

Shilpa Medicare Limited

Corporate & Admin Office:

"Shilpa House", # 12-6-214/A-1, Hyderabad Road,
Raichur – 584 135, Karnataka, India
Tel: +91-8532-238704, Fax: +91-8532-238876
Email: info@vbshilpa.com, Web: www.vbshilpa.com
CIN: L85110KA1987PLC008739

24th January, 2024

Corporate relationship Department,
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400001

National Stock Exchange of India, Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex,
Bandra (E),
Mumbai 400051

Sub: Intimation under Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015

Dear Sir/ Madam,

In pursuant to the requirements of the aforesaid regulation(s), we hereby wish to inform you that in the matter of Arbitration between Shilpa Medicare Limited ("the Company" or "SML") and Celltrion, INC ("Claimant") towards supply and distribution agreement, an award has been passed by an Arbitral Tribunal consisting of Sole Arbitrator on January 22, 2024, which has been received on January 23, 2024.

Brief Case History:

The Claimant, an entity registered in Republic of Korea, entered into a Manufacturing, License, Supply & Distribution agreement with SML in September 2019. As a part of the arrangement requisite license fees was paid to SML and due supplies for the orders placed by the Claimant were made. In February 2020, a routine USFDA inspection of SML's Unit IV at Jadchelra was carried out for which the Company received a Warning Letter which later got converted into an Import Alert. Base on this USFDA intervention, Celltrion was claiming refund of the entire license fees, payments made for supply of goods along with expenses and damages in the sum of US\$ 6.5 million. This claim of the Claimant was not accepted by SML on several grounds based on the terms of the supply and distribution agreement. Hence the matter was referred to London Court of International Arbitration.

The Award:

The Arbitrator has directed that:

- a) Shilpa Medicare Limited is to pay to Celltrion, Inc damages for breach of contract in the sum of US\$3,055,964.91;
- b) Shilpa Medicare Limited is to pay to Celltrion, Inc pre-Award interest on such damages at a simple rate of 2% above US Prime Rate per annum from 29 October 2021 until the date of this Award;
- c) Shilpa Medicare Limited is to pay Celltrion, Inc's costs of the Reference in the total sum of US\$704,250, consisting of ICC costs of arbitration of US\$104,250 plus general legal and other expenses of US\$600,000;
- d) Shilpa Medicare Limited is to pay to Celltrion Inc interest on any of the above sums of damages, pre-award interest and costs at the simple rate of 8% per annum, to be calculated from the date of the Award until the date of payment

The Arbitrator dismissed other claims and counter claims made in the matter. Thus, the award in its present form would have an estimated total financial impact of approximately Rs. 36 Crores on the Company till the date of the Arbitral award i.e. 22nd January 2024.



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The Company is in discussions with its legal advisors to evaluate the overall legal position and the future course of action for the same. We will provide requisite updates at appropriate time on any further development on the matter.

You are requested to kindly take note of the same.

With Regards,
For Shilpa Medicare Limited

Ritu Tiwary
Company Secretary & Compliance Officer