Shilpa Medicare Limited

Innovating for affordable healthcare

Manufacturers and Exporters of Bulk Drugs

12–6–214/A–1,Hyderabad Road,
RAICHUR - 584 135, Karnataka, India.
Phone : +91-8532 - 238704, Fax : +91 - 8532 - 238876
E-Mail : info@vbshilpa.com Web: http://www.vbshilpa.com

CIN No. L85110KA1987PLC008739

Date: 6th October, 2016

The Corporate Relationship Department
B S E Limited
1st Floor, New Trading Ring, Rotunda Building
P.L. Towers, Dalal Street, Fort
MUMBAI – 400001.

The Listing Department
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir,

Subject: Submission of Annual Report as per Regulation 34 of SEBI (LODR) Regulations, 2015

Ref: Scrip Code: 530549/ Scrip Symbol: SHILPAMED

*****

We hereby submit Annual Report for the financial year 2015-16 for your records and doing the needful at your end.

Thanking you,

Yours faithfully,
For **SHILPA MEDICARE LIMITED**

OMPRAKASH INANI
DIRECTOR
DIN: 01301385

SHILPA MEDICARE LIMITED RAICHUR

29th Annual Report 2015-2016

Shilpa

Innovating for affordable healthcare

Shilpa Medicare Limited

Shilpa Medicare Ltd bagged Pharmexcil's "Patent Award" for securing the most number of product patents..

India Pharma Awards 2015 bagged UBM's Excellence in R&D Award (Company with turnover more than 500 Crore)

2016 Export Excellenace Award conferred by FKCCI..

Innovating for affordable healthcare

Registered Office
#12-6-214/A1,
Hyderabad Road,
Raichur, Karnataka- 584135

29th

ANNUAL GENERAL MEETING

Thursday the 29th day of September, 2016 at 11.30 AM at the Registered Office of the Company at #12-6-214/A1, Hyderabad Road, Raichur, Karnataka - 584135

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COMPANY INFORMATION

Board of Directors

Omprakash Inani	:	Chairman
Vishnukant C Bhutada	:	Managing Director
Ajeet Singh Karan	:	Independent Director
Carlton Felix Pereira	:	Independent Director
Pramod Kasat	:	Independent Director
Rajender Sunki Reddy	:	Independent Director
N.P.S Shinh	:	Independent Director
Venugopal Loya	:	Independent Director
Namrata Bhutada	:	Non-Executive Director

Board Committees

Audit Committee

Venugopal Loya - Chairman
Omprakash Inani - Member
Pramod Kasat - Member
Rajender Sunki Reddy - Member

Nomination and Remuneration Committee

Pramod Kasat - Chairman
Venugopal Loya - Member
Omprakash Inani - Member

Stakeholders Relationship Committee

Omprakash Inani - Chairman
Vishnukant C Bhutada - Member

Corporate Social Responsibility Committee

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

Company Secretary

Vemuri Ajay (up to 19.10.2015)
Sujani Vasireddi (w.e.f. 01.11.2015)

Auditors

Bohara Bhandari Bung And Associates LLP
Chartered Accountants
#12-10-89/1, 2nd Floor, Anagha Complex
Above Canara Bank, Near Mouleshwar Chowk
Raichur - 584 101.

Bankers

Standard Chartered Bank Ltd
CITI Bank N.A
The Lakshmi Vilas Bank Ltd
State Bank of India
Axis Bank Ltd

Registered Office

12-6-214/A1, Hyderabad Road
Raichur - 584135 (Karnataka)
Phone: 08532-238704; Fax: 08532-238876
Email: info@vbshilpa.com; Web:www.vbshilpa.com
CIN: L85110KA1987PLC008739

Works

4-A, Deosugur Industrial Area,
Deosugur - 584 170, (Raichur District), Karnataka.

100 % Export Oriented Unit

33-33A, 40-47, Raichur Industrial Growth Center,
Wadloor Road, Chicksugur- 584134,
Raichur District, Karnataka.

SEZ Unit

Plot No. S-20 to S-26, Pharma SEZ
TSIIC Green Industrial Park,
Pollepally Village, Jadcherla Mandal,
Dist - Mahaboobnagar - 509301, Telangana.

R & D Unit-Vizag

Survey No:207, Modavalasa Village, Denkada Mandalam,
Dist: Vijayanagaram-531162 AP.

R & D Unit - Raichur

33-33A, 40-47, Raichur Industrial Growth
Center, Wadloor Road, Chicksugur- 584134,
Raichur District, Karnataka.

Subsidiary Companies

1. Loba Feinchemie GmbH,(Step-Down Subsidiary)
2. Zatortia Holdings Limited
3. Raichem Medicare Private Limited
4. Shilpa Therapeutics Private Limited
5. INM Technologies Private Limited
6. Makindus INC
7. Koanaa Healthcare Limited

Associate Company

1. Reva Pharmachem Private Limited

Joint Venture Company

1. Maia Pharmaceuticals Inc
2. Reva Medicare Private Limited

PERFORMANCE OF THE COMPANY STANDALONE AT GLANCE FOR 5 YEARS

(Rs. in Lakhs)

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Gross Revenue (Net of Excise duty)	28754.54	33320.22	53622.144	57085.55	68259.58
Profit before Depreciation, Extraordinary/ Exceptional Item & Taxes	6210.34	6846.86	12317.406	14198.12	17168.61
Depreciation	1143.84	1275.36	2109.202	1908.50	2119.03
Pofit before Tax	5129.21	5561.13	10208.204	11901.64	14728.48
Taxes*	1154.45	965.17	2122.523	3483.53	3449.61
PAT #	3974.76	#'4595.96	8085.680	8409.77	11032.92
Dividend (Inc. Dividend Tax)	256.52	370.53	451.027	508.85	555.12

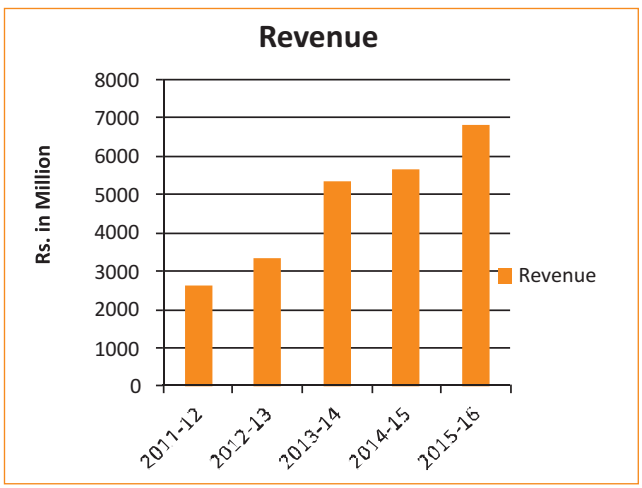
PERFORMANCE PARAMETERS

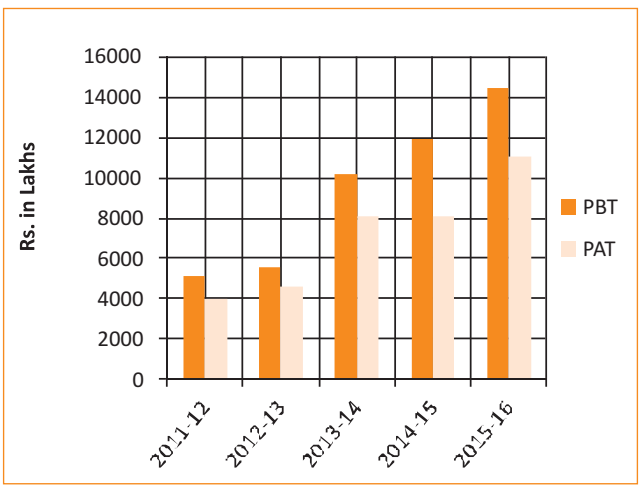
Net Fixed Assets	14084.14	15255.58	25766.05	28001.31	35523.00
Share Capital	490.48	490.58	735.72	771.02	771.02
Reserves & Surplus	28239.44	32588.13	40520.78	55538.56	66391.43
Net Worth (Net)	28729.92	33078.71	41256.51	56309.58	67162.45
Returns on Net Worth (%)	13.83	13.89	19.59	14.93	16.43
Borrowings	5486.43	9816.58	8007.76	8705.14	8617.64
Debt Equity Ratio (Gross)	0.19	0.30	0.19	0.15	0.13
Dividend (%)	45	65	50	55	60
Earning per share##	16.54	12.49	21.98	21.94	14.62

* *Includes Deferred Taxes.*

\# *Effect of Exchange Fluctuation on Long Term Borrowings & investment in foreign subsidary Company considered as per option given vide MCA notification no GSR 914 (E) dt 29.12.2011*

Equity share of Rs. 2/- each split to face value of Re. 1/- each during the year.





NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Members of the Shilpa Medicare Limited will be held on **Thursday the 29th day of September, 2016 at 11:30 AM** at the Registered Office of the Company at #12-6-214/A1, Hyderabad Road, Raichur Karnataka- 584135 to transact the following items of business:

ORDINARY BUSINESS:

1. **To consider and adopt the Accounts of the Company for the financial year ended 31st March 2016, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.**

2. **To confirm the Interim Dividend of Re.0.60 per share paid and declare the same as the dividend for the year 2015-16.**

3. **To appoint a Director in place of Mr.Omprakash Inani (DIN No.01301385) who retires by rotation and being eligible, offers himself for re-appointment.**

4. **To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution with or without modification there of:**

   "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there-under, and pursuant to the recommendation of the Audit Committee, the consent of the members of the Company be and is hereby accorded to ratify the appointment of M/s. Bohara Bhandari Bung & Associates LLP, Chartered Accountants, Registration No. 008127S/S200013, who have been appointed as a statutory auditors of the Company at the 27th Annual General Meeting for a period of 3 years subject to the ratification of members in every Annual General Meeting, on such terms as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31,2017."

SPECIAL BUSINESS:

5. **Ratification of Remuneration to 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 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, payable to M/s V.J Talati & Co., Cost Accountants (Regd.No.M/2203), to audit the cost records maintained by the Company for the financial year ending March 31, 2017, be and is hereby approved and ratified."

6. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr. Narinder Pal Shinh (DIN No: 00023160),** Director of the Company, whose term would come to an end at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who being eligible offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company for a period of Three years with effect from ensuing Annual General Meeting."

7. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr. Carlton Felix Pereira (DIN No: 00106962),** Director of the Company, whose term would come to an end at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who being eligible offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company for a period of Three years with effect from ensuing Annual General Meeting."

8. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr. Ajeet Singh Karan (DIN No: 00183622),** Director of the Company,whose term would come to an end at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and

who being eligible offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company for a period of Three years with effect from ensuing Annual General Meeting."

9. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr.Pramod Kasat (DIN No: 00819790),** Director of the Company, whose term would come to an end at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who being eligible offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company for a period of Five years with effect from ensuing Annual General Meeting.

10. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr. Venugopal Loya (DIN No: 01270402),** Director of the Company, whose term would come to an end at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who being eligible offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company for a period of Five years with effect from ensuing Annual General Meeting."

11. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr. Rajender Sunki Reddy (DIN No: 02284057),** Director of the Company, whose term would come to an end at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who being eligible offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company for a period of Five years with effect from ensuing Annual General Meeting."

12. **Approval of Related Party Transaction:**

    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 Clause 49 of the Listing Agreement with the Stock Exchange(s) or Regulation 23 of SEBI (LODR) Regulations, 2015 as may be applicable (as amended from time to time by Stock Exchange or by the Securities and Exchange Board of India and for the time being in force), and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for entering into transactions, contracts or arrangements on such terms and conditions as the Board may think proper and beneficial for the Company with M/s Raichem Medicare Private Limited, a subsidiary of the Company, during every financial year commencing after 31st March, 2016 up to Rs.240.00 Crores per financial year, for a period of 3 years."

    "FURTHER THAT the Board be and is hereby authorized to negotiate and settle the terms and conditions of related party transactions and all others matters incidental thereto and to give such direction as considered necessary including delegating all or any of the powers herein conferred to any Committee of Directors, Executive Chairman, Managing Director, Whole Time Director(s), Director(s) and/or any officers of the Company, and authorize them to sign and execute all agreements, applications, contracts, deeds, and/or documents that may be required, on behalf of the Company and the Board hereby further authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental thereto without being required to seek any further consent or approval thereto, for the purpose of giving effect to this resolution."

By order of the Board of Directors
For **Shilpa Medicare Limited**

Sujani Vasireddi
Company Secretary &
Compliance Officer

Place: Raichur
Date : 26-08-2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. Proxy forms in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting.
3. The Company has notified closure of Register of Members and Share Transfer Books from **22nd September, 2016 to 29th September, 2016** (both days inclusive) for the Annual General Meeting.
4. M/s. Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
5. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
6. All the shareholders and beneficial owners who have not claimed the dividend for the years 2008-09 to 2014-15 are requested to submit their claims immediately to the Company/ STA for respective dividends. The dividends unclaimed for 7 years will be transferred to Investor Education and Protection Fund.
7. The annual accounts of the subsidiary companies and the related detailed information are available for inspection by any shareholder(s) at the Registered Office of the Company during business hours and shall be provided to the shareholders who seek such information.
8. Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the Attendance slip duly filled in for attending AGM. Copies of Annual Report will not be provided at the AGM.
9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar & Share Transfer Agents and members holding shares in electronic form may obtain the Nomination form from their respective Depository Participants.
11. The notice of the 29th Annual General Meeting is available on the website of the Company www.vbshilpa.com and website of Agency i.e https://evoting.karvy.com.
12. Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
13. Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or un-enchased dividends for financial years up to 2007-08 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account. Members, who have a valid claim to any unclaimed dividends which are not yet transferred, may claim the same from the Company immediately.
14. That the Company is providing facility for voting by electronic means and the business may be transacted through such voting as mentioned down under;
15. **Process and manner for members opting for e-voting are as under:**

    The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Karvy Computershare Private Limited for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

    A. In case a member receives an email from Karvy Computershare Private Limited (Karvy):

    I. Launch internet browser by typing the URL: https://evoting.karvy.com.

    II. Enter the login credentials (i.e., User ID and password mentioned in your email/AGM Notice). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User ID:	**For Members holding shares in Demat form:**
	a. For NSDL: 8 character DP ID followed by 8 digit Client ID
	b. For CDSL: 16 digit Beneficiary ID/Client ID
	For Members holding shares in Physical form:
	Event No.(EVEN) followed by Folio No. registered with the Company.
Password:	Your unique password is printed on the AGM Notice/provided in the email forwarding the electronic notice.

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., Shilpa Medicare Limited.

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 in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder 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.1 You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution.

IX. 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. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: **cs@vbshilpa.com**, with a copy marked to **evoting@karvy.com**. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO."

B. In case of Members receiving AGM Notice by Post:

I. User ID and initial password as provided in the AGM Notice Form.

II. Please follow all steps from Sr.No. (i) to (ix) as mentioned in (A) above, to cast your vote.

C. The e-voting period commences on **26th September 2016 at 9.00 A.M. and ends on 28th September, 2016 at 5.00 P.M.** In case of any query pertaining to e-voting, please visit Help & FAQ's section of Karvy e-voting website.

D. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member(s)/ beneficial owner(s) (in case of electronic shareholding) as on the cut-off date i.e. **22nd September, 2016.** 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. 22nd September, 2016** will be entitled to avail the facility of remote e-voting/ Insta Poll.

E. Once the vote on a resolution is cast by a member(s), the member(s) shall not be allowed to change it subsequently or cast the vote again.

16. That the facility for voting either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

17. That the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

18. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or polling paper. If they are opting for e-voting, then they cannot vote physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.

19. The Board of Directors has appointed Mr. V. Ajay of M/s. VCAN & Associates, a Practicing Company Secretary as a Scrutinizer to process the e-voting and submit the report to the Chairman.

20. Compliance Officer of the Company shall be responsible for addressing all the grievances of Shareholders in relation to this Annual General Meeting including e-voting. Her contact details are **Email:cs@vbshilpa.com**, Phone No: 08532-238704.

21. The members may download a copy of the notice of this meeting and the results declared along with the Scrutinizer's Report from the website of the Company (www.vbshilpa.com) or from https://evoting.karvy.com.

22. Brief Profile of Directors seeking re-appointment at the 29th Annual General Meeting (pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015) is attached to this Notice as **Annexure-A.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No. 5

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), remuneration payable to them, for conducting the audit of the cost records of the Company for the financial year ended 31st March, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No.5 for approval of the members.

Item No. 6 to 11

Mr. Narinder Pal Singh, Mr. Carlton Felix Pereira, Mr. Ajeet Singh Karan, Mr. Pramod Kasat, Mr. Venugopal Loya and Mr. RajenderSunki Reddy, were appointed as Independent Directors of the Company at the 27th Annual General Meeting, for a term of Two (2) years. The term of the Directors referred above, shall come to an end at the ensuing Annual General Meeting and offered themselves for re-appointment for another term.

The entire Board of Directors of the Company, excluding the Independent Director being evaluated, has evaluated the performance of the Independent Directors seeking re-appointment for another term. The Board of Directors were satisfied with the performance of all of them and do hereby recommend to the members, to re-appoint Mr. Narinder Pal Singh, Mr. Carlton Felix Pereira, Mr. Ajeet Singh Karan, Mr. Pramod Kasat, Mr. Venugopal Loya and Mr. Rajender Sunki Reddy,as Independent Directors as aforesaid in the respective resolutions.

Mr.Narinder Pal Singh Shinh, Mr. Carlton Felix Pereira, Mr.Ajeet Singh Karan, Mr. Pramod Kasat, Mr. Venugopal Loya and Mr. Rajender Sunki Reddy, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

A brief profile of Independent Directors to be re-appointed, including nature of their expertise and other disclosure as required under Regulation 36 of SEBI (LODR) Regulations, 2015, is provided at **Annexure A** of this Notice.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at **Item Nos. 6 to 11.**

The Board recommends the resolutions set forth in Item **No.6 to 11** for approval of the members.

Item No.12

The provisions of Section 188 of the Companies Act, 2013 read with rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. Regulation 23 of SEBI (LODR) Regulations, 2015 which has come into operation with effect from December 1, 2015 has also prescribed seeking of shareholders' approval for material related party transactions.

As per said Regulations all transactions which are material in nature entered by the Company in its ordinary course of business though entered at arm's length basis, need the approval of shareholders.

Raichem Medicare Private Limited (RMPL), a subsidiary company promoted by the Company as a joint venture with ICE Spa & PCA Spa Italian companies to set-up an API manufacturing plant. Said plant has commenced its commercial operations during the year 2015-16. There would be a major inter sale/ purchase transactions between RMPL and the Company as the manufacturing of some of the products are inter related to get end products.

The transactions relating to supply, sales and purchases of material to/with RMPL will be in ordinary course of business and are continuous in nature and are not for a specific period. Terms and conditions will certainly be at arm's length basis. All factors relevant to the respective contracts will be with the prior approval of Audit Committee and the Board of Directors.

Pursuant to the provisions of SEBI (LODR) Regulations, 2015, the transactions are material in nature and require the approval of the shareholders of the Company by way of a resolution.

The members are further informed that no member(s) of the company being a related party or having any interest in the resolution as set out at Item No.12 shall be entitled to vote on this special resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No.8 for approval of the members.

By order of the Board of Directors
For **Shilpa Medicare Limited**

Sujani Vasireddi
Company Secretary &
Compliance Officer

Place: Raichur
Date : 26-08-2016

Annexure - A

Details of Directors as on March 31, 2016 seeking appointment/ re-appointment at the Annual General Meeting
[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. Omprakash Inani	Mr. Narinder Pal Singh	Mr. Carlton Felix Pereira	Mr. Ajeet Singh Karan	Mr. Pramod Kasat	Mr. Venugopal Loya	Mr. Rajender Sunki Reddy
Date of Birth	15/12/1956	04/01/1946	17/10/1967	09/12/1965	06/08/1969	03/08/1964	06/05/1964
Date of Appointment	23/03/1988	30/06/2008	05/09/2007	28/01/2011	16/03/2010	07/10/2002	30/06/2008
Relationship with Directors	Related to Mr.Vishnukant C. Bhutada	None	None	None	None	None	None
Expertise in specific functional area	Being Chairman of the Company since its formation he gained good knowledge of all the functional areas. He is one of the key persons in the management decisions, having very good experience in the field of business and functional aspects of the Company	Has long standing experience in the fields of management, administration and reviving loss making companies	Has good experience in the fields of finance and fund raising	Has good exposure to pharma industry as well as in the finance	Has rich exposure in finance and banking and raising funds	Has long standing experience in accounts and finance	Rich exposure in pharma, medical and education fields
Qualification	B.Com.	B.Com, LLB and MBA from Delhi University	B.Com., ACA	MBA	MBA	Commerce Graduate	Post Graduate in Pharma
Board Membership of other companies as on March 31,2016 @	1) Srinidhi Cottons Pvt. Ltd 2) Mohini Infra Pvt. Ltd. 3) Jaijanaki Fabrics Pvt Ltd. 4) Mansarovar Health Club Pvt. Ltd.	1. National Standard (India) Ltd 2. Avaya Holdings And Trading Private Limited 3. Shriram Automotive Products Ltd 4. Ezra Trading And Finance Company Limited 5. Bakelite Coatings & Paints Pvt Ltd 6. National Standard Tyre Moulds (India) Limited 7. Mountain Dew Properties Ltd 8. Bakelite Hylam Ltd. 9. Bakelite Properties Pvt. Ltd 10. Mystic Woods Holdings & Trading Private Limited 11. BLK Trading Pvt. Ltd 12. Adamas trading Pvt. Ltd 13. Heritage Texture Services Private Limited	1. Tano India Advisors Pvt. Ltd 2. SSIPL Retail Ltd 3. Promac Engineering Industries Limited 4. MIRC Electronics Ltd. 5. Compact Travels Private Ltd 6. Chowgule Construction Chemicals Private Limited 7. Sanghvi Brands Promoters Pvt. Ltd 8. Sanghvi Fitness Pvt. Ltd 9. Sanghvi Beuaty & Salon Private Limited. 10. Sanghvi Technologies Private Limited. 11.Sanghvi Hospitality Private Limited	1. Ace Wealth Management Private Limited 2. Bharat Serums And Vaccines Limited 3. Secova eServices Private Limited 4. Auro Mira Energy Company Private Limited	1. Raichem Medicare Private Limited 2. Fouress Consultants Private Limited	None	1.Raichem Medicare Private Limited 2. Shilpa Therapeutics Private Limited 3. Brass Agro Farms Private Limited 4. Sri Navodaya Superspeciality Hospitals Private Limited 5. Sri Navodaya Institute Of Medical Sciences Private Limited
Chairman/Member of the Committee of the Board of Directors as on March 31, 2016.	Audit and Stakeholders Relationship Committees	NIL	NIL	NIL	Audit Committee	Audit Committee	Audit Committee
Chairman/Member of the Committee of Directors of other companies in which he is a director as on March 31, 2016							
a) Audit Committee	NIL	NIL	2	1	1	NIL	1
b) Stakeholders' Relationship Committee	NIL	NIL	1	NIL	NIL	NIL	NIL
Number of shares held in the Company as on March 31, 2016#	23,14,704	14,192	1,470	0	1,43,500	0	25,500

Note: @ This does not include position in foreign companies, position as an advisory board member and position in companies under Section 8 of Companies Act, 2013.
Includes shares held by immediate family members.

DIRECTOR'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting herewith the 29th Annual Report on the business of your Company together with the Audited Accounts for the financial year ended 31st March, 2016.

FINANCIAL SUMMARY (Rs. in lakhs)

PARTICULARS	Financial Year 2015-16		Financial Year 2014-15	
	Standalone	Consolidated	Standalone	Consolidated
Operating Revenue (Net of ED)	**67579.06**	**71936.62**	56540.21	61379.91
Other Income	**680.52**	**464.21**	545.34	479.89
Profit before Interest, Depreciation & Tax	**16928.75**	**15759.66**	14189.78	13330.24
Interest	**327.19**	**686.48**	387.98	405.03
Depreciation	**2119.03**	**2862.91**	1908.50	2141.16
Net Profit Before Tax	**14482.53**	**12210.27**	11893.30	10784.05
Provision for taxation				
a. Current Tax	**3035.51**	**3054.08**	2455.69	2487.11
b. Less: MAT credit entitlement	**(501.29)**	**(501.30)**	(154.65)	(154.65)
c. Deferred tax	**915.40**	**214.02**	1182.49	1189.12
Profit after Tax	**11032.92**	**9871.50**	8409.77	7262.48
Add: Minority Share of Loss	**-**	**(506.83)**	-	(106.64)
Profit After Tax net of Minority Interest	**11032.92**	**10378.34**	8409.77	7369.12

REVIEW OF OPERATIONS:

During the year under review the Company reported gross revenues of Rs.682.59 Cr as against Rs.570.85 Cr and a Net Profit of Rs.110.32 Cr as against Rs.84.09 Cr registering growth of 31% and 4% respectively as against in the previous year. Out of the current year profits after tax Rs.5.00 Cr has been transferred to General Reserve and Rs.5.55 Cr has been paid as interim dividend and the balance has been carried forwarded to balance sheet.

Continuous focus of the management on new line of products, research & development and strategic expansion of production/ development facilities has been yielding good results in terms of high margins. Expansion of production facilities is as per schedule. Considering the fast developments in the pharma industry the Company has started focusing on development of new process and new products.

API R&D FACILITIES

With more than two decades of presence in the industry, Shilpa Medicare Ltd has created a niche for itself in very competitive domain of oncology products. The state of the art facilities in Raichur and Vishakhapattanam R&D centers with latest equipment's which creates backbone of making complex molecules in oncology as well as non-oncology active pharmaceutical ingredients. These R&D center are separate from production and quality control. These facilities are approved by DSIR, Government of India

The activity in R&D centers includes chemical route evaluation keeping in mind the IPR protection, identification of key process parameters and optimization of processes, Analytical method development and validation, Documentation for DMF filling, Synthesis of impurities and reference standards. The world class facilities have capability of making API from gram to kilo scale synthesis and supply of API for formulation development and clinical studies. These facilities are capable enough to handle complex reactions like alkylation, acetylation, bromination, chlorination, hydrogenation, high pressure reactions and various named synthesis.

Many complex viruses have been discovered over the past few years for which new drugs have been tried and tested all over the world. We are glad to have helped in the fight against these life taking diseases. Some of the drugs developed by these R&D centers for diseases like multiple myeloma, mental cell lymphoma, breast cancer, non-small cell lung cancer, proteasome inhibitor, chronic lymphomatic leukemia, immune modulatory agent and non-cancerous diseases like multiple sclerosis, idiopathic pulmonary fibrosis, chronic intestinal pseudo obstruction and pulmonary arterial hypertension.

As many as 11 oncology API's and 4 non-oncology APIs have been developed in R&D and successfully transferred the technology to plant for commercial production **this year** another set of **18 new oncology drugs** are currently under development.

Shilpa Medicare has compliance with government norms like cGMP and have got approvals from various FDA authorities from countries across the world. Maintaining high standards of quality has helped Shilpa develop trust with its partners and puts them in a favorable position amongst the top API manufacturers.

FORMULATION R&D

Formulation research Centre is concentrated in developing generic equivalents to reference listed drugs for Global Markets like USA, Europe and RoW for injectable and oral formulations used for the treatment of cancer and other indications like Multiple sclerosis, liver diseases, HIV etc.

The research centre also concentrates in the development of new formulations leading to reduced costing and enhanced stability of the drug products. Also the R&D works on converting the existing Lyophilized products to Ready to Use (RTU's) liquid. Also R&D concentrates on development of ready to fill powders for injectable administrations.

The oral department of R&D is concentrated in developing the generic equivalents for Global Markets. The R&D team is concentrated in developing the products as Para IV and 505 ((b)2). R&D is concentrated in working on products to reduce drug product administrations for Geriatric patients.

R&D is working on development of products with target filing as First to File and Para IV filing to US FDA.

API FACILITIES

Shilpa Medicare Ltd is strong player in global markets because of its inherent strength in R&D, IPR & GMP Compliance Active Pharmaceutical Manufacturing Facilities approved by USFDA in the segments of Oncology, amino acids & non Oncology Products.

The Company has commercialized the following API Technologies & the following patents have been granted and having more than 10 API Production Blocks approved BY USFDA at its two Raichur sites.

The Investment in the robust and adequate facilities with latest technologies the Company is generating revenue of Rs.58356.48 Lacs from its API Operations.

The Company is investing consistently in R&D, R&D Facilities, personnel, IPR, across south India in the segments of Oncology, Non Oncology, Bio-similar & working on the molecules of importance down the coming years to sustain it's growth in the API segment.

INTELLECTUAL PROPERTY MANAGEMENT (IPM) GROUP

Shilpa Medicare Limited Intellectual Property Management (IPM) Group is responsible for building Shilpa's global generic product pipeline as well as creating, managing and protecting its high value patent estate. Shilpa has a dedicated IPM Group which provides stage wise IP-clearances during product/process development activities and also provides frequent updates and alerts on relevant IP (patent, trademark etc) to R&D scientists for products/process and suggests remedial measures to deal with IP issues. Shilpa IPM Group is involved in product selection activity to ensure that right products are selected for development.

Highlights FY 15-16:

- In FY 15-16, Shilpa filed two ANDA with paragraph IV certifications and out of which one ANDA did not received any notice from brand company.
- In FY 15-16, Shilpa has filed 45 patent applications taking the cumulative total to 189 patent applications in India and other countries. Shilpa received grants for 13 patents.

Future plan FY 16-17

- Planned to file 3 ANDA with paragraph IV certification with US FDA, out of which one could be a first-to-file ANDA.

REGULATORY FILINGS: API RAICHUR UNIT-1, UNIT-II & UNIT-IV (FORMULATION UNIT-SEZ)

US DMFs

- 7 (Seven) - All are with CA status available.
- 19 ANDA filed as on 31.03.2016 out of which 6 ANDA on Shilpa and balance 13 were on behalf of Customer using our facility. Two DMFs approved in support of ANDA review.

Europe DMFs approvals:

- 6 MAs were filed as on 31st March, 2016 out of which 4 (Four DMFs, Bortezomib, Bendamustine, Pemetrexed and Gemcitabine) were approved in support of various MAs (Bortezomib, Bendamustine, Pemetrexed and Gemcitabine).

Regulatory Approvals: PMDA-Japan, GMP clearance from TGA-Australia and USFDA.

SUB-DIVISION OF EQUITY SHARES FROM Rs.2/- TO Re.1/-

During the year under review, the Company after obtaining the approval of members at the 28th Annual General Meeting held on 28th September, 2015, divided the face value of existing equity share of Rs.2/- into two equity shares of Re.1/- each fully paid-up, with effect from the Record Date specified. Members holding shares in demat form as on the Record Date, were directly given credit to their respective beneficiary accounts and member(s) holding share(s) in physical form, was/were issued new share certificates.

DIVIDEND:

During the financial year under review your Company declared and paid an interim dividend of Re. 0.60 per share and the Directors recommended the same as dividend for the F.Y 2015-16 keeping in view the fund requirements for the on-going expansion plans. An amount of Rs.555.12 lacs inclusive of dividend distribution tax was absorbed towards the dividend for the F.Y 2015-16.

TRANSFER TO RESERVES:

We propose to transfer Rs.500 Lacs to the general reserve. An amount of Rs.9,977.79 Lacs is proposed to be retained in the P&L account.

DIRECTORS OR KEY MANAGERIAL PERSONNEL

Mr. Omprakash Inani, Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The term of all the Independent Directors of the Company shall come to an end at the ensuing Annual General Meeting, the entire Board of Directors excluding the Director being evaluated, evaluated their performance and recommends to the members to consider their re-appointment. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act.

During the period under review the Company Secretary Mr. Vemuri Ajay has resigned from the services w.e.f 19.10.2015 and Mrs. Sujani Vasireddi has been appointed as Company Secretary of the Company w.e.f 01-11-2015.

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

The Independent Directors have submitted the 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

At the Annual General Meeting (AGM) held on September 20, 2014, M/s. Bohara Bhandari Bung and Associates LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first provison to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Bohara Bhandari Bung and Associates LLP, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

Cost Auditors:

The Board has appointed M/s. V.J Talati &Co., Cost Accountants for conducting the audit of cost records of the Company for various segments for the financial year 2016-17 as recommended by the Audit Committee. As required under Section 148 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 a resolution is being placed at the ensuing AGM for ratification of remuneration payable to said Cost Auditors.

Secretarial Auditors:

M/s P.S.Rao & Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rule 9 there-under. The Secretarial Audit Report for FY 2015-16 forms part of this Report as **Annexure - 9.**

The Board has appointed M/s P.S.Rao & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2016-17.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO

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

RISK MANAGEMENT POLICY

Pursuant to Regulation 21 (4) of SEBI (LODR) Regulations, 2015, the Company has formulated a policy on the Risk Management. The Risk Management Policy of the Company is posted on the Company's website:www.vbshilpa.com. The Board formulated and implemented Risk Management Policy for the Company which identifies various elements of risks which in its opinion may threaten the existence of the Company and measures to contain and migrate risks. Major risk to the Company apart from the general business risks related to pharmaceutical industry, is supplies at low cost countries like China and other unregulated suppliers.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, forms part of this Annual Report. A separate statement containing the salient features of the financial statements of Subsidiaries, Associates and Joint Ventures in **Form AOC-1,** is annexed herewith as **Annexure - 5.**

Further, the annual accounts of all the subsidiary companies shall be posted on 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 an Internal Control System, commensurate with the size, scale and complexity of its operations.

Various Audit Systems in the Company monitor and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the audit reports the units undertake corrective action in their respective areas and strengthen 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 and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding 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.

SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

RAICHEM MEDICARE PVT LIMITED 100% EOU.

RAICHEM MEDICARE PVT LIMITED is a Subsidiary of SHILPA MEDICARE LTD and joint venture of ICE.SPA and PCA.SPA.

Raichem completed installation of all machineries during 2015-2016 and Recruited all the key personnel, also commenced trial production in aug-2015 after the Audit by External consultant from ITALY and started commercial production in Dec-2015.

Raichem has obtained the Drug Manufacturing license and GMP certificate and consent from pollution control board for operating the plant.

Raichem will be initially manufacturing intermediates for UDCA (Ursodeoxycholic acid) until ICE SPA and PCA SPA obtain the Import License by Dec-2016.

Raichem has completed validation batches of Raw UDCA and already exported to ICE.SPA and PCA.SPA, also registration of Raichem site with PMDA-JAPAN.

Raichem will carry out New Validation batches during Oct/Nov-2016 for improved process and yields.

INM TECHNOLOGIES PVT LTD (NANOTECHNOLOGY DIVISION)

Innovative Nano & Micro Technologies Private Limited Incorporated in the FY 2014-2015 a Subsidiary of Shilpa Medicare Ltd, Raichur. Company has a vision to serve the humanity using Nano technology products. Company drives with Strategic intent "Innovations for All Generations". Company Business Portfolio includes Nanomaterial manufacturing, Research & development in the field of Nano science & Nano (chemical and Bio) technology and Nanoformulations for pharmaceutical technology applications. State of the art facility for synthesis, characterization and analytical testing of Nano products, trained manpower for process design & monitoring has been established and includes 9 departments in the company involving major disciplines namely Biotechnology, Bio-medical, Analytical and Pharmaceutical, Chemical, Polymer, Coatings, Electronics and Smart materials.

In the area of Bio-medical sector, INM Technologies presently working on dental products with new Nanoformulation to avoid toxicity of the existing filling material, dental hemostatic gels formulation with enhanced blood clotting, and immediate release of the drug, temporary filling materials based on nano zinc oxide formulations for improved efficacy.

INM Technologies plans at launch these dental products in the first quarter of 2018. Nanoemulsions with no side effects and improved efficacy, for ocular delivery have been undertaken Nanoformulations for ophthalmic applications have global market approx. 12 billion USD and approx. Rs. 500 Crores Indian market.

Department of Coatings working towards nanostructured coatings based on simple and cost effective process. These include: hydrophilic coatings, hydrophobic coatings, self cleaning, anti reflective, UV- absorbing coatings, Heat absorbing coatings, Transparent conductive coatings, Electrochromic coatings. These nanostructured coatings for automobile, building, domestic applications have global market approx. 15 Billion USD and approx. Rs. 5,000 Crores Indian market. INM Technologies plans at launch some of these nanostructured coatings into Indian and global market by first quarter of 2018.

In the area of Pharmaceutical division, INM Technologies presently working on different pharmaceutical dosage form, namely Ophathalmics, NDDS (Novel drug delivery system), SR oral thin film, Parenteral and Dermatological formulations. We have also identifying new technologies in designing new technology based formulation.

During this financial year, we have selected three to four formulations and initiated the development of those formulations at INM Technologies. This year, we focused on conducting confirmative animal studies of these formulations. Along with we have developed two high value formulations in opthalmics and we are planning to scale up ophthalmic formulation using contract manufacturing facilities. This year, we have identified nanofibres technology to design Rapid Oral Film formulations.

The future plan of Pharmaceutical division of INM Technologies,

1. Identification of new technologies to improve constrains with existing formulations.
2. Developed formulation using new design adopting nano and micro technology.
3. Identification of portfolio, for Rapid Oral thin Film and Parenteral products.
4. Adding new products in the area of NDDS, Ophthalmic and Dermatology.
5. Focusing on improved formulation in Oral dosage formulation.

SHILPA THERAPEUTICS PVT. LTD. (FORMERLY KNOWN AS NU THERAPEUTICS PVT. LTD.)

Situated at Hyderabad, India, 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. is the first company to commercialize prescription products as oral thin strips/films in India.

Shilpa Therapeutics is being lead and promoted by highly motivated professionals with extensive experience both in domestic and international pharmaceutical arena and highly qualified management professionals with a vision to develop

and market innovative and patient compliant novel drug delivery systems.

Shilpa Therapeutics has a strong IP profile. **Almost 10 patents has been filed in ODS space and also** approval for its oral disintegrating strip products from regulatory authorities of Kenya, Uganda along with filing in several other countries at various stages.

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

KOANAA HEALTHCARE GmbH

Koanaa Healthcare GmbH is 100% subsidiary of Shilpa Medicare Limited. The AGES inspection (Austrian pharmaceutical authority) will take place in Q3 2016 to be compliant in Formulation & Filling, Packaging, Product Release and Storage and Transport and to get the pharmaceutical trade certificate to go "online" with selling the first oncology products in Europe.

Koanaa Healthcare GmbH is being managed by a well experienced group of leaders who share the passion and dreams of Koanaa Healthcare GmbH vision of "Innovating for Affordable Healthcare". With their vast expertise in diverse sector of pharma business, our team brings on board their care, creativity, enthusiasm and commitment of achieving 'Affordable Healthcare' for everyone. Our team is dedicated for creating value to our customers, shareholders, partners and providing care for employees at all levels in the organization.

Koanaa Healthcare GmbH will be positioned as "European Player" with Austrian basis with low prices and high service in the field of oncology. The products will prove highest standards and quality and we will stand for Deliverability and Service for Patients and Physicians.

In terms geographical presence we are starting in Austria (headquarter) and in Germany (with a subsidiary office) with own commercial teams, in other territories like Northern Europe, CEE and Benelux and South Europe we are seeking for partnerships with other pharmaceutical companies.

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

LOBA FEINCHEMIE GmbH

Dr. Walter Erber took over the responsibility as CEO/Managing director for LOBA Finechemie GmbH from beginning May 2016.

Main strategy of Loba Finechemie GmbH is to enhance the focus in terms of resources on business development and Sales & Marketing within the next business years to support sales- and profit growth. The financial situation of Loba Finechemie GmbH already improved over the last years and will further develop extraordinarily over the next years. Main key of success will be keeping the exceptional quality and momentum for fine chemicals and especially the new orientation of Loba Finechemie GmbH more towards a "Focus on API business" which is compared to the finechemical business more profitable.

To support the sales expansion strategy for the next years, Loba Finechemie GmbH has developed an investment plan to update the facility, the technical equipment and the capacity of the factory, and especially to invest more in human resources. Overall link in all processes is to comply to the Austrian trade law and environmental law and to have the highest possible quality standards.

REVA PHARMACHEM PVT LTD

The Company is focused and working in regulated and emerging markets. It has gained its foothold in most stringent market (Japan) with domain area contract manufacturing and Generics (Oncology & Cephalosporin's). The Japan government (MOHLW) Ministry of Health Labour Welfare & PMDA (Japan Regulator) has aligned with DCGI (India FDA) to support facilitation of Pharma investment & generic business. Our customer base has broadened in Japan and projects secured with both Innovator & Generic companies. We are positive that by 2017 we should forge another partnership with a key big pharma co. The countries "Vietnam & Korea" are the front runners in terms of growth and revenue as part of emerging markets for the company.

Contract partnerships for dosage form {Oncology & Women Health} is the next line of operation. We are in discussion and outlying "projects" and this will business will become a key base for the company (mid to long term).

MAKINDUS INC, USA

Makindus is a specialty pharmaceutical development company focused on ophthalmology and rare diseases. Makindus' lead asset is MI-100, a novel ophthalmic formulation of a legacy compound being developed for Stargardt disease, a rare form of juvenile macular degeneration. The estimated prevalence in the U.S. and Europe is approximately 1 in 10,000 individuals. There is currently no cure or treatments.

Makindus has been granted orphan drug designation for MI-100 for the treatment of Stargardt Disease in both the United States and Europe. The Company will benefit from a number of incentives related to orphan drug designation including market exclusivity in the US for 7 years and 10 years in Europe.

MI-100 has shown promising results in improving visual acuity for Stargardt patients in an investigator-initiated clinical trial. Makindus has developed MI-100 in a new proprietary sterile and more convenient ophthalmic dosage form that allows for a ready-to-use multi-dose eye dropper for easy administration.

The clinical development program for MI-100 has been reviewed with the Food & Drug Administration (FDA) and European Medicines Agency (EMA). Makindus plans to file a New Drug Application (NDA) in 4Q of 2018 utilizing a streamlined 505(b)(2) regulatory pathway. Makindus is currently in discussions with interested parties to secure the needed financial support to advance MI-100 into Phase 3 clinical trial starting in the 2Q of 2017 with a target launch date of 1Q 2020.

MAIA PHARMACEUTICALS, INC, USA

MAIA Pharmaceuticals, Inc. ("MAIA") is a Princeton, New Jersey, USA based specialty pharmaceutical company founded in 2013.

MAIAs focus is to address an unmet need for a high quality, lower price pharmaceutical drugs used in the hospital that also provide product usability benefits to the end customer. MAIAs product pipeline consists of 15 niche generic and proprietary pharmaceutical products with a portfolio value of $10Bn+ focused on the US, European and Canadian markets

REVA MEDICARE PRIVATE LIMITED

Reva Medicare Private Limited (Reva) was incorporated on 12-02-2016, is a Joint Venture Company, promoted by your Company along with M/s Akira Pharma Private Limited. As per the understanding your Company holds 50.001% of the total equity in Reva.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

A report on CSR Activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed herewith as **Annexure -4.** CSR Policy of the Company and other details as required is placed on the Company's website at http://vbshilpa.com/CSRPolicy.pdf.

NOMINATION AND REMUENRATION POLICY

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act and Regulation 19 of SEBI (LODR) Regulations, 2015. It has been entrusted with the task to recommend a policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Directorand other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time.

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

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

As required under the provisions of Schedule IV of the Companies Act, 2013 the performance evaluation of Independent Directors has been done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

All the Independent Directors are due for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. In preparation of annual accounts for the financial year ended 31st March, 2016 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2016 and of the profit and loss of the Company for the year;

iii. The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The Directors had prepared the annual accounts on a 'going concern' basis;

v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls areadequate and were operating effectively; and

vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operatingeffectively.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - 1.**

OTHER DISCLOSURES:

Board Meetings

During the year under review, Five Board Meetings were held during the year. For further details, please refer Corporate Governance Report which forms part of this Annual Report.

Committees of Board

Your company has the following committees namely:

1. Audit Committee ;
2. Nomination and Remuneration Committee ;
3. Stakeholders Relationship Committee and
4. Corporate Social Responsibility Committee

The constitutions of all the committees are as per 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, as such the details as specified in Schedule V(C) of SEBI (LODR) Regulations, 2015, with regard to Corporate Governance Report including Auditor's Certificate on compliance with the code of Corporate Governance specified in Schedule V(E) of SEBI (LODR) Regulations, 2015 forms part of the Annual report.

Management Discussion and Analysis

The Management discussion and analysis Report for the year under review as stipulated under Regulation 34 SEBI (LODR) regulations, 2015 is annexed heretoand forms part of this Report.

Vigil Mechanism:

In pursuant to the provisions of section 117(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. Protected disclosures can be made by a whistle blower through to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://www.vbshilpa.com/pdf/Whistle_Blower_Policy.pdf.

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 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure - 2.**

PARTICULARS OF EMPLOYEES

Statement of employees employed throughout the financial year and in receipt of remuneration of Rs. 1,02,00,000/- (Rupees One Crores Two Lakh) or more, or employed for part of the year and in receipt of Rs. 8,50,000/- (Rupees Eight Lakh Fifty Thousand) or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure-3** to the Board's report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of the Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements pertaining to the year under review.

DEPOSITS

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding.

RELATED PARTY TRANSACTIONS:

Related Party Transactions entered during the financial year under review are disclosed in Note No. 41 of the Financial Statements. These transactions entered 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 the note on the aforesaid related party transactions is enclosed herewith as **Annexure - 6.**

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

The policy on materiality of Related Party Transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website http://www.vbshilpa.com/policies.html.

Material Changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statement relates and the date of the report.

The Board of Directors at their Meeting held on 27th June, 2016 approved the proposal of merger of Navya Biologicals Private Limited with Shilpa Medicare Limited. The Company has filed a scheme of merger with both the Stock Exchanges seeking their No-objection Letter.

All the documents filed to the exchanges pursuant to the approval may be accessed on the Company's website http://www.vbshilpa.com/draft-scheme-mergers.html

During the current financial year the Company had an audit conducted by the United States Food & Drug Administration (USFDA) at the SEZ Formulations facility situated at Jadcherla in the state of Telangana has received the approval without 483 for the said facility.

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:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.
4. 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.
5. No frauds were reported by the auditors during the year under review

Your Directors further states that during the year under review, there were no cases filed/registeredpursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 26-08-2016

OMPRAKASH INANI
CHAIRMAN

Annexure-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31-03-2016

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L85110KA1987PLC008739
Registration Date	20/11/1987
Name of the Company	SHILPA MEDICARE LIMITED
Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	# 12-6-214/A1, Hyderabad Road, Raichur, Karnataka - 584 135 Phone: 08532-238704; Fax: 08532-238876 E-mail:cs@vbshilpa.com; Website: www.vbshilpa.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer	M/s. Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Phone: 040-67161500; Fax: 040-23001153 Website:www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the Company

S.No.	Name and Description ofmain products/services	NIC Code of the Product/service	% to total turnover of the company
1.	3a 7b Dihydroxy	304.2	59.98

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of The company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Raichem Medicare Private Limited Plot No 24,25,26 & 26p, Raichur Industrial Growth Centre, Chicksugur Village, Karnataka- 584134.	U24232KA2009PTC049999	Subsidiary Company	Equity Shares 50.001% Preference Shares 100%	2(87) (ii)
2.	Shilpa Therapeutics Private Limited (Formerly known as Nu Therapeutics Private Limited) Plot No.118, Phase-III, IDA, Cherlapalli, Hyderabad, Telangana- 500051	U24239TG2004PTC043005	Subsidiary Company	Equity Shares 67.94% Preference Shares 100%	2(87) (ii)

(Contd.)

S. No.	Name and Address of The company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
3.	INM Technologies Private Limited # 4, T M Industrial Estate,12th KM, Mysore Road, Bangalore, Karnataka-560059	U73100KA2015PTC078494	Subsidiary Company	Equity Shares 75.00% Preference Shares 100%	2(87) (ii)
4.	Reva Medicare Private Limited #12-6-214/A1, Hyderabad Road, Raichur, Karnataka-585135	U24248KA2016PTC086047	Joint Venture	Equity Shares 50.001%	2(87) (ii)
5.	Zatortia Holdings Limited 70 Kennedy Ave., Papavassiliou Bldg, 4th Floor, 1076 Nicosia, Cyprus	Not Applicable	Subsidiary Company	100%	2(87) (ii)
6.	Makindus INC,USA 206 Avondale Drive, North Wales, Pennsylvania 19454	Not Applicable	Subsidiary Company	55.78%	2(87) (ii)
7.	Koanaa Healthcare Limited, UK 4th Floor, Cavendish House, 369 Burnt Oak Broadway, Edgware, Middlesex, England HA8 5AW.	Not Applicable	Wholly owned Subsidiary	100%	2(87) (ii)
8.	Loba Feinchemie GmbH Fehrgasse 7, 2401-Fischamend, Austria.	Not Applicable	Step-Down Subsidiary	99.99%	2(87) (ii)
9.	Reva Pharmachem Private Limited #12-6-214/A1, Hyderabad Road, Raichur-584135.	U24232KA2009PTC051596	Associate Company	Equity Shares 33.33%	2(6)
10.	Maia Pharmaceuticals Inc, USA 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808.	Not Applicable	Joint Venture	34.792%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	20451346	-	20451346	53.05	40902692	-	40902692	53.05	-
Sub-total (A)(1):-	**20451346**	**-**	**20451346**	**53.05**	**40902692**	**-**	**40902692**	**53.05**	**-**
(2) Foreign									
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**20451346**	**-**	**20451346**	**53.05**	**40902692**	**-**	**40902692**	**53.05**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	35244	-	35244	0.09	72949	-	72949	0.09	-
b) Banks / FI	6265	750	7015	0.02	11311	1500	12811	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	5688802	-	5688802	14.76	11344911	-	11344911	14.72	(0.04)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**5730311**	**750**	**5731061**	**14.87**	**11429171**	**1500**	**11430671**	**14.83**	**(0.04)**
2. Non-Institutions									
a) Bodies Corp.	2490129	2250	2492379	6.47	4417786	4500	4422286	5.74	(0.73)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1/2 lakh	3252766	470707	3723473	9.66	6865610	794040	7659650	9.93	0.27
ii) Individual shareholders holding nominal share capital in excess of Rs 1/2 lakh	1919121	-	1919121	4.98	3609924	-	3609924	4.68	(0.30)
c) NBFC registered with SEBI	-	-	-	-	181791	-	181791	0.24	0.24
d) Others									
- Directors	59250	-	59250	0.15	91662	93000	184662	0.24	0.09
- Trust	1250	-	1250	0.00	2500	-	2500	0.00	0.00
- F.C.B	3000000	-	3000000	7.78	6000000	-	6000000	7.78	0.00
- Non -resident Indians	944218	18750	962968	2.50	2034999	37500	2074399	2.69	0.19
- HUF	201797	-	201797	0.52	387259	-	387259	0.50	(0.02)
- Clearing members	8307	-	8307	0.02	246070	-	246070	0.32	0.30
Sub-total (B)(2):-	**11876838**	**491707**	**12368545**	**32.08**	**23839501**	**929040**	**24768541**	**32.12**	**(0.04)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**17607149**	**492457**	**18099606**	**46.95**	**35268672**	**930540**	**36199212**	**46.95**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**38058495**	**492457**	**38550952**	**100.00**	**76171364**	**930540**	**77101904**	**100.00**	**-**

Note: The face value of the share has been split from Rs.2/- to Re.1/-

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Vishnukant Bhutada	4281551	11.11	0	8563102	11.11	0	0
2	Dharmavati Bhutada	2071383	5.38	0	4142766	5.37	0	0
3	Kamal Kishore Inani	1874414	4.86	0	3748828	4.86	0	0
4	Nathmal Inani	1544931	4.01	0	3089862	4.01	0	0
5	Manjulata Inani	1403773	3.64	0	2807546	3.64	0	0
6	Omprakash Inani	1157352	3.00	0	2314704	3.00	0	0
7	Kantadevi Inani	1919820	4.98	0	3839640	4.98	0	0
8	Brijgopal Inani	1087383	2.82	0	2174766	2.82	0	0
9	Keshav Bhutada	715212	1.86	0	1430424	1.86	0	0
10	Ravi Kumar Inani	815685	2.11	0	1631370	2.12	0	0
11	Vishnukant C Bhutada (Huf)	668065	1.73	0	1336130	1.73	0	0
12	Shakuntalabai Inani	706368	1.83	0	1412736	1.83	0	0
13	Madhav Bhutada	424587	1.10	0	849174	1.10	0	0
14	Ramakant Inani	523939	1.36	0	1047878	1.36	0	0
15	Deepak Kumar Inani	879480	2.29	0	1758960	2.28	0	0
16	Triveni Inani	134905	0.35	0	269810	0.35	0	0
17	Vishnukanta Inani	106249	0.28	0	212498	0.28	0	0
18	Taradevi Inani	124999	0.32	0	249998	0.32	0	0
19	Namrata Bhutada	11250	0.03	0	22500	0.03	0	0
		20451346	**53.05**	**0**	**40902692**	**53.05**	**0**	**0**

Note: The face value of the share has been split from Rs.2/- to Re.1/-.

(iii) Change in Promoters' Shareholding : During the year under review, there is no change in the Promoters Shareholding, except that the face value of the share has been split from Rs.2/- to Re.1/-

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	TANO MAURITIUS INDIA FVCI II At the beginning of the year At the end of the year	3589753	9.31	7179506	9.31
2	BARING INDIA PRIVATE EQUITY FUND III LIMITED At the beginning of the year At the end of the year	3000000	7.78	6000000	7.78
3	PIVOTAL SECURITIES PVT LTD At the beginning of the year At the end of the year	1612500	4.18	3225000	4.18
4	CLSA GLOBAL MARKETS PTE. LTD At the beginning of the year At the end of the year	--	--	2573278	3.34

(iv) Shareholding Pattern of top ten Shareholders *(Contd.)*

S.No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	AMAL N PARIKH At the beginning of the year At the end of the year	777565	2.02	1540000	2.00
6	SRIRAM BHUTADA At the beginning of the year At the end of the year	744174	1.93	1488348	1.93
7	BARING INDIA PRIVATE EQUITY FUND III LISTED INVEST At the beginning of the year At the end of the year	553712	1.44	1107424	1.44
8	JAIKISHAN BHUTADA At the beginning of the year At the end of the year	546450	1.42	1092900	1.42
9	BHAWARIBAI SHRINIVAS KABRA At the beginning of the year At the end of the year	--	--	381400	0.49
10	AKIRA PHARMA PRIVATE LTD At the beginning of the year At the end of the year	--	--	221966	0.29

Note: The face value of the share has been split from Rs.2/- to Re.1.

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name of the director/ key managerial personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VISHNUKANT BHUTADA At the beginning of the year At the end of the year	4281551	11.11	8563102	11.11
2	OMPRAKASH INANI At the beginning of the year At the end of the year	1157352	3.00	2314704	3.00
3	NAMRATA BHUTADA At the beginning of the year At the end of the year	11250	0.03	22500	0.03
4	NARINDER PAL SINGH At the beginning of the year At the end of the year	6096	0.01	14192	0.01
5	CARLTON FELIX PEREIRA At the beginning of the year At the end of the year	735	0.00	1470	0.00
6	PRAMOD KASAT At the beginning of the year At the end of the year	73920	0.19	143500	0.19
7	RAJENDER SUNKI REDDY At the beginning of the year At the end of the year	12750	0.03	25500	0.03

Note: The face value of the share has been split from Rs.2/- to Re.1/-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(Rs.in Lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8705.13	-	-	8705.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.84	-	-	1.84
Total (i+ii+iii)	**8706.97**	**-**	**-**	**8706.97**
Change in Indebtedness during the financial year				
• Addition	1875.16	-	-	1875.16
• Reduction	1962.64	-	-	1962.64
Net Change	**(-)87.48**			**(-)87.48**
Indebtedness at the end of the financial year				
i) Principal Amount	8617.64	-	-	8617.64
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	0.67	-	-	0.67
Total (i+ii+iii)	**8618.31**	**-**	**-**	**8618.31**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(Rs.in Lacs)**

S.No	Particulars of Remuneration	Name of MD	Total Amount
1.	Gross salary	Mr.Vishnukant Bhutada	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		146.10
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.		0.40
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit (Before Tax)		528.00
5.	Others, please specify		-
	Total (A)		**674.50**
	Ceiling as per the Act		5%

B. Remuneration to other Directors: **(Rs.in Lacs)**

S.No	Particulars of Remuneration	Name of Directors	Total Amount
1.	**Independent Directors** • Fee for attending board meetings	1. Venugopal Loya 2. Carlton Pereira 3. N.P.S.Shinh 4. Ajeet Karan Singh 5. Pramod Kasat 6. Rajender Sunki Reddy 7. Namrata Bhutada	0.20 0.40 0.40 0.30 0.30 0.20 0.20
	Total (1)		**2.00**
2.	**Other Non-Executive Directors** • Fee for attending board meetings	Omprakash Inani	0.30
	Total (2)		0.30
	Total (B)=(1+2)		2.30
	Total Managerial Remuneration		**-**
	Overall Ceiling as per the Act	**With in the Ceiling Limits as prescribed under the Act**	

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

S. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	17.90	1.66	19.56
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify			
5.	Others, please specify			
	Total (A)	**17.90**	**1.66**	**19.56**
	Ceiling as per the Act			--

VII. PENALTIES/PUNISHMEN/COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

Annexure-2

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

i) The percentage increase in remuneration of each Director and Chief Financial Officer during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No.	Name of Director/KMP and Designation	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	The Percentage increase in remuneration of each Director, CFO, CEO in the financial year	The percentage increase in the median remuneration of employees in the financial year	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Vishnukant C. Bhutada	287.02	12.34	20%	6.21%
2.	N.C. Bhandari	7.62	15.00	20%	0.16%

(Contd.)

ii) The median remuneration of employees of the Company during the financial year was Rs. 2.35 lacs.

iii) In the financial year, there was an increase of 20% in the median remuneration of employees;

iv) There were 1404 permanent employees on the rolls of Company as on March 31, 2016;

v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 is 15% whereas the increase in the managerial remuneration for the same financial year is 14.24 %.

vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure-3

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

S. No	Employee Name	Designation & Nature of Employment	Educational Qualification	Age	Experi-ence	Date of Joining	Gross Remuneration Paid (Rs. In Lacs)	Previous Employment and Designation, If any	No. Shares held, If any	Remarks
1	Vishnukant C Bhutada	Managing Director (On contractual)	B.Pharma	52 years	28 years	Nov - 1987	674.50	None	8563102	Related to other Promoter Directors
2	V.K Shrawat	Chief Operating Officer (As per appointment)	M.Sc, Ph.D (Organic Chemistry)	56 years	30 years	Sep–2009	122.24	Fresemious Kabi Oncology Ltd (Formerly Dabur India Head) Head R&D & API operation – 20 years.	33376	Not related to any Director/ KMP
3	Janak Kastia	GM-Mktg, Business Development (USA & Global Generic Cos)	M.Sc (Organic Chemistry) MBA Marketing	54 years	29 years	April - 2010	102.41	Cadila Health Care Ltd. – GM API Division (Europe & Latin America) – 24 Years.	NIL	Not related to any Director/ KMP
4	Prashant Purohit	Vice President R&D	M.Sc.,DBM	61 years	38 years	Oct - 1995	66.03	Indoco Remedies Ltd, Chemical Operations Manager	30000	Not related to any Director/ KMP
5	Pramod Kumar	Sr.Vice President -Technical	M.Pharma, Ph.D	53	28	Feb - 1989	60.58	Production Executive, Astrazeneca Bangalore	45000	Not related to any Director/ KMP
6	Sharath Reddy	Vice President-Technical	M.Pharma	49	26	June - 1991	59.66	-	27040	Not related to any Director/ KMP
7	Seshachalam Unnam	Vice President	M.Sc., Ph.D	50	21 years	Jan - 2008	57.84	Matrix Labs, Hyderbad, AGM-QA	700	Not related to any Director/ KMP
8	Sunil Subhash Karpe	Asst Vice President-Project & Production	B.Pharma	40	20	April-2011	51.15	Hetero Pharma, SEZ Jadcherla-Sr. Prod Manager	-	Not related to any Director/ KMP
9	Rajkumar Somani	Vice President	Chartered Accountant	49	24	Oct-2008	50.16	Khandelwal Laboratories Pvt Ltd- Vice President-Operations	Nil	Not related to any Director/ KMP
10	K. Papa Rao	General Manager-Quality	MSc (Chemistry)	43	20	Dec-2001	47.05	M/S.Avon Organics Limited Sr. Chemist	Nil	Not related to any Director/ KMP

Annexure-4

REPORT ON CSR ACTIVITIES

1. Brief Outline of the policy: The Company has been conscious of its CSR obligations and the 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. Now in view of the latest provisions made in the Companies Act, 2013, the Company is committed to carry out CSR activities/ programmes more vigorously, in an integrated, planned and time bound manner. CSR Policy of the Company can be viewed at http://www.vbshilpa.com/policies.html. The core theme of CSR Policy is giving back to the society from which it draws its resources. This manifests as stated below.

   (a) Setting up of old age/orphans home and such other facilities;

   (b) To motivate the students of rural area by providing scholarships;

   (c) To provide purified drinking water to people living in the villages and areas surrounding its manufacturing facilities;

   (d) To develop villages nearby the Company's plants by providing funds to have minimum infrastructure facilities like roads, water supply etc;

   (e) To provide plants and develop agroforestry in consultation with local bodies to ensure ecological balance ;

2. **Composition of Committee**: A Board Committee has been constituted as CSR Committee that provides oversight of CSR policy executed to ensure that the CSR objectives of the Company are met. Our CSR Committee comprises:

   Mr. Rajender Sunki Reddy - Chairman

   Mr. Vishnukant C Bhutada - Member

   Mr. Omprakash Inani - Member

3. **Average Net Profits: Rs.9220.88 Lacs**

4. **Prescribed CSR Expenditure: 2% of Average Profits i.e. Rs.184.42 Lacs**

5. **Details of CSR amount spent during the financial year: 2.54 Lacs**

   a) Total amount to be spent for the financial year 2015-16: Rs.184.42 Lacs

   b) Amount unspent: Rs. 184.42 Lacs

6. Based on the various expenditure prescribed in schedule -VII of Companies Act -2013 the CSR Committee proposed to take-up certain activities and earmarked the amount of Rs.138.78 Lacs during financial year 2014-15, kept in Fixed Deposit in the Lakshmi Vilas Bank Limited. As the amount earmarked is not sufficient to kick start the projects, the Committee and the Board of Directors, have set-aside the amount to take-up the same as and when sufficient funds are available. The Company can utilize the cumulative amount in the next year or the year in which the total project cost is available to be spent.

7. Responsibility Statement: The Committee reports that implementation and monitoring CSR Policy, is in compliance with CSR objective and Policy of the Company.

Sd/-	Sd/-
VISHNUKANT C BHUTADA	**RAJENDER SUNKI REDDY**
MANAGING DIRECTOR	**CHAIRMAN CSR COMMITTEE**

Annexure -5

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

Part "A": Subsidiaries

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

Particulars	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Wholly Owned Subsidiary	Step-down Subsidiary	Subsidiary
Name of the Companies	Raichem Medicare Private Limited	Shilpa Therapeutics Private Limited	INM Technologies Private Limited	Koanna Healthcare Limited	Zatortia Holding Limited	Loba Feinchemie GmbH	Makindus INC
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR (Refer note below 1 & 2	INR (Refer note below 3 & 4)	INR (Refer note below 3 & 4)	INR (Refer note below 5 & 6)
Share capital (Equity & Preference)	2024.15	223.76	1685.44	0.10	2.57	537.98	2.25
Reserves & surplus	2273.63	303.92	(51.20)	(463.80)	2485.32	566.68	(132.59)
Total assets	23000.40	1360.21	1818.95	121.29	2490.58	3214.54	196.36
Total Liabilities	23000.40	1360.21	1818.95	121.29	2490.58	3214.54	196.36
Investments	0.05		-	-	2490.45	24.00	-
Turnover	812.12	245.24	-	-	-	3819.19	-
Profit/(Loss) before taxation	(1403.53)	(146.42)	(51.20)	(122.73)	(3.32)	333.98	(711.74)
Provision for taxation	1084.14	(45.28)	-	-	-	16.50	-
Profit after taxation	-319.39	(101.14)	-	(122.73)	(3.32)	317.48	(711.74)
Proposed Dividend	-	-	-	-	-	-	
% of shareholding	50.0001%	67.74%	75%	100%	100%	99.99%	55.78%

1. Conversion rate 1 GBP = 95.09 for Balance Sheet & Profit & Loss A/c 1 GBP = 93.91.
2. Standalone Financial Statements are prepared in GBP.
3. Conversion rate 1 Euro = 75.095 for Balance Sheet & Profit & Loss a/c 1 Euro = 70.33.
4. Standalone Financial Statements are prepared in Euro.
5. Conversion Rate 1$ = 66.3329 for Balance Sheet & Profit & Loss A/c 1$ = 64.06
6. Standalone Financials Statements are prepared in USD.

Part "B": Associates and Joint Ventures

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

(Rs.In Lacs)

	Name of Associates/Joint Ventures	Maia Pharmaceuticals INC (JV) (Un-audited)	Reva Medicare Private Limited (JV) (Audited)	Reva Pharmachem Private Limited (Associates) (Un-audited)
1.	Latest Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016
2.	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	1400000	10000	100000
	Amount of Investment in Associates/ Joint Venture	Rs.928.66 Lacs	Rs.0.50	Rs.10 Lacs
	Extent of Holding %	34.79	50.001	33.33
3.	Description of how there is significant influence	Jointly Controlled Entity	Joint Controlled Entity	There is significant influence due to Shareholding.
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA
5.	Net worth attributable to shareholding as per latest Balance Sheet	Rs.208.34 Lacs	0.75*	Refer note below@
6.	Profit/Loss for the year	(97.09)	0.24	NA
	i. Considered in Consolidation	Yes	Yes	Yes
	ii. Not Considered in Consolidation	NA	NA	NA

Notes: @ Loss of Associates has been restricted to the extent of Investment as per AS-23 read with Para-18.
* First Year.

Annexure-6

FORM NO. 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 arms 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, 2016, 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 (Rs. in Lakhs)	
Sale/Purchases				Sales	Purchase
Loba Feinchemie GmbH	Subsidiary	Not applicable	Not applicable	0.26	-
Raichem Medicare Private Ltd.	Subsidiary	Not applicable	Not applicable	78.85	787.46
Shilpa Therapeutics Private Ltd.	Subsidiary	Not applicable	Not applicable	5.07	-
Rent Paid					
Dharmavati Bhutada	Relative Enterprise having common Directors	Not applicable	As per the agreement	2.06	
Mohini Infra Pvt. Ltd.		Not applicable		16.87	
Commission Paid					
Reva Pharmachem Pvt. Ltd.	Associate Company	As per the sale Agreement	As per the sale Agreement	2.87	
Remuneration Paid					
Deepak Kumar Inani	Relative	As per the terms of appointment	As per the terms of appointment	22.18	
Interest Received					
1. Raichem Medicare Private Ltd.	Subsidiary	Ongoing	Not applicable	213.42	
2. Shilpa Therapeutics Private Ltd.	Subsidiary	Ongoing	Not applicable	61.40	
3. Reva Pharmachem Pvt. Ltd.	Associate	Ongoing	Not applicable	18.63	
Land Purchase					
Deepak Kumar Inani	Relative	Not applicable	As per the agreement	19.75	
Corporate Guarantee					
Raichem Medicare Private Limited (Citi Bank N.A)	Subsidiary	03-06-2015 - ongoing	As per the terms and conditions of the Bank.	4000.00	

Annexure-7

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

(Rs. In Lakhs)

In the accounts of	Particulars	As on 31st March, 2016		
		Loans/ Advances	Investment	
			Equity	Preference
Shilpa Medicare Limited (Holding Company)	Raichem Medicare Private Limited	1921.43	1292.13	1850.00
	Shilpa Therapeutics Private Limited (Formerly Known as Nu Therapeutics Private Limited)	735.64	713.18	40.00
	INM Technologies Private Limited	-	112.50	1535.44
	Reva Medicare Private Limited	-	0.50	-
	Zatortia Holdings Limited	1.13	2515.92	-
	Loba Feinchemie GmbH (Stepdown Subsidiary)	-	-	-
	Makindus INC	-	1075.91	-

Annexure-8

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

(A) Conservation of Energy-

(i) the steps taken or impact on conservation of energy:

Shilpa Medicare Ltd is committed to use the energy meticulously and efficiently for the manufacture of it's products and deliverables and conserve the natural resources for future generations by adopting all possible opportunities.

Firstly the Company encourages the involvement of all the employees at all levels for the consistent and continuous energy conservation for sustained development of its stakeholders and the community at large.

The Company has invested in latest technology of heat pump evaporation for it's process requirements by compressing water vapor evaporated & using the heat so generated for evaporation, thereby reducing the thermal energy requirement by 90%, in the process of manufacturing Tranexamic acid API.

The Company also has invested latest de- alkalizing Technology of Bipolar membrane system for it's process requirements, thereby reducing the water requirements by about 75%.

Further the Company is using the renewable fuel for generation of steam requirements of it's processes and operations by installing the Biomass fuel based boiler for steam generation replacing the Steam Generation system using the fossil fuel and thereby reducing the 35000 Tons of Greenhouse gasses emission and registered the project with UNFCC under CDM, under Kyoto Protocol with the project identification No. 3926 on 25th Dec 2010, there by the company is earning approx. 18000 CER's per annum.

Apart from the above the Company has invested in monitoring the energy generation, distribution & consumption, in all it's processes and operations to frame the energy conservation measures to be implemented.

(ii) the steps taken by the company for utilizing alternate sources of energy:

Shilpa Medicare has Invested about Rs. 8 crores in energy & natural resources savings technologies like Heat Pump Evaporators, Bipolar System and In monitoring of it's energy generation, distribution & consumption.

(iii) the capital investment on energy conservation equipments: Rs.450.00 Lacs

(B) Technology absorption-

(i) the efforts made towards technology absorption:

The Company has been focusing in developing its own processes/ products/ manufacturing systems.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

For process technology absorption of Anti-retroviral drugs via license through Medicines Patent Pool (MPP) (A United Nations-backed organization offering a public-health driven business model that aims to lower the prices of HIV medicines and facilitate the development of better-adapted HIV medicines) for TenofovirdisoproxilFumarate (TDF), Emtricitabine (FTC), Cobicistat (COBI), Elvitegravir (EVG).

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

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

(iv) the expenditure incurred on Research and Development - Rs.3407.13 Lacs

(C) Foreign exchange earnings and Outgo-

The details of Foreign Exchange earned in terms of actual inflows and outflows during the year are detailed in the Note Nos.36 & 37 to the financial statements.

Annexure-9

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

For The Financial Year Ended 31st March, 2016

To,
The Members,
Shilpa Medicare Limited
Raichur.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Shilpa Medicare Limited, (hereinafter called the company). 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 secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of:
   - (i) The Companies Act, 2013 (the Act) (to the extent applicable) and the Rules made under that Act;
   - (ii) The Companies Act, 1956, and the Rules made under that Act (To the extent Applicable);
   - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
   - (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
   - (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
     - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - c) Securities and Exchange Board of India (Depositories and Participants) regulations, 1996;
     - d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
2. Provisions of the following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company in the financial year under report:-
   - a) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   - b) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   - c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The industry specific laws that are applicable to the Company are as follows:
   - (a) Drugs and Cosmetics Act, 1940;
   - (b) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955;
   - (c) Drugs Price Control Order, 2013 and notifications made thereunder;
   - (d) Electricity Act, 2003;
   - (e) Indian Boilers Act, 1923.
   - (f) SEZ Act, 2005

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

a. Secretarial Standards SS-1 and SS-2 with respect to meetings of the Board of Directors and general meetings respectively issued and notified by The Institute of Company Secretaries of India which came into force w.e.f. 1stJuly, 2015 under the provisions of section 118(10) of the Act.

b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Effective from 01.12.2015) and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India (since repealed).

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Observation that:

(i) The Company has been generally filing the forms and returns with the Ministry of Corporate Affairs within the prescribed time. However, there are few instances where there have been delays.

(ii) The Company has yet to spend the CSR amount for the year 2015-16 as per the provisions of section 135 of the Act.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the period under review Mr.Vishnukant C. Bhutada has been Re-appointed as Managing Director of the Company for a period of Five years w.e.f 01.09.2015 and Ms. Namrata Bhutada has been co-opted as an Additional Director w.e.f 28.02.2015 and the same was approved by the shareholders at AGM held on 28th September, 2015.

During the year under review Mr. Vemuri Ajay. Company Secretary has resigned w.e.f. 19.10.2015 and Mrs.Sujani Vassireddi has been appointed as the Company Secretary w.e.f 01.11.2015 and designated as Compliance Officer of the Company w.e.f 04.01.2016.

Adequate notice was given to all 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 are taken on unanimous consent.

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 at the Annual General meeting of the Company which was held on 28th September, 2015 the Company

- Has adopted a new set of Articles of Association containing regulations in conformity with the Companies Act, 2013 by passing a Special Resolution.
- Sub-divided the face value of equity share of Rs.2 (Two) into two equity shares of the face value of Re. 1 (One) each by passing an Ordinary Resolution.

We further report that during the under review one new Joint Venture Company under name of Reva Medicare Private Limited Incorporated in which Company holds 50.01% of shares.

For P.S. Rao & Associates
Company Secretaries

P.S.RAO
Company Secretary
ACS No:9769
C P No:3829

Place: Hyderabad
Date : 26-08-2016

'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 record 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 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. Where ever required, we have obtained the 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 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.

For P.S. Rao & Associates
Company Secretaries

P.S.RAO
Company Secretary
ACS No:9769
C P No:3829

Place: Hyderabad
Date : 26-08-2016

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian Pharmaceuticals Industry has undergone a massive makeover from a regime of process patents in the WTO compatible regime under the TRIPs agreement in 2005. It is among the top science based industries in India with wide ranging capabilities in field of drug manufacture and technology ensuring quality and diversification. The Indian pharmaceutical industry is fragmented with more than 10,000 manufacturers in the organised and unorganised segments. According to the Confederation of Indian Industries (CII), there are around 8,000 small and medium enterprises (SME) units, accounting for about 70% of the total number of the pharmaceutical units in India. Indian SMEs are also opening up for emerging opportunities in the pharmaceutical industry in the field of CRAMS, clinical research etc. These would drive them to play a definitive role in the transitional global pharmaceutical environment, where a sizeable number of drugs are expected to go off patent in the coming years. Based on the market study reports the global pharmaceutical industry is expected to see annual earnings growth of 3%-4% over the next 12-18 months as solid underlying fundamentals mitigate the effect of the strong US dollar and increasing scrutiny of drug prices.

According to the study reports the Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of less than 5 per cent between the same period. The market is expected to grow to US$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian Companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15 an increase of 84 per cent as per analysis by USFDA. India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected growth at an average growth rate of around 30 per cent a year and reach US$ 100 billion by 2025.

a) **Outlook, Risks and Concerns:** India has a huge pool of scientists and engineers who have potential to take this industry to a very high level of growth.. Indian pharmaceuticals manufacturing facilities registered with US FDA is highest for any country outside USA. The Government of India has unveiled 'Pharma Vision 2020' aiming at making India a global leader in end-to-end drug manufacturing. India is also fast emerging as a preferred pharmaceuticals manufacturing location. Several large selling drugs going off patent over next few years and increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to generics manufacturers and thus Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

The Union Budget 2016-17 announced certain big changes connected to the healthcare sector. Out of nine pillars of the Union Budget, one was social healthcare. The Government announced setting up of 3000 new drug stores across the country to handle shortage of drugs, especially in rural areas under the Jan AushadiYojna to provide generic drugs at affordable rates. A health insurance cover of up to ` 1 lakh per family is also provided. With the launch of the National Dialysis Programme to deal with high costs involved in healthcare as part of the Programme, every district hospital will have facilities of dialysis. The Health Protection Scheme of Rs.1 lakh to cover unforeseen illness for poor families with addition of Rs.30,000/- for senior citizens, was a welcoming step in spending on social sectors with focus on healthcare and the government's promise to provide health insurance to the under-privileged class through the new Health Protection Scheme is welcome.

All these would act as a catalyst for investment in the healthcare sector and help in improving affordability and accessibility of quality healthcare in India, which in turn will help growth of your Company.

Government issued a Fixed Dose Combination (FDC) _notification on 10th March 2016 pursuant to which more than 350 fixed dose communication drugs were banned. As per said notification, Companies were not allowed to manufacture, sell and distribute the FDCs. Many companies and industry association have filed a writ petition in Delhi High Court challenging the abrupt ban of FDCs. The Delhi High Court has granted a stay order and the matter continues to be heard on a regular basis at the High Court. The abrupt ban on FDCs has caused an environment of uncertainty as some of the FDCs were available in the market and used by patients for many years.

Threats from other low cost countries like China and Israel exist. However, on the quality front, India is better placed relative to China. So, differentiation in the contract manufacturing side may wane. Presence of more unorganised players who cut-out the prices, resulting in an increasingly competitive environment,

b) **Financial Performance and Operations Review:** During the financial year under report, the Company reported gross revenues of Rs.682.59 Cr as against Rs.570.85 Cr and a Net Profit of Rs.110.32 Cr as against Rs.84.09 Cr registering growth of 31% and 4% respectively. Regular monitoring on the financial system and timely decisions have been resulting into saving of interest costs. The Company has been implementing comprehensive measures at all its manufacturing sites to ensure quality and regulatory compliances.

c) **Internal Control Systems and its adequacy:** The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The Company has various internal audits to get audited various systems and procedures throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

d) **Human Resources:** The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. During the year under review, various training and development workshops were conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. The Company has built a competent team to handle challenging assignments. Company has maintained cordial and harmonious relations with all employees.

e) **Cautionary Statement:** Certain statement/s in the management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realisation, currency fluctuations, regulatory issues, changes in government policies and regulations, tax regimes, economic development within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT

(As required under Reg.34 (3) and Schedule V(C) of SEBI (LODR) Regulations, 2015)

The Company's shares were listed on BSE Limited w.e.f. 19.06.1995 and National Stock Exchange of India Limited w.e.f. 03.12.2009. The Corporate Governance Report has been prepared in accordance with Regulation 34(3) of SEBI (LODR) Regulations, 2015.

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to the highest standards of Corporate Governance Practices. The Company relies on the strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. Good Corporate Governance will certainly benefit the Board and Management to carry out the objectives effectively for the benefit of the Company and its shareholders. The code of Corporate Governance emphasizes the transparency of systems to enhance the benefit of shareholders, customers, creditors and employees of the Company. In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standards of ethical conduct are maintained throughout the Organization.

The Company has complied with the requirements of the Corporate Governance in accordance with applicable Regulations of SEBI (LODR) Regulations, 2015.

2. BOARD OF DIRECTORS

The Board of Directors along with its committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

The Board presently comprises of Nine (9) Directors, having rich and vast experience with specialized skills in their respective fields, out of which Eight (8) Non-Executive Directors including a Woman Director. The Company has a Non-Executive (Promoter) Chairman. The Independent Directors are more than 50% of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company.

All the Directors on the Board of the Company have made necessary declarations/disclosures regarding their other Directorships along with Committee positions held by them in other Companies.

Name of the Director	Category	No of Board Meetings during the Year 2015-2016		Attendance at last AGM 28-09-2015	@No of Director-ships held in other Companies	Committee Chairmanships and Member-ships in other Companies	
		Held	Attended			Chairman-ship	Member-ship
Omprakash Inani	Chairman, Non-Executive -Promoter	5	4	Yes	4	--	--
Vishnukant C Bhutada	Managing Director -Promoter	5	4	Yes	6	--	1
Venugopal Loya	Independent Director	5	3	Yes	--	--	--
Carlton Felix Pereira	Independent Director	5	4	No	11	1	3
Narinder Pal Singh Shinh	Independent Director	5	4	No	13	--	--
Rajender Sunki Reddy	Independent Director	5	3	Yes	5	--	1
Pramod Kasat	Independent Director	5	4	No	2	1	1
Ajeet Singh Karan	Independent Director	5	4	No	4	--	1
Namrata Bhutada	Non-Executive-Promoter	5	4	Yes	--	--	--

@Note: Excluding Directorship in Foreign Companies and Companies incorporated u/s. 8 of Companies Act, 2013.
Only Membership of Audit and Stakeholders Relationship Committees are considered.

During the year under review Five Board Meetings were held on **29.05.2015, 07.08.2015, 07.11.2015, 12.02.2016** and **17.03.2016.** The maximum gap between two consecutive meetings did not exceed One hundred and twenty days. The details of the meetings held are as follows:

As per the disclosures given by the respective Directors no Director is a Member of more than Ten Committees and Chairman of more than Five Committees, as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Companies in which he/she is a Director. Further, no Director is acting as Independent Director of more than Seven Listed Companies, if he is a whole-time Director of listed Company, not more than Three Companies.

Except the Promoter Directors Mr. Vishnukant C Bhutada, Omprakash Inani and Namrata Bhutada who are related to each other no other director have any relationship with any other director.

Meeting of Independent Directors

A separate meeting of Independent Directors was held on 11.02.2016, inter alia to review the performance of the Non-Independent Directors and the Board as a whole, review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. COMMITTEES OF DIRECTORS

A. Audit Committee

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with Regulation 18 of SEBI (LODR) 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 SEBI (LODR) 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 composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

Sl.No.	Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
1	Venugopal Loya	Chairman	4	4
2	Omprakash Inani	Member	4	4
3	Pramod Kasat	Member	4	4
4	Rajender Sunki Reddy	Member	4	4

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

The Managing Director, CFO, Internal Auditors and Statutory Auditors are also invited to the meetings, as required, to brief the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

The Audit Committee meetings were held during the year under review on the following dates **28.05.2015, 06.08.2015, 06.11.2015** and **11.02.2016** . The gap between two audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

B. Nomination And Remuneration Committee

The Committee is empowered with the role and powers as prescribed under Regulation 19 of SEBI (LODR) 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 comprises of Three (3) Non-Executive Directors. The composition of the Nomination and Remuneration Committee is as follows:

Sl.No.	Name of the Director	Nature of Directorship	Category	No. of meetings held during the year	No. of meetings attended
1	Pramod Kasat	Independent Director	Chairman	2	2
2	Omprakash Inani	Non-Executive Director	Member	2	2
3	Venugopal Loya	Independent Director	Member	2	2

The Nomination and Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Other Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendations to the Board and acts in terms of reference of the Board from time to time. The Company's Remuneration policy as applicable to Directors, Key Managerial Persons and other Senior Management Personnel of the Company is posted on the Company's website at http://www.vbshilpa.com/pdf/NominationRemunerationPolicy.pdf.

Pursuant to the provisions of the Companies Act, 2014 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

Remuneration of Directors:

The details of remuneration and commission paid during the year to the Managing Director, is as follows:

(Rs.in Lakhs)

Salary	146.10
Allowances, Perquisites & others	0.40
Commission	528.00
Company's Contribution to PF	11.43
Total	**685.93**

Apart from the above, he is also eligible for the Leave encashment, Leave Travel Concession, Gratuity, Superannuation and other benefits in terms of his appointment and rules of the Company. The contract is terminable by either party on 3 months' notice or pay in lieu thereof.

Sitting Fees paid to Non-Executive Directors and their shareholding is as follows:

Name of the Director	Designation	Sitting fees paid Rs.	No. of shares held on 31-03-2016
Omprakash Inani	Chairman	30000	23,14,704
Narinder Pal Singh	Independent Director	40000	14,192
Carlton Felix Pereira	Independent Director	40000	1,470
Pramod Kasat	Independent Director	30000	1,43,500
Venugopal Loya	Independent Director	20000	-
Rajender Sunki Reddy	Independent Director	20000	25,500
Ajeet Singh Karan	Independent Director	30000	-
Namrata Bhutada	Non-executive Director	20000	22,500

Other than the sitting fees to Non-Executive Directors, there was no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its Directors/Employees.

C. Stakeholders' Relationship Committee

The present composition of the Stakeholders' relationship Committee (Stakeholders' Relationship Committee) is as under:

Name of the Director	Nature of Directorship	Membership
Omprakash Inani	Non-Executive Director	Chairman
Vishnukant C Bhutada	Managing Director	Member

The Stakeholders' Relationship Committee of the Board is empowered to oversee the redressal of investor's complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints. In accordance with Regulation 6 of the SEBI(LODR) Regulations, 2015 the Board has authorized the Compliance Officer, Mrs. Sujani Vasireddi, to approve the share transfers/transmissions and comply with other formalities in relation thereto. All investor's complaints, which cannot be settled at the level of the Compliance

Officer, will be placed before the Committee for final settlement. During the year the Company has received in total 103 investors' requests/complaints which were resolved.

There were no pending share transfers and un-resolved shareholders' grievances pertaining to the Financial Year ended 31st March, 2016

D. Corporate Social Responsibility Committee.

The Board constituted CSR Committee as per the provisions of the Companies Act, 2013 and entrusted the responsibility to comply with the provisions of said act. The composition of the Corporate Social Responsibility Committee is as under:

Name of the Director	Nature of Directorship	Membership
Rajender Sunki Reddy	Independent Director	Chairman
Vishnukant C Bhutada	Managing Director	Member
Omprakash Inani	Non-Executive Director	Member

GENERAL BODY MEETINGS

i) The Details of the last three Annual General Meetings are given below:

Financial year ended	Date	Venue	Time	Special Resolution passed
March 31st, 2015	28th September, 2015.	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka	11.30 AM	a) To re-appoint Mr. Vishnukant C Bhutada, as Managing Director of the Company for a period of Five years. b) To adopt new Articles of Association containing regulations in conformity with the provisions of the Companies Act, 2013.
March 31st, 2014	20th September, 2014.	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka	11.30 AM	a) To authorize the Board to borrow money not to be in excess of Rs.200 Crores U/s 180(1)(c). b) To authorize the Board to mortgage and/or create charge on all or any of the movable or immovable properties U/s 180(1)(a).
March 31st, 2013	20th July, 2013	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka	11.30 AM	No Special Resolution

ii) The Details of Extra-Ordinary General Meetings held during the last Three years are given below:

Financial year ended	Date	Venue	Time	Special Resolution passed
2014-2015	12th May, 2014	1st Floor, 10/80, Rajendra Gunj, Raichur - 584 102	12.15 P.M	a) To issue shares on Preferential Basis. b) To increase the aggregate limit of FII's shareholding.

iii) Special Resolution passed in last year through postal ballot.

No Special Resolution has been passed by the Company through postal ballot during the year under review.

4. DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions.

There were no materially significant related party transactions compared to the business volume of the Company during the year conflicting with the interest of the Company.

B. Details of Non-Compliance and Penalties.

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Neither any penalty was imposed nor was any stricture passed on the Company by the Stock Exchanges, SEBI or any statutory Authority relating to Capital markets.

C. The Audit Committee has formulated Whistle Blower Policy. As per the Policy and Internal Code of Conduct all personnel of the Company have been given access to the Audit Committee.

D. CEO/ CFO Certification.

The Managing Director and Manager -Finance (who is heading the finance functions) have certified to the Board in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2016.

E. Compliance Certificate.

Compliance certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this report.

F. Code of Conduct.

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and senior Management of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct for the financial year ended 31st March, 2016. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

G. Details of Compliances with Mandatory Requirements and Adoption of the non-Mandatory Requirements.

The Company has complied with the mandatory requirements enumerated in Regulation 17 to 27 of SEBI (LODR) Regulations, 2015 and has also complied with non-mandatory requirements.

H. Relationship inter-se among Directors.

In accordance with the provisions of Section 2(77) of the Companies Act, 2013 and rules made there-under, Managing Director, Mr. Vishnukant C. Bhutada, Chairman of the Board Mr. Omprakash Inani and Ms. Namrata Bhutada, Additional Director, belong to promoter group and are related to each other.

I. Familiarization program of Independent Directors.

The Company conducted familiarization program for the Independent Directors to familiarize them to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Company also conducted a separate programme on the latest SEBI Regulations to promote training to the Directors to ensure that the Board Members are kept up to date.

J. Material Subsidiaries.

The policy for determining material subsidiaries has been posted on the website of the Company i.e http://www.vbshilpa.com/policies.html

K. Related Party Transactions.

The policy on dealing with related party transactions has been posted on the website of the Company i.e http://www.vbshilpa.com/policies.html

L. Discretionary Requirements

The Company has adopted all the discretionary requirements as specified in Part E of Schedule II SEBI (LODR) Regulations, 2015 except the point No. B i.e. Shareholder Rights.

5. MEANS OF COMMUNICATION.

A. Quarterly and half-yearly reports are published in two Newspapers- one in English and one in Kannada.

B. The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website www.vbshilpa.com. The Secretarial Department serves to inform the investors by providing key and timely information like details of Directors, Financial results, Shareholding pattern, etc.

C. The Company is also displaying official news announcements on its website www.vbshilpa.com.

D. Management Discussion and Analysis forms part of this Annual Report.

6. GENERAL SHAREHOLDER'S INFORMATION

A. Annual General Meeting

Date and Time	:	29th September, 2016 at 11.30 A.M
Venue	:	#12-6-214/A1, Hyderabad Road, Raichur Karnataka- 584135
Last Date of Proxy forms submission	:	27th September,2016 at 11.30 A.M
Period Date for exercising e-voting	:	26th Sept., 2016 to 28th Sept., 2016
B. Financial Year	:	1stApril 2015 to 31st March 2016
C. Book Closure	:	22nd Sept., 2016 to 29th Sept., 2016
D. Dividend Payment Date	:	Not Applicable. As there is no recommendation of Final dividend by the Board.
E. Listing on Stock Exchanges	:	1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. 2. National Stock Exchange of India Limited, "EXCHANGE PLAZA", 5th Floor, Plot No. C/1, G Block, Bhandra- kurla Complex, Bandra (E), Mumbai

The listing fees for the year 2016-2017 have been paid to both the above said Stock Exchanges

F. Stock Code

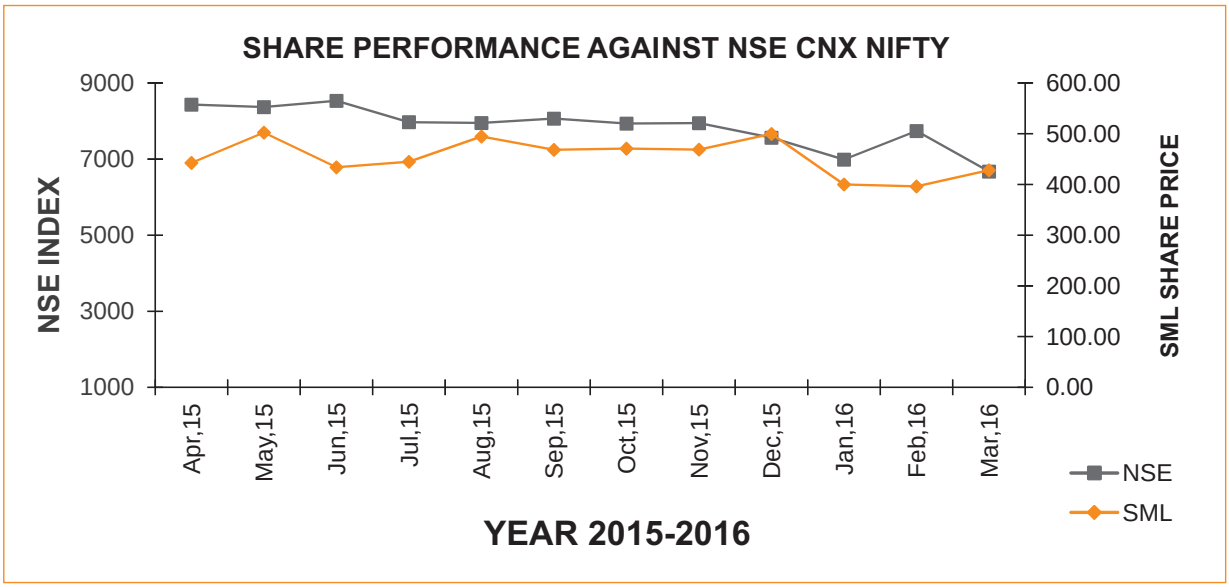
Name of the Stock Exchange	Stock Code	Scrip Code
Bombay Stock Exchange Limited	530549	SHILPA MEDCA
National Stock Exchange of India Limited	N.A	SHILPAMED-EQ
Demat ISIN No. for NSDL & CDSL	INE790G01031	

G. Market Price Data & Share Performance of the Company

The monthly High, Low and trading volumes of the Companies Equity Shares during the last financial year 2015-2016 at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April, 2015	1,091.50	808.75	1,05,904	1055.00	805.05	3,64,014
May, 2015	1,028.90	843.50	46,953	1040.00	842.00	2,90,105
June, 2015	1,049.50	808.45	53,458	1058.00	808.85	2,73,339
July, 2015	972.00	851.00	45,568	970.00	855.25	2,04,354
August, 2015	1,246.70	830.00	2,71,291	1248.70	890.05	9,72,505
September, 2015	990.00	870.00	48,522	999.95	880.00	1,96,026
October, 2015	1,030.00	910.00	55,644	1020.00	906.00	2,89,727
November, 2015	974.40	465.50	1,34,393	972.00	460.00	5,99,894
December, 2015	522.40	443.00	1,44,273	524.00	442.25	7,58,187
January, 2016	502.95	355.00	1,77,403	505.00	355.00	5,30,877
February, 2016	497.00	377.00	31,36,284	499.00	375.7	20,73,647
March, 2016	463.00	391.90	2,72,717	463.00	388.15	7,10,131

H. Share Performance of the Company in Comparison with NSE CNX NIFTY



All Services relating to share transfer/transmissions and information may be addressed to:

I. Registrar and Share Transfer Agent

M/s. Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032
Tel: 91 040 67161510,040-67161512
Fax: 040-23420814/23420857
Email: mailmanager@karvy.com
Website: www.karvycomputershare.com
The Company periodically audits the operations of share transfer agent.

J. Share Transfer System

Share Transfers in physical form shall be lodged with the Registrar at the above-said address. The share transfers are generally processed by Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

K. Distribution of Equity Shares as on 31st March, 2016

CATEGORY		No of Shareholders	% to Total Shareholders	No. of Shares Held	% to Capital
From	To				
1	5000	12348	93.79	3022434	3.92
5001	10000	383	2.91	1361143	1.77
10001	20000	214	1.63	1541447	1.99
20001	30000	79	0.60	988142	1.28
30001	40000	22	0.17	390502	0.51
40001	50000	16	0.12	362252	0.47
50001	100000	38	0.28	1241620	1.61
100001	ABOVE	66	0.50	68194364	88.45
	TOTAL	**13166**	**100.00**	**77101904**	**100.00**

L. Shareholding Pattern as on 31st March, 2016.

Category	No. of Shares held	% of Capital
Indian Promoters	40902692	53.05
Banks, Financial institutions, Insurance Companies & Mutual Funds	267551	0.35
Foreign Institutional Investors	8640855	11.21
Indian Public& HUFs	11815995	15.33
Private Corporate Bodies	4422286	5.73
NRIs/OCBs/FCBs	10776555	13.97
Others	275970	0.36
Total	**77101904**	**100.00**

M. Dematerialization of Shares and Liquidity

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on 31st March, 2016, 98.79% of the Company's Equity Shares are in dematerialized form. The ISIN NO/Code for the Company's Equity Shares is INE790G01031. Shareholders can open account with any of the depository participants registered with any of these depositories.

N. Plant Locations

Unit I
Plot Nos. 1A, 1B, 2, 2A, 3A to 3E & 4A to 4C, 5A, 5B
Deosugur Industrial Area, Deosugur- 584170, Raichur.

Unit -II
100% EOU and Plot Nos. 33-33A, 40 to 47,
Raichur Industrial Growth Centre, Wadloor Road, Chicksugur Cross,
Chicksugur- 584134, Raichur.

SEZ Unit
Plot No. S-20 to S-26, pharma SEZ
APIIC Green Industrial Park, Pollepally village, Jadcherla Mandal,
Dist - Mahaboobnagar - 509301, Telangana.

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

R & D Unit-Vizag
Survey No:207,Modavalasa Village,
Denkada Mandalam, Dist: Vijayanagaram -531162 AP.

5. **Wind Mills**

Machine-No.1	**Machine-No.2**	**Machine-No.3**	**Machine-No.4**	**Machine-No.5**
Madkaripura, Dist. Chitradurga.	Jogimatti, Dist. Chitradurga.	Vanivilas sagar, Dist. Chitradurga.	Kodameedipalli, Dist. Kurnool.	Kalasapura Dist.Gadag

O. Subsidiaries

i) LOBA Feinchemie GmbH, (Step-down Subsidiary)
Fahragasse 7,A- 2401,Fischamend, Austria.

ii) ZATORTIA HOLDINGS LIMITED
70 Kennedy, 4th Floor, 1076 Nicosia,
Cyprus,P.O Box- 20971, 1662

iii) RAICHEM MEDICARE PRIVATE LIMITED,
Plot No 24, 25, 26 & 26P, Raichur
Industrial Growth Centre,
Chicksugur Village, Raichur, Karnataka

iv) SHILPA THERAPEUTICS PRIVATE LIMITED,
(formerly known as Nu Therapeutics Pvt Ltd.)
Plot No.118 Phase-III, IDA, Cherlapalli,
Hyderabad - 500051

v) INM TECHNOLOGIES PRIVATE LIMITED
#4, T M Industrial Estate, 12th KM,
Mysore Road, Bangalore - 560059.

vi) MAKINDUS INC
206 Avondale Drive, North Wales,
Pennsylvania 19454, Montgomery.

vii) KOANNA HEALTHCARE LIMITED, UK
4TH Floor Cavendish House,
369 burnt Oak Broadway,
Edgware Middlesex,
England, HA8 5AW

P. Address for Correspondence

Shilpa Medicare Limited
#12-6-214/A1, Hyderabad Road,
Raichur - 584135, Karnataka

For and on behalf of the Board

Place : Hyderabad
Date : 26.08.2016

Omprakash Inani
Chairman

Managing Director's and CFO's Certification

We have reviewed the financial statements read with the cash flow statement of Shilpa Medicare Limited for the year ended March 31st, 2016 and to the best of our knowledge and belief, we state that;

a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.

(ii) These statements present true and fair view of the Company's affairs and are in compliance with current Accounting Standards, applicable laws and regulations.

b) There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting. 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, and steps taken or proposed to be taken for rectifying these deficiencies.

d) We have indicated to the Auditors and Audit Committee:

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the year; and

(iii) that there are no instances of fraud involving the management or an employee.

	Sd/-	Sd/-
Place : Hyderabad	**N.C. Bhandari**	**Vishnukant C. Bhutada**
Dated : 30.05.2016	CFO	MANAGING DIRECTOR

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I, Vishnukant C. Bhutada, Managing Director, hereby declare that the Company hasreceived the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for theyear ended 31st March, 2016.

	Sd/-
Place : Hyderabad	**Vishnukant C. Bhutada**
Dated : 26.08.2016	MANAGING DIRECTOR

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,

The Member of Shilpa Medicare Ltd.

We have examined the compliance of the requirements of Corporate Governance by **Shilpa Medicare Limited** (the Company) for the year ended 31st March 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the stock exchange(s).

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring compliance with the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and to the explanation given to us and based on the representations made by the Directors and the Management we certify that Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm Regn No 008127S

per **CA Pankaj Kumar Bohara**
Partner
Membership Number: 215471

Place/Camp : Hyderabad
Date : 30th May, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members
Shilpa Medicare Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Shilpa Medicare Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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 or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 49 to the Standalone financial statements. The Company has filed a lawsuit for recovering its amount paid as capital advance to its vendor for supply of Capital Assets, along with punitive damages. The Preliminary hearings of the case are in progress. As the ultimate outcome of the case cannot be determined presently, hence no provision for the outstanding balance receivable from the party has been made in the financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 paragraphs 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 purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company.

For **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 008127S/S200013

per **CA Pankaj Kumar Bohara**
Partner
Membership Number: 215471

Place/Camp : Hyderabad
Date : 30th May, 2016

Annexure-A - referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements section of our report of even date.

The Annexure referred to in our report to the members of Shilpa Medicare Limited ('the Company') for the year ended March 31, 2016. We report that:

1) In respect of Fixed Assets

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) As explained to us, having regards to the size of the Company and the nature of its assets Fixed Assets have been physically verified wherever feasible by the management and no material discrepancy with respect to book records was noticed on such verification.

   c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company.

2) In respect of Inventories

   a) According to the information and explanations given to us, the Inventories in its possession has been physically verified by the management. In our opinion the frequency of the verification is reasonable. The Stocks lying with third parties have been confirmed by them as at year end. No material discrepancies were noticed on physical verification of inventories.

3) According to the information and explanation given to us, the Company has granted unsecured loans amounting to Rs. 265.64 lakhs (Including Interest net of TDS) to 4 parties covered in the register maintained under section 189 of the Act.

   a. The terms and conditions of such loans granted are not prejudicial to the interest of the Company.

   b. The schedule of repayment of principal and payment of interest has been stipulated in the agreement and re-payment or receipts of principles amount and interest have being made as per stipulators.

   c. As there were no amounts over due for more than 90 days position of Clause 3(iii)(c) is not applicable.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.

6) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of the production and processing activities of the Company and are of the opinion that prima-facie cost records and accounts prescribed have been generally maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.

7) In respect of Statutory dues

   a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

   b) According to the information and explanations given to us there are no dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute,

8) According to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks, government and financial institutions. The Company did not have any debentures outstanding as at the year end.

9) Based on the information and explanations given to us by the management of the Company, the Company has not raised any money by way of public offer. No term loans were taken during the year by the Company.

10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees, has been noticed or reported during the year.

11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act.

12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13) According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with 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.

14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 008127S/S200013

per **CA Pankaj Kumar Bohara**
Partner
Membership Number: 215471

Place/Camp : Hyderabad
Date : 30th May, 2016

Annexure-B - to our report of even date on the Standalone Financial Statements of Shilpa Medicare Limited.

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 over financial reporting of Shilpa Medicare Limited ('the Company') as of 31st March 2016 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 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 Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 expenditures 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting -may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company which has in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 008127S/S200013

per **CA Pankaj Kumar Bohara**
Partner
Membership Number: 215471

Place/Camp : Hyderabad
Date: 30th May, 2016

Part - I - Standalone Balance Sheet as at 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

	Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
A	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	(a) Share Capital	2	771.02	771.02
	(b) Reserves and Surplus	3	66,391.43	55,538.56
	Sub-Total Shareholder's funds		**67,162.45**	**56,309.58**
2	**NON- CURRENT LIABILITIES**			
	(a) Long-Term Borrowings	4	-	1,622.82
	(b) Deferred Tax Liabilities (net)	5	4,846.61	3,931.22
	(c) Long Term Provisions	6	390.00	388.68
	Sub-Total Non Current Liabilities		**5,236.61**	**5,942.72**
3	**CURRENT LIABILITIES**			
	(a) Short-Term Borrowings	7	6,959.37	5,084.21
	(b) Trade Payables	8	5,895.81	6,557.89
	(c) Other Current Liabilities	9	3,602.43	3,827.83
	(d) Short Term Provisions	10	46.15	542.84
	Sub-Total Current Liabilities		**16,503.76**	**16,012.77**
	TOTAL		**88,902.82**	**78,265.07**
B	**ASSETS**			
1	**NON- CURRENT ASSETS**			
	(a) Fixed Assets (Net Block)			
	i) Tangible Assets	11	34,799.67	27,519.68
	ii) Intangible Assets	11	723.33	481.62
	iii) Tangible & Intangible Assets under Development	12	8,937.85	8,771.30
			44,460.85	**36,772.60**
	(b) Non Current Investments	13	10,078.53	7,424.45
	(c) Long Term Loans and Advances	14	5,920.79	5,568.64
	Sub-Total Non Current Assets		**60,460.17**	**49,765.69**
2	**CURRENT ASSETS**			
	(a) Current Investments	15	5,272.56	6,535.40
	(b) Inventories	16	12,465.87	12,087.59
	(c) Trade Receivables	17	7,127.42	7,012.04
	(d) Cash and Cash Equivalents	18	583.91	249.06
	(e) Short Term Loan and Advances	19	1,895.20	2,333.24
	(f) Other Current Assets	20	1,097.69	282.05
	Sub-Total Current Assets		**28,442.65**	**28,499.38**
	TOTAL		**88,902.82**	**78,265.07**

The accompanying notes are an integral part of the Financial Statements. Notes 01 to 52

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

Part - II - Standalone Statement of Profit and Loss for the Year ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue			
Revenue from operations	21	60,248.31	54,099.38
Less: Excise duty		558.29	549.77
Other operating revenues	22	7,889.04	2,990.60
Revenue from operations (Net)		**67,579.06**	**56,540.21**
Other income	23	680.52	545.34
TOTAL REVENUE		**68,259.58**	**57,085.55**
Expenses			
a) Cost of Materials Consumed	24	36,046.75	30,786.61
b) Purchases of Stock-in Trade	25	381.00	864.17
c) Change in Inventories of Finished Goods, Work-in-Progress and Stock-in- Trade	26	(254.74)	(568.49)
d) Employee Benefits Expense	27	6,697.47	5,648.85
e) Finance Costs	28	327.19	387.98
f) Depreciation and Amortisation Expense	11	2,119.04	1,908.50
g) Other Expenses	29	8,220.49	6,156.29
TOTAL EXPENSES		**53,537.18**	**45,183.91**
Profit Before Extraordinary Items and Tax		**14,722.40**	**11,901.64**
Exceptional (Income)/Expense		241.96	0.00
Prior Period (income)/Expenses	30	(2.09)	8.34
Profit Before Tax		**14,482.53**	**11,893.30**
Tax Expenses			
a) Current Tax		3,035.51	2,454.31
Less: Mat Credit Entitlement		(501.29)	(154.65)
b) Taxes Pertaining to Earlier Year		0.00	1.38
c) Deferred Tax		915.39	1,182.49
		3,449.61	**3,483.53**
Profit for the Period		**11,032.92**	**8,409.77**
Earning Per Equity share of Rs 1/- each			
a) Before Extraordinary/Exceptional item			
Basic-Rs		14.62	10.95
Diluted-Rs		14.62	10.95
b) After Extraordinary/Exceptional item			
Basic-Rs		14.31	10.95
Diluted-Rs		14.31	10.95
Number of shares used in computing EPS (In Lakhs)			
Basic		771.02	767.78
Diluted		771.02	767.78

The accompanying notes are an integral part of the Financial Statements. Notes 01 to 52

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

Standalone Cash Flow Statement for the year ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Particulars	As at 31st March, 2016	As at 31st March, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits Before Tax (PBT)	14,482.53	11,893.30
Less: Adjustments		
Interest received	317.63	298.42
Dividend Income	3.97	190.30
Liabilities Written back	-	14.96
Provision written back	2.62	7.39
Excess Gratuity provision written back	6.82	-
Unrealized Gain on reinstatement	31.62	62.25
Gain on sale of Mutual Funds	208.18	25.68
	13,911.69	**11,294.31**
Add: Adjustments		
Depreciation & Amortisation	2,119.03	1,908.50
Interest Paid	327.19	387.98
Loss on sale of Fixed Assets	2.00	0.97
Bad debts written off	11.21	21.21
Provision for Gratuity	8.14	300.79
Provision for Leave Encashment	4.57	42.69
Provision for CSR Expense	-	138.97
Balances written off	8.76	-
Prior Period adjustments	(2.63)	-
Short Term Loss on Sale of Investments	241.96	-
Unrealized Exchange Loss on reinstatement	56.11	58.78
Operating profit before working capital changes & Other Adjustments	**16,688.03**	**14,154.20**
Adjustments for Increase/(Decrease) in Operating Liabilities		
- Trade Payables	(622.65)	(2,045.76)
- Other Current Liabilities & Short Term Provisions	(311.76)	40.21
- Long Term Provisions	0.00	0.00
Adjustments for (Increase)/Decrease in Operating Receivables	0.00	0.00
- Inventories	(378.28)	(1,192.56)
- Trade Receivables	(198.71)	(1,055.32)
- Long Term Loans & Advances	160.68	2,313.83
- Short Term Loans, Advances & Other Current Assets	(263.41)	(2,979.16)
	15,073.89	9,235.44
Less: Income Taxes (Net)	(3,155.31)	(2,500.77)
Net Cash flow from Operating activities	**11,918.58**	**6,734.67**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl.CWIP)	(9,564.06)	(7,713.58)
Sale of Fixed Assets	9.39	1.40
Capital Advances	(181.35)	125.09
Interest received	316.55	294.21
Dividend Income	3.97	190.30
(Increase)/Decrease in Non-Current Investments	(2,520.97)	(1,349.73)
(Increase)/Decrease in Current Investments	1,471.03	(5,495.82)
Net cash outflow from Investing Activities	**(10,465.44)**	**(13,948.13)**

(Contd.)

Cash Flow (Contd.)

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Particulars	As at 31st March, 2016	As at 31st March, 2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Long Term Borrowings	(1,622.82)	(2,177.44)
Increase in/(Decrease) Short Term Borrowings	1,892.68	2,900.77
Dividend and Corporate Dividend tax paid	(1,059.79)	(451.18)
Increase in Share Capital	0.00	35.29
Increase in Securities Premium Account	0.00	7,464.70
Interest paid	(328.36)	(390.14)
Net Cash flow from Financing Activities	**(1,118.29)**	**7,382.01**
Net Increase/(decrease)in Cash and Cash Equivelants	334.84	168.55
Cash & Cash Equivelants at the Beginning of the year	249.06	80.52
Cash & Cash Equivelants at the End of the year	**583.91**	**249.06**

Components of Cash and Cash Equivalents	As at 31st March, 2016	As at 31st March, 2015
Cash on Hand	34.34	21.76
Cash at Banks		
a) In Current Account	377.80	58.70
b) In Fixed deposit Account (With maturity less than 3 months)	140.11	142.17
c) Unclaimed Dividend	16.91	12.73
d) Fixed Deposit held as Margin Money	14.74	13.70
Total Cash and Cash Equivalents	**583.91**	**249.06**

Note:

1. Previous year figures have been reclassed where ever necessary.
2. Cash Flow statement has been prepared under Indirect method as per AS-3 "Cash flow Statement" as prescribed under Companies (Accounting Standard) Rules, 2006.

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

Notes to the Financial Statements

NOTE: 1

CORPORATE INFORMATION

Shilpa Medicare Limited is a listed Company engaged in the manufacturing of Bulk Drugs/API & Intermediates. Shilpa Medicare Limited (SML) started its operations as API manufacturer way back in 1987 at Raichur, Karnataka- India. The commercial production in the SML was started in November 1989. In November 1993, Shilpa Medicare was converted into a Public Limited Company. The Company was listed on Bombay Stock Exchange on Jun 19, 1995 and National Stock Exchange (NSE) on Dec 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

The financial statements have been prepared to comply in all material aspects with applicable accounting principal in India and as notified under the Companies Act 2013 and the other relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on an accrual basis. The Company generally follows mercantile system of accounting and recognizes all the income and expenditure on accrual basis.

1.1 Significant Accounting Policies

a) Presentation and disclosure of financial statements

The Company has presented its financial statements for the year ended March 31, 2016, as per the revised schedule VI notified under the Companies Act 2013. The Company has reclassified the previous year figures in accordance with the requirements applicable in the current year where ever required.

b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c) Fixed Assets:

i. Tangible Assets 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. Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

iii. DMF costs represent expenses incurred on development of processes and compliance with regulatory procedures of the USFDA, in filing Drug Master Files (DMF), in respect of products for which commercial value has been established by virtue of third party agreements/arrangements. This is in accordance with the requirements of Accounting Standard 26.

The cost of each DMF is amortized over a period of ten years from the date on which the amount have been capitalized.

d) Depreciation:

i. 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.

ii. Intangible assets are amortized over their useful life/period of ten years.

iii. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

e) Impairment of Assets:

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 net selling price. 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.

f) Investments:

i. Long Term Investments are carried at cost after deducting provision, if any, for diminution in value considered being other than temporary in nature.

ii. Current investments are stated at lower of cost and fair value.

iii. Non-current investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature.

iv. On Disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged or credited to the Statement of Profit and Loss Account/.

g) Inventory:

i. Raw-Materials, Stores & Spares and Packing Materials are valued at cost - Cost is determined on FIFO basis.

ii. Work-in-progress are valued at estimated cost.

iii. Finished goods are valued at estimated cost or net realizable value whichever is lower.

iv. Provision for obsolescence if any, is made, wherever necessary.

h) Employee Benefits:

Provident Fund

Contribution towards Provident Fund for certain 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.

Gratuity

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC. The Company recognizes the actuarial gains & losses in the statement of profit & loss in the period in which they arise.

i) Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement Profit & Loss on a straight-line basis over the lease term.

j) 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 products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Development Charges:

Development charges are earned over the time period of the development activity and are recognized on the basis of each mile-stones identified in the agreement

k) Other Income

i. Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

ii. Dividend income is recognized when right to receive is established.

l) Foreign Currency Transactions:

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.

Conversion

Foreign currency monetary Items are reinstated using the exchange rate prevailing at the reporting date.

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 as income or as expense for revenue items and are capitalized/transferred to Foreign Currency Monetary Item Translation Difference Account (FCTR) in case of Investments in subsidiaries respectively.

m) 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 charged to Profit and Loss account. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

n) Derivative Instruments:

The Company uses derivative financial instrument such as forward contract to hedge its risk associated with foreign currency fluctuation. In respect of transactions covered by Forward Exchange Contract if any, the difference between the forward rate and the exchange rate at inception of contract is recognized as income or expense in the year of payment.

o) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period. 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 recognized only to the extent that there is a reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss account as current tax. The Company recognizes MAT credit available as an asset to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss account and shown as "MAT Credit Entitlement".

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

2. SHARE CAPITAL

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised Shares		
a) **Equity Shares**		
8,50,00,000 (P.Y. 4,25,00,000), Re. 1/- (Rs.2/-) each par value	850.00	850.00
	850.00	**850.00**
Issued, Subscribed and Fully Paid up Shares:		
a) **Equity Shares**		
77,101,905 (PY: 3,85,50,952), Re. 1/-(Rs.2/-) each par value	771.02	771.02
TOTAL	**771.02**	**771.02**

2 (a) Reconciliation of the number of shares.

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	38,550,953	771.02	36,786,248	735.72
Add : Issued during the year on account of share split and face value of Rs 2/- to face value Rs 1/- each	38,550,953	-	1,764,705	35.30
Shares outstanding at the end of the year	**77,101,906**	**771.02**	**38,550,953**	**771.02**

2(b) Rights, Preferences and restrictions 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.

The Board of Directors have declared and paid interim dividend of Re.0.60 per equity of face value of Re.1/- share (Rs.1.10 per share of face value of Rs.2/-) during the year.

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.

2(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	% Held	No of Shares	% Held
1) Vishnukant .C. Bhutada	8,563,102	11.11	4,281,551	11.11
2) Tano Mauritius India FVCI II	7,179,506	9.31	3,589,753	9.31
3) Baring India Private Equity III Limited	6,000,000	7.78	3,000,000	7.78
4) Dharmavati Bhutada	4,142,766	5.37	2,071,383	5.37

2(d) Details of Equity Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Bonus Shares in the ratio of 2:1. i.e. for every 02 shares 1 share alloted as Bonus in the last five year.	-	-	12,262,082

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

3. RESERVES AND SURPLUS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	**Capital Reserve**		
	Opening Balance	32.36	32.36
	Add:Addition during the year	-	-
	Less: Amount utilized	-	-
	Closing Balance	**32.36**	**32.36**
(b)	**Capital Subsidy**		
	Opening Balance	220.64	220.64
	Add: Received during the year	-	-
	Less: Amount utilised	-	-
	Closing Balance	**220.64**	**220.64**
(c)	**Securities Premium Account**		
	Opening balance	18,665.71	11,201.01
	Add: On Issue of shares	-	7,464.70
	Less: Utilised on issue of Bonus shares	-	-
	Closing Balance	**18,665.71**	**18,665.71**
(d)	**General Reserves**		
	Opening balance	3,682.68	3,182.68
	Add: Amount transferred from appropriations.	500.00	500.00
	Less: Amount utilised	-	-
	Closing Balance	**4,182.68**	**3,682.68**
(e)	**Surplus in Statement of Profit and Loss**		
	Opening Balance	32,524.71	25,039.84
	Add: Adjustment of depreciation reserves as per Sch II of Companies Act, 2013	-	83.95
		32,524.71	**25,123.79**
	Add: Profit for the year	11,032.92	8,409.77
	Amount available for appropriations	**43,557.63**	**33,533.56**
	Less: Appropriations		
	a) Dividend on Equity Shares (Refer Note Below)	(462.61)	(424.06)
	b) Dividend distribution Tax	(92.51)	(84.79)
	c) Transfer to General Reserves	(500.00)	(500.00)
	Closing Balance	**42,502.51**	**32,524.71**
	Foreign Currency Monetary Translation Difference Account	787.53	412.46
	TOTAL	**66,391.43**	**55,538.56**

Note:

The Board of Directors have declared and paid interim dividend of Re.0.60 per equity of face value of Re.1/- share (Rs.1.10 per share of face value of Rs.2/-) during the year.

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2016	As at 31st March, 2015
(A) Term loans (Secured)		
i. From Banks		
a) External Commercial Borrowings (ECB)	-	1,564.77
Nature of Security		
a) ECB of USD 10 Mn is taken from Standard Chartered Bank, London (SCB) and is secured by hypothecation of Immovable Fixed Asset (USD 6 Mn.) of SEZ and (USD 4 Mn) Movable Fixed Assets located at Raichur plant, including proposed Capex created out of such loan and guarantees given by 02 of its Directors.		
Terms of Repayment & Interest Rate:		
Repayment of ECB Loan from SCB have a moratorium period of 12 months and would be repayable in 8 half yearly installments with the final installment falling due at the end of 60th month from the date of grant of Loan. The loan is repayable on the basis of 12.50% of the drawdown amounts as at the defined date. Further, ROI is charged @Libor + 350 bps		
b) Term Loan : Wind Turbine Generators Machine	-	58.05
Term loan sanctioned by LVB is Rs.13.00 Crs on 02.12.2013. The said loan is primarily secured by hypothecation over 04 800 KW Wind Turbine Generators proposed to be installed out of such funds and Collateral security of windmills already existing with the Company alongwith personal guarantees of 02 of its Director.		
Terms of Repayment		
It is repayable in 36 equal monthly installments with a moratorium period of three months from the date of commissioning or six months from the date of first drawdown whichever is earlier alongwith interest @ LVB Base Rate + 0.75% margin p.a. . Currently rate of interest charges at 12%. The Last Instalment falls due on July 2017.		
TOTAL	**-**	**1,622.82**

5. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability (On account of timing difference of depreciation)	4,993.72	4,063.33
Deferred Tax Asset (On account of disallowable items under Income Tax Act)	(147.11)	(132.11)
TOTAL	**4,846.61**	**3,931.22**

6. LONG TERM PROVISIONS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Gratuity	390.00	388.68
TOTAL	**390.00**	**388.68**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

7. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loan		
Working capital loan.		
From Banks		
i) SCB [refer Note 'a' & 'c' (i) below]	3,246.52	3,646.17
ii) SCB [refer Note 'a' & 'c' (ii) below]	816.09	624.36
iii) Citi Bank [refer note 'b' & 'c' (iii) below]	2,896.76	813.68
Nature of Security		
a) Working capital loan from Standard Chartered Bank (SCB) is secured by First pari passu charge on current assets and first charge on certain fixed assets (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors.		
b) Working capital loan from Citi Bank (CB) is secured by First pari passu charge on current assets and charge on fixed assets (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors.		
c) Interest rate as at 31st March, 2016 is as under:		
(i) On PSFC/PCFC - Libor + 1%		
(ii) On overdraft - 11%		
(iii) On PSFC/PCFC - Libor + 1%		
TOTAL	**6,959.37**	**5,084.21**

8. TRADE PAYABLES

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Trade paybles (Refer Note no 43 & 44)	5,131.60	5,720.18
(b) Others (Refer Note no 43 & 44)		
(i) Capital Creditors	617.95	745.01
(ii) Advances from Customers	146.26	92.70
TOTAL	**5,895.81**	**6,557.89**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

9. OTHER CURRENT LIABILITIES

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	Current maturities of Long-Term Debt - ECB / Windmill Term Loan (For nature of security, terms of repayment & rate of interest refer note: 04 above)	1,658.28	1,998.10
(b)	Interest accrued but not due on borrowings.	0.67	1.84
(c)	Unclaimed Dividends	15.32	12.73
(d)	Employee Benefit Liability	786.69	713.56
(e)	Books Overdraft	458.73	537.41
(f)	Provision for Expenses	388.05	326.14
(g)	Tax deduction at source	261.22	208.74
(h)	Service tax	5.44	3.90
(i)	VAT, Entry Tax ESI, & Professional Tax	7.74	8.72
(j)	Security/Trade deposit	14.54	11.50
(k)	Unclaimed Bonus & Salary	4.16	5.19
(l)	Interim Dividend payable	1.59	-
	TOTAL	**3,602.43**	**3,827.83**

10. SHORT TERM PROVISIONS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
a)	Provident fund payable	46.15	33.99
b)	Others		
	i) Proposed Dividend	-	424.06
	ii) Tax on Proposed Dividend	-	84.79
	TOTAL	**46.15**	**542.84**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

11. FIXED ASSETS

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1 April 2015	Additions	Deletions/ Adjustment During the year	Gross Block As at 31.03.2016	As at 1 April 2015	For the Year	Disposal/ Adjustment	Total	As at 31.03.2016	As at 31.03.2015
a) Tangible Assets										
i) Owned										
a) Borewell	15.58	3.22	-	18.80	5.65	3.58	-	9.23	9.58	9.93
b) Building	7,362.52	1,267.04	-	8,629.57	1,110.98	250.25	-	1,361.23	7,268.34	6,251.55
c) Canteen Equipment	3.37	6.33	-	9.70	1.30	1.20	-	2.50	7.20	2.07
d) Computer	382.94	112.82	6.83	488.94	271.90	68.98	-	340.88	148.06	111.03
e) Network Server equipment	9.25	5.35	-	14.60	1.71	1.47	-	3.18	11.42	7.53
f) Electrical Installation	2,084.91	647.55	-	2,732.46	710.36	238.39	-	948.75	1,783.71	1,374.56
g) Empty Cylinders	4.67	-	-	4.67	4.12	0.06	-	4.18	0.49	0.55
h) ETP Building	454.55	14.97	-	469.52	104.12	14.32	-	118.44	351.08	350.43
i) ETP Machinery	224.08	118.91	-	343.00	78.58	10.24	-	88.83	254.17	145.50
j) Furniture	621.02	182.34	-	803.37	138.63	68.82	-	207.45	595.92	482.39
k) Generator	43.15	64.11	-	107.26	23.16	4.14	-	27.31	79.95	19.99
l) Lab Equipments	3,595.48	805.41	37.16	4,363.73	957.33	399.34	8.75	1,347.92	3,015.82	2,638.16
m) Office Equipment	31.42	27.87	3.12	56.17	10.42	9.22	0.50	19.13	37.03	21.00
n) P/M (Power Generation Unit)	3,842.31	0.73	-	3,843.04	1,593.75	101.11	-	1,694.86	2,148.18	2,248.56
o) Pipeline	1,769.85	706.08	-	2,475.93	569.82	73.36	-	643.18	1,832.75	1,200.04
p) Plant & Machinery	14,755.63	5,066.05	13.00	19,808.68	3,840.81	697.62	1.63	4,536.80	15,271.88	10,915.38
q) Pollution Control Equip.	37.07	-	-	37.07	28.49	0.42	-	28.90	8.17	8.03
r) R & D Equipments	238.44	-	-	238.44	147.37	35.08	-	182.44	55.99	91.07
s) Storage Tank	77.66	30.61	-	108.27	25.51	3.70	-	29.21	79.06	52.15
t) Transformer	46.61	-	-	46.61	10.92	4.19	-	15.10	31.51	35.69
u) Unit-II Land & Building	5.86	-	-	5.86	2.55	0.20	-	2.74	3.12	3.31
v) Vehicle	299.51	-	-	299.51	122.88	27.17	-	150.06	149.45	176.62
w) Vehical Electrical Operated	34.87	-	-	34.87	4.10	4.20	-	8.30	26.57	30.77
x) Xerox Machine	3.72	4.95	-	8.67	2.61	0.28	-	2.89	5.78	1.11
y) weigh bridge	3.47	-	-	3.47	1.69	0.42	-	2.11	1.35	1.78
z) EHS Equipement	1.50	37.56	-	39.06	0.16	0.14	-	0.30	38.76	1.34
aa) Storage Drums	2.85	0.21	-	3.06	0.20	0.58	-	0.78	2.28	2.65
ab) Land	711.28	63.17	-	774.45	-	-	-	-	774.45	711.28
Total	**36,664**	**9,165**	**60.10**	**45,768.77**	**9,769.10**	**2,018.49**	**10.88**	**11,776.71**	**33,992.06**	**26,894.48**

(Contd.)

FIXED ASSETS (Contd.)

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1 April 2015	Additions	Deletions/ Adjustment During the year	Gross Block As at 31.03.2016	As at 1 April 2015	For the Year	Disposal/ Adjustment	Total	As at 31.03.2016	As at 31.03.2015
ii) Leased Assets										
a) Leasehold Land & Green Field	261.61	-	-	261.61	-	-	-	-	261.61	-
b) Lease Premium	363.59	202.80	-	566.39	-	20.39	-	20.39	545.99	625.20
Total	**625.20**	**202.80**	**-**	**828.00**	**-**	**20.39**	**-**	**20.39**	**807.61**	**625.20**
Sub-Total (i+ii)	**37,288.78**	**9,368.09**	**60.10**	**46,596.77**	**9,769**	**2,038.88**	**10.88**	**11,797.10**	**34,799.67**	**27,519.68**
b) Intangible Assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Computer software	138.13	47.91	-	186.04	30.59	25.60	-	56.19	129.85	107.54
Technical Know How	21.88	-	-	21.88	21.88	-	-	21.88	-	-
DMF/Patents Fees	425.38	279.44	-	704.83	51.30	60.05	-	111.35	593.48	374.09
Sub-Total (B)	**585.39**	**327.36**	**-**	**912.75**	**103.77**	**85.65**		**189.42**	**723.33**	**481.62**
Less: Capitalized (C)	-	-	-	-	-	(5.50)	-	-	-	-
Sub-Total (A+B-C)	**37,874.18**	**9,695.45**	**60.10**	**47,509.52**	**9,872.87**	**2,119.03**	**10.88**	**11,986.52**	**35,523.00**	**28,001.31**

a) Out of total Land acquired from KIADB partial land is on lease-cum sale for a period of 10 year.

b) Following assets includes exchange difference arises on Reinstatment/Payment of ECB/Buyers' Credit Installement

Rs in Lakhs

Assets	Current Year	Previous Year
a) Building	31.04	27.48
b) Electrical Installation	9.24	6.38
c) Lab Equipment	10.35	4.00
d) Pipline	5.06	2.53
e) Plant & Machinery	86.32	64.7
f) Others	2.21	-
Total	**144.22**	**105.09**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

12. TANGIBLE & INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Tangible Assets Under Development		
i) Machinery Under Errection	342.79	171.32
ii) Projects Under Errection	7,494.34	7,686.34
iii) Pre-Operative Expenses (Pending Capitalization)	1,072.27	913.64
(b) Intangible Assets Under Development		
i) DMF Fees	28.45	-
TOTAL	**8,937.85**	**8,771.30**

13. NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Investments (At Cost) Fully paid up		
i) In Subsidiary Companies		
a) Investments in Equity Instruments (Unquoted)		
i) 2000 (2000) of Euro 1.71 each - Zatortia Holdings Ltd, Cyprus	2,515.92	2,261.79
ii) 1,248,549 (1,248,549) of Rs 10/- each - Nu-Therapeutic (P) Ltd, Hyderabad	713.18	713.18
iii) 8,70,755 (6,48,455) of Rs 10/- each- Raichem Medicare (P) Ltd, Raichur.	1,292.13	958.68
iv) 11,25,000 (11,25,000) Shares of Rs 10/- each - INM Technologies Pvt Ltd.Bangalore	112.50	112.50
v) 100 shares of 1 GBP each in Koanna Healthcare Limited,UK	0.10	-
b) Investments in Common Stock (Unquoted)		
i) Investment in 1892308 (3500000) common stock @ par value of 0.001 of Makindus LLC USA	1,075.90	1,251.82
c) Investments in Preference Instruments (Unquoted)		
i) 400000(400000) of Rs 10/- each - Nu Therapeutic (P) Ltd Hyderabad.	40.00	40.00
ii) 18500000 (12000000) of Rs 10/- each- Raichem Medicare Pvt. Ltd.	1,850.00	1,200.00
iii) 15354370 (Nil) of Rs.10/-each- INM Technologies Pvt Ltd,Bangalore	1,535.44	-
iv) Share Application money for allotment of Preference share paid to INM Technologies Pvt Ltd,Bangalore	4.00	-
ii) In Associate Companies		
a) Investments in Equity Instruments (Unquoted)		
i) 100,000 (100,000) Equity Shares of Rs 10/- each - Reva Pharmachem (P) Ltd, Raichur	10.00	10.00
iii) In Joint Venture Company.		
a) Investments in Preference Instruments (Unquoted)		
i) 1400000 (900000) Preferred Stock at par value of 0.0001 USD of MAIA Pharmaceuticals INC .USA	928.66	876.28
b) Investments in Equity Instruments (Unquoted)		
i) 5001 Equity share of Rs 10/- each of Reva Medicare Pvt Limited Raichur	0.50	-
	10,078.33	**7,424.25**
iv) In Government securities (Unquoted)		
i) National Savings Certificate.	0.20	0.20
Total Value of unquoted Investment	**10,078.53**	**7,424.45**
Aggregate value of Unquoted Investment	**10,078.53**	**7,424.45**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

14. LONG TERM LOANS AND ADVANCES

	Particulars	As at 31st March, 2016	As at 31st March, 2015
a)	**Capital Advances**		
	i) Unsecured, considered good (Refer Note : 49)	1,243.41	1,397.18
	Less: Provision for Doubtful Deposits	-	-
	TOTAL (a)	**1,243.41**	**1,397.18**
b)	**Security Deposits (Unsecured Considered Good)**		
	i) Electricity Deposits	171.56	161.86
	ii) Rental Deposits	30.57	27.25
	iii) Telephone Deposits	0.60	0.60
	iv) Miscellaneous Deposits	15.93	14.79
		218.66	204.50
	Less: Provision for Doubtful Deposits	-	-
	TOTAL (b)	**218.66**	**204.50**
c)	**Other Loans and Advances (Unsecured considered Good)**		
	i) Income Tax paid under protest	173.28	173.28
	ii) VAT on Capital Goods & Others Iteam (Refer note : 47)	48.27	41.27
	iii) MAT Credit Entitlement Benefit	1,827.00	1,325.71
	iv) Prepaid Expenses	7.42	8.22
	v) Service Tax (Under Protest)	-	8.76
	vi) Loans and Advances to Related Parties - Unsecured Considered Good (Refer note 42)		
	(a) Nu Therapeutics Pvt Ltd (Subsidiary)	735.64	680.38
	(b) Raichem Medicare Limited Pvt Limited (Subsidiary)	1,667.11	1,729.34
	TOTAL (c)	**4,458.72**	**3,966.97**
	TOTAL (a+b+c)	**5,920.79**	**5,568.64**

15. CURRENT INVESTMENTS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Investments in Mutual Funds (Quoted)		
i) HDFC Mutual Fund	269.55	1,023.48
ii) ICICI Prudential Mutual Fund	4,533.37	4,209.31
iii) Tempelton India Ultra Short Bond Fund	260.64	1,024.53
iv) SBI Mutual Fund	208.99	278.08
TOTAL	**5,272.56**	**6,535.40**
Aggregate amount of quoted Investments - market value	**5,963.07**	**6,868.57**

16. INVENTORIES

	Particulars	As at 31st March, 2016	As at 31st March, 2015
i)	Raw Materials	6,462.03	6,586.26
ii)	Work- in- process	5,285.73	4,771.16
iii)	Finished Goods With Company/Consignment Agent	14.53	27.01
iv)	Stock-In-Trade	30.31	277.66
v)	Stores and Spares	537.86	264.50
vi)	Packing Materials	135.41	161.00
	TOTAL	**12,465.87**	**12,087.59**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

17. TRADE RECEIVABLES

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured Considered Good (Refer Note: 43)		
- Outstanding for the period exceeding six months	270.82	124.81
- Unsecured, considered doubtful	11.21	15.42
	282.03	140.23
Less: Written-off	11.21	15.42
TOTAL (a)	**270.82**	**124.81**
Unsecured, considered good		
- Outstanding for the period less than six months	6856.60	6887.22
TOTAL (b)	**6856.60**	**6887.22**
TOTAL (a+b)	**7,127.42**	**7,012.03**

18. CASH AND CASH EQUIVALENTS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
i)	Cash on Hand	34.35	21.76
ii)	Balance with banks in current account	377.80	58.70
iii)	Bank deposits having maturity of less than 03 months	140.11	142.17
iv)	Unclaimed Dividends	16.91	12.73
v)	Fixed deposits held as Margin money*	14.74	13.70
	TOTAL	**583.91**	**249.06**

* Fixed deposit with original maturity of more than 3-months has been given in the form of Guarantee to "Chief Control Board Officer, The Telangana Pollution Control Board, Hyderabad".

19. SHORT TERM LOAN AND ADVANCES

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	**Loans and Advances to Related Parties - Unsecured Considered Good (Refer note 42)**		
	i) Zatortia Holdings Ltd (Wholly Owned Subsidiary)	1.13	-
	ii) Raichem Medicare Pvt Ltd (Subsidiary)	254.32	-
	iii) Reva Pharma Chem Pvt Ltd (Associate)	217.21	200.44
	TOTAL (a)	**472.66**	**200.44**
(b)	**Others (Unsecured)**		
	(i) Cenvat Receivable	748.82	1,430.91
	(ii) CST Receivable	53.87	213.12
	(iii) Service Tax Receivable	414.64	303.76
	(iv) Prepaid Expenses	166.97	154.41
	(v) Staff Advance/Against Expenses	35.66	25.97
	(vi) Tender Deposits	2.58	4.63
	TOTAL (b)	**1,422.54**	**2,132.80**
	TOTAL (a+b)	**1,895.20**	**2,333.24**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

20. OTHER CURRENT ASSETS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
i)	Income/Wealth Tax (Net)	161.79	41.98
ii)	Interest accrued on Fixed Deposit/Others	12.37	11.29
iii)	Advance Receivable in cash or kind	883.39	221.87
iv)	Income accrued and Due	40.14	6.90
		1,097.69	282.05
	Add: Considered Doubtful	-	-
		1,097.69	282.05
	Less: Written-off	-	-
	TOTAL	**1,097.69**	**282.05**

21. REVENUE FROM OPERATIONS

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a)	**Sales of Products**	59,672.73	53,555.61
	Less: Excise Duty	558.28	549.77
		59,114.44	**53,005.85**
b)	**Energy Sales**	575.58	543.77
	TOTAL	**59,690.02**	**53,549.61**
	i) Sale of Bulk drugs/Intermediates	58,178.14	52,083.43
	ii) Trading Sales	757.96	860.29
	iii) Energy Sales	575.58	543.77
	iv) Others Sales	178.35	62.12
	TOTAL	**59,690.02**	**53,549.61**

22. OTHER OPERATING INCOME

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Product Development Charges	7,889.04	2,990.60
TOTAL	**7,889.04**	**2,990.60**

23. OTHER INCOME

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
i)	Interest Income		
	a) From Banks	11.35	16.05
	b) From Others	306.27	282.37
ii)	Liabilities Written Back	-	14.96
iii)	Provision Written Back	2.62	7.39
iv)	Dividend on Current Investments	3.97	190.30
v)	Miscellaneous Income	148.13	8.59
vi)	Gain from Redemption/Maturity of MF's	208.18	25.68
	TOTAL	**680.52**	**545.34**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

24. COST OF MATERIAL CONSUMED

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening stock	6,747.26	6,134.11
Add: Purchases	35,896.93	31,399.76
Less: Closing stock	6,597.44	6,747.26
Cost of Material Consumed.	**36,046.75**	**30,786.61**
Material consumed comprises of :		
i) Raw Material/Chemiclas	35,822.83	30,656.27
ii) Packing Material	223.91	130.34
TOTAL	**36,046.75**	**30,786.61**

25. PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Purchase of Medicines/Bulk Drugs / Capital Goods / Others	381.00	864.17
TOTAL	**381.00**	**864.17**

26. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening Inventories		
(a) Finished Goods	304.67	96.07
(b) Work-In-process	4,771.16	4,411.28
Closing Inventories		
(a) Finished Goods	44.84	304.67
(b) Work-In-process	5,285.73	4,771.16
(Increase)/Decrease in Inventory	(254.74)	(568.49)

27. EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
i) Salaries, wages, allowances & other benefits	6,300.60	5,037.68
ii) Contribution to Provident and other Funds	307.19	526.74
iii) Staff Welfare Expenses	89.68	84.43
TOTAL	**6,697.47**	**5,648.85**

28. FINANCE COST

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
i) Working Capital Loans	173.16	130.06
ii) Term Loans	147.67	252.44
iii) Others	6.36	5.48
TOTAL	**327.19**	**387.98**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

29. OTHER EXPENSES

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Power and Fuel	2,053.74	1,757.62
(b)	Repairs & Maintenance		
	i) Buildings	182.04	122.08
	ii) Machinery	745.35	568.93
	iii) Others	64.74	52.55
(c)	Rent	143.65	155.64
(d)	Exchange Loss/(Gain) Net	140.59	(205.40)
(e)	License Fees	42.14	23.73
(f)	Insurance	92.11	66.27
(g)	Traveling and Conveyance	198.12	167.02
(h)	Contractor Labour Charges	579.90	565.71
(i)	Legal & Professional Fees	288.38	134.70
(j)	Facility Fees	103.90	97.11
(k)	Auditor's Fees (Refer Note No.31)	13.00	11.00
(l)	Research & Development	2,111.18	1,237.08
(m)	Transportation Charges	236.08	221.63
(n)	Brokerage and Commission	346.92	276.56
(o)	Job work charges	66.73	79.26
(p)	Directors Sitting Fees	2.30	1.70
(q)	Sales Promotion & Advertisement	45.79	47.57
(r)	Bad Debts / Advance Written-off	11.21	21.21
(s)	Clearing and Forwarding	276.19	247.87
(t)	Loss on sale /Discard of Assets.	2.00	0.97
(u)	VAT/ Entry tax	55.33	11.22
(v)	Miscellaneous Expenses	419.10	494.26
	TOTAL	**8,220.49**	**6,156.29**

30. PRIOR PERIOD ITEMS

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Material Cost	(27.10)	-
(b)	Insurance claims	8.31	-
(c)	Other Miscellaneous Expenses	16.70	8.34
	TOTAL	**(2.09)**	**8.34**

31. PAYMENT TO STATUTORY AUDITORS*

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a)	Statutory Audit	7.50	6.25
b)	Tax Audit	2.50	2.25
c)	Certification	3.00	2.50
	TOTAL	**13.00**	**11.00**

*Excluding Service Tax

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

32. CONTINGENT LIABITIES AND COMMITMENTS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	Foreign Letter of Credit	293.21	1,343.53
(b)	Bank Guarantees/Corporate Guarantee	9,102.63	6,269.08
(c)	Claims Against the Company Not Acknowledeged as Debts.	-	1,198.39
(d)	Estimated Amount of Contract remain to be executed on Capital Goods and not provided for. (Net of Advance)	811.14	1,906.34
	TOTAL	**10,206.98**	**10,717.34**

33. DEFINED BENEFIT PLAN

Movement of Present value of the Defined Benefit Obligation	Year ended 31st March, 2016	Year ended 31st March, 2015
Obligations at Period Beginning	511.61	169.23
Service Cost	42.17	35.00
Interest on Defined Benefit Obligation	39.48	15.33
Benefits Settled	(9.53)	(4.01)
Actuarial (Gain)/Loss	(30.82)	296.05
Obligations at Period End	**552.91**	**511.61**
Change in Plan Assets		
Plans Assets at Period Beginning, at Fair value	122.93	81.34
Expected Return on Plan Assets	9.86	10.45
Actuarial Gain/(Loss)	(1.08)	(1.77)
Employer Contribution	40.75	36.92
Benefits Payout	(9.53)	(4.01)
Plans Assets at Period End, at Fair Value	**162.91**	**122.93**
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Closing PBO	552.91	511.61
Closing Fair value of Plan Assets	162.91	122.93
Closing Funded Status	**(390.00)**	**(388.68)**
Unrecognised actuarial (Gains)/Losses		
Net Asset/(Liability) Recognized in the Balance Sheet	**(390.00)**	**(388.68)**
Expenses Recognised in the P & L Account	-	-
Service Cost	42.17	35.00
Interest Cost	39.48	15.33
Expected Return on Plan Assets	(9.86)	(10.45)
Actuarial (Gain)/Loss	(30.82)	296.05
Net Gratuity Cost	**40.98**	**335.94**
Experience Adjustment on Plan Assets	(1.08)	(1.77)
Experience Adjustment on Plan Liabilities	**(30.82)**	**296.05**

(Contd.)

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

DEFINED BENEFIT PLAN (Contd.)

Principal Actuarial Assumptions	Year ended 31st March, 2016	Year ended 31st March, 2015
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)	8.00%	8.00%
Expected rate of return on assets	8%	8%
Salary increase (taking into account inflation, seniority, promotion and other relevent factor)	10% p.a. for first 3 years and 7% p.a. thereafter	8%
Attrition rate of employees	3% to 1%	5%
Retirement age of employees (Years)	58.00	58.00

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.

34. DIVIDEND REMITTED IN FOREIGN CURRENCY

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Number of Share Holders	1	1
(b)	Number of Equity Shares Held.		
	(i) 2013-14	-	30.00
	(ii) 2014-15	30.00	-
	(iii) 2015-16	60.00	-
(c)	Amount of Dividend Paid		
	(i) 2013-14	-	30.00
	(ii) 2014-15	33.00	-
	(iii) 2015-16	36.00	-

35. BREAK-UP OF IMPORTED AND INDIGENEOUS MATERIAL CONSUMED.

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
i)	Value of Imported Raw Material, Spares parts consumed.	29,806.38	25,643.38
ii)	Value of Indigeneous Raw Material, Spares parts consumed.	6,840.32	5,613.31
	Percentage of the above to total Consumption		
	i) Raw Material, Spares parts and Other components Imported	81.33%	82.04%
	ii) Raw Material, Spares parts and Other components indigeneous.	18.67%	17.96%

36. EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
FOB Value of Export (Direct)	43,604.22	35,360.05
Income From Product Development	6,427.02	2,406.98
TOTAL	**50,031.24**	**37,767.03**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

37. EXPENDITURE IN FOREIGN CURRENCY.

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
i)	Import of Raw Material/Capital Goods	32,391.63	26,169.60
ii)	Interest	155.80	287.84
iii)	Commission/DMF Fees/Facility Fees/Professional Fee Etc.	1,719.44	1,146.65
	TOTAL	**34,266.87**	**27,604.09**

38. RESEARCH AND DEVELOPMENT EXPENSES ELIGIBLE FOR WEIGHTED DEDUCTION UNDER INCOME TAX ACT 1961

	Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
		Raichur Facility	Vizag Facility	Raichur Facility	Vizag Facility
A)	**ELIGIBLE EXPENSES**				
	a) Capital Expenditure	**128.73**	**236.67**	118.14	108.59
	b) Revenue Expenditure				
	i) Employee cost	858.13	784.71	694.70	613.74
	ii) Research & Development expenses	233.96	697.36	295.13	372.94
	iii) Equipment Maintenance	41.63	54.85	30.92	34.95
	iv) Power & Fuel	21.78	94.37	17.48	85.43
	v) Lease Rent	-	102.00	-	132.83
	vi) Other Expenses	10.60	125.76	12.14	80.44
	TOTAL-b	**1,166.10**	**1,859.05**	**1050.36**	**1320.33**
	Less : Revenue Income	-	309.17	-	112.73
	NET TOTAL - A (a+b)	**1,294.83**	**1,786.55**	**1168.51**	**1316.19**
B)	**IN-ELIGIBLE EXPENSES**				
II)	a) Revenue Expenditure				
	i) Misc Expenses	16.61	16.02	16.12	8.14
	ii) Depreciation	117.41	169.85	110.59	173.74
		134.02	185.87	126.71	181.88
	b) Capital Expenditure	-	5.86	-	-
	TOTAL-B	**134.02**	**191.74**	**126.71**	**181.88**
	TOTAL (A+B)	**1,428.85**	**1,978.28**	**1295.21**	**1498.07**

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

39. SEGMENT INFORMATION:

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Segment Revenue		
(a) Bulk Drug/Intermediates	67,003.48	55,996.44
(b) Energy	575.58	543.77
Total	**67,579.06**	**56,540.21**
Less : Inter Segment Revenue	-	-
Income from operations	**67,579.06**	**56,540.21**
(b) Segment Results		
Profit before Interest & Tax		
(a) Bulk Drug/Intermediates	14,650.60	12,007.91
(b) Energy	398.98	281.71
Total	15,049.58	12,289.62
Less : Finance cost	327.19	387.98
Net Profit before tax	**14,722.40**	**11,901.64**
Particulars	**As at 31st March 2016**	**As at 31st March 2015**
(c) Capital Employed		
(a) Bulk Drug/Intermediates	20,825.36	21,101.73
(b) Energy	915.01	853.76
TOTAL	**21,740.37**	**21,955.49**

Note: The Company is mainly engaged in the Business of Manufacturing of Bulk Drugs, Intermediates & Wind Power Generation, Formulation are inter related and forms integral part of business of "Pharmaceutical products". Segment reporting has been prepare as per AS-17 issued by Institute of Chartered Accountants of India.

40. The Company has set up its formulation unit located at Jedcherla on leased land taken under operating lease for a period of 33 years from Telengana State Industrial Infrastructure Corporation Ltd (TSSIC) which is extendable for another period of 33 years upon mutual consent on the expiry of the original lease period of 33 years.

Particulars	As at 31st March, 2016	As at 31st March, 2015
Lease payment		
- Due within one year	7.93	8.25
- Due after one year but not later than five years	43.04	41.86
- Due later than five years	376.00	376.85

41. RELATED PARTIES DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18:

List of Related Parties

1. **Associates**
   a) Reva Pharmachem Pvt Ltd
2. **Subsidiaries**
   a) Zatortia Holdings Ltd, Cyprus
   b) Loba Feinchemie GmbH- (Stepdown Subsidiary)
   c) Raichem Medicare Pvt Ltd, Raichur
   d) Nu- Therapeutics Pvt Ltd, Hyderabad
   e) INM Technologies Pvt Ltd, Bangalore
   f) Koanna Healthcare Ltd, U.K.
   g) Makindus LLC. USA.
3. **Joint Venture (JV)**
   a) Maia Pharmaceuticlas INC. USA
   b) Reva Medicare Pvt Ltd, Raichur
4. **Key Management Personnel-(KMP)**
   a) Omprakash Inani
   b) Vishnukanth C. Bhutada
5. **Relatives**
   a) Dharmavati Bhutada
   b) Deepak Kumar Inani
6. **Enterprises having common Directors/Board of Trustees**
   a) Shilpa Foundation
   b) Mohini Infra Pvt Ltd

RELATED PARTIES DISCLOSURES (Contd.)

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Sl. No.	Particulars	Current Year						Previous Year					
		Subsi-diaries	Associ-ates	KMP	Relatives	Enterprises having common Directors/ Board of Trustees	Joint Venture	Subsi-diaries	Associ-ates	KMP	Relatives	Enterprises having common Directors/ Board of Trustees	Joint Venture
1	**Sales**												
1.01	Loba Feinchemie, GmbH.	0.26						-	-	-	-		-
1.02	Maia Pharmaceuticals Inc, USA.						-	-	-	-	-		147.98
1.03	Raichem Medicare Pvt.Ltd.	78.85											
1.04	INM Techlonogies Pvt Ltd	5.07											
2	**Purchase**												
2.01	Raichem Medicare Pvt.Ltd.	787.46											
3	**Reimbursement of Expenses-Paid**												
3.01	Loba Feinchemie, GmbH.	-						8.50					
4	**Reimbursement of Expenses- Received**												
4.01	Raichem Medicare Pvt. Ltd.	0.57						1.12					
4.02	Reva Pharmachem Pvt. Ltd.	-	3.00						3.00				
4.03	Loba Feinchemie, GmbH.	-						3.10					
4.04	INM Techlonogies Pvt Ltd	83.24						16.20					
4.05	Nu- Therapeutics Pvt. Ltd.	1.12						1.48					
5	**Interest Received**												
5.01	Raichem Medicare Pvt. Ltd.	213.42						191.85	-	-	-		-
5.02	Nu- Therapeutics Pvt. Ltd.	61.40						62.86	-	-	-		-
5.03	Reva Pharmachem Pvt. Ltd.		18.63					-	17.16	-	-		-
6	**Commission Paid**												
6.01	Reva Pharmachem Pvt.Ltd.		2.87					-	4.85	-	-		-
7	**Rent Paid**												
7.01	Dharmavati Bhutada.				2.06			-	-	-	8.25		-
7.02	Mohini Infra Pvt Ltd				-	16.87					-		
8	**Remuneration**												
8.01	Deepak Kumar Inani.				22.18			-	-	-	15.67		-
9	**Managerial Remuneration**												
9.01	Vishnukanth C. Bhutada.			685.90				-	-	600.00	-		-
10	**Sitting Fees**												
10.01	Omprakash Inani.			0.30				-	-	0.70	-		-
11	**Charity & Donation Paid**												
11.01	Shilpa Foundation					1.50						2.25	
12	**Movement of Loans/Advances**												
12.01	Opening Balance												
	a) Zatortia Holdings Ltd.							-	-	-	-		-
	b) Raichem Medicare Pvt.Ltd.	1729.34						1,556.68	-	-	-		-
	c) Reva Pharmachem Pvt.Ltd.		200.44						185.00	-	-		-
	d) Nu Therapeutics Pvt. Ltd.	680.38						823.80	-	-	-		-

(Contd.)

RELATED PARTIES DISCLOSURES (Contd.)

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Sl. No.	Particulars	Current Year						Previous Year					
		Subsi-diaries	Associ-ates	KMP	Relatives	Enterprises having common Directors/ Board of Trustees	Joint Venture	Subsi-diaries	Associ-ates	KMP	Relatives	Enterprises having common Directors/ Board of Trustees	Joint Venture
12.02	Paid During the Year $												
	a) Zatortia Holdings Ltd.	1.13						-	-	-	-		
	b) Raichem Medicare Pvt.Ltd.	192.08						172.66	-	-	-		
	c) Reva Pharmachem Pvt.Ltd.		16.77						15.45	-	-		
	d) Nu Therapeutics Pvt.Ltd.	55.26						56.58	-	-	-		
12.03	Received During the Year												
	a) Nu Therapeutics Pvt.Ltd.							200.00	-	-	-		
12.04	Closing Balance												
	a) Zatortia Holdings Ltd.	1.13						-	-	-	-		
	b) Raichem Medicare Pvt.Ltd.	1921.43						1,729.34	-	-	-		
	c) Reva Pharmachem Pvt.Ltd.		217.21						200.44	-	-		
	d) Nu Therapeutics Pvt.Ltd.	735.64						680.38	-	-	-		
12.05	Maximum Balance Outstanding During the Year$												
	a) Zatortia Holdings Ltd	1.13						-	-	-	-		
	b) Raichem Medicare Pvt.Ltd.	1921.43						1,729.34	-	-	-		
	c) Reva Pharmachem Pvt.Ltd.		217.21					-	200.44	-	-		
	d) Nu Therapeutics Pvt. Ltd.	735.64						823.80	-	-	-		
	c) Loba Feinchemie, GmbH.							7.60	-	-	-		
13	**Payables**												
13.01	Vishnukanth C. Bhutada			344.95				-	-	300.70	-		-
13.02	Mohini Infra Pvt Ltd					1.89							
13.03	Raichem Medicare Pvt Ltd	80.28											
14	**Receivables**												
14.01	INM Technologies Pvt.Ltd.	83.25						-	-	-	-		
14.02	Koanna Healthcare Limited	575.28											
14.03	Loba Feinchemie, GmbH.	0.26											
14.04	Maia Pharmaceuticals Inc, USA.						157.55						147.98
15	**Land Purchase**												
15.01	Deepak Kumar Inani.				19.75								
16	**Corporate Guarantee**												
16.01	Raichem Medicare Pvt Ltd	9,092.63						6,259.08					

Note:

$ including interest (Net of TDS).

Notes Forming Part of Standalone Financial Statement for the Year Ended 31st March, 2016

42. In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business.

43. Balances of Trade Receivables / Trade Payables / Advances and Security deposits are subject to confirmation.

44. Based on the information available with the Amount payable under the " Micro, Small and Medium Enterprises Development Act, 2006" is based on the information received by the Company. Amount due to such Venders as at Balance Sheet date is Nil (0.12) Included in Trade Payable Note no.08

45. The Company has exercised the option of capitalizing the exchange difference arising on reporting of long term foreign currency monetary item at rates different from those at which they where initially recorded, so far as they related to the acquisition of depreciable capital assets as per para 46A to AS-11.The effect of change in Foreign Exchange Rates' vide Notification No.GSR 914(E) dated 29th December, 2011 issued by The Ministry of Corporate Affairs. In other cases the difference has been accumulated in 'Foreign Monetary Item Transalation Difference A/c to be amortized over the balance period of such long term assets as per said notification.

By virtue of above the Company has capitalized Rs 144.22 lakhs (PY Rs 105.09) lakhs to the Fixed Assets acquired out of such External Commercial Borrowings (ECB). Being the exchange difference has been accmulated "Foreign Monetary Iteam Transalation Difference A/c", being Loss/gain arising on account of reinstatment of investment in Foreign Subsidiary.

46. The Net worth of Reva Pharmachem Pvt Ltd (Associate Company) as at the Balance Sheet date has been completely eroded. However, the management is of the view that since the Investments are long term in nature no provision is required to be made.

47. Out of the sum of Rs 48.27 lakhs(PY Rs.41.27 Lakhs) the Company has filed appeals before the Karnataka Appellate Tribunal for refund of input tax paid on Capital Goods amounting to Rs.26.48 lakhs (PY: Rs.26.48) lakhs and Rs. 4.18 Lakhs (Rs.2.43 Lakhs) paid on regular consumable items which has been disallowed by the assessing authority under Karnataka Value Added Tax Act, 2003 while concluding the assessment, which in the opinion of the Company are allowable under the Act. The same is shown under note 14(c)(ii)

48. The Company has hedged the interest rate on ECB of US$ 10 MN . The aggregate amount of loan covered under the said interest rate swap as at March 31, 2016 is Rs. 1658.28 Lakhs US$ 2.5 MN (P.Y. Rs.3,129.53)(US$ 5.00 MN). The periodic net payments related to interest rate swap is partly recorded as finanace cost & partly recorded under pre-operative expenses since part of the amount is utilized in the creation of assets which are pending for capatilization .

49. Capital advances includes a sum of Rs.344.83 lakhs (P.Y 332.48)(reinstated amount) paid to ISO Tech Design, Canada towards supply of machinery for its Formulation unit at Jadcherla. Due to inordinate delay by vendor, the Company terminated its order and filed a law suit for recovery of its amount alongwith interest and damages with the local court in Canada. The hearing under process. As the outcome of the case cannot be determined presently, the Company has not made any provision.

50. During the year the face value of Company equity shares have been split from Rs.2/- to Re.1/-. Effect of the same has been given in the EPS for all the periods presented in accordance with Accounting Standard 20 "Earnings per share" issued by the Institute of Chartered Accountants of India (ICAI).

51. During the year the Income Tax Department has initiated action under Section, 132 of the Income Tax Act, on 16.12.2015. The proceeding are under way and as on the Balance Sheet date no demand has been raised by the department. The liability if any, shall be dealt with as and when the same arises.

52. Figures of the previous year have been regrouped/rearranged wherever necessary.

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Shilpa Medicare Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shilpa Medicare Limited (hereinafter referred to as the Holding Company/ Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group'), and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs of the Group and its associates as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 47 to the Standalone financial statements. The Company has filed a lawsuit for recovering its amount paid as capital advance to its vendor for supply of Capital Assets, along with punitive damages. The Preliminary hearings of the case are in progress. As the ultimate outcome of the case cannot be determined presently, hence no provision for the outstanding balance receivable from the party has been made in the financial statements. Our opinion is not qualified in respect of this matter.

Other Matters

a) The financial Statements of M/s. Nu Therapeutics Private Limited, Indian subsidiary, is audited by other auditor as per the requirement of The Companies Act 2013 and whose reports have been furnished to us and that our opinion is based solely on the reports of the other auditor. The financial statements of this entity reflect total assets of Rs.1360.21 Lakhs as at 31st March, 2016 and total revenue of Rs.245.55 Lakhs and net cash outflow amounting to Rs.62.71 Lakhs for the year then ended.

b) The financial Statements of M/s. Raichem Medicare Private Limited, Indian subsidiary, are un-audited. They have been prepared and approved by the management and are presented to us and that our report in so far as it relates to the amounts included in respect of the said subsidiary is based solely on such unaudited financial statements prepared and approved by the management and that we do not express an opinion thereto.

   The financial statements of this entity reflect total assets of Rs.22,918.88 Lakhs as at 31st March,2016 and total revenue of Rs.844.23 Lakhs and net cash outflow amounting to Rs.431.79 Lakhs for the year then ended.

c) The financial Statements of M/s. Zatortia Holdings Limited, A wholly owned foreign subsidiary, is audited by other auditors as per the requirement of the International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law. These financial statements have been converted as per the requirements of Indian GAAP and it reflect total assets of Rs.2,493.90 Lakhs as at 31st March, 2016 and total revenue of Rs. Nil and net cash outflow amounting to Rs.2.42 Lakhs for the year then ended.

d) We are informed that as per the Austrian Act M/s. Loba Feinchemie AG (GmbH), foreign sub-subsidiary is a "small company with a limited liability (GmbH) and is exempted from audit for the period.

   The financial Statements of M/s. Loba Feinchemie AG (GmbH), foreign sub-subsidiary, are un-audited. They have been prepared and approved by the management and are presented to us and that our report in so far as it relates to the amounts included in respect of the said subsidiary is based solely on such unaudited financial statements prepared and approved by the management and that we do not express an opinion thereto.

   The above unaudited financial statement reflect total assets of Rs.3,214.54 Lakhs as at 31st March, 2016 and total revenue of Rs.3,839.29 Lakhs and net cash inflow amounting to Rs.211.48 Lakhs for the year then ended.

e) The financial Statements of M/s. Koanaa Healthcare Limited, UK, a wholly owned foreign subsidiary, are un-audited. They have been prepared and approved by the management and are presented to us and that our report in so far as it relates to the amounts included in respect of the said subsidiary is based solely on such unaudited financial statements prepared and approved by the management and that we do not express an opinion thereto.

   The financial statements of this entity reflect total assets of Rs.121.29 Lakhs as at 31st March, 2016 and total revenue of Rs. Nil and net cash inflow amounting to Rs.122.83 Lakhs for the year then ended.

f) The financial Statements of M/s. Makindus Inc foreign subsidiary are un-audited. They have been prepared and approved by the management and are presented to us and that our report in so far as it relates to the amounts included in respect of the said subsidiary is based solely on such unaudited financial statements prepared and approved by the management and that we do not express an opinion thereto.

   The financial statements of this entity reflect total assets of Rs.196.36 Lakhs as at 31st March, 2016 and total revenue of Rs.0.11 Lakhs and net cash outflow amounting to Rs.424.39 Lakhs for the year then ended.

g) The financial Statements of M/s. Maia Pharmaceuticals Inc foreign Joint Venture are un-audited. They have been prepared and approved by the management and are presented to us and that our report in so far as it relates to the amounts included in respect of the said subsidiary is based solely on such unaudited financial statements prepared and approved by the management and that we do not express an opinion thereto.

   The financial statements of this entity reflect total assets of Rs.539.61 Lakhs as at 31st March, 2016 and total revenue of Rs.295.63 Lakhs and net cash outflow amounting to Rs.51.24 Lakhs for the year then ended.

Our opinion is not qualified in respect of other matters.

Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit of the aforesaid consolidated financial statements;

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 and reports of other auditors;

c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-A"; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated financial statements disclose the impact of pending litigations if any, on the consolidated financial position of the group and its associates..

   ii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India.

For **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
(Firm Regn No: 008127S/S-200013)

per **CA Pankaj Kumar Bohara**
Partner
Membership Number: 215471

Place/Camp : Hyderabad
Date : 30th May, 2016

Annexure-A - to the Independent Auditors report of even date on the Consolidated Financial Statements of Shilpa Medicare Limited.

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 Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Shilpa Medicare Limited (hereinafter referred to as "the Holding Company/the Company") and its subsidiary company which is incorporated in India, which has been audited by us, as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management of Holding Company and its Subsidiaries, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 expenditures 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting -may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls systems over financial reporting and that such internal financial controls over financial reporting were generally operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
(Firm Regn No: 008127S/S-200013)

per **CA Pankaj Kumar Bohara**
Partner
Membership Number: 215471

Place/Camp : Hyderabad
Date : 30th May, 2016

Part - I - Consolidated Balance Sheet as at 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

	Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
A	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	(a) Share Capital	2	771.02	771.02
	(b) Reserves and Surplus	3	63,919.28	53,923.10
	Sub-Total Shareholder's Funds		**64,690.30**	**54,694.12**
2	**MINORITY INTEREST**		1,476.37	1,438.68
3	**NON- CURRENT LIABILITIES**			
	(a) Long-Term Borrowings	4	9,753.82	10,232.90
	(b) Deferred Tax Liabilities (net)	5	3,586.99	3,776.92
	(c) Long Term Provisions	6	1,354.09	1,174.94
	(d) Long Term Liabilities	7	350.94	230.51
	Sub-Total Non Current Liabilities		**15,045.84**	**15,415.28**
4	**CURRENT LIABILITIES**			
	(a) Short-Term Borrowings	8	8,698.43	5,846.62
	(b) Trade Payables	9	10,144.04	7,550.36
	(c) Other Current Liabilities	10	6,065.85	4,932.09
	(d) Short Term Provisions	11	73.04	577.40
	Sub-Total Current Liabilities		**24,981.36**	**18,906.47**
	TOTAL		**106,193.86**	**90,454.55**
B	**ASSETS**			
1	**NON- CURRENT ASSETS**			
	(a) Goodwill on Consolidation		2,312.23	1,765.76
	(b) Fixed assets (Net Block)		-	-
	i) Tangible Assets	12	54,984.88	29,346.80
	ii) Intangible Assets	12	742.82	492.99
	iii) Tangible and Intangible Assets Under Development	13	9,472.90	22,162.20
			67,512.84	**53,767.76**
	(c) Non Current Investments	14	24.25	18.99
	(d) Long Term Loans and Advances	15	4,340.71	3,890.40
	(e) Other Non-Current Assets	16	0.60	16.21
	Sub-Total Non Current Assets		**71,878.39**	**57,693.36**
2	**CURRENT ASSETS**			
	(a) Current Investments	17	5,272.55	6,535.40
	(b) Inventories	18	16,250.65	13,078.29
	(c) Trade Receivables	19	8,459.06	8,137.08
	(d) Cash and Cash Equivalents	20	1,588.23	1,841.72
	(e) Short Term Loan and Advances	21	2,390.11	2,772.10
	(f) Other Current Assets	22	354.88	396.59
	Sub-Total Current Assets		**34,315.47**	**32,761.19**
	TOTAL		**106,193.86**	**90,454.55**

The accompanying notes are an integral part of the Financial Statements Notes : 01 to 49

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

Part - II - Consolidated Statement of Profit and Loss for the Year ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Particulars	Notes	For the period ended 31st March, 2016	For the period ended 31st March, 2015
Revenue			
Revenue from Operations	23	64,331.61	58,955.37
Less: Excise duty		573.79	566.05
Other Operating Revenues	24	8,178.80	2,990.60
Revenue from Operations (Net)		**71,936.62**	**61,379.91**
Other Income	25	464.21	479.89
TOTAL REVENUE		**72,400.83**	**61,859.80**
Expenses			
a) Cost of Materials Consumed	26	37,041.98	31,902.43
b) Purchases of Stock-in Trade	27	381.00	864.17
c) Change in Inventories of Finished Goods, Work-in-Progress and Stock-in- Trade	28	(679.88)	(296.72)
d) Employee Benefits Expense	29	9,144.73	8,230.11
e) Finance Costs	30	686.48	405.02
f) Depreciation and Amortisation Expense	12	2,862.91	2,141.17
g) Other Expenses	31	10,513.48	7,816.38
TOTAL EXPENSES		**59,950.70**	**51,062.56**
Profit Before Extraordinary Items and Tax		**12,450.14**	**10,797.24**
Exceptional (Income)/Expense	32	241.96	4.83
Prior Period (income)/Expenses	33	(2.09)	8.35
Profit Before Tax		**12,210.27**	**10,784.05**
Tax Expenses			
a) Current Tax		3,054.07	2,485.73
Less:MAT Credit Entitlement		(501.29)	(154.65)
		2,552.79	2,331.09
b) Deferred Tax (Net)		(214.03)	1,189.12
c) Taxes Pertaining to Earlier Years		-	1.38
Total Tax Expenses		**2,338.79**	**3,521.59**
Profit for the Period		**9,871.51**	**7,262.47**
Minority Share of Loss		(506.83)	(106.65)
Profit for the period		**10,378.34**	**7,369.12**
Earning Per Equity share of Rs 1/- each			
a) Before Extraordinary / Exceptional Item			
Basic		13.77	9.60
Diluted		13.77	9.60
b) After Extraordinary / Exceptional Item			
Basic		13.46	9.60
Diluted		13.46	9.60
Number of shares used in computing EPS (In Lakhs)			
Basic		771.02	767.78
Diluted		771.02	767.78

The accompanying notes are an integral part of the Financial Statements. Notes 01 to 49

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31st, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

	Particulars	As at 31st March, 2016	As at 31st March, 2015
I.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profits Before Tax (PBT)	12,210.27	10,784.05
	Less: Adjustments		
	Interest received	49.08	172.03
	Dividend Income	3.97	190.30
	Liabilities Written back	0.02	14.96
	Provision written back	2.62	7.39
	Prior Period adjustment	2.63	-
	Excess gratuity provision written back	6.82	-
	Unrealized Gain (Net)	19.73	3.47
	Gain on sale of Mutual Funds	230.64	25.68
		11,894.76	**10,370.22**
	Add: Adjustments		
	Depreciation & Amortisation	2,862.91	2,141.17
	Interest Paid	686.48	405.02
	Loss on sale of Fixed Assets	2.00	1.30
	Deposits written off	0.49	-
	Bad debts	11.21	25.88
	Provision for Gratuity	8.14	300.79
	Provision for Leave Encashment	4.57	42.69
	Balances written off	8.76	-
	Provision for CSR Expense	-	138.97
	Short Term Loss on Sale of Investments	241.96	-
	Unamortized Expenditure Written off	16.21	4.09
	Operating profit before working capital changes & Other Adjustments	**15,737.50**	**13,430.14**
	Adjustments for Increase/(Decrease) in Operating Liabilities		
	- Trade Payables	2,676.40	(1,689.76)
	- Other Current Liabilities & Short Term Provisions	924.33	807.68
	- Long Term Provisions	177.83	(61.46)
	Adjustments for (Increase)/Decrease in Operating Receivables	-	-
	- Inventories	(3,172.36)	(753.11)
	- Trade Receivables	(403.65)	(1,420.27)
	- Long Term Loans & Advances & Other Non-Current Assets	(37.22)	(141.31)
	- Short Term Loans & Advances & Other Current Assets	547.46	(752.92)
		16,450.29	**9,418.98**
	Less: Income Taxes (Net)	(3,157.91)	(2,538.34)
	Net Cash inflow from Operating activities	**13,292.38**	**6,880.64**
II.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets (Incl.CWIP)	(15,788.94)	(14,487.94)
	Sale of Fixed Assets	9.52	1.65
	Capital Advances	98.64	208.68
	Interest received	46.59	166.25
	Dividend Income	3.97	190.30
	Fixed Deposits	-	(95.04)
	(Increase)/Decrease in Non-Current Investments	(5.26)	-
	(Increase)/Decrease in Current Investments	1,493.40	(5,495.82)
	Net cash outflow from Investing Activities	**(14,142.08)**	**(19,511.93)**

(Contd.)

Consolidated Cash Flow (Contd.)

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Particulars	As at 31st March, 2016	As at 31st March, 2015
III CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Long Term Borrowings	(897.10)	3,017.38
Increase in/(Decrease) Short Term Borrowings	2,871.40	2,838.69
Dividend and Corporate Dividend tax paid	(1,059.79)	(451.18)
Issue of Equity Shares	-	35.29
Minority Interest	37.69	437.34
Increase in securities premium	-	8,109.88
Interest paid	(542.61)	(366.11)
Net Cash outflow from Financing Activities	**409.60**	**13,621.29**
Net Increase/(decrease)in Cash and Cash Equivelants (I+II+III)	**(440.10)**	**990.00**
Foreign currency translation reserve/adjustments	186.60	(67.62)
Cash & Cash Equivelants at the Beginning of the year	1,841.72	919.35
Cash & Cash Equivelants at the End of the year	**1,588.23**	**1,841.72**

Components of Cash and Cash Equivalents	As at 31st March, 2016	As at 31st March, 2015
Cash on Hand	35.89	24.09
Cash at Banks		
a) In Current Account	1,219.65	1,072.63
b) In Fixed deposit Account (With maturity less than 3 months)	315.78	732.26
c) Unclaimed Dividend account	16.91	12.73
Total Cash and Cash Equivalents	**1,588.23**	**1,841.72**

Note:

1. Previous year figures have been reclassed where ever necessary.
2. Cash Flow statement has been prepared under Indirect method as per AS-3 "Cash flow Statement" as prescribed under Companies (Accounting Standard) Rules, 2006.

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

Significant Accounting Policies on Consolidated Accounts

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014 to reflect the financial position and the results of operations of Shilpa together with its Subsidiaries and Associate Company. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

All material inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

b) Use of estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, employee benefit plans, provision for income taxes, accounting of depreciation on fixed assets and provision for impairments.

c) Principles of consolidation

The consolidated financial statements relate to Shilpa Medicare Limited ('the Company'), and its Subsidiaries, Associates and joint ventures ("the Group"). The Consolidated financial statements have been prepared on the following basis:

1. The financial statements of the Company and its Subsidiary Companies are combined on a line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

2. Interest in joint ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) - 27 - "Financial Reporting of Interest in Joint Ventures". The excess of cost to the Group of its investments in Subsidiary Companies over its share of the equity of the Subsidiary Companies at the dates on which the investments in the Subsidiary Companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements.

3. In case of foreign Subsidiaries, being non-integral foreign operations, 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.

4. Minority interest in the net assets of consolidated Subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by them and further movements in their share in the Profit / (Loss) thereon.

5. The difference between the cost of investment in the Subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

6. Minority Interest's share of net (profit)/losses of "Group" for the year is identified proportionately on the basis of their respective holdings and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

7. Minority Interest's share of net assets of Consolidated Company is identified and presented in the consolidated balance sheet separate from liabilities and equity of the Company's share holders.

8. Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associate in Consolidated Financial Statements"

9. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

i) A) The subsidiaries considered in the Consolidated Financial Statements are as under:

Name of the Subsidiary	Country	Extent of Holding
1. Zatortia Holding Limited ('Zatortia')	Cyprus	100.00%
2. Loba Feinchemie GmbH ('Loba') (Step-down Subsidiary)	Austria	99.999%
3. Raichem Medicate (P) Ltd ('RMPL')	India	50.001%
4. Nu Therapeutics Private Ltd ('Nu Therapeutics')	India	68.27%
5. Makindus. Inc ('Makindus')	Delaware(USA)	55.78%
6. INM Technology Private Limited ('INM'	India	75.00%
7. Koanna Healthcare Limited	United Kingdom	100.00%

B) The Associates considered in the Consolidated Financial Statements are as under:

Name of the Associate	Country	Extent of Holding
Reva Pharma Chem Private Limited ('Reva')	India	33.33%

C) Joint Venture considered in the Consolidated Financial Statements are as under:

Name of the Joint Venture	Country	Extent of Holding
Maia Pharmaceuticals Inc. ('Maia)	Pennsylvania (USA)	34.79%
Reva Medicare Private Limited.	India	50.001%

i) Loss of Associate has been restricted to the extent of Investment in the said Associate in conformity with AS-23.

ii) Other significant accounting policies are set out under "Significant Accounting Polic given in the Company's Standalone financial statements.

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

2. SHARE CAPITAL

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised Shares		
a. **Equity Shares**		
8,50,00,000 (P.Y. 4,25,00,000), Re. 1/- (Rs.2/-) each par value	850.00	850.00
	850.00	**850.00**
Issued, Subscribed and Fully Paid up Shares:		
a. **Equity Shares**		
77,101,905 (PY: 3,85,50,952), Re. 1/- (Rs.2/-) each par value	771.02	735.72
TOTAL	**771.02**	**735.72**

2(a) Reconciliation of number of Shares.

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	38,550,953	771.02	36,786,248	735.72
Add: Issued during the year on account of share split and face value of Rs 2/- to face value Rs 1/- each	38,550,953	-	1,764,705	35.30
Shares outstanding at the end of the year	**77,101,906.00**	**771.02**	**38,550,953**	**771.02**

2 (b) Rights, Preferences and Restrictions attached to 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.

The Board of Directors have declared and paid interim dividend of Re.0.60 per equity of face value of Re.1/- share (Rs.1.10 per share of face value of Rs.2/-) during the year.

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.

2 (c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	% Held	No of Shares	% Held
1) Vishnukant .C. Bhutada	8,563,102	11.11	4,281,551	11.11
2) Tano Mauritius India FVCI II	7,179,506	9.31	3,589,753	9.31
3) Baring India Private Equity III Limited	6,000,000	7.78	3,000,000	7.78
4) Dharmavati Bhutada	4,142,766	5.37	2,071,383	5.37

2 (d) Details of Equity Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Bonus Shares in the ratio of 2:1. i.e. for every 02 shares 1 share alloted as Bonus in the last five year.	-	-	12.262,082

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

3. RESERVES AND SURPLUS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	**Capital Reserve**		
	Opening Balance	32.36	32.36
	Add:Addition during the year	-	-
	Less: Amount utilized	-	-
	Closing Balance	**32.36**	**32.36**
(b)	**Capital Subsidy**		
	Opening Balance	240.64	240.64
	Add: Received during the year	-	-
	Less: Amount utilised	-	-
	Closing Balance	**240.64**	**240.64**
(c)	**Securities Premium Account**		
	Opening Balance	19,591.44	11,481.54
	Add: On Issue of shares	55.35	8,109.90
	Less: Utilised/adjustments	0.00	-
	Closing Balance	**19,646.79**	**19,591.44**
(d)	**General Reserves**		
	Opening Balance	3,682.68	3,182.68
	Add: Amount transferred from appropriations.	500.00	500.00
	Less: Amount utilised	-	-
	Closing Balance	**4,182.68**	**3,682.68**
(e)	**Surplus in Statement of Profit and Loss**		
	Opening Balance	30,027.63	23,583.42
	Add: Adjustment of depreciation reserves as per Sch II of Companies Act, 2013	-	83.95
		30,027.63	**23,667.37**
	Add: Profit for the year	10,378.34	7,369.12
	Amount Available for Appropriations	**40,405.98**	**31,036.48**
	Less: Appropriations		
	a) Dividend on Equity Shares (Refer Note Below)	(462.61)	(424.06)
	b) Dividend Distribution Tax	(92.51)	(84.79)
	c) Transfer to General Reserves	(500.00)	(500.00)
	Closing Balance	**39,350.85**	**30,027.63**
	Foreign Currency Monetary Translation Difference Account	465.96	348.34
	TOTAL	**63,919.28**	**53,923.10**

Note:

Note: The Board of Directors have declared and paid interim dividend of Re.0.60 per equity of face value of Re.1/- share (Rs.1.10 per share of face value of Rs.2/-) during the year.

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2016	As at 31st March, 2015
(A) From Bank (Secured) :		
i. From Banks		
a) External Commercial Borrowings (ECB)	-	1,564.77
Nature of Security		
i) ECB of USD 10 Mn is taken from Standard Chartered Bank, London (SCB) and is secured by hypothecation of Immovable Fixed Asset (USD 6 Mn.) of SEZ and (USD 4 Mn) Movable Fixed Assets located at Raichur plant, including proposed Capex created out of such loan and guarantees given by 02 of its Directors.		
Terms of Repayment & Interest Rate: Repayment of ECB Loan from SCB would have a moratorium period of 12 months and would be repayable in 8 half yearly installments with the final installment falling due at the end of 60th month from the date of grant of loan. The loan is repayable on the basis of 12.50% of the drawdown amounts as at the defined date. Further, ROI is charged @Libor + 350 bps		
ii) External Comercial Borrowings (ECB) of 10 MN is taken from SCB Bangalore for Raichem Medicare Pvt Ltd and it is secured by hypothecation of total Fixed Assets located at plot no 24,25,26 & 26P Raichur Industrial Growth Center, Village Chicksugur, Raichur Dist and Corporate Guarantee of Holding Company.	4,145.81	5,476.70
Terms of Repayment: The ECB facility is availed by giving a First Charge on the total Fixed Assets of the Company and Corporate Guarantee of holding Company i.e. Shilpa Medicare Limited,		
Terms of Repayment & Interest Rate: With moratorium of 4 quarters, principal is repayable through 16 equal quarterly installments starting from end of 15th month from the date of disbursement . Interest is payable quarterly @ Libor+285 bps		
b) Vehicle Loan Loan is taken from Bank of Baroda against hypothecation of Vehical and personal gurantee of Director.	3.04	3.84
Terms of Repayment & Interest Rate: Repayble of vehical loan is in EMI Installement & interest on such loan is charge @ 11.50%		
c) Term Loan : Wind Turbine Generators Machine Term loan sanctioned by The Lakshmi Vilas Bank Limited (LVB)is Rs.13.00 Crs. The said loan is primarily secured by hypothecation over 04 800 KW Wind Turbine Generators proposed to be installed out of such funds and collateral security of windmills already existing with the Company and personal guarantees of 02 of its Director.	-	58.05
Terms of Repayment & Interest Rate: It is repayable in 36 equal monthly installments with a moratorium period of three months from the date of commissioning or six months from the date of first drawdown whichever is earlier alongwith interest @ LVB Base Rate + 0.75% margin p.a. . Currently rate of interest charge at 12%. The Last Instalment falls due on July 2017.		

(Contd.)

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

LONG TERM BORROWINGS (Contd.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(d) Term Loan: Citi Bank The Term Loan of Rs.20, Cr is taken for Raichem Medicare Pvt Limited from Citi Bank,Bengaluru for enhance of project cost. The said loan is secured on first pari-passu charge on movable & immovable fixed assets (both present & future) and Corporate Guarantee of Holding Company **Terms of Repayment & Interest Rate:** The loan is repayable is 16 equal quarterly installment with moratorium of 12 month from the date of disbursment, last installment is falling due on 05/06/2020. Rate of interest is payable @ 10.50% p.a .	1,625.00	-
(B) From Others (Unsecured) ECB of USD 05 MN is taken from ICE SPA Italy **Terms of Repayment** Loan is repayable in 4 equal instalments, with first installment due on 30.10.2017 and the last installment due on 15.03.2018. Interest is payable at 1 Year LIBOR + 250 basis points.	3,979.97	3,129.54
TOTAL	**9,753.82**	**10,232.90**

5. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability On account of Timing Difference of Depreciation/item disallowed Under Income Tax Act	6,750.05	4,168.40
Deferred Tax Asset On account of disallowable items under Income Tax Act	(3,163.06)	(391.48)
TOTAL	**3,586.99**	**3,776.92**

6. LONG TERM PROVISIONS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Gratuity / Severance Pay/ Others	1,354.09	1,174.94
TOTAL	**1,354.09**	**1,174.94**

7. LONG TERM LIABILITY

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest accrued but not due on ECB	350.94	230.51
TOTAL	**350.94**	**230.51**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2015

(All amounts in lakhs in Indian Rupees unless otherwise stated)

8. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loan		
i) Working Capital Loan		
From Banks		
i) SCB [Refer below note "a" & "e" (i)]	3,246.52	3,646.17
ii) SCB [Refer note 'a' & 'e' (ii) below]	816.09	624.36
iii) Citi Bank [Refer below note "b" "c" & "e" (iii) & (iv)]	4,185.26	813.68
iv) Other's Bank [Refer below note "d" & e (v)]	450.56	762.41
Nature of Security		
a) Working capital loan from Standard Chartered Bank (SCB) taken in Shilpa Medicare Limited is secured by First pari passu charge on current assets and first charge on certain fixed assets (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors		
b) Working capital loan from Citi Bank (CB) taken by Shilpa Medicare Limited is secured by First pari passu charge on current assets (both present & future) and charge on fixed assets (except those created through other loans) in line with other working capital lenders and personal Gurantee of 02 Directors		
c) Working capital loan from Citi Bank (CB) taken by Raichem Medicare Pvt Ltd is primarly secured by exclusive charge on present and future stock and book debts. Second charge on present & future assets of the borrower and Corporate Gurantee of holding Company i.e Shilpa Medicare Limited		
d) Working capital loan from "ERSTE" Bank, Austria is taken by foreign stepdown subsidiary and is secured against mortage of movable & immovable assets & trade receivable,		
e) Interest rate is as under:		
(i) On PSFC/PCFC - Libor + 100 bps - Shilpa		
(ii) On overdraft - 11% - Shilpa		
(iii) On PSFC/PCFC - Libor + 75 bps - Shilpa		
(iv) On PSFC/PCFC - Libor +0.75% - Raichem Medicare Pvt Ltd		
(v) On overdraft i) in USD @3.65%, ii) in Euro @ 3.06% - Loba Feinchemie Gmbh		
TOTAL	**8,698.43**	**5,846.62**

9. TRADE PAYABLES

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Trade paybles (Refer Note no 40& 41)	8,666.67	6,284.32
(b) Others (Refer Note no 40 & 41)		
(i) Capital Creditors .	1,043.44	1,169.83
(ii) Advances from Customers	433.93	96.21
TOTAL	**10,144.04**	**7,550.36**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2015

(All amounts in lakhs in Indian Rupees unless otherwise stated)

10. OTHER CURRENT LIABILITIES

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	Current maturities of Long-Term Debt (a) SCB (ECB) (b) LVB, Term Loan (c) Citi Bank Term Loan (For nature of security, terms of repayment & rate of interest refer note :04 above)	3,692.43	2,781.23
(b)	Interest accrued but not due on borrowings/deposits	56.53	35.86
(c)	Books Overdraft	541.44	537.41
(d)	Unclaimed Dividends	15.32	12.73
(e)	Provision for Expenses	504.85	428.38
(f)	Employee Benifit Liability	834.27	765.22
(g)	Service tax	5.80	4.05
(h)	Tax deduction at source	341.03	275.72
(i)	VAT,Entry Tax, ESI & Profession Tax, ESI	21.57	18.21
(j)	Interim Dividend Payable	1.59	-
(k)	Unclaimd Bonus & Salary	4.16	5.19
(l)	Security Deposit from Civil Contractor/Trade Deposit	27.20	41.77
(m)	Other Liability	19.66	26.32
	TOTAL	**6,065.85**	**4,932.09**

11. SHORT TERM PROVISIONS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	Providend Fund/Other Fund Payable	73.04	68.55
(b)	Others		
	i) Proposed Dividend	-	424.06
	ii) Tax on Proposed Dividend	-	84.79
	TOTAL	**73.04**	**577.40**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2015

(All amounts in lakhs in Indian Rupees unless otherwise stated)

12. FIXED ASSETS

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 1 April 2015	Additions	Deletion/ Adjustment during the year	FCTR	Balance As at 31.03.2016	As at 1 April 2015	For the Year	Disposal/ Adjustment	FCTR	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets												
i) Owned												
a) Borewell	18.95	3.98	0.10	-	22.83	6.53	4.42	-	-	10.95	11.88	12.42
b) Building	10,124.84	5,600.12	99.35	281.89	15,907.50	3,165.42	405.76	-	232.08	3,803.25	12,104.25	6,959.42
c) Canteen Equipment	3.37	6.33	-	-	9.70	1.30	1.20	-	-	2.50	7.20	2.07
d) Computer	401.62	202.12	7.64	0.05	596.15	282.56	75.61	0.15	0.02	358.05	238.10	119.05
e) Network Server equipement	9.25	27.23	-	-	36.48	1.71	1.91	-	-	3.63	32.86	7.53
f) Electrical Installation	2,090.34	2,461.22	39.18	-	4,512.37	711.54	326.11	-	-	1,037.65	3,474.73	1,378.80
g) Empty Cylinders	4.67	-	-	-	4.67	4.12	0.06	-	-	4.18	0.49	0.55
h) ETP Building	454.55	87.27	1.64	-	540.19	104.12	15.55	-	-	119.67	420.52	350.43
i) ETP Machinery	224.08	540.85	10.44	-	754.49	78.58	21.29	-	-	99.87	654.62	145.50
j) Furniture	2,077.26	459.46	11.00	160.86	2,686.59	1,495.83	98.02	10.49	152.79	1,736.14	950.45	581.39
k) Generator	57.98	216.41	3.44	-	270.95	25.66	8.45	-	-	34.11	236.84	32.32
l) Lab Equipments	3,635.42	2,645.77	46.59	-	6,234.59	965.70	430.97	8.75	-	1,387.92	4,846.67	2,669.74
m) Office Equipment	93.95	33.56	4.41	6.75	129.86	64.22	14.25	1.73	6.13	82.86	46.99	29.70
n) P/M (Power Generation Unit)	3,842.31	0.73	-	-	3,843.04	1,593.75	101.11	-	-	1,694.86	2,148.18	2,248.56
o) Pipeline	1,769.85	3,748.82	69.37	-	5,449.30	569.82	216.07	-	-	785.89	4,663.42	1,200.04
p) Plant & Machinery	17,938.10	12,120.88	275.13	279.68	30,063.53	6,367.65	948.51	93.75	269.20	7,491.61	22,571.92	11,571.00
q) Pollution Control Equip.	37.07	0.27	-	-	37.34	28.49	0.42	-	-	28.90	8.44	8.03
r) R & D Equipments	238.44	-	-	-	238.44	147.37	35.08	-	-	182.44	55.99	91.07
s) Storage Tank	77.66	87.99	1.21	-	164.44	25.51	5.01	-	-	30.52	133.92	52.15
t) Transformer	46.61	-	-	-	46.61	10.92	4.19	-	-	15.10	31.51	35.69
u) Unit-II Land & Building	5.86	-	-	-	5.86	2.55	0.20	-	-	2.74	3.12	3.31
v) Vehicle	330.67	15.54	0.54	0.61	346.29	131.14	32.01	-	0.57	163.73	182.56	199.53
w) Electrical Operated Vehicals	34.87	38.31	-	-	73.17	4.10	6.79	-	-	10.89	62.28	30.82
x) Xerox Machine	3.72	4.95	-	-	8.67	2.61	0.28	-	-	2.89	5.78	1.11
y) Weigh Bridge	3.47	-	-	-	3.47	1.69	0.42	-	-	2.11	1.35	1.78
z) EHS Equipement	1.50	193.86	2.80	-	192.56	0.16	3.10	-	-	3.26	189.29	1.34
aa) Storage Drums	2.85	0.21	-	-	3.06	0.20	0.58	-	-	0.78	2.28	2.65
ab) Land	868.95	63.17	-	12.45	944.57	-	-	-	-	-	944.57	868.95
	44,398.20	**28,559.05**	**572.84**	**742.30**	**73,126.72**	**15,793.24**	**2,757.36**	**114.87**	**660.79**	**19,096.53**	**54,030.19**	**28,604.96**

(Contd.)

FIXED ASSETS (Contd.)

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 1 April 2015	Additions	Deletions/ Adjustment during the year	FCTR	Balance As at 31.03.2016	As at 1 April 2015	For the Year	Disposal/ Adjustment	FCTR	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
ii) Leased Assets												
a) Leasehold Land & Green Field (Refer Note No.a)	378.26	34.04	3.59	-	408.70	-	-	-	-	-	408.70	378.26
b) Lease Premium	363.59	202.80	-	-	566.39	-	20.39	-	-	20.39	545.99	363.59
Total	**741.85**	**236.83**	**3.59**	**-**	**975.09**	**-**	**20.39**	**-**	**-**	**20.39**	**954.69**	**741.84**
Sub-Total (A)	**45,140.05**	**28,795.89**	**576**	**742.30**	**74,101.80**	**15,793.24**	**2,777.76**	**114.87**	**660.79**	**19,116.92**	**54,984.88**	**29,346.80**
Intangible Assets												
a Computer software	213.02	59.16	-	8.39	280.57	100.18	29.91	-	7.99	138.08	142.49	112.84
b) Technical Know How	21.88	-	-	-	21.88	21.88	-	-	-	21.88	-	-
c) DMF/Patents Fees	432.23	280.94	-	-	713.17	52.08	60.76	-	-	112.84	600.33	380.15
d) Other	60.68	-	-	6.82	67.50	60.68	-	-	6.82	67.50	-	-
Sub-Total (B)	**727.81**	**340.10**	**-**	**15.21**	**1,083.12**	**234.82**	**90.67**	**-**	**14.81**	**340.30**	**742.82**	**492.99**
Less: Capitalized (C)							**(5.50)**					
Sub-Total (A+B+C)	**45,867.86**	**29,135.99**	**576.44**	**757.51**	**75,184.92**	**16,028.06**	**2,862.93**	**114.87**	**675.60**	**19,457.22**	**55,727.71**	**29,839.79**
Previous year Figure	**43,533.39**	**4,092.07**	**190.77**	**(1,513.46)**	**45,921.23**	**15,396.37**	**2,141.12**	**(135.57)**	**(1,331.73)**	**16,081.43**	**29,839.79**	**28,137.02**

a) Out of total Land acquired from KIADB partial land is on lease-cum sale for a period of 10 year.

b) Following assets includes exchange difference arises on Reinstatment /Payment of ECB/Byers' Credit Installement.

Rs in Lakhs

Assets	Current Year	Previous Year
a) Building	31.04	27.48
b) Electrical Installation	9.24	6.38
c) Lab Equipment	10.35	4.00
d) Pipline	5.06	2.53
e) Plant & Machinery	86.32	64.7
f) Others	2.21	-
Total	**144.22**	**105.09**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

13. TANGIBLE & INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Tangiable Assets under Development		
(i) Building Under Construction	97.22	-
(ii) Machinery Under Errection	707.06	355.23
(iii) Lab Equipment Under Erection	68.00	61.34
(iv) Projects Under Erection /Asset Under Construction	7,494.34	19,336.43
(v) Pre-Operative Expenses (Pending Capitalization)	1,077.81	2,409.21
(b) Intangible Assets Under Development		
(i) Product Registration fees	28.47	-
TOTAL	**9,472.90**	**22,162.20**

14. NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Long Term Trade Investments (At Cost)		
a) Investments in Government Securities (Unquoted)		
(i) National Savings Certificate	0.25	0.25
(ii) Repurchase value of Insurance	24.00	18.74
TOTAL	**24.25**	**18.99**
Aggregate value of Unquoted investment	**24.25**	**18.99**

15. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Capital Advances		
i) Unsecured, considered good (Refer Note : 47)	1,978.88	2,066.48
Less: Provision for Doubtful Deposits	-	-
TOTAL (a)	**1,978.88**	**2,066.48**
(b) Security Deposits (Unsecured Considered Good)		
i) Electricity Deposits	193.54	164.23
ii) Rental deposits	65.90	62.87
iii) Telephone deposits	0.66	0.66
iv) Miscellaneous Deposits	24.74	19.74
	284.84	**247.50**
Less: Provision for Doubtful Deposits	-	-
TOTAL (b)	**284.84**	**247.50**
c) Other Loans and Advances (Unsecured considered Good)		
i) MAT Credit Entitlement Benefit	1,829.59	1,328.29
ii) Income Taxes (Under Protest)	173.28	173.28
iii) Service Tax (Under Protest)	-	8.76
iv) VAT on Capital Goods & Others Iteam	48.27	41.27
v) Prepaid Expenses	2.08	3.00
vi) Advance to KIADB	7.52	8.33
vii) Others Misc Receivable	16.24	13.48
TOTAL (c)	**2,076.98**	**1,576.42**
TOTAL (a+b+c)	**4,340.71**	**3,890.40**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

16. CURRENT INVESTMENTS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unamortized Expenditure	0.60	16.21
TOTAL	**0.60**	**16.21**

17. CURRENT INVESTMENTS

Particulars	As at 31st March, 2016	As at 31st March, 2015
Investments in Mutual Funds (Quoted)		
i) HDFC Mutual Fund	269.55	1,023.48
ii) ICICI Prudential Mutual Fund	4,533.37	4,209.31
iii) Tempelton India Ultra Short Bond Fund	260.64	1,024.53
iv) SBI Mutual Fund	208.99	278.08
TOTAL	**5,272.55**	**6,535.40**
Aggregate amount of quoted Investments - Market Value	**5,963.07**	**6,868.57**

18. INVENTORIES

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Raw Materials	9,091.70	6,870.46
(b) Work- in- process	5,775.16	4,825.32
(c) Finished Goods With Company/Consignment Agent	634.56	656.80
(d) Stock-In-Trade	30.31	277.66
(e) Stores and Spares	556.59	265.69
(f) Packing Materials	162.33	182.36
TOTAL	**16,250.65**	**13,078.29**

19. TRADE RECEIVABLES

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured Considered Good (Refer Note ; 40)		
- Outstanding for the period exceeding six months	303.45	157.44
- Unsecured, considered doubtful	11.21	15.42
	314.66	172.86
Less: Written-off	11.21	15.42
TOTAL (a)	**303.45**	**157.44**
Unsecured, considered good		
- Outstanding for the period less than six months	8,155.61	7,979.65
TOTAL (b)	**8,155.61**	**7,979.65**
TOTAL (a+b)	**8,459.06**	**8,137.08**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

20. CASH AND CASH EQUIVALENTS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
i)	Cash on Hand	35.89	24.10
ii)	Balance with banks in Current Account	1,219.65	1,072.63
iii)	Bank deposits having maturity of less than 03 months	315.78	732.26
iv)	Unclaimed Dividends	16.91	12.73
	TOTAL	**1,588.23**	**1,841.72**

21. SHORT TERM LOAN AND ADVANCES

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	**Loans and Advances to Related Parties -**		
	i) Reva Pharma Chem Pvt Ltd (Associate)	217.21	200.44
	TOTAL (a)	**217.21**	**200.44**
(b)	**Others (Unsecured)**		
	(i) Income/Wealth Tax (Net)	137.86	9.91
	(ii) Cenvat Receivable	957.52	1,517.61
	(iii) VAT Receivable	204.75	166.34
	(iv) CST Receivable	195.73	342.01
	(v)) Service Tax Receivable	414.64	303.76
	(vi) Prepaid Expenses	224.04	201.42
	(vii) Staff Advance/Aginst Expenses	35.66	25.97
	(viii) Others Misc Receivable	0.11	-
	(ix) Tender Deposits	2.59	4.63
		2,172.90	2,571.66
	Less: Provision for doubful receivables	-	-
	TOTAL (b)	**2,172.90**	**2,571.66**
	TOTAL (a+b)	**2,390.11**	**2,772.10**

22. OTHER CURRENT ASSETS

	Particulars	As at 31st March, 2016	As at 31st March, 2015
(i)	Interest Accrued on Fixed Deposit	16.17	13.68
(ii)	Advance Receivable in Cash or Kind	265.13	249.61
(iii)	Fixed Deposit having maturity more then 03 months	33.44	126.40
(iv)	Income Accrued and Due	40.14	6.90
		354.88	396.59
	Considered Doubtful	-	-
		354.88	**396.59**
	Less: Written-off	-	-
	TOTAL	**354.88**	**396.59**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

23. REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Sales of Product	63,756.04	58,411.60
Less : Excise Duty	573.79	566.05
	63,182.25	**57,845.55**
b) Energy Sales	575.58	543.76
TOTAL	**63,757.83**	**58,389.31**
i) Sale of Bulk Drugs / Intermediates/ Formulations	62,245.94	56,923.13
ii) Trading Sales	757.96	860.29
iii) Energy Sales	575.58	543.77
iv) Others Sales	178.35	62.12
TOTAL	**63,757.83**	**58,389.31**

24. OTHER OPERATING INCOME

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Product Development Charges	8,178.80	2,990.60
TOTAL	**8,178.80**	**2,990.60**

25. OTHER INCOME

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Interest Income		
(i) From Banks	17.43	144.37
(ii) From Others	31.65	27.66
(b) Liabilities Written Back	0.02	14.96
(c) Provision Written Back	2.62	7.39
(d) Dividend on Current Investments	3.97	190.30
(e) Miscellaneous Income	177.88	69.52
(f) Gain from Redemption/Maturity of MF's	230.64	25.68
TOTAL	**464.21**	**479.89**

26. COST OF MATERIAL CONSUMED

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening stock	7,052.81	6,607.71
Add: Purchases	39,242.13	32,347.53
Less: Closing stock	9,252.96	7,052.81
Total	**37,041.98**	**31,902.43**
Materials Consumed Comprises of:		
a) Raw Materials	36,790.07	31,749.02
b) Packing Materials	251.91	153.41
TOTAL	**37,041.98**	**31,902.43**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

27. PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Purchase of Medicines/Bulk Drugs/Capital Goods/Others	381.00	864.17
TOTAL	**381.00**	**864.17**

28. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening Inventories		
(a) Finished Goods	934.46	1,015.89
(b) Work-In-process	4,825.32	4,447.17
Closing Inventories		
(a) Finished Goods	664.50	934.46
(b) Work-In-process	5,775.16	4,825.32
TOTAL	**(679.88)**	**(296.72)**

29. EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Salaries, wages, allowances & other benefits	8,284.17	7,073.55
(b) Contribution to Provident and other Funds	706.40	1,013.98
(c) Staff Welfare Expenses	154.16	142.58
TOTAL	**9,144.73**	**8,230.11**

30. FINANCE COST

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Working Capital Loans	213.32	146.51
(b) Term Loans	466.81	253.04
(c) Others	6.36	5.47
TOTAL	**686.48**	**405.02**

31. OTHER EXPENSES

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Power and Fuel	2,444.14	1,928.72
(b) Rent	165.32	168.49
(c) Repairs & Maintenance		
i) Buildings	211.57	161.51
ii) Machinery	864.30	718.27
iii) Others	116.72	106.40
(d) Exchange Loss/(Gain) Net	101.50	(213.50)
(e) Rates and taxes,	107.76	74.79
(f) Insurance	138.14	120.26
(g) Traveling and Conveyance	241.37	196.35

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

(All amounts in lakhs in Indian Rupees unless otherwise stated)

OTHER EXPENSES (Contd.)

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(h)	Contractor Labour Charges	671.27	574.31
(i)	Legal & Professional Fees	552.63	392.22
(j)	Facility Fees	103.90	97.11
(k)	Auditor's Fees	15.96	12.82
(l)	Research & Development	2,451.43	1,590.15
(m)	Transportation Charges	291.71	271.71
(n)	Brokerage and Commission	347.16	285.39
(o)	Job work charges	66.73	79.26
(p)	Sales Promotion & Advertisement	48.06	49.48
(q)	Directors Sitting Fees	2.30	1.70
(r)	Product Registration Fees	118.78	-
(s)	Loss on sale of assets	2.00	1.30
(t)	Bad Debts/Advance Written-off	11.21	25.88
(u)	Clearing and Forwarding	291.00	247.87
(v)	VAT/Entry tax /Etc	57.03	16.68
(w)	Miscellaneous Expenses	1,089.87	907.54
(x)	Unamortized Expenditure Written- off	1.62	1.67
	TOTAL	**10,513.48**	**7,816.38**

32. EXTRAORDINARY ITEM

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Compensation paid	-	4.83
	TOTAL	**-**	**4.83**

33. PRIOR PERIOD ITEMS

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Material Cost	(27.10)	-
(b)	Insurance claims	8.31	-
(c)	Other Miscellaneous Expenses	16.70	8.34
	TOTAL	**(2.09)**	**8.34**

34. CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Foreign Letter of Credit	359.24	1,426.87
(b)	Bank Guarantees/Corporate Guarantee	9,140.03	6,306.48
(c)	Claims Against the Company Not Acknowledeged as Debts.	-	1,194.50
(d)	Other Guarantees	65.91	74.52
(e)	Estimated amount of Contracts remaining to be executed on Capital Goods and not provided for. (Net of Advance)	941.00	3,206.80
	TOTAL	**10,506.18**	**12,209.17**

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2015

(All amounts in lakhs in Indian Rupees unless otherwise stated)

35. CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT INCLUDES FIGURE OF JOINT VENTURE TO THE EXTENT OF COMPANIES SHARE ARE AS BELOW:

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) ASSETS		
(a) Fixed Assets	0.44	0.78
(b) Non Current Assets	68.83	92.95
(c) Current Assets	470.85	497.05
(ii) LIABILITIES		
(a) Current Liabilities	331.39	173.63
Particulars	**F.Y. 2015-2016**	**F.Y. 2014-2015**
(a) Income	295.64	0.03
(b) Expenditure	392.85	389.30

36. SEGMENT INFORMATION:

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1) Segment Revenue		
(a) Bulk Drug/Intermediates	63,182.25	57,845.54
(b) Energy	575.58	543.77
TOTAL	**63,757.83**	**58,389.31**
Less: Inter Segment Revenue	-	-
Income from operations	**63,757.83**	**58,389.31**
Segment Results		
Profit before Interest Exceptional, Extraordinary Iteam & Tax		
(a) Bulk Drug/Intermediates	12,737.63	10,920.55
(b) Energy	398.99	281.71
TOTAL	**13,136.62**	**11,202.26**
Less: Finance cost	686.48	405.02
Net Profit before tax	**12,450.14**	**10,797.24**
Particulars	**F.Y. 2015-2016**	**F.Y. 2014-2015**
(a) Bulk Drug/Intermediates	40,588.56	34,906.67
(b) Energy	915.00	853.76
TOTAL	**41,503.56**	**35,760.43**

Note: The Company is mainly engaged in the Business of Manufacturing of Bulk Drugs, Intermediates & Wind Power Generation, Formulation are inter related and forms integral part of business of "Pharmaceutical products". Segment reporting has been prepare as per AS-17 issued by Institute of Chartered Accountants of India.

38. RELATED PARTIES DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18:

List of Related Parties

1. **Associates**
   a) Reva Pharmachem Pvt Ltd, New Delhi
2. **Key Management Personnel - (KMP)**
   a) Omprakash Inani
   b) Vishnukanth C. Bhutada
3. **Relatives**
   a) Dharmavati Bhutada
   b) Deepak Kumar Inani
4. **Enterprises having common Directors/Board of Trustees**
   a) Shilpa Foundation
   b) Mohini Infra Pvt Ltd

RELATED PARTIES DISCLOSURES (Contd.)

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Sl. No.	Particulars	Current Year						Previous Year					
		Subsi-diaries	Associ-ates	KMP	Relatives	Enterprises having common Directors/ Board of Trustees	Joint Venture	Subsi-diaries	Associ-ates	KMP	Relatives	Enterprises having common Directors/ Board of Trustees	Joint Venture
1	**Reimbursement of Expenses - Received**												
1.01	Reva Pharmachem Pvt. Ltd.		3.00						3.00				
2	**Commission Paid**												
2.01	Reva Pharmachem Pvt.Ltd.		2.87					-	4.85	-	-		-
3	**Interest Received**												
3.01	Reva Pharmachem Pvt. Ltd.		18.63					-	17.16	-	-		-
4	**Rent Paid**												
4.01	Dharmavati Bhutada.				2.06			-	-	-	8.25		-
4.02	Mohini Infra Pvt Ltd				-	16.87					-		
5	**Remuneration**												
5.01	Deepak Kumar Inani.				22.18			-	-	-	15.67		-
6	**Managerial Remuneration**												
6.01	Vishnukanth C. Bhutada.			685.90				-	-	600.00	-		-
7	**Sitting Fees**												
7.01	Omprakash Inani.			0.30				-	-	0.70	-		-
8	**Charity & Donation Paid**												
8.01	Shilpa Foundation					1.50						2.25	
9	**Payables**												
9.01	Vishnukanth C. Bhutada			344.95				-	-	300.70	-		-
9.02	Mohini Infra Pvt Ltd					1.89							
10	**Land Purchase**												
10.01	Deepak Kumar Inani.				19.75								
11.	**Movement of Loans/Advances**												
	Opening Balance a) Reva Pharmachem (P) Ltd.		200.44						185				
	Paid during the year$ a) Reva Pharmachem (P) Ltd.		16.77						15.45				
	Received during the year a) Reva Pharmachem (P) Ltd.		Nil						Nil				
	Closing Balance a) Reva Pharmachem (P) Ltd.		217.21						200.44				
	Maximum Balance outstanding during the year		217.21						200.44				

Note:

$ including interest (Net of TDS).

Notes Forming Part of Consolidated Financial Statement for the Year Ended 31st March, 2016

38. The Company has set up its formulation unit located at Jedcherla on leased land taken under operating lease for a period of 33 years from Telengana State Industrial Infrastructure Corporation Ltd (TSSIC) which is extendable for another period of 33 years upon mutual consent on the expiry of the original lease period of 33 years.

Particulars	As at 31st March, 2016	As at 31st March, 2015
Lease payment		
- Due within one year	7.93	8.25
- Due after one year but not later than five years	43.04	41.86
- Due later than five years	376.00	376.85

39. In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business.

40. Balances of Trade Receivables/Trade Payables/Advances and Security deposits are subject to confirmation.

41. Based on the information available with the Amount payable under the " Micro, Small and Medium Enterprises Development Act, 2006" is based on the information received by the Company. Amount due to such Venders as at Balance Sheet date is Nil (0.12) Included in Trade Payable Note no.09

42. The Company has exercised the option of capitalizing the exchange difference arising on reporting of long term foreign currency monetary item at rates different from those at which they where initially recorded, so far as they related to the acquisition of depreciable capital assets as per para 46A to As-11.The effect of change in Foreign Exchange Rates' vide Notification No.GSR 914(E) dated 29th December, 2011 issued by The Ministry of Corporate Affairs. In other cases the difference has been accumulated in 'Foreign Monetary Item Transalation Difference A/c to be amortized over the balance period of such long term assets as per said notification.

By virtue of above the Company has capitalized Rs 144.22 lakhs (PY Rs 105.09) lakhs to the Fixed Assets acquired out of such External Commercial Borrowings (ECB). Being the exchange difference has been accmulated "Foreign Monetary Iteam Transalation Difference A/c", being Loss/gain arising on account of reinstatment of investment in Foreign Subsidiary.

43. In respect of accounting of Employee benefit As-15 has been strict compiled by the respective Company in respect of all the employee benefit. The detail of which are given elswhere in the standalone notes. In respect of subsidary Companies employee benefit i.e. pension plan where ever the employee of the Company qualify,it is fully funded by way of reinsurence with the insurence Company. Inrespect of provision for severance payment /jubilee payment of foreign subsidary have been provided for based on the valuation done of the Company.

44. The Net worth of Reva Pharmachem Pvt Ltd (Associate Company) as at the Balance Sheet date has been completely eroded. However, the management is of the view that since the Investments are long term in nature no provision is required to be made.

45. Out of the sum of Rs 48.27 lakhs(PY Rs.41.27 Lakhs) the Company has filed appeals before the Karnataka Appellate Tribunal for refund of input tax paid on Capital Goods amounting to Rs.26.48 lakhs (PY: Rs.26.48) lakhs and Rs. 4.18 Lakhs (Rs.2.43 Lakhs) paid on regular consumable items which has been disallowed by the assessing authority under Karnataka Value Added Tax Act, 2003 while concluding the assessment, which in the opinion of the Company are allowable under the Act. The same is shown under note 15 (c)(iv)

46. The Company has hedged the interest rate on ECB of US$ 10 MN . The aggregate amount of loan covered under the said interest rate swap as at March 31, 2016 is Rs. 1658.28 Lakhs US$ 2.5 MN (P.Y. Rs.3,129.53)(US$ 5.00 MN). The periodic net payments related to interest rate swap is partly recorded as finanace cost & partly recorded under pre-operative expenses since part of the amount is utilized in the creation of assets which are pending for capatilization.

47. Capital advances includes a sum of Rs 332.48 lakhs(P.Y 366.88) (reinstated amount) paid to ISO Tech Design, Canada towards supply of machinery for its Formulation unit at Jadcherla. Due to inordinate delay by vendor, the Company terminated its order and filed a law suit for recovery of its amount alongwith interest and damages with the local court in Canada. The hearing under process. As the outcome of the case cannot be determined presently, the Company has not made any provision.

48. Figures of the previous year have been regrouped/rearranged wherever necessary.

49. All other notes to accounts are as appearing in the notes to account of the Standalone Financials.

As per our report of even date.
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S-200013

For and on behalf of the Board of Directors

CA Pankajkumar Bohara
Partner
M.No.215471

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place/Camp: Hyderabad
Date: 30th May, 2016

Sujani Vasireddi
Company Secretary

N.C. Bhandari
Chief Financial Officer

Innovating for affordable healthcare

Shilpa Medicare Limited

CIN : L85110KA1987PLC008739
Registered Office: # 12-6-214/A1, Hyderabad Road, Raichur - 584 135
● E-mail : **info@vbshilpa.com** ● Website : www.**vbshilpa**.com

29th ANNUAL GENERAL MEETING

ADMISSION SLIP

DATE	VENUE	TIME
29th September, 2016	**# 12-6-214/A1,** Hyderabad Road, Raichur - 584 135	11.30A.M.

Name & Address of Member Serial No. :

I certify that I am a Member / Proxy for the Member holding _____ shares.

Please (✓) in the box

☐ Member ☐ Proxy

Name of the Proxy in Block Letters

Signature of Member/Proxy attending

NOTES: i) Member/Proxy attending the Annual General Meeting (AGM) must bring his/her Admission Slip which should be signed and deposited before entry into the meeting hall.

ii) Duplicate Admission Slip will not be issued at the venue.

ELECTRONIC VOTING

Electronic voting(e-voting) facility is being provided in respect of the Resolutions proposed at the 29th AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note No.15 to the Notice dated 26th August, 2016, convening the AGM for the procedure with respect to e-voting.

Your e-voting user ID and password are provided below:

Electronic Voting Event Number (EVEN)	User ID	Password
		Use your existing password

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Innovating for affordable healthcare

Shilpa Medicare Limited

CIN : L85110KA1987PLC008739
Registered Office: # 12-6-214/A1, Hyderabad Road, Raichur - 584 135
● E-mail : **info@vbshilpa.com** ● Website : www.**vbshilpa**.com

29th ANNUAL GENERAL MEETING

PROXY FORM

Serial No. :

1.	Name(s) of Member(s) including joint holders, if any	:
2.	Registered address of the sole/first named Member	:
3.	E-mail ID	:
4.	DP ID No. & Client ID No. / Registered Folio No.	:

I / We, being the Member(s) of _____ shares of **Shilpa Medicare Limited**, hereby appoint

(1) Name : _____ Address :_____

_____

E-mail ID : _____ Signature :_____

or failing him

(2) Name : _____ Address :_____

_____

E-mail ID : _____ Signature :_____

or failing him

(3) Name : _____ Address :_____

_____

E-mail ID : _____ Signature :_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting (AGM) of the Company to be held on Thursday the 29th Day of September, 2016 at 11.30 a.m, at #12-6-214/A1, Hyderabad Road, Raichur - 584 135 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional (✓)	
		For	Against
Ordinary Business			
1.	Adoption of Accounts for the financial year ended 31st March, 2016, the Balance Sheet as at the date and the Reports of the Directors and Auditors thereon.		
2.	Confirm the Interim dividend of Re.0.60 per share paid and declare the same as the dividend for the year 2015-16.		
3.	Appointment of Mr. Omprakash Inani (DIN No.01301385) who retires by rotation and offers herself for re-appointment.		
4.	Ratification of Appointment of M/s. Bohara Bhandari Bung & Associates LLP, Chartered Accountants, as Auditors,to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.		
Special Business			
5.	Approval of Ratification of Remuneration to Cost Auditors.		
6.	Re-Appointment of Mr. Narinder Pal Singh Shinh as an Independent Director for a period of Three years with effect from the date of this AGM.		
7.	Re-Appointment of Mr. Carlton Felix Pereira as an Independent Director for a period of Three years with effect from the date of this AGM.		
8.	Re-Appointment of Mr. Ajeet Singh Karan as an Independent Director for a period of Three years with effect from the date of this AGM.		
9.	Re-Appointment of Mr. Pramod Kasat as an Independent Director for a period of Five years with effect from the date of this AGM.		
10.	Re-Appointment of Mr. Venugopal Loya as an Independent Director for a period of Five years with effect from the date of this AGM.		
11.	Re-Appointment of Mr. Rajender Sunki Reddy as an Independent Director for a period of Five years with effect from the date of this AGM.		
12.	Approval of Related Party Transaction.		

Signed this_____day of_____2016.

Signature of shareholder:

Affix Rs.1/- Revenue Stamp

NOTE : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Unit-1 Raichur, Oncology & non-Oncology API Facility.
Approved by USFDA, WHO GMP, EUGMP, TGA, PMDA, TPD & KFDA.

Unit-2 (EOU) Raichur, Oncology, non-Oncology & CRAMS API Facility.
Approved by USFDA, WHO GMP, EUGMP & PMDA.

Formulation Unit, SEZ, Jadcherla (Lyophilisation, Large &
Small Volume Parenteral Injectables).
Approved by USFDA, EU GMP (JAZMP), ANVISA (Brazil) & Cofepris.

R&D Unit, Vizag. API Process Research Services with
State-of-the-Art R&D Facility with DSIR approved.

Raichem Medicare, Raichur Joint Venture with Italian Collaboration

Loba Fienchemie GmbH. API & Intermediates Facility. Approved by
USFFDA & EUGMP

Shilpa

Innovating for
affordable healthcare

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