chain, and increase in working capital due to slowing down in the receivables. The COVID-19 Pandemic outbreak for a medium/large span of time may impact the supply of key material import/export of the product. There will also be low impact on the R&D activity due to deferment in project timeline
- The Company continues to undertake Corporate Social Responsibility initiatives in various part of the society, helping farmers through Water conservation, Environment, Animal welfare etc. Due to impact of COVID-19 and increase in unemployment of daily wages worker, the Company supported the under-privileged people by distributing groceries, food to quarantined migrants, undertook distribution of masks, sanitizers and temperature reading equipment. Donation was made to PM Cares fund. Amount of Rs. 75.00 Lakhs has been utilized on the above

Abridged P&L Statement -Standalone

(Rs.In Lakhs)

Particulars	Q4 FY20	Q4 FY19	Q-o-Q Change (%)	FY20	FY19	Y-o-Y Change (%)
Total Income (A+B+C+D+E)	20090	17450	15%	72755	64914	12%
Total Revenue from Operations (A+B+C+D)	19793	17102	16%	71629	63361	13%
•API (A)	13304	10988	21%	50181	44212	14%
•Formulations (B)	4812	3784	27%	10146	13569	-25%
• Service &License Income (C)	1054	1818	-42%	8968	3027	196%
•Others (D)	624	512	22%	2334	2553	-9%
•Other Income (E)	297	349	-15%	1126	1553	-27%
Total Expenditure	14866	12869	16%	56107	47533	18%
EBITDA	**5225**	**4581**	14%	**16649**	**17381**	-4%
EBITDA margin (%) to Total Income	26%	26%		23%	27%	-15%
Exceptional items-(Income)/Expenses	454	798	-43%	454	622	-27%
Finance Costs	129	100	28%	433	279	55%
Depreciation and Amortization	916	845	8%	3496	3401	3%
PAT Period/year from continuing operations (A)	**2536**	**1964**	29%	**16819**	**13575**	24%
PAT Margins (%)	13%	11%	12%	23%	21%	11%
PAT Period/year from discontinued operations (B)	**3254**	**(293)**	-1209%	**2552**	**(1164)**	-319%
Other comprehensive income (C)	**(150)**	**(52)**	185%	**(120)**	**46**	-361%
PAT (A+B+C)	**5641**	**1618**	249%	**19252**	**12457**	55%

Abridged P&L Statement - Consolidated

(Rs. In Lakhs)

Particulars	Q4 FY20	Q4 FY19	Q-o-Q Change (%)	FY20	FY19	Y-o-Y Change (%)
Total Income (A+B+C)	**22890**	**20261**	13%	**92485**	**74711**	24%
Revenue from operations (A)	**20547**	**18134**	13%	**77204**	**70147**	10%
Service Income and License fees (B)	**1452**	**1817**	-20%	**13587**	**3192**	326%
Other Income (C)	891	309	188%	1694	1372	23%
Total Expenditure	**17439**	**16211**	8%	**68811**	**57755**	19%
EBITDA	**5451**	**4050**	35%	**23674**	**16956**	40%
EBITDA margin (%)	24%	20%	19%	26%	23%	13%
Exceptional items-(Income)/Expenses		**46**			**(1987)**	
Finance Costs	101	141	-28%	456	368	24%
Depreciation and Amortization	1155	1054	10%	4378	4206	4%
PAT attributable to owners of the Parent Company	**3457**	**2388**	45%	**15615**	**11226**	39%
PAT Margins (%)	15%	12%	28%	17%	15%	12%
PAT (including comprehensive income)	3323	2333	42%	15511	11269	38%

Consolidated Balance Sheet

(Rs. In Lakhs)

Assets	As at 31.03.2020	As at 31.03.2019
	Audited	Audited
(1) NON- CURRENT ASSETS		
(a) Property , plant & equipment.	55,737.28	49,450.48
(b) Capital work -in-progress	48,208.23	30,446.01
(c) Goodwill	3,700.08	3,675.26
(d) Right-of-use asset	2,639.19	0.00
(e) Intangible assets	3,232.66	2,840.97
(f) Intangible assets under development	18,152.28	12,300.00
(g) Financial assets		
i) Investments	1,045.11	225.45
ii) Loans	(0.00)	0.00
iii) Others financial assets	1,147.37	803.58
(h) Other non- current assets	2,672.83	6,754.72
Total non-current assets	136,535.04	106,496.48
(2) CURRENT ASSETS		
(a) Inventories	22,643.36	18,766.94
(b) Financial assets		
i) Investment	0.00	0.12
ii) Trade receivables	24,372.12	20,372.82
iii) Cash and cash equivalents	4,431.43	3,427.15
iv) Other bank balance	24.85	6,026.65
v) Loans	(0.00)	62.76
vi) Other financials assets	644.79	962.48
(c) Other current assets	9,337.17	4,495.16
(d) Current tax assets (net)	624.17	391.79
Total current assets	62,077.89	54,505.87
TOTAL ASSETS	198,612.93	161,002.35

Equity & Liabilities	As at 31.03.2020	As at 31.03.2019
	Audited	Audited
(1) EQUITY		
(a) Equity share capital	815.27	815.27
(b) Other equity	132,121.00	118,943.06
Equity attributable to owners of the Company	132,936.27	119,758.32
(c) Non-controlling interest	(791.13)	(761.94)
Total equity	132,145.14	118,996.38
LIABILITIES		
(2) NON- CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	16,501.84	8,109.56
(b) Provisions	2,616.88	2,177.16
(c) Deferred tax liabilities (net)	4,198.46	4,767.32
(d) Other non-current liabilities	2,376.38	1,607.66
Total non-current liabilities	25,693.56	16,661.70
(3) CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	16,527.34	8,657.99
ii) Trade payables		
-Total outstanding dues of Micro Enterprises and Small Enterprises	1,076.78	832.57
-Total outstanding dues of creditors other than Micro Entrerprises and Small Enterprises	7,869.12	7,239.73
iii) Other financial liabilities	11,977.92	6,656.63
(b) Other current liabilities	2,233.45	1,505.27
(c) Provisions	1,089.63	452.06
Total current liabilities	40,774.23	25,344.26
TOTAL EQUITY & LIABILITIES	198,612.93	161,002.35

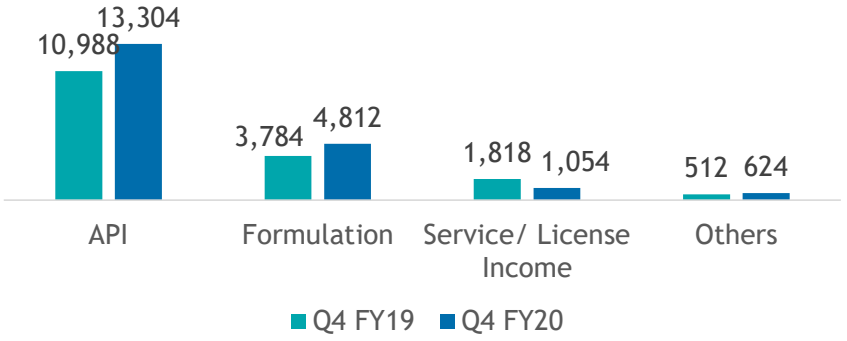
Results Snapshot (Standalone)

Key Highlights

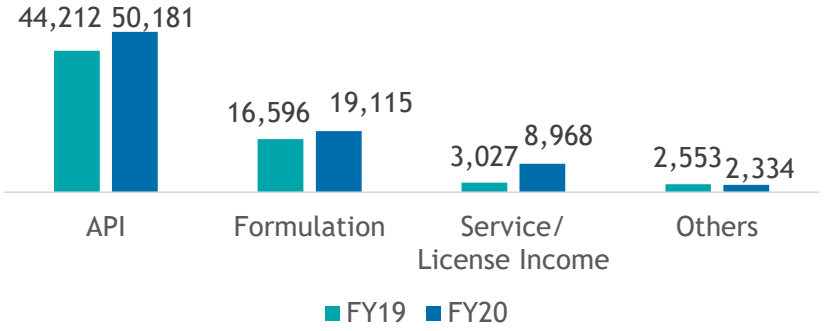
- Formulations' revenues were higher backed by the launch of new products in the US
- API revenues were higher on account of delivering a better growth in the Oncology API Business
- CRAMS revenue declined as the Company exited the JV

The Company declared Interim dividend of Rs. 1.10 per share

Division wise Revenue from Operations (Rs. In Lakhs)



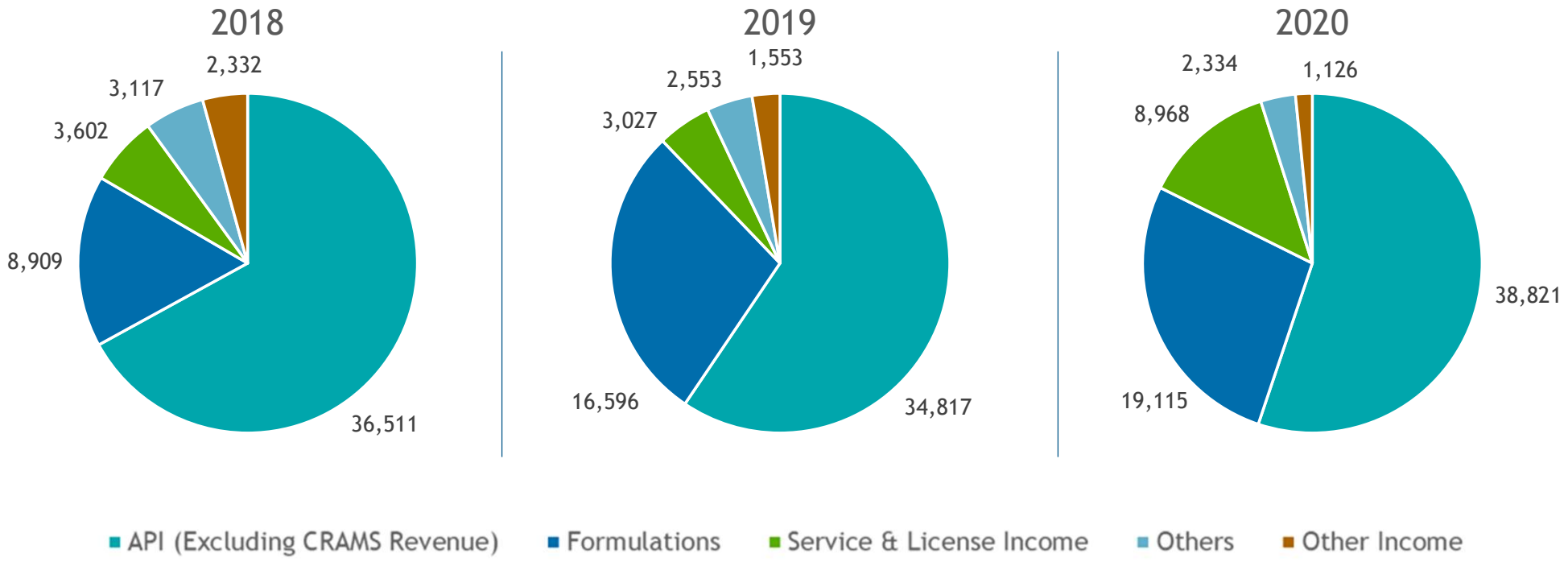
Division wise Revenue from Operations (Rs. In Lakhs)



Historical Revenue Statement – Standalone

Total Revenue (ex-CRAMS): 13.66% CAGR since FY2018

(Rs. In Lakhs)



Strong trends in underlying performance ex of CRAMS over the past few years

Corporate updates

API

- SML received an Establishment Inspection Report (EIR) from USFDA with ZERO 483 observations for the inspection conducted between 03 and 07 February 2020 at the Raichur API facility
  - The inspection classification of this facility is NO ACTION INDICATED (NAI)

Formulations

- USFDA held an audit from 13 February to 25 February at its finished Dosage Formulation Facility in Jadcherla, **Form 483 issued with 15 observations, SML working with USFDA to address the observations in a comprehensive manner**
- SML was issued EU GMP by Austrian Authority (AGES) for inspection held during 13th to 17th Jan 2020. SML's affiliates have registered its products (Oral solids & Injections) with European authorities for commercial distribution
  - The renewed EU GMP facilitates continued supply of products to European union
- SML launched its first branded Generic version for Lenvatinib Mesylates, an anti-cancer drug with a brand name 'LENSHIL'
  - These 4 mg & 10 mg capsules will be used for the treatment of Thyroid & Hepatocellular and potentially for other cancers (renal & endometrium) as well
  - LENSHIL will drastically reduce the treatment cost, more than the 50% when compared to cost of other innovator drug
  - These products are being manufactured and supplied from the state-of-the-art USFDA approved manufacturing facility

Future Growth Businesses

- The Biologicals unit of SML was transferred to Shilpa Biologicals Pvt. Ltd., a wholly owned subsidiary of SML, which would result in :-
  - Operational synergies which would lead to cost optimization
  - Sector focused company which will facilitate Strategic Investment
  - Facilitates the creation of a Biological Business with a separate focused management that would provide with a greater flexibility in pursuing long-term growth plans and strategies

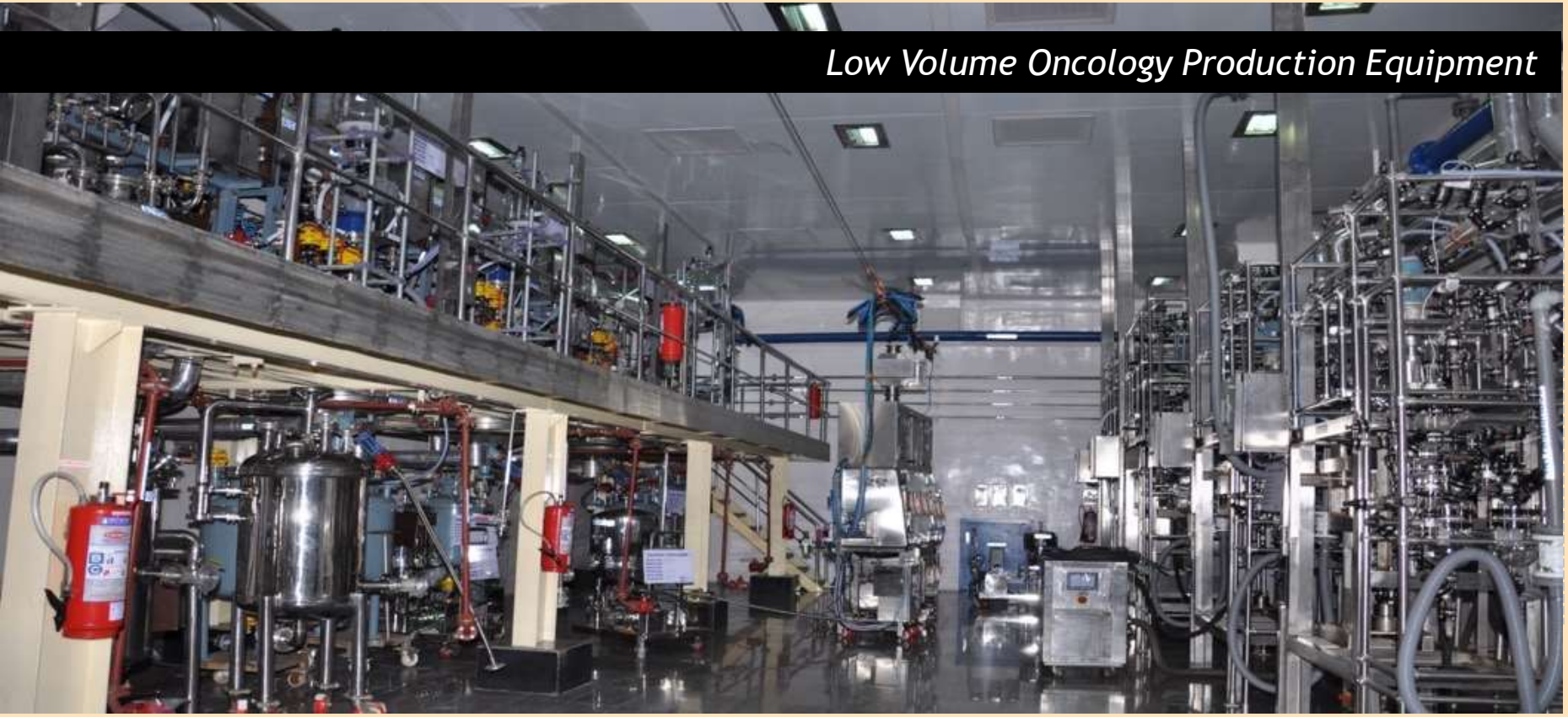
Managing Director's Message

Commenting on Q4 & FY'20 performance, Mr. Vishnukanth Chaturbhuj Bhutada, Managing Director Shilpa Medicare Limited said

"We are pleased with the operating trends shown by the business during the year. Performance is tracking the expected milestones with 24% growth in overall revenues and 38% gains in net profits.

Strategic focus on driving Formulations has resulted in healthy income from introduced and licensed products, and we are also developing a marketing team especially across Russia, Europe, Brazil, and other geographies. Consequently our margins are also showing improvement YoY owing to vertical integration benefits. Further a strong pipeline of products will aid our momentum. This will balance out the reduction in CRAMS business given our exit of the JV. Our Oncology APIs segment has delivered as per plan and will continue to progress well based on an attractive pipeline and diversified base of intermediates.

Our investments in Biologicals will start showing results in the coming quarters where as an enabling measure we have housed the segment under a wholly owned subsidiary so that it can be scaled up to potential. Further our interest in other growth segments will support the enhancement in earnings as we go forward."



Way Forward

Way Forward

API

- Plan to commercialize 3-4 new molecules each year
- To enhance capacity by 40 -70 % via debottlenecking in all Oncology production blocks
- To install dedicated intermediate blocks to make intermediates available in a shorter delivery period

Formulations

- To attain economies of scale by increasing batch sizes
- 1 new injectable line has been commissioned
- Expanding reach by entering different geographies/markets
- Further optimizing costs by enhancing operational efficiencies such as reduction in cycle time, reduced testing

Future Growth Businesses

- Diversification into other therapeutic areas like Biologics, portfolio expansion to Transdermal Dosage Forms and Oral thin films formulations
- Initiated a Biologics manufacturing plant equipped with best-in-class technologies at Karnataka
  - Phase I of the facility on schedule to commission in June 2020 - This facility shall cater to the global market
- Focus on expanding presence in emerging markets and ROW through strong business associations will be the growth drivers going forward
- In Formulations, developing other therapeutic areas like Dermatology and Ophthalmology
- Launching Oncology formulation products in the Indian market

Glass Lined Reactors in Intermediate Area

Annexures

API Key Highlights :

Increased the capacity of **Tranexamic Acid** by nearly about 100% from the pervious capacity & upgradation of existing API

Successful Regulatory Record

Segment	Facility	Audit Date and Agency	Resolution
API Site	API Unit-1 & Unit-2, Raichur	USFDA inspection between Feb 3-7, 2020	EIR Received
	API Unit-1 & Unit-2, Raichur	USFDA inspection between July 22-26, 2019	EIR Received
	API Unit-1	GMP inspection by COFEPRIS-Mexico between April 15-19, 2019	GMP certificate received
	API Unit-2	GMP inspection by COFEPRIS-Mexico between April 22-26, 2019	GMP Certificate received
	API Unit-1	EU-GMP from AGES-Austria between Jan 16-18 & 24, 2018	EU-GMP certificate received
	API Unit-2	EU-GMP from AGES-Austria between Jan 19-24, 2018	EU-GMP certificate received
Formulation Site	SEZ Jadcerla Facility	FDA, USA 29 Aug 2019 to 06 Sep 2019	EIR Received
		FDA, USA 13 Feb 2020 - 25 Feb 2020	Awaited Response form USFDA
		JAZMP, Slovenia (EU) 12 to 19 Nov 2014	GMP Certificate received
		AGES, Austria (EU) 25 to 30-01-2018	EU-GMP certificate received
		AGES, Austria (EU) 13 to 17 Jan 2020	EU-GMP certificate received

- SML continues to observe the highest standards of regulatory compliance. Its systems and processes are attuned to adhere to the evolving requirements of regulators in the geographies where it operates
- Past instances of regulatory observations have all be successfully closed with favorable outcome

About Shilpa Medicare Ltd.

Shilpa Medicare Limited (SML) started its operations as API manufacturer way back in 1989 at Raichur, Karnataka- India. Today Shilpa Medicare Limited is a global brand in manufacturing and supplying of affordable API and Formulation globally in different regulated markets.

Shilpa Medicare has been on path of expansion ever since its inception. With a regulatory recognized manufacturing set up and excellent scientific expert team in place, Shilpa Medicare has since been on a steady growth path. Currently they are one of the leaders in the Oncology market and offer a complete range of products in this segment spanning across APIs, formulations both in terms of R&D and manufacturing capabilities. Further to consolidate in field of Oncology, API and formulations, they are striving to put in efforts in field of novel drug delivery systems and biotech products along with widening their focus to other therapy areas. Where Shilpa Medicare is today is the result of their constant endeavors for more than two decades.

Siddharth Rangnekar/ Karl Kolah

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Temple – API Plant- Raichur

Thank You