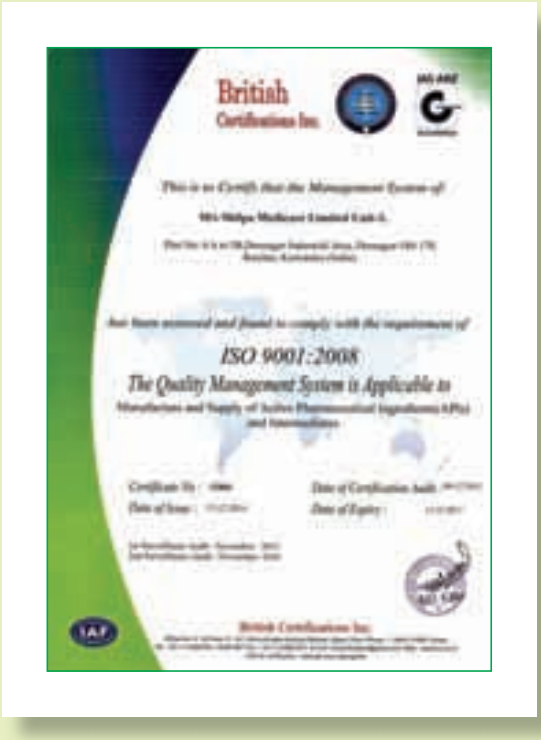
28th Annual Report 2014-2015

Shilpa

Innovating for affordable healthcare

Shilpa Medicare Limited

ISO-9001-2008 Certificate - EOU Unit



ISO-9001-2008 Certificate-Unit-I

ISO-14001-2004 Certficate - EOU Unit

ISO-14001-2004 Certficate- Unit-I

Innovating for affordable healthcare

Registered Office
1st Floor, 10/80, Rajendra Gunj
Raichur - 584102 (Karnataka)

28th
ANNUAL GENERAL MEETING

Monday the 28th day of September, 2015 at 11.30 AM
at Hotel Nrupatunga, Ambedkar Circle,
Station Road, Raichur- 584101, Karnataka

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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

Auditors

Bohara Bhandari Bung And Associates LLP
Chartered Accountants
#12-10-89/1, 2nd Floor, Anagha Complex
Above Canara Bank, Near Mahabaleshwar 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

1st Floor, 10/80, Rajendra Gunj
Raichur - 584102 (Karnataka)
Phone: 08532-235704, 236494
Fax: 08532-235876
Email: info@vbshilpa.com
Web: www.vbshilpa.com

Works

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

100 % Export Oriented Unit & R & D

33, 33A & 40-47,
Raichur Industrial Growth Center,
Wadloor Road, Chicksugur Cross,
Chicksugur - 584134.(Raichur District)

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, Andhra Pradesh.

Subsidiary Companies

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

Joint Venture Company

1. Maia Pharmaceuticals Inc

Associate Company

1. Reva Pharmachem Private Limited

PERFORMANCE OF THE COMPANY STANDALONE AT GLANCE FOR 5 YEARS

(Rs. in Lakhs)

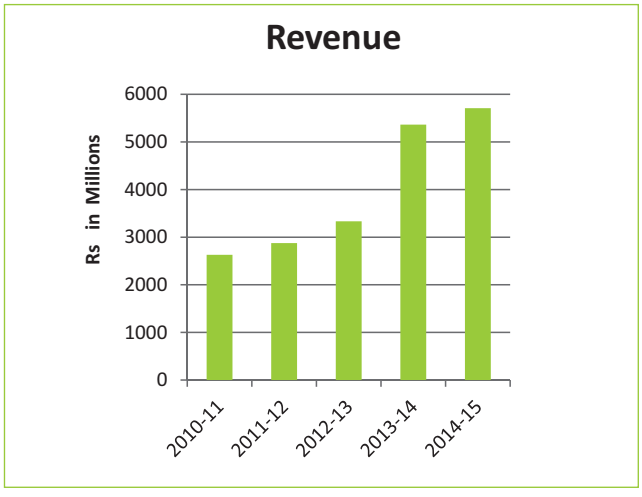
Year	2010-11	2011-12	2012-13	2013-14	2014-15
Gross Revenue (Net of Excise duty)	26285.60	28754.54	33320.22	53622.144	57085.55
Profit before Depreciation, Extraordinary Item & Taxes	7625.74	6210.34	6846.86	12317.406	13810.18
Depreciation	1042.1	1143.84	1275.36	2109.202	1908.50
PBT	6583.64	5129.21	5561.13	10208.204	11901.64
Taxes*	1491.11	1154.45	965.17	2122.523	3483.53
PAT & Extraordinary Item	5092.53	#3974.76	#4595.96	8085.680	8409.77
Dividend (Inc. Dividend Tax)	224.12	256.52	370.53	451.027	508.85

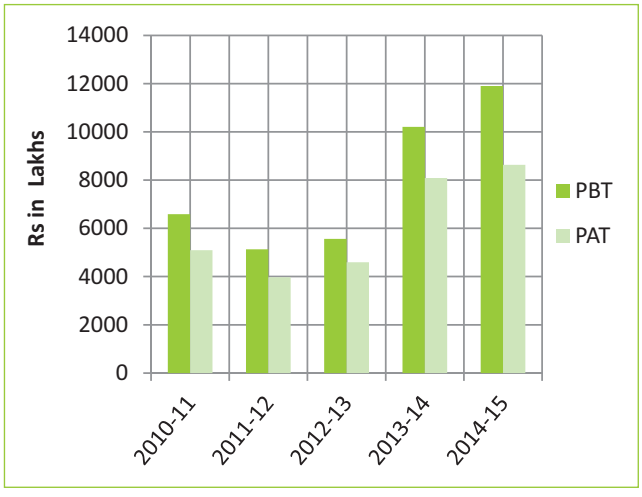
PERFORMANCE PARAMETERS

Net Fixed Assets	12709.48	14084.14	15255.58	25766.05	28001.31
Share Capital	480.48	490.48	490.58	735.72	771.02
Reserves & Surplus	22603.09	28239.44	32588.13	40520.78	55538.56
Net Worth (Net)	23083.57	28729.92	33078.71	41256.51	56309.58
Returns on Net Worth (%)	22.06	13.83	13.89	19.59	14.93
Borrowings	5097.41	5486.43	9816.58	8007.76	8705.14
Debt Equity Ratio (Gross)	0.22	0.19	0.30	0.19	0.15
Dividend (%)	40	45	65	50	55
Earning per share	22.08	16.54	12.49	21.98	21.94

** 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





NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of the Company will be held on **Monday the 28th day of September, 2015 at 11.30 AM** at Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka 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 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity shares.
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.

   "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 in the last 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 31,2016."

SPECIAL BUSINESS:

5. **Appointment of Ms.Namrata Bhutada as Director:**

   To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Ms. Namrata Bhutada (DIN No.05133614), who was co-opted as an Additional Director of the Company pursuant to the provisions of Section 161 and all other applicable provisions of the Companies Act, 2013 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160, along with a deposit of Rs.1,00,000/-, proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation."

6. **Re-appointment of Mr.Vishnukant C. Bhutada as Managing Director:**

   To Consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr.Vishnukant C. Bhutada (DIN No.01243391) as Managing Director of the Company for a period of Five (5) years w.e.f 1st September, 2015, on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice."

   "FURTHER THAT the Board of Directors be and are hereby authorized to alter or vary the scope of remuneration of Mr.Vishnukant C. Bhutada (DIN No.01243391), Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified herein and the Companies Act, 2013."

7. **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.1,50,000/- (Rupees One Lakh Fifty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, payable to M/s N.Ritesh & Associates, Cost Accountants (Regd.No.M/26963), to audit the cost records maintained by the Company for the financial year ending March 31, 2016, be and is hereby approved and ratified."

8. **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), (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, 2015 up to Rs.100 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, managing director, director(s) and/or any officers of the Company, and authorize them to sign and execute all agreements, application, 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."

9. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions if any of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution and entire exclusion of existing Articles of Association of the Company."

"FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. 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 61 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendments thereto or re-enactment thereof) and subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority and pursuant to Article No. 55 of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for sub-dividing the equity shares of the Company, including the paid-up shares, such that each existing equity share of face value of Rs.2/- (Rupees Two) each be sub-divided into TWO equity shares of the face value of Re.1/- (Rupee One) each."

"FURTHER THAT the Memorandum of Association of the Company be altered by substituting the existing clause V with the following new clause.

V. The Authorised Share Capital of the Company is Rs.8,50,00,000/- (Rupees Eight Crores Fifty Lakhs Only) divided into 8,50,00,000/- (Eight Crores Fifty Lakhs Only) Equity Shares of Rs.1/- (Rupee One Only) each with the rights privileges and conditions attaching thereto as provided by the Articles of Association of the Company. The Company shall have power to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be permissible by law and as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company for the time being in force.

"FURTHER THAT pursuant to the sub-division of the equity shares of the Company, the Authorized, Issued, Subscribed and paid up equity shares of face value of Rs.2 /- (Rupees Two) each, shall stand sub-divided into Two equity shares of Re 1/- (Rupee One) each, fully paid-up."

"FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give effect to this resolution including but not limited to fixing of the Record Date as per the requirements of the Listing Agreement, execution of all necessary documents with the Stock Exchanges and the Depositories and/or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the old certificates and in case of shares held in dematerialized form, the sub-divided equity shares be credited to the respective dematerialization accounts of the beneficiaries in lieu of the existing equity shares held by them and to settle any question or difficulty that may arise with regard to the sub-division of the equity shares as aforesaid or for any matters connected herewith or incidental hereto."

By order of the Board of Directors
For **SHILPA MEDICARE LIMITED,**

Place: Hyderabad
Date : 07-08-2015

Vemuri Ajay
Company Secretary

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 **Monday, 21st September, 2015** to **Monday 28th September, 2015** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched between **5th October, 2015** to **7th October, 2015.**
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 2013-14 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 28th 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 upto 2007 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. 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@gmail.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 **25-09-2015 at 9.00 A.M.** and ends on **27-09-2015 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 **21-09-2015.** 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 **21-09-2015**, 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.B.Chagan Lal of M/S. B.Chagan Lal & Associates, a Practicing Company Secretary as a Scrutinizer to process the e-voting and submit the report to the Chairman.

20. Mr.Ramakant Innani, 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. His contact details are Email:ramakant@vbshilpa.com, Phone No: 08532-236494.

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 28th Annual General Meeting (pursuant to Clause 49 of the Listing Agreement) 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

Section 149(1) of the Companies Act, 2013 and listing agreement entered with the Stock Exchanges, provides that all listed companies and other class of Companies as specified should have/appoint a Woman Director on its Board. In pursuance of the same the Company has appointed Ms.Namrata Bhutada as an Additional Director of the Company w.e.f 28-02-2015.

As per the provisions of Section 160 of the Companies Act, 2013, any such proposal ought to be approved by the members in their General Meeting; hence the Board recommends the resolution for your approval.

Except Ms.Namrata Bhutada being appointee, Mr.Vishnukant Bhutada, Mr.Omprakash Inani, both being related to the appointee none of the other 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

Mr.Vishnukant C. Bhutada, who is 52 years old and has been on the Board of the Company since incorporation i.e. 20-11-1987, is the key and instrumental person in promoting and steering the Company to its present position. He is basically a pharmacy graduate and main guiding force behind the progress of Shilpa Medicare Limited. Due to his untiring & constant efforts and planning, the Company has reached to its present level of operations in API and Oncology segments. With his foresightedness now, the Company successfully entered into formulation by setting-up innovative formulations unit at Forma SEZ, TSIIC Green Industrial Park, Jadcherla. The Company achieved various prestigious awards under his stewardship. His vision, foresightedness and planning have always been giving a good path to the Company in its new ventures. He has been heading the Company with his vast experience in pharmaceutical industry and international marketing.

The Company under the leadership of Mr.Vishnukant C.Bhutada has grown up manifold and successfully initiated and implemented various new business plans. Under his supervision the Company achieved better performance, efficiency improvement, quality enhancement. During his previous tenure, under guidance of Mr.Vishnukant C.Bhutada, Managing Director, the Company has successfully launched new products, completed various projects including formulation unit, increased the production capacity of other units and also taken-up various expansion projects which are under implementation.

The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing as Managing Director, for a period of 5 years w.e.f 1st September, 2015, subject to the approval of the shareholders. In the previous year, he was paid Rs. 479.70 Lakhs as remuneration and taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the Nomination and Remuneration Committee, the Board at their meeting held on 7th August, 2015, approved the remuneration, terms and conditions of the re-appointment of Mr.Vishnukant C.Bhutada, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given here under:

1. Minimum Remuneration of Mr.Vishnukant C. Bhutada w.e.f Sept' 15. **Per Month/Rs**

a.	Basic Salary	Rs.8,25,000/- (Rupees Eight Lakh Twenty Five Thousand only).
b.	Special Pay	Rs.1,10,000/- (Rupees One Lakh Ten Thousand only).
c.	Perquisites and Allowances:	
	A) House Rent Allowance	Rs.1,37,500/- (Rupees One Lakh Thirty Seven Thousand Five Hundred only).
	B) Leave Travel Concession	Rs.68,750/- (Rupees Sixty Eight Thousand Seven Hundred and Fifty only).
	C) Company's contribution towards Provident Fund	Rs.99,000/- (Rupees Ninety Nine Thousand only)

	D) Personal Allowances	Rs.82,500/- (Rupees Eighty Two Thousand Five Hundred only)
	E) Medical Expenses reimbursement for self, spouse & dependent(s) or children.	Rs.68,750/- (Rupees Sixty Eight Thousand Seven Hundred and Fifty only) (Could be accumulated upto the end of Financial Year)
	Total	Rs.13,91,500/- (Rupees Thirteen Lakhs Ninety One Thousand Five Hundred Only)
Above salary is for first year starting from 1st September, 2015. There will be an increase of 10% every year.		
d.	In addition to above he shall also be entitled to the following perquisites and benefits:	
	THESE BENEFITS SHALL NOT BE INCLUDED IN THE COMPUTATION OF CEILING ON PERQUISTES:	
	a) Communication Facilities	Free communication facilities like telephones/ internet/ mobiles/ fax at residence. (However personal long distance calls will be charged.)
	b) Reimbursement of Expenses for Official work	The expenses actually and properly incurred for the business of the company.
	c) Earned Privilege Leave	Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month salary for every 11 month's service
	d) Car	Free use of Company's car with driver

2. Commission

Commission	In addition to the above-said salary, Commission on profits be paid, but the aggregate amount of salary and commission shall not exceed 5% of Net Profits of the Company calculated in terms of Section 198 of Companies Act, 2013.

Notwithstanding anything contained contrary to herein, above in case, in any financial year during the tenure of Mr.Vishnukant C. Bhutada, the Company has either no profits or its profits are inadequate, the Company will pay minimum remuneration.

Mr.Vishnukant C. Bhutada holds 42,81,551 equity shares individually/jointly 6,68,065 on behalf of his family HUF. He has attended all the 7 (Seven) Board meetings held during 2014-15. Other Company Directorships are as under:

Name Of The Company	Position	Remarks
Raichem Medicare Private Limited	Director	Subsidiary of Shilpa Medicare Limited
NU Therapeutics Private Limited	Director	Subsidiary of Shilpa Medicare Limited
Dharamkeshav Plantations (Raichur) Private Limited	Director	---
Mohiniradha Infra Private Limited	Director	---
Mohini Infra Private Limited	Director	---
INM Technologies Private Limited	Director	Subsidiary of Shilpa Medicare Limited

He is the member of Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

Except Mr.Vishnukant C.Bhutada being the appointee Mr.Omprakash Inani and Ms.Namrata Bhutada both being related to the appointee, none of the other 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.6 for approval of the members by way of Special Resolution.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/S. N.Ritesh & Associates, Cost Accountants (Regd.No.M/26963), remuneration payable them, for conducting the audit of the cost records of the Company for the financial year ended 31st March, 2016.

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 them Cost Auditors for the financial year ending 31st March, 2016.

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.7 for approval of the members.

Item No. 8

The provision of Section 188 of the Companies Act, 2013 read with rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribed certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operations with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions.

As per the Clause 49 of the Listing Agreement 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 is expected to commence its commercial operations during the current financial year. On commencing operations by the RMPL there would be a major inter sale/ purchase transactions between RMPL and the Company as some of manufacturing of current products would be shifted to RMPL.

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 revised Clause 49 of the Equity Listing Agreement, the transactions are material in nature and require the approval of the shareholders of the Company by way of special 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. 8 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.

Item No.9

The Articles of Association (AOA) of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the present Companies Act, 2013.

With coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. Hence it is considered expedient to wholly replace the existing AOA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Companies Act, 2013, which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of AOA is being uploaded on the Company's website for perusal of the members.

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.9 for approval of the members.

Item No.10

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are actively traded on these exchanges.

In order to improve the liquidity of the Company's shares in the stock market, the Board of Directors of the Company ("the Board") have recommended the sub-division of the nominal value of equity shares of Rs.2/- each into smaller denomination of Re.1/- each for the consideration and approval of Members.

Accordingly each equity share of the Company of nominal value of Rs.2/- each existing on the record date shall stand sub-divided into TWO equity shares of nominal value of Re.1/- each.

The record date for sub division of equity shares would be decided by the Board after the approval of members.

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.10 for approval of the members.

By order of the Board of Directors
For **SHILPA MEDICARE LIMITED,**

Place: Hyderabad
Date : 07-08-2015

Vemuri Ajay
Company Secretary

Annexure A

Details of Directors seeking appointment/re-appointment at the Annual General Meeting.
(Pursuant to Clause 49(VIII)(E)(1) of the Listing Agreement)

Name of the Director	Mr. Omprakash Inani	Ms. Namrata Bhutada
Date of Birth	15-12-1956	13-01-1993
Date of Appointment	23-03-1988	28-02-2015
Relationship with Directors	He is related to Mr.Vishnukant C Bhutada, Managing Director and Ms.Namrata Bhutada, Director	She is related to Mr.Vishnukant Bhutada and Mr.Omprakash Inani.
Expertise in specific functional area .	Being the Chairman of the Company since its inception, he got very 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.	Born in the traditional business family got exposed to good business administration skills and also got good exposure in various administrative matters of the Company since last two years helping Mr.Vishnukant C Bhutada, Managing Director, in day to day affairs.
Qualification	B.Com	MBA (Finance)
@Board Membership of other companies as on March 31,2015	1. Srinidhi Cottons Pvt. Ltd. 2. Bhakara Investments Pvt. Ltd. 3. Jaijanaki Fabrics Pvt. Ltd.	NIL
Chairman/Member of the Committee of the Board of Directors as on March 31, 2015.	Audit, Nomination & Remuneration and Stakeholders Relationship Committees.	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a director as on March 31, 2015	NIL	NIL
a) Audit Committee	NIL	NIL
b) Stakeholders' Relationship Committee	NIL	NIL
c) Nomination and Remuneration Committee	NIL	NIL
Number of shares held in the Company as on March 31, 2015.	11,57,352	11,250

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.

DIRECTOR'S REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting herewith the 28th Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 31st March, 2015.

FINANCIAL SUMMARY (Rs. in lakhs)

PARTICULARS	Financial Year 2014-15		Financial Year 2013-14	
	Standalone	Consolidated	Standalone	Consolidated
Sales (Net of ED)	**56540.21**	**61379.91**	52736.81	57137.62
Other Income	**545.34**	**479.89**	885.33	912.26
Profit before Interest, Depreciation, Income Tax & Exchange Fluctuation	**13992.72**	**13343.43**	13214.14	13063.55
Interest	**387.98**	**405.02**	339.74	352.41
Depreciation	**1908.50**	**2141.16**	2109.20	2321.79
Exchange Fluctuation Loss(+)/Income (-)	**(205.40)**	**(213.50)**	557.00	553.41
Net Profit before Tax	**11901.64**	**107970.24**	10208.20	9835.44
Provision for Taxation				
a. Current Tax	**2454.31**	**2485.74**	2102.72	2140.92
b. Less: MAT credit entitlement	**154.65**	**154.65**	614.65	(614.65)
c. Deferred tax	**1182.49**	**1189.12**	634.45	501.13
Profit after Tax	**8419.49**	**7277.03**	8085.68	7808.04
Less: Share in Losses of Associates	**-**	**-**	-	-
Prior Period adjustment related to Fixed Assets etc (Net)	**74.23**	**69.30**	-	293.09
Brought forward from previous year	**25039.84**	**23583.42**	18215.19	17277.52
Profit available for appropriation	**33533.56**	**30929.84**	26300.87	24792.47
Transfer to General Reserve	**500.00**	**500.00**	810.00	810.00
Provision for proposed Dividend and dividend tax	**508.85**	**508.85**	451.03	451.03
Add: Loss pertaining to Minority interest	**NA**	**106.65**	NA	51.98
Balance Carried to Balance Sheet	**32524.71**	**30027.64**	25039.84	23583.42

REVIEW OF OPERATIONS:

During the year under review the operational and financial performance is satisfactory. The Company is able to successfully launch new line of products apart from maintaining sales of the existing products which are facing competition from non-regulated suppliers. Being in the Pharmaceutical industry, the Company always focus on new products and improve the existing products for better margins. Expansion activities are progressing as per schedule. The Company expects that the investments made during the last two years would start yielding results in the next couple of years. Management continues to concentrate on expansion of operations, high-margin products, invention of new process, maintaining specified standards in production and quality of product and effective financial management to strengthen the base-line and to continue with growth path.

During the year, the USFDA inspected the Company's both Active Pharmaceutical Ingredients (APIs) manufacturing facility

situated at Raichur, Karnataka and Formulations manufacturing unit situated at FORMA SEZ, Jadcherla in the state of Telangana. The said units have been inspected and approved by Cofepris (Mexico), Anvisa (Brazil) and EU (Slovenia).During the year under review, anticipating increase in demand based on forecast, Oncology manufacturing facility for few products has been expanded significantly. Likewise, production capacity of other APIs have also been increased substantially to meet present and future demand.

During the year under review, your Company continued its focus on various initiatives related to improvements in Employees Health and Safety Measures, Quality Management System i.e Clean Development Mechanism, adopting latest technologies for Effluent Treatment for conserving water by recycling the waste water, disposal of solid waste, spent solvents by biological treatment etc.

R & D - SPENDING & DMF FILINGS :

It is essential for any pharma company to focus on Research and Development. The Company has efficient team of scientists with two state of art research facilities recognized by DSIR for inventing new product processes/products beside improvement in quality of existing products.

Keeping in view the essentiality your Company has been focusing and investing substantially on R&D since couple of years.

During the financial year under review, your Company spent about Rs.2793.28 lacs on Research & Development.

It has started yielding some encouraging results. During the year under review, projects of five products transfer executed successfully, other projects of eight products have been completed and ready for transfer to plant. Ten new molecules have been taken for development considering future demand.

REGULATORY AFFAIRS :

Your Company has set-up a full-pledged Department during the last 3 to 4 years to take care for filing of new DMF's/ Patents etc and to scrutinize the same in a systematic way to avoid any complaints/infringement resulting in suit/s against the Company and to contest cases filed against the Company.

Filed DMFs for four products in US also filed application of EU-CP, EU-DCP, EDQM-CEP, Health Canada, New Zealand, and Australia. The Company also got eleven PCT and fifteen Indian patents.

DIVIDEND:

Your Directors recommended a dividend of Rs. 1.10 i.e. 55% per equity share of Rs.2/- each for the financial year 2014-2015 under review absorbing an amount of Rs.508.85lacs inclusive of dividend tax.

TRANSFER TO RESERVES:

We propose to transfer Rs.500 Lacs to the general reserve. An amount of Rs.7,400.92 Lacs is proposed to be retained in the surplus account.

INFUSION OF CAPITAL:

During the year under review, as part of mobilization of resources for the purpose of expanding the operations of the Company, fresh funds were raised by allotting 17,64,705 equity shares of Rs.2/- each to Tano Mauritius India FVCI II, the existing member of the Company, at a premium of Rs. 423/- each on 15th May, 2014 on preferential basis.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

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

During the year Ms. Namrata Bhutada has been co-opted as Additional Director w.e.f. 28th February, 2015. Notice in writing under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, has been received to appoint her as a Director of the Company whose period of office shall be determinable by retirement of Director by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

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 Auditor 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 proviso 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.

Cost Auditors:

The Board has appointed M/s. N.Ritesh & Associates, Cost Accountants for conducting the audit of cost records of the Company for various segments for the financial year 2015-16

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 2014-15, as required under Section 204 of the Companies Act, 2013 and Rule 9 there-under. The secretarial audit report for FY 2014-15 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 2015-16.

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 - 7.

RISK MANAGEMENT POLICY

Pursuant to the requirement of Clause 49 of the Listing Agreement, 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. 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, form part of the Annual Report. A separate statement containing the salient features of the financial statements of Subsidiaries, Associates and Joint Ventures in Form AOC-I, is annexed herewith as Annexure - 5.

Further, the annual accounts of all the subsidiary companies have been 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

Raichem Medicare Private Limited (RMPL), India

Raichem Medicare Private Limited (RMPL), a joint venture Company, has earned a profit of Rs. 83.37 lacs from investment of surplus funds. Installation of plant and machinery is in the final stage at manufacturing unit being set-up at Raichur, Karnataka and expected commercial production in the current financial year. Total fund exposure of the Company, to RMPL as on 31st March, 2015 is Rs.3,888.03 lacs (including equity investment, preference shares and unsecured loan). Further, the Company also extended Corporate Guarantee for the loan facilities obtained by RMPL from Standard Chartered Bank and Citibank. In this JV your Company's holding is 50.001% .

Loba Feinchemie GmbH (Loba), Austria

During the year M/s. LOBA Feinchemie GmbH, Austria has posted a loss of Rs.103.79 lacs as against loss of Rs.168.43 lacs in the previous year. The management is in the process of implementing various options to improve the sales and turn to profitability taking into consideration the statutory regulations of Austria. Total fund exposure of the Company, in Loba as on 31st March, 2015 is Rs.2261.79 lacs. It is a wholly owned subsidiary company

Investment into Loba was made through a special purpose vehicle Company Zatortia Holding Limited (ZHL). ZHL does not have any specific activity.

Makindus LLC, USA

During the year under review, your Company remitted the balance amount as per Share Purchase Agreement. Your Company's holding in this JV is 70%. This Company has spent $10.86 lacs on research for developing Drug. It plans to file ANDA - under 505(b)(2) by end of 2017.

MAIA Pharmaceuticals Inc., USA

During the year under review, your Company remitted the balance amount as per Share Purchase Agreement. As on 31st March, 2015 your Company's holding is 49.8%. MAIA has spent $ 16.32 lacs on research.

Research work at the unit is going on satisfactorily on 7 (Seven) products and the Company expect to file FDA under ANDA and 505 (b)(2) by Dec'16.

NU Therapeutics Private Limited (NTPL), India

NTPL, a subsidiary company has posted a loss of Rs.56.43 lacs against Rs.41.84 lacs. NTPL has manufacturing technology of 'fast dissolving oral films'. NTPL got registered some of its products in the countries Kenya, Uganda and Democratic Republic of Cango apart from India. NTPL is exploring various avenues to market its products. Total fund exposure of the Company, to NTPL as on 31st March, 2015 is Rs.1433.55 lacs (including investment in Equity and preference shares and Unsecured loans). Your Company holding is 67.94% in this company.

Details of Companies which have become Subsidiary during the year

INM Technologies Private Limited (INM)

INM was formed on 23-01-2015, as a Subsidiary Company, with a view to develop new technologies. The Company holds 75% of equity in INM. INM has not yet started its commercial operations. Total fund exposure of the Company as on 31st March, 2015 is Rs.112.50 lacs.

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.

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 Clause 49 of the Listing Agreement. 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 Director and 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 enclosed herewith as Annexure - 8.

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.

None of 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, 2015 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, 2015 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 are adequate 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 operating effectively.

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, seven Board Meetings were held. For further details, please refer Corporate Governance Report enclosed herewith.

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 constitution of all the committees are as per the Companies Act, 2013 and Listing Agreement with Stock Exchanges. The details of the Constitution are mentioned in Corporate Governance Report, which forms part of this Annual Report.

Corporate Governance Report

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges, Report on Corporate Governance including Auditor's Certificate on compliance with the code of Corporate Governance specified under the said Clause forms part of the Annual report.

Management Discussion and Analysis

A brief note on the Management discussion and analysis for the year is annexed hereto and forms part of the Annual Report.

Vigil Mechanism:

In pursuant to the provisions of section 117(9)(& (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement a Vigil Mechanism for directors and employees to report genuine concerns has been established. Protected disclosures can be made by a whistle blower 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. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh 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.39 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.

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.

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 receive 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 material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial year and date of report.

Your Directors further state that during the year under review, there were no cases filed/registered pursuant to the Sexual Harassment of Women at Work place (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, hardwork and commitment.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 07-08-2015

OMPRAKASH INANI
CHAIRMAN

Annexure-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2015

[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	Plot No.10, Shop No.80, Rajendra Gunj, Raichur, Karnataka-584102.
Whether listed company	Yes
Name, Address and Contact details of	M/s. Karvy Computershare Pvt. Ltd.,
Registrar and Transfer	Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032
Agent, if any	NA

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	51.43

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	U24232KA2009PTC049999	Subsidiary Company	Equity Shares 50.001% Preference Shares 100%	2(87) (ii)
2.	NU Therapeutics Private Limited	U24239TG2004PTC043005	Subsidiary Company	Equity Shares 67.94% Preference Shares 100%	2(87) (ii)
3.	INM Technologies Private Limited	U73100KA2015PTC078494	Subsidiary Company	Equity Shares 75.00%	2(87) (ii)
4.	Zatortia Holdings Limited	NA	Subsidiary Company	100%	
5.	Makindus INC, USA	NA	Subsidiary Company	70%	
6.	Loba Feinchemie GmbH	NA	Step-Down Subsidiary	100%	
7.	Reva Pharmachem Private Limited	U24232KA2009PTC051596	Associate Company	Equity Shares 33.33%	–
8.	Maia Pharmaceuticals Inc, USA	NA	Joint Venture	49.8%	

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	20556658	-	20556658	55.88	20451346	-	20451346	53.05	(2.83)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	**20556658**	**–**	**20556658**	**55.88**	**20451346**	**–**	**20451346**	**53.05**	**(2.83)**
(2) Foreign									
a) NRIs -	-	-	-	-	-	-	-	-	-
Individuals									
b) Other -	-	-	-	-	-	-	-	-	-
Individuals									
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) anks/FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**20556658**	**–**	**20556658**	**55.88**	**20451346**	**–**	**20451346**	**53.05**	**(2.83)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	750	750	0.00	35244	-	35244	0.09	0.09
b) Banks/FI	-	-	-	-	6265	750	7015	0.02	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	3930088	-	3930088	10.68	5688802	-	5688802	14.76	4.08
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**3930088**	**750**	**3930838**	**10.69**	**5730311**	**750**	**5731061**	**14.87**	**4.18**
2. Non-Institutions									
a) Bodies Corp.	2399745	2250	2401995	6.53	2490129	2250	2492379	6.47	(0.06)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2673388	508957	3182345	8.65	3252766	470707	3723473	9.66	1.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3309479	-	3309479	9.00	1919121	-	1919121	4.98	(4.02)
c) Others									
Directors	63550	-	63550	0.17	59250	-	59250	0.15	(0.02)
Trust	750	-	750	0.00	1250	-	1250	0.00	0.00
F.C.B	3000000	-	3000000	8.16	3000000	-	3000000	7.78	(0.38)
Non -resident Indians	72444	18750	91194	0.25	944218	18750	962968	2.50	2.25
HUF	216630	-	216630	0.59	201797	-	201797	0.52	(0.07)
Clearing members	32808	-	32808	0.09	8307	-	8307	0.02	(0.07)
Sub-total (B)(2):-	**11768794**	**529957**	**12298751**	**33.43**	**11876838**	**491707**	**12368545**	**32.08**	**(1.35)**
Total Public Shareholding (B)= (B)(1)+ (B)(2)	**15698882**	**530707**	**16229589**	**44.12**	**17607149**	**492457**	**18099606**	**46.95**	**2.83**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**36255540**	**530707**	**36786247**	**100.00**	**38058495**	**492457**	**38550952**	**100.00**	**-**

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	4354551	11.84	0	4281551	11.11	0	(0.73)
2	DHARMAVATI BHUTADA	2071383	5.63	0	2071383	5.38	0	(0.25)
3	KAMAL KISHORE INANI	1884414	5.12	0	1874414	4.86	0	(0.26)
4	NATHMAL INANI	1554931	4.23	0	1544931	4.01	0	(0.22)
5	MANJULATA INANI	1403773	3.82	0	1403773	3.64	0	(0.22)
6	OMPRAKASH INANI	1169664	3.18	0	1157352	3.00	0	(0.18)
7	KANTADEVI INANI	1919820	5.22	0	1919820	4.98	0	(0.24)
8	BRIJGOPAL INANI	1087383	2.96	0	1087383	2.82	0	(0.14)
9	KESHAV BHUTADA	715212	1.94	0	715212	1.86	0	(0.08)
10	RAVI KUMAR INANI	815685	2.22	0	815685	2.11	0	(0.11)
11	VISHNUKANT C BHUTADA (HUF)	668065	1.82	0	668065	1.73	0	(0.09)
12	SHAKUNTALABAI INANI	706368	1.92	0	706368	1.83	0	(0.09)
13	MADHAV BHUTADA	424587	1.15	0	424587	1.10	0	(0.05)
14	RAMAKANT INANI	523939	1.43	0	523939	1.36	0	(0.07)
15	DEEPAK KUMAR INANI	879480	2.39	0	879480	2.29	0	(0.10)
16	TRIVENI INANI	134905	0.37	0	134905	0.35	0	(0.02)
17	VISHNUKANTA INANI	106249	0.29	0	106249	0.28	0	(0.01)
18	TARADEVI INANI	124999	0.34	0	124999	0.32	0	(0.02)
19	NAMRATA BHUTADA	11250	0.03	0	11250	0.03	0	---
		20556658	55.88	0	20451346	53.05	0	(2.83)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

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	VISHNUKANT BHUTADA At the beginning of the year Sale on 21.08.2014 At the end of the year	4354551 (73000)	11.30	4354551 4281551 4281551	11.11
2	DHARMAVATI BHUTADA At the beginning of the year At the end of the year	2071383	5.63	2071383 2071383	5.38
3	KAMAL KISHORE INANI At the beginning of the year Sale on 21.08.2014 At the end of the year	1884414 (10000)	5.12	1884414 1874414 1874414	4.86
4	NATHMAL INANI At the beginning of the year Sale on 21.08.2014 At the end of the year	1554931 (10000)	4.23	1554931 1544931 1544931	4.01

(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	MANJULATA INANI				
	At the beginning of the year	1403773	3.82	1403773	3.64
	At the end of the year			1403773	
6	OMPRAKASH INANI				
	At the beginning of the year	1169664	3.18	1169664	3.00
	Sale on 21.08.2014	(10000)		1159664	
	Sale on 14.01.2015	(909)		1158755	
	Sale on 15.01.2015	(1403)		1157352	
	At the end of the year			1157352	
7	KANTADEVI INANI				
	At the beginning of the year	1919820	5.22	1919820	4.98
	At the end of the year			1919820	
8	BRIJGOPAL INANI				
	At the beginning of the year	1087383	2.96	1087383	2.82
	At the end of the year			1087383	
9	KESHAV BHUTADA				
	At the beginning of the year	715212	1.94	715212	1.86
	At the end of the year			715212	
10	RAVI KUMAR INANI				
	At the beginning of the year	815685	2.22	815685	2.11
	At the end of the year			815685	
11	VISHNUKANT C BHUTADA (HUF)				
	At the beginning of the year	668065	1.82	668065	1.73
	At the end of the year			668065	
12	SHAKUNTALABAI INANI				
	At the beginning of the year	706368	1.92	706368	1.83
	At the end of the year			706368	
13	MADHAV BHUTADA				
	At the beginning of the year	424587	1.15	424587	1.10
	At the end of the year			424587	
14	RAMAKANT INANI				
	At the beginning of the year	523939	1.43	523939	1.36
	At the end of the year			523939	
15	DEEPAK KUMAR INANI				
	At the beginning of the year	879480	2.39	879480	2.29
	At the end of the year			879480	
16	TRIVENI INANI				
	At the beginning of the year	134905	0.37	134905	0.35
	At the end of the year			134905	
17	VISHNUKANTA INANI				
	At the beginning of the year	106249	0.29	106249	0.28
	At the end of the year			106249	
18	TARADEVI INANI				
	At the beginning of the year	124999	0.34	124999	
	At the end of the year			124999	0.32
19	NAMRATA BHUTADA				
	At the beginning of the year	11250	0.03	11250	0.03
	At the end of the year			11250	

(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 Allotment on 15.05.2014 At the end of the year	1825048 1764705	4.96	1825048 3589753 3589753	9.31
2	BARING INDIA PRIVATE EQUITY FUND III LIMITED At the beginning of the year At the end of the year	3000000	8.16	3000000 3000000	7.78
3	PIVOTAL SECURITIES PVT LTD At the beginning of the year At the end of the year	1612500	4.38	1612500 1612500	4.18
4	STANDARD CHARTERED BANK (MAURITIUS) LIMITED At the beginning of the year At the end of the year	1285828	3.5	1285828 1285828	3.34
5	AMAL N PARIKH At the beginning of the year At the end of the year	777565	2.11	777565 777565	2.02
6	SRIRAM BHUTADA At the beginning of the year At the end of the year	744174	2.02	744174 744174	1.93
7	BARING INDIA PRIVATE EQUITY FUND III LISTED INVEST At the beginning of the year At the end of the year	553712	1.51	553712 553712	1.44
8	JAIKISHAN BHUTADA At the beginning of the year At the end of the year	546450	1.49	546450 546450	1.42
9	ORANGE MAURITIUS INVESTMENTS LIMITED At the beginning of the year At the end of the year	265500	0.72	225000 225000	0.58
10	INFINA FINANCE PRIVATE LTD At the beginning of the year At the end of the year	-	-	113924 113924	0.30

(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	4354551	11.30	4354551	11.11
	Sale on 21.08.2014	(73000)		4281551	
	At the end of the year			4281551	
2	OMPRAKASH INANI				
	At the beginning of the year	1169664	3.18	1169664	3.00
	Sale on 21.08.2014	(10000)		1159664	
	Sale on 14.01.2015	(909)		1158755	
	Sale on 15.01.2015	(1403)		1157352	
	At the end of the year			1157352	
3	NAMRATA BHUTADA				
	At the beginning of the year	11250	0.03	11250	0.03
	At the end of the year			11250	
4	NARINDER PAL SINGH				
	At the beginning of the year	6096	0.01	6096	0.01
	At the end of the year			6096	
5	CARLTON FELIX PEREIRA				
	At the beginning of the year	735	--	735	0.00
	At the end of the year			735	
6	PRAMOD KASAT				
	At the beginning of the year	46500	0.13	46500	0.19
	Buy on 29.01.2015	27420		73920	
	At the end of the year			73920	
7	RAJENDER SUNKI REDDY				
	At the beginning of the year	17050	0.04	17050	0.03
	Sale on 11.09.2014	(1300)		15750	
	Sale on 22.09.2014	(3000)		12750	
	At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8007.76	-	-	8007.76
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	3.99	-	-	3.99
Total (i+ii+iii)	**8011.75**	**-**	**-**	**8011.75**
Change in Indebtedness during the financial year				
• Addition	697.37	-	-	697.37
• Reduction	2.15	-	-	2.15
Net Change	**695.22**			**695.22**
Indebtedness at the end of the financial year				
i) Principal Amount	8705.13	-	-	8705.13
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1.84	-	-	1.84
Total (i+ii+iii)	**8706.97**	**-**	**-**	**8706.97**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD	Total Amount
1.	Gross salary	Mr.Vishnukant Bhutada	1,44,30,000
	(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.		39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission		4,55,70,000
	- as % of profit		3.80%
	- others, specify…		
5.	Others, please specify		
	Total (A)		**6,00,39,600**
	Ceiling as per the Act		5%

B. Remuneration to other Directors:

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	30000 40000 30000
	Total (1)		**100000**
2.	**Other Non-Executive Directors** • Fee for attending board meetings	Omprakash Inani	70000
	Total (2)		**70000**
	Total (B)=(1+2)		**170000**
	Total Managerial Remuneration		**-**
	Overall Ceiling as per the Act		**-**

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

S.No	Particulars of Remuneration	Name of MD/WTD/Manager	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	Mr.N.C.Bhandari	15,90,000
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total (A)		**15,90,000**
	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					
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 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 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	168.5	25%	23%	For the FY 2014-15, Key Managerial Personnel were paid approx. 5.1% of the net profit for the year.
2.	N.C. Bhandari	4.4	13.33%	23%	

ii) The median remuneration of employees of the Company during the financial year was Rs. 3.56 lacs.

iii) In the financial year, there was an increase of 23 % in the median remuneration of employees;

iv) There were 954 permanent employees on the rolls of Company as on March 31, 2015;

v) Relationship between average increase in remuneration and company performance:-

The Profit before Tax for the financial year ended March 31, 2015 increased by 16.58 % whereas the increase in median remuneration was 23 %. Considering the industry demand and standards the increase in salaries would be considered to retain the quality people.

vi) a) Variations in the market capitalization of the Company : The market capitalization as on March 31, 2015 was Rs. 3828.68 crore (Rs. 1518.35 crore as on March 31, 2014)

b) Price Earnings ratio of the Company was Rs. 45.20 as at March 31, 2015 and was Rs. 19.00 as at March 31, 2014.

c) Percent increase over/decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year-

The Company had come out with initial public offer (IPO) in 1995. An amount of 1000 invested in the said IPO would be worth 1.86 lakh as on March 31, 2015 indicating a Compounded Annual Growth Rate of 30% (approximately). This is excluding the dividend accrued thereon.

vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 23% whereas the decrease/increase in the managerial remuneration for the same financial year was 19 %.

viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable; and

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

Annexure-3

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S. No.	Employee name	Designation	Educational qualification	Age	Experi-ence	Date of Joining	Gross Remune-ration Paid	Previous employment and designation, If any	No. Shares held, If any	Remarks
1	Vishnukant C Bhutada	Managing Director	B.Pharma	52 Years	28 Years	Nov-1987	600.40	None	4281551	
2	V.K.Shrawat	Chief Operating Officer	MSC Ph.D (Organic Chemistry)	56 Years	30 Years	Sept-2009	104.85	Fresenius Kabi Oncology Ltd (For merly Dabur India) Head R&D & API operation - 20 Years	14188	
3	Janak Kastia	GM-Mktg Business Development (USA & Global Generic Cos)	MSC - (Organic Chemistry), MBA Marketing	54 Years	29 Years	April-2010	95.63	Cadila Health Care Ltd. - GM API Division (Europe & Latin America) - 24 Years	NIL	

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) In Education, the Company's goal is to motivate the students of rural area by providing scholarships.

   (b) In Health care, Company's goal is to provide purified drinking water to people living in the villages and areas surrounding its manufacturing facilities.

   (c) In Rural Development, Company's goal is to develop villages near by our plant.

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.6948.73 Lacs**

4. **Prescribed CSR Expenditure: 2% of Average Profits i.e.Rs.138.97 Lacs**

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

   a) Total amount to be spent for the financial year 2014-15: Rs: 138.97 Lacs

   b) Amount unspent: Rs.138.97 Lacs

6. Based on the various expenditure prescribed in schedule -VII of Companies Act -2013 the CSR Committee proposed to use the amount earmarked, for Drinking water project Rs.50 Lacs, Promoting Education Rs.39.87 Lacs & Rural Development Rs.50 Lacs . As the amount earmarked is not sufficient to kick start the installation process, the Committee and the Board of Directors, have made fixed deposit of earmarked amount with The Lakshmi Vilas Bank Ltd. 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 provison 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						
Name of the subsidiary	**Raichem Medicare Private Limited**	**NU Therapeutics Private Limited**	**INM Technologies Private Limited**	**Zatortia Holding Limited**	**Loba Feinchemie GmbH**	**Makindus LLC**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2015	31-03-2015	31-03-2015	31-03-2015	31-03-2015	31-03-2015
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 1 &2)	INR (Refer note below 3&4)
Share capital	1329.69	223.76	150.00	2.31	483.64	3.13
Reserves & surplus	1970.58	405.23	-	2237.49	270.92	569.25
Total assets	15202.33	1375.39	165.88	2241.21	2896.53	611.00
Total Liabilities	15202.33	1375.39	165.88	2241.21	2896.53	611.00
Investments	-	-	-	2238.92	18.74	-
Turnover	-	267.60	-	-	4572.10	-
Profit before taxation	125.35	(49.78)	-	(3.77)	(112.35)	(434.14)
Provision for taxation	41.98	6.65	-	-	(12.96)	-
Profit after taxation	83.37	(56.43)	-	(3.77)	(99.39)	(434.14)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	50.0001	67.944	75.00	100.00	99.99	70.00

Note:
1. Conversion rate 1 Euro=67.5104 for Balance Sheet & Profit & Loss account 1 Euro=79.38
2. Standalone financial statement are prepared in Euro
3. Conversion rate 1$=62.5908 for Balance Sheet & Profit &Loss account 1 $=61.3453.
4. Standalone financial statement 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

Name of associates/Joint Ventures	**Maia Pharmaceuticals INC (JV) INR**	**Reva Pharmachem Private Limited (Associates) INR**
1. Latest audited Balance Sheet Date	31.12.2014	31.03.2014
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.	1400000	100000
Amount of Investment in Associates/Joint Venture	876.27	1000000
Extent of Holding %	49.80	33.33
3. Description of how there is significant influence	Jointly Controlled Entity	There is significant influence due to Shareholding.
4. Reason why the associate/joint venture is not consolidated	NA	NA
5. Net worth attributable to shareholding as per latest audited Balance Sheet	417.15	Refer note below
6. Profit/Loss for the year	(389.27)	Refer note below
i. Considered in Consolidation	Yes	Yes
ii. Not Considered in Consolidation	NA	NA

Note: Loss of Associates have been restricted to the extent of Investment as per AS-23 read with Para-18.

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, 2015, 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)
Interest Accrude				
1. Raichem Medicare Private Limited	Subsidiary	Ongoing	Not applicable	191.85
2. NU Therapeutics Private Limited	Subsidiary	Ongoing	Not applicable	62.86
Managerial Remuneration Vishnukant C Bhutada	Managing Director	01-09-2012 – 01-09-2015	As per the terms and conditions of Appointment	600.00
Equity Investment				
INM Technologies Private Limited	Subsidiary	Not appicable	Not appicable	112.50
***Preference Share Investment**				
INM Technologies Private Limited Raichem Medicare Private Limited	Subsidiary Subsidiary	Not applicable Not applicable	As approved by the Board of the Company	246.95 324.00
Corporate Guarantee				
1. Raichem Medicare Private Limited (Standard Chartered Bank)	Subsidiary	22-07-2014 – ongoing	As per the terms and conditions of the Bank.	6000.00 (USD 10 Million)
2. Raichem Medicare Private Limited (Citi Bank N.A)	Subsidiary	03-06-2015 - ongoing	As per the terms and conditions of the Bank.	2000.00

*upto 7th August, 2015

ANNEXURE-7

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:	At one of Company's units, Paddy Husk is being used as fuel, for meeting steam requirement. This project was undertaken as a Clean Development Mechanism(CDM) under KYOTO Protocol 2008.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	
(iii)	the capital investment on energy conservation equipments;	435.15/- 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 Tenofovir disoproxil Fumarate (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.2793.28 Lacs

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Inflow-Rs.37767.03 Lacs.

Outgo-Rs.28659.88 Lacs.

ANNEXURE-8

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of Shilpa Medicare Limited (the Company) is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement as amended from time to time, this policy on nomination and remuneration of Directors (including non-executive directors) on the Board of Directors, the Key Managerial Personnel (KMP) and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

2. OBJECTIVE OF THE POLICY

(a) The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent director(s) on the Board, KMP(s) and the Senior Management Personnel of the quality required, Shilpa Medicare allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:

(i) guiding the Board in relation to appointment and removal of Director(s), Key Managerial Personnel and Senior Management;

(ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

(iii) recommending to the Board the remuneration payable to the Director(s) and setting forth a policy for determining remuneration payable to KMP and Senior Management Personnel.

(b) While determining the remuneration for the Director(s) (including non-executive directors) and KMPs and Senior Management Personnel, regard should be had to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.

(c) While designing the remuneration package it should be ensured:

(i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;

(ii) there is a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(d) Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.

(e) The Committee may consult with the chairman of the Board as it deems appropriate.

The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including Section 178 thereof), rules framed there under and clause 49 of the Listing Agreement including, inter-alia, principles pertaining to determining qualifications, positives attributes, integrity and independence.

(f) In this context, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors through circulation on 08th December, 2014.

3. EFFECTIVE DATE

This policy shall be effective from the date of its adoption by the Board.

4. DEFINITIONS

(a) In this Policy unless the context otherwise requires:

(i) **'Board of Directors' or 'Board',** in relation to the Company, means the collective body of the directors of the Company.

(ii) **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

(iii) **'Company'** means "SHILPA MEDICARE LIMITED".

(iv) **'Independent Director'** means a director referred to in Section 149(6) of the Companies Act, 2013 read with clause 49 of the Listing Agreement.

(v) **'Key Managerial Personnel'** (KMP) shall have the meaning ascribed to it in the Act and the Rules made thereunder.

(vi) **'Non-Executive Directors'** includes Independent Directors.

(vii) **'Policy'** means Nomination and Remuneration policy.

(viii) **'Senior Management Personnel'** for this purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.

(b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

This Policy is applicable to:

(i) Directors, including Non- Executive Directors

(ii) Key Managerial Personnel

(iii) Senior Management Personnel

6. MEMBERSHIP

(a) The Committee shall consist of such number of directors as is required under applicable laws.

(b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.

(c) Term of the Committee shall be continuous unless terminated by the Board of Directors.

7. CHAIRMAN

(a) Chairman of the Committee shall be an Independent Director.

(b) Chairperson of the Company (whether executive or non executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.

(c) Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such intervals as may be required.

9. COMMITTEE MEMBERS' INTERESTS

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

11. QUORUM

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee whichever is greater.

12. VOTING

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

13. RESPONSIBILITY OF THE COMMITTEE

(a) The Committee is responsible for:

(i) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;

(ii) advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management;

(iii) monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;

(iv) monitoring and evaluating the application of this Policy;

(v) monitoring and evaluating current remuneration structures and levels in the Company; and

(vi) any other responsibility as determined by the Board.

14. APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL

(a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and/or Senior Management Personnel.

(b) A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

(c) Appointment of Directors, KMPs and Senior Management Personnel is subject to compliance of provisions of the Companies Act, 2013 and compliance of clause 49 of the Listing Agreement.

(d) The appointment of a Director or a KMP, as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

15. REMUNERATION

(a) Remuneration to Executive Directors, Directors other than Executive Director:

(i) The remuneration/ compensation/ commission etc. to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

(ii) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

(iii) Increments to the existing remuneration/ compensation structure of Directors shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.

(iv) Where any insurance is taken by the Company on behalf of its Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(v) Remuneration to Executive Director

Fixed pay:

- Executive Director(s) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Variable components:

- The Executive Director(s) may be paid performance linked commission within the overall limits as approved by the shareholders.

Remuneration to Directors other than Executive Director:

Sitting Fees:

- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

(b) Remuneration to KMP and Senior Management Personnel:

(i) The remuneration payable to KMP and Senior Management Personnel including their increments will be determined by the Managing Director and recommend to the Nomination and Remuneration Committee for approval.

(ii) Where any insurance is taken by the Company on behalf of its KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(iii) Remuneration:

(i) Fixed pay:

- KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Committee.

(ii) Variable components:

- Based on the performance KMP and Senior Management Personnel will be paid incentives.

16. POLICY ON BOARD DIVERSITY

(a) The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like[production, management, quality assurance, finance, sales and marketing, research and development, Human Resources etc] or as may be considered appropriate.

(b) The Board shall have at least one Board member who has accounting or related financial management expertise.

17. REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director(s), KMP(s) and Senior Management subject to the provisions and compliance of the applicable Act, rules and regulations, if any.

18. DISCLOSURE OF INFORMATION

This Policy shall be disclosed in the Board's report.

19. DEVIATION FROM THE POLICY

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are specific reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

20. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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, 2015

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, 2015 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, 2015 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 Applicbale);

   (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) Listing Agreements entered with the Stock Exchanges;

   (vii) 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, 1992;

   (d) Securities and Exchange Board of India (Depositories and Participants) regulations, 1996;

   (e) 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 there under;

   (d) Electricity Act, 2003;

   (e) Indian Boilers Act, 1923.

   (f) SEZ Act, 2005

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE);

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 Ms. Namrata Bhutada has been co-opted as Additional Director w.e.f. 28th February, 2015.

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, consent of the members has been sought on 12.05.2014 for the Special Resolutions as follows

a) **To Issue 17,64,705 Equity Shares of Rs.2/- each on Preferential Basis** and

b) **To Increase the Aggregate Limit of FIIs' Shareholding** up-to 30% of the paid up share capital of the Company.

We further report that during the year under review, the Company has allotted 17,64,705 equity shares of Rs.2/- each to Tano Mauritius India FVCI II at a premium of Rs. 423/- each on 15th May, 2014 on preferential basis and has complied with all the applicable laws in relation thereto.

We further report that during the year under review, the Company has acquired 75% of equity shares of INM Technologies Private Limited. Subsequent to that INM Technologies Private Limited has become a subsidiary 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 : 07-08-2015

MANAGEMENT DISCUSSION AND ANALYSIS

a) **Industry Structure and Development:** The global pharmaceutical market is now estimated to be US $ 1 trillion and is growing at a rate of about 4 -5 % per annum. North America, Japan and Europe constitute about 70% of the global pharmaceutical market. Increased penetration of specialized drugs and continued rise of emerging markets are key trends that will shape the global pharmaceutical markets in the coming years. Due to advances in science and technology, the research based pharmaceutical industry is entering an exciting new era in medicine development. The research methods are evolving and the innovative pharmaceutical industry aims to turn fundamental research into innovative treatments that are widely available and accessible to patients. A move to value based outcomes in drug research, increased penetration of specialty drugs, greater patient access to medicines, the reduced impact from patent expiries and continued rise of emerging markets will be primary drivers behind increase in global medicine spending through 2018.

b) **Outlook, Risks and Concerns**: Indian pharmaceutical market is considered to be a highly fragmented and consolidation has become an important feature of this industry. Indian pharmaceuticals exports have increased from US$ 2 billion in 2006 to about US$ 10 billion in 2014. Though in the world pharmaceutical market, India is ranked 3rd in volume, it has a negligible share by value and ranks 13th. India has a huge pool of scientists and engineers who have potential to take this industry to a very high level of growth. Indian pharmaceutical industry is estimated to grow at nearly 20% over the next 5 years. Indian pharmaceuticals manufacturing facilities registered with US FDA at 500 plus was 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.

However, poor public healthcare funding and infrastructure, low per capita consumption of medicines in developing and under developed countries including India, currency fluctuations, regulatory issues, inflation and resultant all round increase in input costs are few causes of concern. During the year under report, there was no change in the nature of Company's business.

c) **Financial Performance and Operations Review**: During the financial year under report, the Company registered a total income of Rs.570.86 crores against Rs.536.22 crores in the previous year, a growth of 6.46%. The Company is implementing comprehensive measures at all its manufacturing sites to ensure quality and regulatory compliances.

During the financial year under report, the Earnings before interest, depreciation amounted to Rs.141.98 crores as against Rs.126.57 crores in the previous financial year. The operations have resulted in a net profit of Rs.84.10 crores during the financial year under report as against Rs.80.86 crores in the previous financial year.

d) **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.

e) **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.

f) **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 Clause 49 of the listing agreement)

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 Clause 49 of the Listing Agreement with the Stock Exchanges.

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 code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed herein below.

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) are 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.

During the year under review Seven Board Meetings were held on **11.04.2014, 15.05.2014, 29.05.2014, 18.07.2014, 14.08.2014, 14.11.2014 and 14.02.2015.** The maximum gap between two consecutive meetings did not exceed One hundred and twenty days. The details of the meetings held are as follows:

Name of the Director	Category	No of Board Meetings during the Year 2014-2015		Attendance at last AGM 20-07-2014	@No of Director-ships held in other Companies	#No of Member-ships held in committees
		Held	Attended			
Omprakash Inani	Chairman, Non-Executive -Promoter	7	7	Yes	4	2
Vishnukant C Bhutada	Managing Director -Promoter	7	7	Yes	6	1
Venugopal Loya	Independent Director	7	3	Yes	NIL	1
Carlton Felix Pereira	Independent Director	7	4	No	10	2
Narinder Pal Singh Shinh	Independent Director	7	3	No	14	3
Rajender Sunki Reddy	Independent Director	7	5	Yes	5	1
Pramod Badrinarayan Kasat	Independent Director	7	7	No	6	2
Ajeet Singh Karan	Independent Director	7	6	No	5	1
$Namrata Bhutada	Non-Executive-Promoter	N.A	N.A	N.A	N.A	N.A

@ 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.

$ Has been co-opted as Additional Director w.e.f 28th February, 2015.

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. 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.

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 the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement 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, Sr. Mgr. Finance, 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 date's 28.05.2014, 13.08.2014, 13.11.2014 and 13.02.2015. 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 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 annexed as Annexure 8 to the Board's Report.

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

Rs./lacs.

Salary	133.5
Allowances, Perquisites & others	0.396
Commission	455.7
Company's Contribution to PF	10.8
Total	**600.39**

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.

Compensation 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 31-03-2015
Omprakash Inani	Chairman	70000	1157352
N.P.S. Shinh	Independent Director	30000	6096
Carlton Felix Pereira	Independent Director	40000	735
Pramod Badrinarayan Kasat	Independent Director	0	73920
Venugopal Loya	Independent Director	30000	Nil
Rajender Sunki Reddy	Independent Director	0	12750
Ajit Singh Karan	Independent Director	0	Nil
Namrata Bhutada	Non-executive Director	NIL	11250

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 Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer, Mr.Ramakant Innani, 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 119 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, 2015.

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, 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
March 31st 2012	29th September, 2012	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka	11.30 AM	a) For reappointment of Mr. Vishnukant C. Bhutada as Managing Director b) For consent U/s.314 of the Companies Act 1956 to Mr. Deepak Inani to hold an office or place of profit

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 Clause 49 (ix) of the Listing Agreement pertaining to CEO certification for the financial year ended 31st March, 2015.

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, 2015. 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 of Clause 49 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

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	:	28th September, 2015 at 11.30 a.m.
Venue	:	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka
Last Date of Proxy forms submission	:	25th September, 2015 at 11.30 a.m.
B. Financial Year	:	1st April 2014 to 31st March 2015
C. Book Closure	:	21st September, 2015 to 28th September, 2015
D. Dividend Payment Date	:	5th October, 2015 to7th October, 2015
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

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	INE790G01023	

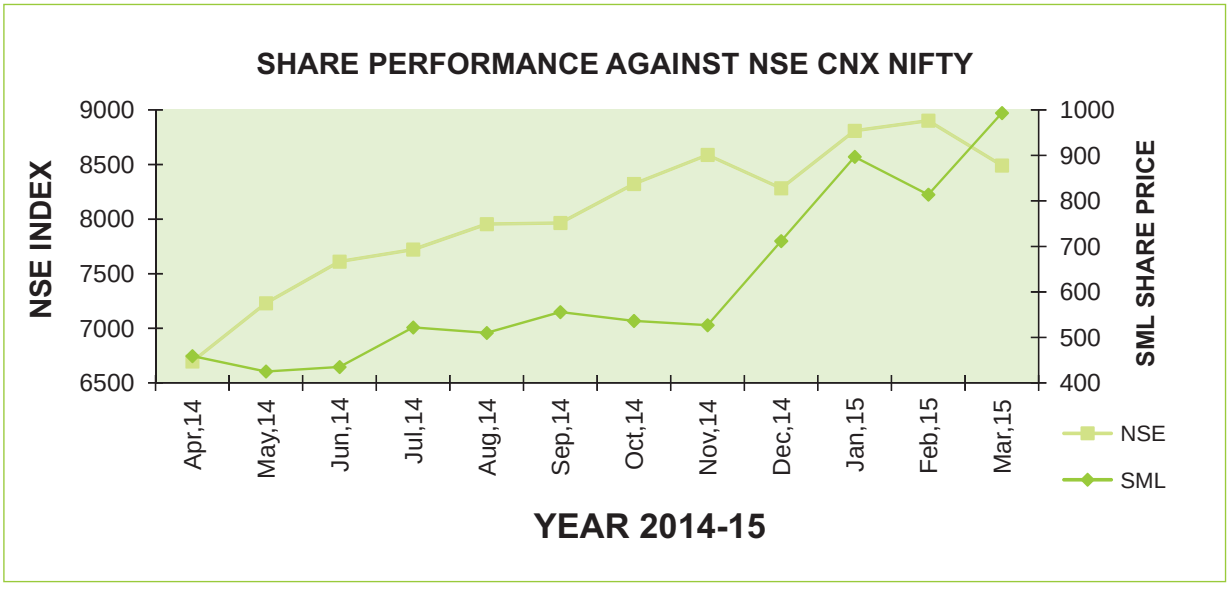
The Companies Securities are listed on BSE Limited and the National Stock Exchange of India Limited. The listing fees for the year 2014-2015 have been paid to both the above said Stock Exchanges.

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 2014-2015 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, 2014	469.00	395.00	85,240	459.00	400.85	2,66,902
May, 2014	470.50	395.00	74,923	462.2	410.80	2,02,444
June, 2014	448.00	340.00	1,14,075	435.05	414.85	4,00,097
July, 2014	529.75	433.50	2,26,106	521.95	433.65	9,84,821
August, 2014	565.00	477.00	2,12,560	553.30	492.60	8,55,645
September, 2014	578.70	505.00	1,53,831	573.40	516.15	3,82,640
October, 2014	581.00	512.70	40,319	577.70	516.55	2,02,173
November, 2014	574.05	518.00	50,845	563.60	520.85	1,78,501
December, 2014	743.80	502.65	1,52,645	711.80	523.30	5,00,856
January, 2015	998.00	683.75	3,12,496	965.50	685.35	10,51,900
February, 2015	963.00	801.00	1,14,369	942.85	807.65	3,44,898
March, 2015	1,059.00	766.50	3,43,502	1022.40	773.85	13,53,193

H. Share Performance of the Company in Comparison with BSE Sensex



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 audit 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.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been given by a Practicing Company Secretary with respect to compliance of shares transfer formalities.

K. Distribution of Equity Shares as on 31st March, 2015.

CATEGORY		No of Shareholders	% to Total Shareholders	No. of Shares Held	% to Capital
From	To				
1	5000	9114	95.57	2019545	5.24
5001	10000	194	2.03	710118	1.84
10001	20000	106	1.11	712453	1.85
20001	30000	36	0.38	451252	1.17
30001	40000	16	0.17	290989	0.75
40001	50000	3	0.03	68768	0.18
50001	100000	18	0.19	701146	1.82
100001	ABOVE	49	0.52	33596681	87.15
	TOTAL	**9536**	**100.00**	**38550952**	**100.00**

L. Shareholding Pattern as on 31st March, 2015.

Category	No. of Shares held	% of Capital
Indian Promoters	20451346	53.05
Banks, Financial institutions, Insurance Companies & Mutual Funds	42259	0.11
Foreign Institutional Investors	5688802	14.76
Indian Public & HUFs	5844391	15.16
Private Corporate Bodies	2492379	6.47
NRIs /OCBs/ FCBs	3962968	10.28
Others	68807	0.17
Total	**38550952**	**100**

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, 2015, 98.72% of the Company's Equity Shares are in dematerialized form. The ISIN NO/Code for the Company's Equity Shares is INE790G01023. Shareholders can open account with any of the depository participants registered with any of these depositories.

N. Plant Locations

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

2. **100% EOU and R & D Unit**
   Plot Nos. 33-33A, 40 to 47,
   Raichur Industrial Growth Centre
   Wadloor Road, Chicksugur Cross,
   Chicksugur- 584134
   (Dist. Raichur)

3. **SEZ Unit**
   Plot No. S-20 to S-26, Pharma SEZ
   TSIIC Green Industrial Park,
   Pollepally village, Jadcherla mandal,
   Dist - Mahaboobnagar - 509301 (Telangana)

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

3. **Wind Mills**

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

O. Subsidiaries

1. LOBA Feinchemie GmbH, (Step-down Subsidiary)
   Fahragasse 7, A- 2401, Fischamend, Austria.
2. ZATORTIA HOLDINGS LIMITED
   70 Kennedy, 4th Floor, 1076 Nicosia,
   Cyprus, P.O Box- 20971, 1662
3. RAICHEM MEDICARE PRIVATE LIMITED,
   Plot No 24, 25, 26 & 26P, Raichur Industrial Growth Centre,
   Chicksugur Village, Raichur, Karnataka
4. NU THERAPEUTICS PRIVATE LIMITED,
   Plot No.118 Phase-III, IDA, Cherlapalli, Hyderabad - 500051
5. INM Technologies Private Limited
   H.No.7-5-216, Radhe Krupa, Jawahar Nagar, Raichur, Karnataka - 584 103.
6. MAKINDUS INC
   206 Avondale Drive, North Wales, Pennsylvania 19454, Montgomery.

P. Address for Correspondence

Shilpa Medicare Limited
1st Floor, 10/80, Rajendra Gunj,
Raichur- 584102, Karnataka

For and on behalf of the Board

Place : Hyderabad
Date : 07.08.2015

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, 2015 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 Chaturbhuj Bhutada**
Dated : 29.05.2015	CFO	MANAGING DIRECTOR

Declaration by the Managing Director

I, Vishnukant C. Bhutada, Managing Director, hereby declare that the Company has received 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 the year 2014-2015.

	Sd/-
Place : Hyderabad	**Vishnukant C. Bhutada**
Dated : 07.08.2015	MANAGING DIRECTOR

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Member of Shilpa Medicare Ltd.,

We have examined the compliance of Corporate Governance by Shilpa Medicare Ltd.,(the "Company") for the financial year ended on 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said company with the concerned Stock Exchange.

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 Listing Agreement.

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/S200013

Sd/-
CA Pankajkumar Bohara
Partner
M.No.215471

Place : Hyderabad
Dated : 07-08-2015

INDEPENDENT AUDITOR'S REPORT

To the Members of 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, 2015, 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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, 2015, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 50 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 Annexure1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

f. 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. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. 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
(Firm Regn No: 008127S/S-200013)

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

Place : Hyderabad
Date : May 29, 2015

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Shilpa Medicare Limited ('the Company') for the year ended March 31, 2015. 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, 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) No material discrepancies were noticed on such verification.

2) In respect of Inventories

   a) The Inventory 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 the respective parties as at year end.

   b) The procedure as explained to us and followed by the Management for physical verification of Inventories is reasonable and adequate in relation to the size of the company and the nature of its business.

   c) According to the information and explanation given to us, the Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventories.

3) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013:

   a) The Company has not taken any secured / unsecured loan from any company or parties covered in the register maintained under section 189 of the Act.

      During the year the Company has given unsecured loans of Rs.229.24 Lakhs (Incl. Interest) to 02 subsidiaries and Rs.15.45 (Incl. Interest) Lakhs was given to 01 associate company during the year. Rs.200.00 Lakhs was repaid by 01 subsidiary Company during the year. The total outstanding balance receivable from 02 of the Subsidiaries as on 31.03.2015 is Rs.2,409.72 Lakhs and Rs.200.44 Lakhs from 01 of its Associate Company respectively, covered in the register maintained under section 189 of the Act.

   b) The rates of interest and the terms and conditions of the above said transactions where ever applicable, are prima-facie not prejudicial to the interest of the company.

   c) The payment of Principal amount and interest thereon, where ever applicable are regular. There were no overdue amounts of the aforesaid transactions.

4) In our opinion and according to the information and explanations given to us, as well as taking into consideration the management representation given to us, that certain items of fixed assets and inventories are of specialized nature for which no alternative quotations are available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and inventory and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

5) The Company has not accepted any deposits from the public.

6) On the basis of records produced, we are of the opinion that prima-facie cost records and accounts prescribed by the central government under section 209(1) d of the Companies Act, 1956 in respect of the products of the company under the rules under said section are 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, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount claimed (Rs in Lakhs)	Payment under protest (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	951.94	50.00	F.Y 2010-2011	CIT (Appeals)
Income Tax Act, 1961	Income tax	402.56	123.28	F.Y 2009-2010	CIT (Appeals)

8) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

9) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

10) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and banks. The Company does not have any borrowing by way of debenture.

11) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiary Companies from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

12) According to the information and explanations given to us, term loans taken during the year were applied for the purpose for which they were obtained.

13) 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 fraud on or by the Company has been noticed or reported during the year.

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 : Hyderabad
Date : May 29, 2015

Part - I - Standalone Balance Sheet as at 31st March,2015

(All amounts are in lakhs, otherwise stated)

	Particulars	Notes	As at 31st March, 2015	As at 31st March, 2014
A	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	(a) Share Capital	2	771.02	735.72
	(b) Reserves and Surplus	3	55,538.56	40,520.78
	Sub-Total Shareholders' funds		**56,309.58**	**41,256.51**
2	**NON- CURRENT LIABILITIES**			
	(a) Long-Term Borrowings	4	1,622.82	3,737.99
	(b) Deferred Tax Liabilities (Net)	5	3,931.21	2,697.47
	(c) Long Term Provisions	6	331.45	87.89
	Sub-Total Non Current Liabilities		**5,885.49**	**6,523.35**
3	**CURRENT LIABILITIES**			
	(a) Short-Term Borrowings	7	5,084.21	2,202.24
	(b) Trade Payables	8	6,557.89	8,661.15
	(c) Other Current Liabilities	9	3,885.06	3,563.60
	(d) Short Term Provisions	10	542.84	477.89
	Sub-Total Current Liabilities		**16,070.00**	**14,904.89**
	TOTAL EQUITY AND LIABILITIES		**78,265.07**	**62,684.74**
B	**ASSETS**			
1	**NON- CURRENT ASSETS**			
	(a) Fixed Assets (Net Block)			
	i) Tangible Assets	11	27,519.68	25,507.11
	ii) Intangible Assets	11	481.62	258.94
	iii) Tangible Assets under Development	12	8,771.30	4,923.52
			36,772.60	**30,689.57**
	(b) Non Current Investments	13	7,424.44	6,506.51
	(c) Long Term Loans and Advances	14	3,158.42	3,053.03
	Sub-Total Non Current Assets		**47,355.47**	**40,249.11**
2	**CURRENT ASSETS**			
	(a) Current Investments	15	6,535.40	1,013.90
	(b) Inventories	16	12,087.59	10,895.03
	(c) Trade Receivables	17	7,012.04	6,030.92
	(d) Cash and Cash Equivalents	18	249.06	80.52
	(e) Short Term Loans and Advances	19	4,743.46	4,318.69
	(f) Other Current Assets	20	282.05	96.57
	Sub-Total Current Assets		**30,909.60**	**22,435.63**
	TOTAL ASSETS		**78,265.07**	**62,684.74**

The accompanying notes are an integral part of the Financial Statements. Notes 01 to 51

As per our report of event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
Company Secretary

N.C. Bhandari
Chief Financial Officer

Part - II - Standalone Statement of Profit and Loss for the Year ended 31 March,2015

(All amounts are in lakhs, otherwise stated)

Particulars	Notes	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue			
Revenue from Operations	21	54,099.38	51,116.22
Less: Excise Duty		549.77	699.39
Other Operating Revenues	22	2,990.60	2,319.98
Revenue from operations (Net)		**56,540.21**	**52,736.81**
Other Income	23	545.34	885.33
TOTAL REVENUE		**57,085.55**	**53,622.14**
Expenses			
a) Cost of Materials Consumed	24	30,786.61	31,229.48
b) Purchases of Stock-in Trade	25	606.83	550.98
c) Change in Inventories of Finished Goods, Work-in-Progress and Stock-in- Trade	26	(311.15)	(1,182.83)
d) Employee Benefits Expense	27	5,648.85	4,212.52
e) Finance Costs	28	387.98	339.74
f) Depreciation and Amortisation Expense	11	1,908.50	2,109.20
g) Other Expenses	29	6,156.29	6,154.85
TOTAL EXPENSES		**45,183.91**	**43,413.94**
Profit Before Extraordinary Items and Tax		11,901.64	10,208.20
Prior Period Expenses		8.34	0.00
Profit Before Tax		**11,893.30**	**10,208.20**
Tax Expenses			
a) Current Tax		2,454.31	2,099.87
Less: Mat Credit Entitlement		(154.65)	(614.65)
b) Prior Period Tax		1.38	2.85
c) Deferred Tax		1,182.49	634.45
Total Tax Expenses		**3,483.53**	**2,122.52**
Profit for the Period		**8,409.77**	**8,085.68**
Earning Per Equity share of Rs 2/- each			
a) Before Extraordinary item			
Basic-Rs		21.94	21.98
Diluted-Rs		21.94	20.97
b) After Extraordinary item			
Basic-Rs		21.94	21.98
Diluted-Rs		21.94	20.97
Number of shares used in computing EPS (In Lakhs)			
Basic		383.89	367.86
Diluted		383.89	385.51

The accompanying notes are an integral part of the Financial Statements.

As per our report of event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
Company Secretary

N.C. Bhandari
Chief Financial Officer

Standalone Cash Flow Statement for the year ended March 31, 2015

(All amounts are in lakhs, otherwise stated)

Particulars	As at 31st March, 2015	As at 31st March, 2014
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Profits Before Tax (PBT)	11,893.30	10,208.20
Less: Adjustments		
Interest Received	298.42	221.10
Dividend Income	190.30	195.94
Liabilities Written Back	14.96	56.79
Provision Written Back	7.39	3.21
Unrealized Gain on Reinstatement	62.25	97.95
Gain on Sale of Mutual Funds	25.68	308.87
	11,294.31	**9,324.35**
Add: Adjustments		
Depreciation & Amortisation	1,908.50	2,109.20
Interest Paid	387.98	339.74
Loss on Sale of Fixed Assets	0.97	9.16
Bad Debts Written off	21.21	1.30
Provision for Gratuity	300.79	-
Provision for Leave Encashment	42.69	-
Provision for CSR Expense	138.97	-
Deposits Written off	-	0.91
Short Term Loss on Sale of Investments	58.78	30.47
Unrealized Exchange Loss on Reinstatement	-	35.23
Operating Profit Before Working Capital Changes & Other Adjustments	**14,154.20**	**11,850.36**
Adjustments for Increase/(Decrease) in Operating Liabilities		
- Trade Payables	(2,045.76)	4,017.03
- Other Current Liabilities & Short Term Provisions	40.21	1,405.77
- Long Term Provisions	-	56.65
Adjustments for (Increase)/Decrease in Operating Receivables	-	-
- Inventories	(1,192.56)	(4,282.07)
- Trade Receivables	(1,055.32)	(2,861.28)
- Long Term Loans & Advances	(96.39)	(117.11)
- Short Term Loans & Advances & Other Current Assets	(568.94)	(2,040.56)
	9,235.44	8,028.79
Less: Income Tax (Net)	(2,500.77)	(2,129.84)
Net Cash Inflow from Operating Activities	**6,734.67**	**5,898.95**
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl.CWIP)	(7,713.58)	(5,992.64)
Sale of Fixed Assets	1.40	10.93
Capital Advances	125.09	(300.90)
Interest Received	294.21	221.54
Dividend Income	190.30	195.94
(Increase)/Decrease in Non-Current Investments	(1,349.73)	(2,247.54)
(Increase)/Decrease in Current Investments	(5,495.82)	4,292.66
Net Cash Outflow from Investing Activities	**(13,948.13)**	**(3,820.02)**

(Contd.)

Cash Flow (Contd.)

(All amounts are in lakhs, otherwise stated)

Particulars	As at 31st March, 2015	As at 31st March, 2014
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Long Term Borrowings	(2,177.44)	(673.73)
Increase in/(Decrease) Short Term Borrowings	2,900.77	(1,667.47)
Dividend and Corporate Dividend tax paid	(451.18)	(368.30)
Increase in Share Capital	35.29	-
Increase in Securities Premium Account	7,464.70	-
Interest paid	(390.14)	(341.46)
Net Cash Outflow from Financing Activities	**7,382.01**	**(3,050.96)**
Net Increase/(Decrease)in Cash and Cash Equivelants	168.54	(972.03)
Cash & Cash Equivelants at the Beginning of the year	80.52	1,052.55
Cash & Cash Equivelants at the End of the year	**249.06**	**80.52**

Components of Cash and Cash Equivalents	As at 31st March, 2015	As at 31st March, 2014
Cash on Hand	21.76	23.28
Cash at Banks		
a) In Current Account	58.70	29.05
b) In Fixed Deposit Account (With Maturity Less than 3 Months)	142.17	2.65
c) Unclaimed Dividend	12.73	12.88
d) Fixed Deposit held as Margin Money	13.70	12.66
Total Cash and Cash Equivalents	**249.06**	**80.52**

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 event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
Company Secretary

N.C. Bhandari
Chief Financial Officer

Significant Accounting Policies

NOTE: 1

Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material aspects with the applicable accounting standards, as notified under sec.133 of the Companies Act 2013 ('the Act') read together with Paragraph 7 of the Companies (Accounts) Rules 2014. 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. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1. Significant Accounting Policies

a) Use of Estimates :

The preparation of financial statements in conformity with Indian GAAP requires judgments, 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.

b) Fixed Assets:

i. Tangible Assets are stated at cost net of recoverable taxes, less accumulated depreciation and impairment losses if any. Cost of Tangible Assets comprises its purchase price and any attributable cost of bringing the assets to its working condition for its intended use and adjustments arising from exchange rate variations attributable to the assets.

Projects under which assets are not ready for their intended use are disclosed under Capital work in progress.

ii. Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any expenditure directly attributable on making the asset ready for its intended use and adjustments arising from exchange rate variations attributable to the assets if any.

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.

c) Depreciation:

i. Depreciation on Fixed Assets is provided based on the useful life of the assets as prescribed in Schedule II of the Companies Act-2013, except in respect of storage drums which are depreciated over a period of 05 years as ascertained by the management.

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

d) 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. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

e) Investments:

i. Non-current investments are stated at cost. Provision for diminution in the value of Non-current investments is made only if such a decline is other than temporary.

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

f) Inventory:

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

ii. Work-in-progress & Finished goods are valued at estimated cost or net realizable value whichever is lower.

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

g) Employee Benefits:

Provident Fund

Contribution towards Provident Fund for employees is made to the regulatory authorities,

where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

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.

Short Term Employee Benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

h) 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.

i) 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 gross revenue. Excise duty deducted from gross revenue is the amount that is included in the revenue 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

j) Other Income

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

ii. Dividend Income: Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

k) 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 on the date of the Transaction.

Conversion

Foreign currency monetary Items are reinstated using the exchange rate prevailing on the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or as expense for revenue items.

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

l) 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.

m) Derivative Instruments:

The Company uses derivative financial instrument such as Interest Rate Swap to hedge its risk associated with Interest rate on External Commercial Borrowings. The difference between the forward rate and the exchange rate at the time of settlement is recognized as expense over the life of the contract.

n) 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 Income 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".

o) 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. Contingent assets are neither recognized nor disclosed in the financial statement.

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

(All amounts are in lakhs, otherwise stated)

2. SHARE CAPITAL

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised Shares		
4,25,00,000 (P.Y. 4,25,00,000), Equity Shares of Rs. 2/- each.	850.00	850.00
	850.00	**850.00**
Issued, Subscribed and Fully Paid up Shares:		
3,85,50,952 of Rs 2/- each fully paid up (PY: 3,67,86,247).	771.02	735.72
TOTAL	**771.02**	**735.72**

1(a) Reconciliation of number of Shares.

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos	Amount	Nos	Amount
Shares at the beginning of the year	36786248	735.72	24524165	490.48
Add : Issued during the year :	1764705	35.29	12262083	245.24
Shares at the end of the year	**38550953**	**771.02**	**36786248**	**735.72**

1(b) Rights Preferences and Restrictions attached to Equity Shares:

The Company has only one class of Equity shares having par value of Rs 2/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

1(c) Shareholders holding more then 5% shares.

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No of Shares	% Held	No of Shares	% Held
i) Vishnukant C. Bhutada	4281551	11.11	4354551	11.84
ii) Tano Mauritius India FVCI II	3589753	9.31	1825048	4.96
iii) Baring India Private Equity III Limited	3000000	7.78	3000000	8.16
iv) Dharmavati Bhutada	2071383	5.37	2071383	5.63
v) Kanta Bai Inani	1919820	4.98	1919820	5.22
vi) Kamal Kishore Inani	1874414	4.86	1884414	5.12

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

Particulars	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 years.	-	12,262,082

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

(All amounts are in lakhs, otherwise stated)

3. RESERVES AND SURPLUS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(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	11,201.01	11,446.25
Add: On Issue of shares	7,464.70	-
Less: Utilised on issue of Bonus shares	-	245.24
Closing Balance	**18,665.71**	**11,201.01**
(d) General Reserves		
Opening Balance	3,182.68	2,372.68
Add: Amount transferred from Surplus in Statement of Profit & Loss.	500.00	810.00
Less: Amount utilised	-	-
Closing Balance	**3,682.68**	**3,182.68**
(e) Surplus in Statement of Profit and Loss		
Opening Balance	25,039.84	18,215.18
Add: Adjustment related to Fixed Assets. (Net) (Ref. Note 12)	83.95	-
	25,123.79	**18,215.18**
Add: Profit for the year	8,409.77	8,085.68
Amount available for appropriations	**33,533.56**	**26,300.87**
Less: Appropriations		
a) Proposed Dividend (Refer Note below)	(424.06)	(385.51)
b) Dividend Distribution Tax	(84.79)	(65.52)
c) Transfer to General Reserve	(500.00)	(810.00)
	(1,008.85)	**(1,261.03)**
Closing Balance	**32,524.71**	**25,039.84**
Foreign Currency Monetary Translation Difference Account	412.46	844.25
TOTAL	**55,538.56**	**40,520.78**

Note:

The dividend of Rs.1.10 per share (PY Rs1.00 per share) proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting.

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

(All amounts are in lakhs, otherwise stated)

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(A) Term Loans (Secured)		
a) External Commercial Borrowings (ECB) of 10 Mn USD from the Standard Chartered Bank Ltd (SCB) is secured by hypothecation of Immovable Fixed Asset (USD 6 Mn.) of SEZ unit and (USD 4 Mn) Movable Fixed Assets of Raichur Plant and guarantees given by 02 of its Directors.	1,564.77	3,004.99
Terms of Repayment & Interest Rate: The above ECB is repayable in 8 equal half yearly installments with qtrly interest @ fixed libor of 1.78+ 3.50% last installment falls due on 27.03.2017.		
Term Loan - from Banks		
b) Term Loan of Rs 13 Cr avalied from The Lakhsmi Vilas Bank Limited is secured against existing Wind Electrical Converters and personal guarantees of 02 of its Directors.	58.05	733.00
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 Base Rate + 0.75% margin per annuam Last instalment falls due in July 2017.		
TOTAL	**1,622.82**	**3,737.99**

5. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liability (On account of timing difference of depreciation)	4,063.33	2,727.34
Deferred Tax Asset (On account of disallowable items under Income Tax Act)	(132.11)	(29.87)
TOTAL	**3,931.21**	**2,697.47**

6. LONG TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Gratuity	331.45	87.89
TOTAL	**331.45**	**87.89**

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

(All amounts are in lakhs, otherwise stated)

7. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured Loan		
Working Capital Loans		
From Banks		
i) SCB [Refer below note "a" & "c"(i) & (ii)]	4,270.53	2,202.24
ii) Citi Bank [Refer below note "b" & "c"(iii)]	813.68	-
Nature of Security		
a) Working Capital loan from SCB is secured by First 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 is secured by First Pari Passu Charge on current assets (both present & future) and First Pari Passu Charge on moveable & immovable fixed assets (except those created through other loans) and personal Guarantee of 02 Directors.		
c) Interest rate is as under:		
(i) On PSFC/PCFC - Libor + 1.5%		
(ii) On Overdraft - 12.75%		
(iii) On PSFC/PCFC - Libor + 1%		
TOTAL	**5,084.21**	**2,202.24**

8. TRADE PAYABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Trade paybles (Refer Note no 43 & 44)	5,720.18	8,033.66
(b) Others (Refer Note no 43 & 44)		
Creditors		
(i) Capital Creditors	745.01	414.68
(ii) Advances from Customers	92.70	212.81
TOTAL	**6,557.89**	**8,661.15**

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

(All amounts are in lakhs, otherwise stated)

9. OTHER CURRENT LIABILITIES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Current maturities of Long-Term Debt (For nature of security, terms of repayment & rate of interest refer note 04 above)	1,998.10	2,067.53
(b)	Interest accrued but not due on borrowings.	1.84	3.99
(c)	Unclaimed Dividends	12.73	12.88
(d)	Employee Benefit Liability	770.79	477.15
(e)	Book Overdraft	537.41	639.96
(f)	Provision for Expenses	326.14	158.17
(g)	Income/Wealth Tax (Net)	-	3.10
(h)	Tax deduction at source	208.74	156.96
(I)	Service Tax	3.90	2.96
(j)	VAT, Entry Tax ESI, & Professional Tax	8.72	27.41
(k)	Security/Trade Deposit	11.50	13.50
(l)	Unclaimed Bonus & Salary	5.19	-
	TOTAL	**3,885.06**	**3,563.60**

10. SHORT TERM PROVISIONS

	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	Provident Fund payable	33.99	26.86
b)	Others		
	i) Proposed Dividend	424.06	385.51
	ii) Tax on Proposed Dividend	84.79	65.52
	TOTAL	**542.84**	**477.89**

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

(All amounts are in lakhs, otherwise stated)

11 FIXED ASSETS

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	Cost As at 1 April 2014	Additions	Deletions/ Adjustment During the year	Gross Block As at 31.03.2015	As at 1 April 2014	For the Year	#Disposal/ Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
a) Tangible Assets										
i) Owned										
a) Borewell	13.32	2.26	-	15.58	1.63	3.87	0.16	5.65	9.93	11.70
b) Building	7,201.28	161.25	-	7,362.52	878.41	232.56	-	1,110.98	6,251.55	6,322.86
c) Canteen Equipment	2.85	0.52	-	3.37	0.44	0.62	0.24	1.30	2.07	2.42
d) Computer	339.63	43.31	-	382.94	166.46	114.75	(9.31)	271.91	111.03	184.41
e) Network Server Equipement	9.25	-	-	9.25	0.25	1.46	-	1.71	7.53	9.00
f) Electrical Installation	2,006.71	78.20	-	2,084.91	507.15	216.00	(12.80)	710.35	1,374.56	1,499.44
g) Empty Cylinders	4.67	-	-	4.67	4.06	0.06	-	4.12	0.55	0.61
h) ETP Building	454.55	-	-	454.55	89.92	14.20	-	104.12	350.43	364.63
i) ETP Machinery	215.78	8.30	-	224.08	69.78	8.80	-	78.58	145.50	146.00
j) Furniture	523.71	97.32	-	621.02	79.97	59.41	(0.75)	138.63	482.39	443.74
k) Generator	43.15	-	-	43.15	21.72	1.86	(0.42)	23.16	19.99	17.35
l) Lab Equipments	3,199.90	395.59	-	3,595.48	612.83	342.83	1.67	957.33	2,638.16	2,588.35
m) Office Equipments	20.75	10.67	-	31.42	2.78	7.74	(0.10)	10.42	21.00	17.51
n) P/M (Power Generation Unit)	2,022.00	1,820.31	-	3,842.31	1,529.70	92.45	(28.40)	1,593.75	2,248.56	492.30
o) Pipeline	1,691.62	78.23	-	1,769.85	509.61	69.77	(9.57)	569.82	1,200.04	1,182.01
p) Plant & Machinery	13,980.13	776.07	-	14,756.20	3,318.56	593.23	(70.97)	3,840.82	10,915.38	10,688.59
q) Pollution Control Equip.	36.51	-	-	36.51	32.75	0.39	(4.67)	28.47	8.03	3.76
r) R & D Equipments	238.44	-	-	238.44	92.92	58.94	(4.49)	147.37	91.07	144.92
s) Storage Tank	64.39	20.37	7.10	77.66	40.10	2.90	(17.50)	25.51	52.15	24.35
t) Transformer	46.61	-	-	46.61	7.05	4.19	(0.32)	10.92	35.69	43.71
u) Unit-II Land & Building	5.86	-	-	5.86	2.40	0.15	-	2.55	3.31	3.46
v) Vehicle	294.52	9.37	4.38	299.51	83.38	26.49	13.01	122.88	176.62	185.78
w) Vehical Electrical Operated	27.02	7.85	-	34.87	0.78	3.32	-	4.10	30.77	24.89
x) Xerox Machine	3.72	-	-	3.72	2.42	0.28	(0.10)	2.61	1.11	1.30
y) Weigh Bridge	3.47	-	-	3.47	1.29	0.40	-	1.69	1.78	2.18
z) EHS Equipement	1.06	0.44	-	1.50	0.03	0.12	-	0.16	1.34	-
aa) Storage Drums	-	2.85	-	2.85	-	0.20	-	0.20	2.65	-
ab) Land	509.91	201.37	-	711.28	-	-	-	-	711.28	509.91
TOTAL	**32,960.79**	**3,714.27**	**11.48**	**36,663.58**	**8,056.41**	**1,857.01**	**(144.32)**	**9,769.10**	**26,894.48**	**24,915.16**

(Contd.)

FIXED ASSETS (Contd.)

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	Cost As at 1 April 2014	Additions	Deletions/ Adjustment During the year	Gross Block As at 31.03.2015	As at 1 April 2014	For the Year	#Disposal/ Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
ii) Leased Assets										
a) Leasehold Land &										
Green Field	591.95	33.25	-	625.20	-	-	-	-	625.20	591.95
Total	**591.95**	**33.25**	**-**	**625.20**	**-**	**-**	**-**	**-**	**625.20**	**591.95**
Sub-Total(i+ii)	**33,552.74**	**3,747.52**	**11.48**	**37,288.78**	**8,056.41**	**1,857.01**	**(144.32)**	**9,769.10**	**27,519.68**	**25,507.11**
b) Intangible Assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Computer software	76.88	61.25	-	138.13	13.34	17.26	-	30.59	107.54	52.77
Technical Know How	21.88	-	-	21.88	21.88	-	-	21.88	-	-
DMF/Patents Fees	221.69	203.69	-	425.38	15.52	35.78	-	51.30	374.09	206.17
Sub-Total (B)	**320.45**	**264.94**	**-**	**585.39**	**50.73**	**53.03**	**-**	**103.77**	**481.62**	**258.94**
Sub-Total (A+B)	**33,873.19**	**4,012.46**	**11.48**	**37,874.18**	**8,107.14**	**1,910.05**	**(144.32)**	**9,872.87**	**28,001.31**	**25,766.05**
Less: Capitalized (C)						1.58				
Total (A+B-C)	**33,873.19**	**4,012.46**	**11.48**	**37,874.18**	**8,107.14**	**1,908.47**	**(144.32)**	**9,872.87**	**28,001.31**	**25,766.05**
Previous year figure	21269.95	12639.76	36.52	33873.19	6014.37	2,109.20	(16.43)	8107.14	25766.05	15255.58

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

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

Pursuant to Schedule II of The Companies Act -2013, Assets whose useful life is expired as on 01/4/2014 have been adjusted from opening retained earnings. Such adjustment is amounting to Rs.135.20 Lakhs before tax .

Rs in Lakhs

Assets	Current Year	Previous Year
a) Building	27.48	144.28
b) Electrical Installation	6.38	33.52
c) Lab Equipment	4.00	11.26
d) Pipline	2.53	14.01
e) Plant & Machineries	64.70	342.83
	105.09	**545.90**

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

(All amounts are in lakhs, otherwise stated)

12. TANGIBLE & INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31st March, 2015	As at 31st March, 2014
Tangible		
(a) Machinery Under Errection	171.32	23.28
(b) Projects Under Errection	7,686.34	4,270.76
(c) Pre-Operative Expenses (Pending Capitalization)	913.65	629.48
TOTAL	**8,771.30**	**4,923.52**

13. NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade Investments (At Cost) Fully paid-up		
i) In Subsidiary Companies		
a) Investments in Equity Shares (Unquoted)		
i) 2000 (2000) of Euro 1.71 each Zatortia Holdings Ltd, Cyprus	2,261.79	2,766.55
ii) 1,248,549 (1,248,549) of Rs 10/- each NU Therapeutic (P) Ltd, Hyderabad	713.18	713.18
iii) 6,48,455 (6,48,455) of Rs 10/- each Raichem Medicare (P) Ltd, Raichur.	958.68	958.68
iv) 11,25,000 of Rs 10/- each INM Technologies (P) Ltd.Bangaluru.	112.50	-
b) Investments in Common Stock (Unquoted)		
i) Investment in 350000 (350000) Common Stock of face value of 0.01 USD Makindus LLC USA.	1,251.82	601.00
c) Investments in Preference Shares(Unquoted)		
i) 400000 (400000) of Rs 10/- each NU Therapeutic (P) Ltd Hyderabad.	40.00	40.00
ii) 12000000 (8760000) Cummulative Redeemable Preference shares of Rs 10/- each Raichem Medicare Pvt. Ltd.	1,200.00	876.00
ii) In Associate Company		
Investments in Equity Shares (Unquoted)		
i) 100,000 (100,000) of Rs 10/- each in Reva Pharmachem (P) Ltd, Raichur	10.00	10.00
iii) In Joint Venture Company.		
d) Investment in Preference Instruments (Unquoted)		
i) 1400000 (900000) Preferred Stock at face value of 0.0001 USD in MAIA Pharmaceuticals INC,USA	876.27	540.90
	7,424.24	**6,506.31**
e) In Government Securities (Unquoted)		
i) National Savings Certificate.	0.20	0.20
Total Value of Unquoted Investments	**7,424.44**	**6,506.51**

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

(All amounts are in lakhs, otherwise stated)

14. LONG TERM LOANS AND ADVANCES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	**Capital Advances**		
	i) Unsecured, considered good (Refer Note : 50)	1,397.18	1,542.84
	Less: Provision for doubtful advances	-	-
	TOTAL (a)	**1,397.18**	**1,542.84**
b)	**Security Deposits (Unsecured Considered Good)**		
	i) Electricity Deposits	161.86	82.53
	ii) Rental Deposits	26.75	76.50
	iii) Telephone Deposits	0.60	0.60
	iv) Miscellaneous Deposits	14.78	10.07
		203.99	**169.70**
	Less: Provision for Doubtful Deposits	-	0.91
	TOTAL (b)	**203.99**	**168.79**
c)	**Other Loans and Advances (Unsecured Considered Good)**		
	i) Income Tax paid under protest (Refer note :46)	173.28	123.28
	ii) VAT on Capital Goods & Others Iteam (Refer note : 48)	41.27	33.54
	iii) MAT Credit Entitlement Benefit	1325.71	1,171.05
	iv) Prepaid Expenses	8.23	4.77
	v) Service Tax (Under Protest)	8.76	8.76
	TOTAL (c)	**1.557.25**	**1,341.40**
	TOTAL (a+b+c)	**3,158.42**	**3,053.03**

15. CURRENT INVESTMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investments in Mutual Funds (Quoted)		
i) HDFC Mutual Fund	1,023.48	-
ii) ICICI Prudential Mutual Fund	4,209.31	1,013.90
iii) Tempelton India Ultra Short Bond Fund	1,024.53	-
iv) SBI Mutual Fund	278.08	-
TOTAL	**6,535.40**	**1,013.90**
Aggregate market value of quoted Investment	**6,868.57**	**1,013.90**

16. INVENTORIES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Raw Materials		
	i) With Company	6,843.60	5,741.72
	ii) Goods- In-Transit	-	192.70
(b)	Work- in- process	4,771.16	4,411.28
(c)	Finished Goods		
	i) With Company/Consignment Agent	17.03	31.67
(d)	Stock-In-Trade	30.30	64.40
(e)	Stores and Spares	264.50	253.58
(f)	Packing Materials	161.00	199.68
	TOTAL	**12,087.59**	**10,895.03**

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

(All amounts are in lakhs, otherwise stated)

17. TRADE RECEIVABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured Considered Good (Refer Note 43)		
i) Trade receivable outstanding for the period more than six months	124.81	64.30
Considered Doubtful	15.42	1.30
	140.23	**65.60**
Less: Written-off	15.42	1.30
TOTAL (a)	**124.81**	**64.30**
Unsecured, Considered Good		
i) Trade receivable outstanding for the period less than six months	6,887.23	5,966.62
TOTAL (b)	**6,887.23**	**5,966.62**
TOTAL (a+b)	**7,012.04**	**6,030.92**

18. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Cash on Hand	21.76	23.28
(b) Balance with banks in current account	58.70	29.05
(c) Fixed Deposits with original maturity of less than 03 months (Refer note: 41)	142.17	2.65
(d) Unclaimed Dividends	12.73	12.88
(e) Fixed Deposits held as Margin money *	13.70	12.66
TOTAL	**249.06**	**80.52**

* 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, 2015	As at 31st March, 2014
(a) Loans and Advances to Related Parties - Unsecured Considered Good (Refer note 39)		
i) NU Therapeutics Pvt Ltd (Subsidiary)	680.38	823.80
ii) Raichem Medicare Pvt Limited (Subsidiary)	1,729.34	1,556.68
iii) Reva Pharma Chem Pvt Ltd (Associate)	200.44	185.00
TOTAL (a)	**2,610.16**	**2,565.48**
(b) Others (Unsecured)		
(a) Cenvat Receivable	1,430.91	1,210.23
(b) CST Receivable	213.12	225.36
(c) Service Tax Receivable	303.76	246.76
(d) Prepaid Expenses	154.41	48.92
(e) Staff Advance/Against Expenses	25.97	15.24
(f) Tender Deposits	4.63	6.20
(g) Rental Deposit	0.50	0.50
TOTAL (b)	**2,133.30**	**1,753.21**
TOTAL (a+b)	**4,743.46**	**4,318.69**

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

(All amounts are in lakhs, otherwise stated)

20. OTHER CURRENT ASSETS

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Income/Wealth Tax (Net)	41.98	-
(b)	Interest Accrued on Fixed Deposit and Others	11.29	7.09
(c)	Advance Receivable in Cash or Kind	221.88	89.48
(d)	Income accrued and due	6.90	-
		282.05	**96.57**
	Considered Doubtful	5.79	-
		287.84	**96.57**
	Less: Written-off	5.79	-
	TOTAL	**282.05**	**96.57**

21. REVENUE FROM OPERATIONS

	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
a)	**Sales of Products**	53,555.61	50,806.15
	Less: Excise Duty	549.77	699.39
		53,005.85	**50,106.76**
b)	**Power Sales**	543.77	310.07
	TOTAL	**53,549.61**	**50,416.83**
	i) Sale of Bulk Drugs/Intermediates	52,083.43	49,401.75
	ii) Trading	860.29	647.32
	iii) Power	543.77	310.07
	iv) Others	62.12	57.69
	TOTAL	**53,549.61**	**50,416.83**

22. OTHER OPERATING INCOME

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Product Development Charges	2,990.60	2,319.98
TOTAL	**2,990.60**	**2,319.98**

23. OTHER INCOME

	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a)	Interest Income		
	i) From Banks	16.05	28.06
	ii) From Others	282.37	193.04
(b)	Liabilities Written Back	14.96	56.79
(c)	Provision Written Back	7.39	3.21
(d)	Sale of Carbon Credits (Net)	-	22.88
(e)	Dividend on Current Investments	190.30	195.94
(f)	Miscellaneous Income	8.59	76.54
(g)	Gain From Redemption/Maturity of MFs	25.68	308.87
	TOTAL	**545.34**	**885.33**

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

(All amounts are in lakhs, otherwise stated)

24. COST OF MATERIAL CONSUMED

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Opening Stock	6,134.11	3,180.67
Add: Purchases	31,657.10	34,182.92
Less: Closing Stock	7,004.60	6,134.11
Cost of Material Consumed.	**30,786.61**	**31,229.48**
Material Consumed Comprises of :		
i) Raw Material Chemicals	30,656.27	31,135.03
ii) Packing Material	130.34	94.45
TOTAL	**30,786.61**	**31,229.48**

25. PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Purchase of Medicines/Bulk Drugs / Machinaries / Others	606.83	550.98
TOTAL	**606.83**	**550.98**

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

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Opening Stock		
(a) Finished Goods	96.07	63.20
(b) Work-In-process	4,411.28	3,261.32
Less: Closing Stock		
(a) Finished Goods	47.33	96.07
(b) Work-In-process	4,771.16	4,411.28
(Increase)/Decrease In Inventory	**(311.15)**	**(1,182.83)**

27. EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Salaries and Wages	5,037.68	3,905.39
(b) Contribution to Provident and other Funds	526.74	233.41
(c) Staff Welfare Expenses	84.43	73.72
TOTAL	**5,648.85**	**4,212.52**

28. FINANCE COST

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Working Capital Loans	130.06	78.53
(b) Term Loans	252.44	215.70
(c) Others	5.48	45.51
TOTAL	**387.98**	**339.74**

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

(All amounts are in lakhs, otherwise stated)

29. OTHER EXPENSES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Power and Fuel	1,749.91	1,554.80
(b) Repairs & Maintenance		
i) Buildings	122.08	132.88
ii) Machinery	568.93	429.82
iii) Others	52.55	44.63
(c) Rent	155.64	168.04
(d) Exchange Loss/(Gain) Net	(205.40)	557.00
(e) License Fees	16.88	19.00
(f) Insurance	66.27	64.96
(g) Traveling and Conveyance	167.02	165.49
(h) Contract Labour Charges	565.72	497.25
(i) Legal & Professional Fees	134.70	181.62
(j) Facility Fees	97.11	30.80
(k) Auditor's Fees	11.00	9.75
(l) Research & Development	1,237.08	886.19
(m) Transportation Charges	221.63	186.76
(n) Brokerage and Commission	276.56	433.26
(o) Job work charges	79.26	7.98
(p) Deposits written - off	-	0.91
(q) Directors Sitting Fees	1.70	1.40
(r) Sales Promotion & Advertisement	45.51	35.41
(s) Bad Debts/Advance/Written-off	21.21	1.30
(t) Clearing and Forwarding	247.87	245.10
(u) Loss on sale/discard of Assets.	0.97	9.16
(v) VAT/Entry tax	11.22	8.49
(w) Miscellaneous Expenses	510.87	452.38
(x) Short term Capital Loss	-	30.47
TOTAL	**6,156.29**	**6,154.85**

30. PRIOR PERIOD ITEMS

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Machinery/Laboratory Repairs & Maintinance	8.34	-
TOTAL	**8.34**	**-**

31. PAYMENT TO STATUTORY AUDITORS*

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
a) Statutory Audit	6.25	5.50
b) Tax Audit	2.25	2.00
c) Certification	2.50	2.25
TOTAL	**11.00**	**9.75**

*Excluding Service Tax

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

(All amounts are in lakhs, otherwise stated)

32. CONTINGENT LIABITIES AND COMMITMENTS

	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a)	Foreign Letter of Credit	1,343.53	1,258.59
(b)	Bank Guarantees/Corporate Guarantee	6,269.08	10.00
(c)	Claims Against the Company Not Acknowledeged as Debts.	1,194.50	1,198.39
(d)	Commitment against Capital Contracts yet to be executed (Net of Advance)	1,906.34	1,837.18
	TOTAL	**10713.45**	**4304.16**

33. DEFINED BENEFIT PLAN

Movement of Present value of the Defined Benefit Obligation	Year ended 31st March, 2015	Year ended 31st March, 2014
Obligations at Period Beginning	169.23	107.44
Service Cost	35.00	17.82
Interest on Defined Benefit Obligation	15.33	9.85
Benefits Settled	(4.01)	-
Actuarial (Gain)/Loss	296.05	34.12
Obligations at Period End	**511.61**	**169.23**
Change in Plan Assets		
Plans Assets at Period Beginning, at Fair value	81.34	76.19
Expected Return on Plan Assets	10.45	6.10
Actuarial Gain/(Loss)	(1.77)	(0.95)
Employer Contribution	36.92	-
Benefits Payout	(4.01)	-
Plans Assets at Period End, at Fair Value	**122.93**	**81.34**
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Closing PBO	511.61	169.23
Closing Fair value of Plan Assets	122.93	81.34
Closing Funded Status	**(388.68)**	**(87.89)**
Unrecognised actuarial (Gains)/Losses		
Net Asset/(Liability) Recognized in the Balance Sheet	(388.68)	(87.89)
Expenses Recognised in the P & L Account		
Service Cost	35.00	17.82
Interest Cost	15.33	9.85
Expected Return on Plan Assets	(10.45)	(6.10)
Actuarial (Gain)/Loss	297.82	35.07
Net Gratuity Cost	**337.71**	**56.65**
Experience Adjustment on Plan Assets	1.77	0.95
Experience Adjustment on Plan Liabilities	**296.05**	**34.12**

(Contd.)

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

(All amounts are in lakhs, otherwise stated)

DEFINED BENEFIT PLAN (Contd.)

C. Principal Actuarial Assumptions	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest Rate		
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	7.70%	9.17%
Expected rate of return on assets	8%	8%
Salary increase (taking into account inflation, seniority, promotion And other relevant factors)	8%	8%
Attrition rate of employees	5%	5%
Retirement age of employees (Years)	58	58

Actuarial gain/loss is recognised immediately. The estimates of salary increase,inflation, promotion, Seniority etc is taken into account for the purpose of calculating the provision for gratuity liability based on acturial valuation. 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, 2015	Year ended 31st March, 2014
(a)	Number of Share Holders	1	1
(b)	Number of Equity Shares Held.	3000000	2000000
(c)	Amount of Dividend Paid	3000000	2600000
(d)	Financial Year.	2013-14	2012-13

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

	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
i)	Value of Imported Raw Material, Spares parts and Other components consumed.	25,643.38	25,719.65
ii)	Value of Indigeneous Raw Material, Spares parts and Other components consumed.	5,613.31	5,861.55
b)	**Percentage of the above to total Consumption**		
	i) Raw Material, Spares parts and Other components Imported	82.04	81.44
	ii) Raw Material, Spares parts and Other components indigeneous .	17.96	18.56

36. EARNINGS IN FOREIGN CURRENCY

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
FOB Value of Export (Direct)	35,360.05	31,801.07
Product Development Charges	2,406.98	1,669.73
Total	**37,767.03**	**33,470.80**

37. EXPENDITURE IN FOREIGN CURRENCY.

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Import of Raw Material/Capital Goods	27,382.45	26,169.60
Interest	232.11	287.84
Commission/DMF Fees/Facility Fees/Professional/Others.	1,045.32	1,165.21
Total	**28,659.88**	**27,622.64**

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

(All amounts are in lakhs, otherwise stated)

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

Particulars	F.Y. 2014-2015 For the Year		F.Y. 2013-2014 For the Year	
	Raichur Facility	Vaizag Facility	Raichur Facility	Vaizag Facility
A) ELIGIBLE EXPENSES				
a) Capital Expenditure	118.14	108.59	97.91	436.24
b) Revenue Expenditure				
i) Employee cost	694.70	613.74	535.85	496.59
ii) Research & Development expenses	295.13	372.94	314.19	224.44
iii) Equipment Maintenance	30.92	34.95	22.67	23.20
iv) Power & Fuel	17.48	85.43	17.77	78.55
v) Lease Rent		132.83	-	146.02
vi) Other Expenses	12.14	80.44	44.22	101.32
TOTAL-A	**1,050.36**	**1,320.33**	**934.70**	**1,070.13**
Less : Revenue Income	-	112.73	-	78.10
NET TOTAL-A	**1,168.51**	**1,316.19**	**1,032.61**	**1,428.27**
B) IN-ELIGIBLE EXPENSES				
II) a) Revenue Expenditure				
i) Misc Expenses	16.12	8.14	0.35	1.82
ii) Depreciation	110.59	173.74	74.28	93.91
	126.71	**181.88**	**74.63**	**95.73**
b) Capital Expenditure	-	-	-	2.12
TOTAL-B	**126.71**	**181.88**	**74.63**	**97.85**
TOTAL (A+B)	**1,295.21**	**1,498.07**	**1,107.24**	**1,526.12**

39. 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
   b) Loba Feinchemie GmbH- Stepdown Subsidiary
   c) Raichem Medicare Pvt Ltd
   d) NU Therapeutics Pvt Ltd
   e) INM Technologies Pvt Ltd.
3. **Joint Venture (JV)**
   Maia Pharmaceuticlas INC. USA
4. **Key Management Personnel-(KMP)**
   a) Omprakash Inani
   b) Vishnukant C. Bhutada
5. **Relatives**
   a) Dharmavati Bhutada
   b) Deepak Kumar Inani

6. **Shilpa Foundation** - Trust in which Key Management personnel are Trustees.

RELATED PARTIES DISCLOSURES (Contd.)

(All amounts are in lakhs, otherwise stated)

Sl. No.	Particulars	Current Year					Previous Year				
		Subsidiaries	Associates	KMP	Relatives	JV	Subsidiaries	Associates	KMP	Relatives	JV
1	**Sales**										
	a) Loba Feinchemie, GmbH.	-	-	-	-	-	0.87	-	-	-	-
	b) Maia Pharmaceuticals Inc, USA.	-	-	-	-	147.98	-	-	-	-	-
2	**Reimbursement of Expenses-Paid**										
	a) Loba Feinchemie, GmbH.	8.50	-	-	-	-	-	-	-	-	-
3	**Reimbursement of Expenses -Received**										
3.1	a) Raichem Medicare Pvt.Ltd.	1.12	-	-	-	-	0.18	-	-	-	-
3.2	b) Reva Pharmachem Pvt.Ltd.	-	3.00	-	-	-	-	3.00	-	-	-
3.3	c) Loba Feinchemie, GmbH.	3.10	-	-	-	-	5.66	-	-	-	-
3.4	d) INM Technologies Pvt.Ltd.	16.20	-	-	-	-	-	-	-	-	-
3.5	e) NU Therapeutics Pvt. Ltd.	1.48	-	-	-	-	-	-	-	-	-
4	**Interest Received**										
4.1	a) Raichem Medicare Pvt. Ltd.	191.85	-	-	-	-	102.93	-	-	-	-
4.2	b) NU Therapeutics Pvt. Ltd.	62.86	-	-	-	-	68.31	-	-	-	-
4.3	c) Reva Pharmachem Pvt. Ltd.	-	17.16	-	-	-	-	15.04	-	-	-
5	**Commission Paid**										
5.1	a) Reva Pharmachem Pvt.Ltd.	-	4.85	-	-	-	-	8.98	-	-	-
6	**Rent paid**										
6.1	Dharmavati Bhutada.	-	-	-	8.25	-	-	-	-	8.25	-
7	**Remuneration**										
7.1	a) Deepak Kumar Inani.	-	-	-	15.67	-	-	-	-	5.59	-
8	**Managerial Remuneration**										
8.1	a) Vishnukant C. Bhutada.	-	-	600.00	-	-	-	-	479.70	-	-
9	**Sitting Fees**										
9.1	a) Omprakash Inani.	-	-	0.70	-	-	-	-	0.50	-	-
10	**Charity & Donation paid**				2.25					1.25	-
10.1	Shilpa Foundation	-	-	-	-	-	-	-	-	-	-
11	**Movement of Loans/Advances**										
11.1	**Opening Balance**										
	a) Zatortia Holdings Ltd.	-	-	-	-	-	9.11	-	-	-	-
	b) Raichem Medicare Pvt.Ltd.	1,556.68	-	-	-	-	339.40	-	-	-	-
	c) Reva Pharmachem Pvt.Ltd.	185.00	-	-	-	-	-	170.74	-	-	-
	d) NU Therapeutics Pvt. Ltd.	823.80	-	-	-	-	656.98	-	-	-	-

(Contd.)

RELATED PARTIES DISCLOSURES (Contd.)

(All amounts are in lakhs, otherwise stated)

Sl. No.	Particulars	Current Year					Previous Year				
		Subsidiaries	Associates	KMP	Relatives	JV	Subsidiaries	Associates	KMP	Relatives	JV
11.2	**Paid During the Year$**										
	a) Zatortia Holdings Ltd.	-	-	-	-	-	-	-	-	-	-
	b) Raichem Medicare Pvt.Ltd.	172.66	-	-	-	-	1,292.64		-	-	-
	c) Reva Pharmachem Pvt.Ltd.	-	15.45	-	-	-		16.76	-	-	-
	d) Nu Therapeutics Pvt.Ltd.	56.58	-	-	-	-	166.82	-	-	-	-
11.3	**Received During the Year**										
	a) Zatortia Holdings Ltd.	-	-	-	-	-	9.11	-	-	-	-
	b) Raichem Medicare Pvt. Ltd.	-	-	-	-	-	75.36	-	-	-	-
	c) Reva Pharmachem Pvt. Ltd.	-	-	-	-	-	-	2.50	-	-	-
	d) Nu Therapeutics Pvt.Ltd.	200.00	-	-	-	-	-	-			
11.4	**Closing Balance**										
	a) Zatortia Holdings Ltd.	-	-	-	-	-	-	-	-	-	-
	b) Raichem Medicare Pvt.Ltd.	1,729.34	-	-	-	-	1,556.68		-	-	-
	c) Reva Pharmachem Pvt.Ltd.		200.44	-	-	-	-	185.00	-	-	-
	d) Nu Therapeutics Pvt.Ltd.	680.38	-	-	-	-	823.80	-	-	-	-
11.5	**Maximum Balance Outstanding During the Year**										
	a) Zatortia Holdings Ltd	-	-	-	-	-	9.11	-	-	-	-
	b) Raichem Medicare Pvt.Ltd.	1,729.34	-	-	-	-	1,569.84	-	-	-	-
	c) Reva Pharmachem Pvt.Ltd.	-	200.44	-	-	-	-	185.00	-	-	-
	d) Nu Therapeutics Pvt. Ltd.	823.80	-	-	-	-	823.80	-	-	-	-
	e) Loba Feinchemie, GmbH.	7.60	-	-	-	-	1.75	-	-	-	-
12	**Payables**										
	a) Vishnukant C. Bhutada	-	-	300.70	-	-	-	-	221.10	-	-
13	**Receivables**										
	a) Loba Feinchemie GmbH	-	-	-	-	-	0.87	-	-	-	-
	b) Maia Pharmaceuticals Inc, USA	-	-	-	-	147.98	-	-	-	-	-

Note:

$ including interest (Net of TDS).

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

(All amounts are in lakhs, otherwise stated)

40. SEGMENT INFORMATION:

	Particulars	Year ended 31st March, 2015
(a)	**Segment Revenue**	
	(a) Bulk Drug/Intermediates	53005.85
	(b) Power	543.77
	Total	**53549.61**
	Less : Inter Segment Revenue	-
	Income from operations	**53549.61**
(b)	**Segment Results**	
	Profit before Interest & Tax	
	(a) Bulk Drug/Intermediates	12007.91
	(b) Power	281.71
	Total	**12289.62**
	Less : Finance Cost	387.98
	Net Profit before tax	**11901.64**
(c)	**Capital Employed**	
	(a) Bulk Drug/Intermediates	21101.73
	(b) Power	853.76
	Total	**21955.49**

The Company is mainly engaged in the Business of Manufacturing of Bulk Drugs Intermediates & Wind Power Generation, Formulation and Product Development are inter related and integrated part of business of "Pharmaceutical products", hence separate segment for its Formulation division has not been ascertained. Segment Reporting is applicabe for the first time and has been prepared as per AS-17 issued by the Institute of Chartered Accountants of India.

41. Company is committed with Corporate Social Responsbility (CSR) listed in Scheduled VII of the Companies Act-2013.

Company has vision to make its expenditure in the following. (in Lakhs ')

CSR Project	Amount outlay (budget)	Amount earmarked	Amount Spent/ Direct/Through Implementing Agency
a) Safe Drinking Water	50.00	50.00	Nil
c) Promoting Education	39.87	39.87	Nil
e) Rural Development Project	50.00	50.00	Nil
Total	**139.87**	**139.87**	**-**

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. 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 Rs 0.12 Lakhs and same is included in Trade Payable Note no. 08.

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

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 Ministryof 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 105.09 lakhs (P.Y Rs 545.90) lakhs to the Fixed Assets acquired out of such External Commercial Borrowings (ECB), being the Exchange difference has been accumulated in "Foreign Monetary Item Translation Difference A/c", being Loss /gain arises on account of reinstatement of investment in Foreign Subsidiary.

46. As on 31.03.2015 Demand raised by Income Tax Depertment are as under:-

a) A.Y 2010-11 Rs 402.57 Lakhs (P.Y 420.57)
b) A.Y 2011-12 Rs 951.94 Lakhs (P.Y 951.94)

Based on the judicial pronouncements and legal advises, Company has contested the above demands before the CIT(Appeals) amount of Rs 173.28 lakhs is paid under protest and shown under note no: 14 (C)i.

47. 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.

48. Out of the sum of Rs 41.27 lakhs (P.Y 33.53) the Company is in the process of filing appeal 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. 2.43 Lakhs paid on regular consumable items which was disallowed by the Assessing Authority under Karnataka Value Added Tax Act, 2003. The same is shown under note 14(ii).

49. 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, 2015 is Rs. 3129.53 Lakhs (US$ 5.00MN) P.Y 4958.09(US$ 7.50 MN). The periodic net payments related to interest rate swap is recorded as finanace cost & finance cost- pre-operative, since the part of the amount is utilised in creating of assets which ae pending for capatilization.

50. 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.

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

As per our report of event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
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 (the "Company") and its subsidiaries, Joint Ventures and its associates (together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of 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 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated 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 preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Group's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate audit reports on the Individual financial statements of the Shilpa Medicare Ltd, subsidiaries, joint venture and associates subject to our notes below, and read with other notes, the 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 as at March 31, 2015, its consolidated profit, and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 47 to the consolidated 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. Our auditors' report for the previous year ended March 31, 2014 also included an emphasis of matter in this regard. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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 and

(b) 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.

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.1,375.39 Lakhs as at 31st March, 2015 and total revenue of Rs.321.18 Lakhs and net cash outflow amounting to Rs.7.05 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.15,202.33 Lakhs as at 31st March, 2015 and total revenue of Rs.125.35 Lakhs and net cash inflow amounting to Rs.140.55 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.2241.22 Lakhs as at 31st March, 2015 and total revenue of Rs. Nil and net cash outflow amounting to Rs.4.38 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. Accordingly, 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.2241.20 Lakhs as at 31st March, 2015 and total revenue of Rs.4,633.03 Lakhs and net cash inflow amounting to Rs.31.12 Lakhs for the year then ended.

e) 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.611.00 Lakhs as at 31st March, 2015 and total revenue of Rs.2.78 Lakhs and net cash inflow amounting to Rs.253.96 Lakhs for the year then ended.

f) 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 consolidated financial statements of the group reflect total assets of Rs.590.78 Lakhs as at 31st March, 2015 and total revenue of Rs.0.03 Lakhs and net cash flow amounting to Rs.364.06 Lakhs for the year then ended being the share of the Company.

Our opinion is not qualified in respect of the above other matters.

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:

a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.

b. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts;

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate companies and its jointly controlled entities 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 : Hyderabad
Date : May 29, 2015

Part - I - Consolidated Balance Sheet as at 31st March,2015

(All amounts are in lakhs, otherwise stated)

	Particulars	Notes	As at 31st March, 2015	As at 31st March, 2014
A	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	(a) Share Capital	2	771.02	735.72
	(b) Reserves and Surplus	3	53,923.09	38,908.88
	Sub-Total Shareholders' funds		**54,694.11**	**39,644.60**
2	**Minority Interest**		1,438.68	1,001.35
3	**NON- CURRENT LIABILITIES**			
	(a) Long-Term Borrowings	4	10,232.90	6,747.57
	(b) Deferred Tax Liabilities (Net)	5	3,776.92	2,593.87
	(c) Long Term Provisions	6	1,117.71	992.83
	(d) Long Term Liabilities	7	230.51	118.72
	Sub-Total Non Current Liabilities		**15,358.05**	**10,452.99**
4	**CURRENT LIABILITIES**			
	(a) Short-Term Borrowings	8	5,846.62	3,026.73
	(b) Trade Payables	9	7,550.36	9,297.61
	(c) Other Current Liabilities	10	4,989.32	3,822.85
	(d) Short Term Provisions	11	577.40	536.96
	Sub-Total Current Liabilities		**18,963.70**	**16,684.15**
	TOTAL EQUITY AND LIABILITIES		**90,454.54**	**67,783.09**
B	**ASSETS**			
1	**NON- CURRENT ASSETS**			
	(a) Goodwill.		1,765.76	1,305.08
	(b) Fixed assets (Net Block)			
	i) Tangible Assets	12	29,346.80	27,865.36
	ii) Intangible Assets	12	492.99	271.66
	iii) Tangible Assets under Development	13	22,162.20	11,102.53
			53,767.75	**40,544.64**
	(c) Non Current Investments	14	18.99	20.55
	(d) Long Term Loans and Advances	15	3,878.64	3,823.68
	(e) Other Non-Current Assets	16	16.21	20.30
	Sub-Total Non Current Assets		**57,681.59**	**44,409.17**
2	**Current assets**			
	(a) Current Investments	17	6,535.40	1,013.90
	(b) Inventories	18	13,078.29	12,325.17
	(c) Trade Receivables	19	8,137.08	6,795.68
	(d) Cash and Cash Equivalents	20	1,841.72	919.35
	(e) Short Term Loans and Advances	21	2,783.86	2,164.71
	(f) Current Assets	22	396.59	155.11
	Sub-Total Current Assets		**32,772.95**	**23,373.92**
	TOTAL ASSETS		**90,454.54**	**67,783.09**

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

As per our report of event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
Company Secretary

N.C. Bhandari
Chief Financial Officer

Part - II - Consolidated Statement of Profit and Loss for the Year ended 31 March,2015

(All amounts are in lakhs, otherwise stated)

Particulars	Notes	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue			
Revenue from Operations	23	58,955.37	55,529.44
Less: Excise Duty		566.06	711.81
Other Operating Revenues	24	2,990.60	2,319.98
Revenue from operations (Net)		**61,379.91**	**57,137.62**
Other Income	25	479.89	912.26
TOTAL REVENUE		**61,859.80**	**58,049.88**
Expenses	-		
a) Cost of Materials Consumed	26	31,902.43	32,424.64
b) Purchases of Stock-in Trade	27	606.83	550.98
c) Change in Inventories of Finished Goods, Work-in-Progress and Stock-in- Trade	28	(39.38)	(1,534.07)
d) Employee Benefits Expense	29	8,230.11	6,782.60
e) Finance Costs	30	405.02	352.41
f) Depreciation and Amortisation Expense	11	2,141.17	2,321.79
g) Other Expenses	31	7,816.38	7,316.08
TOTAL EXPENSES		**51,062.56**	**48,214.44**
Profit Before Extraordinary Items and Tax		10,797.24	9,835.44
Extraordinary (Income) / Expense	32	4.85	290.24
Prior period (Income) / Expense	33	8.34	-
Profit Before Tax		**10,784.05**	**9,545.20**
Tax Expenses			
a) Current Tax		2,485.73	2,140.92
Less:MAT Credit Entitlement		(154.65)	(614.65)
b) Deferred Tax		1,189.12	501.13
c) Prior Period Tax		1.38	2.85
Total Tax Expenses		**3,521.58**	**2,030.25**
Profit for the Period		**7,262.47**	**7,514.95**
Share of Loss transferred from Minority interest		106.65	51.98
Profit for the Period		**7,369.12**	**7,566.93**
Earning Per Equity share of Rs 2/- each			
a) Before Extraordinary item			
Basic-Rs		19.23	21.36
Diluted-Rs		19.23	20.38
b) After Extraordinary item			
Basic-Rs		19.22	20.57
Diluted-Rs		19.22	19.63
Weighted Average number of shares outstanding			
Basic		383.38	367.86
Diluted		383.38	385.51

The accompanying notes are an integral part of the Financial Statements.

As per our report of event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
Company Secretary

N.C. Bhandari
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2015

(All amounts are in lakhs, otherwise stated)

	Particulars	As at 31st March, 2015	As at 31st March, 2014
I.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profits Before Tax (PBT)	10,784.05	9,545.20
	Less: Adjustments		
	Interest Received	172.03	139.68
	Dividend Income	190.30	195.94
	Liabilities Written Back	14.96	56.79
	Provision Written Back	7.39	3.21
	Unrealized (Gain) / Loss on Reinstatement (Net)	3.47	62.72
	Gain on Sale of Mutual Funds	25.68	314.09
		10,370.22	**8,772.78**
	Add: Adjustments		
	Depreciation & Amortisation	2,141.17	2,321.79
	Interest Paid	405.02	352.41
	Loss on sale of Fixed Assets	1.30	9.16
	Deposits Written off	-	0.91
	Bad Debts Written off	25.88	15.14
	Provision for Gratuity	300.79	-
	Provision for Leave Encashment	42.69	-
	Provision for CSR Expenses	138.97	-
	Short Term Loss on Sale of Investments	-	30.48
	Unamortized Expenditure Written off	4.09	4.09
	Operating Profit Before Working Capital Changes & Other Adjustments	**13,430.14**	**11,506.76**
	Adjustments for Increase / (Decrease) in Operating Liabilities		
	- Trade Payables	(1,689.76)	4,301.14
	- Other Current Liabilities & Short Term Provisions	864.91	1,498.76
	- Long Term Provisions	(118.69)	300.54
	Adjustments for (Increase) / Decrease in Operating Receivables		
	- Inventories	(753.11)	(4,891.93)
	- Trade Receivables	(1,420.27)	(2,648.77)
	- Long Term Loans & Advances & Other Non-Current Assets	(129.55)	(113.83)
	- Short Term Loans & Advances & Other Current Assets	(764.68)	(790.30)
		9,418.98	9,162.36
	Less: Income Tax (Net)	(2,538.34)	(2,158.27)
	Net Cash Inflow from Operating Activities	**6,880.64**	**7,004.09**
II.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets (Incl.CWIP)	(14,160.56)	(10,410.98)
	Investment in Joint Venture	-	(272.21)
	Sale of Fixed Assets	1.65	10.93
	Capital Advances	208.68	(192.20)
	Interest Received	166.25	146.60
	Dividend Income	190.30	195.94
	Fixed Deposits	(95.05)	1,337.30
	(Increase)/Decrease in Non-Current Investments	-	(6.43)
	(Increase)/Decrease in Current Investments	(5,828.99)	4,297.88
	Net Cash Outflow from Investing Activities	**(19,517.72)**	**(4,893.17)**

(Contd.)

Consolidated Cash Flow (Contd.)

(All amounts are in lakhs, otherwise stated)

Particulars	As at 31st March, 2015	As at 31st March, 2014
III CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Long Term Borrowings	3,017.38	(674.37)
Increase in/(Decrease) Short Term Borrowings	2,838.69	(1,457.24)
Dividend and Corporate Dividend Tax Paid	(451.18)	(368.30)
Issue of Equity Shares	35.29	-
Proceeds from Issue of Preference Shares to Minority Interest	20.75	-
Increase in Capital Subsidy	-	20.00
Increase in Minority Interest	437.34	-
Increase in Securities Premium Account	8,109.88	-
Interest Paid	(503.50)	(354.14)
Net Cash outflow from Financing Activities	**13,504.63**	**(2,834.05)**
Net Increase/(decrease)in Cash and Cash Equivelants (I+II+III)	**867.55**	**(723.12)**
Foreign Currency Translation Reserve/Adjustments	54.82	(44.79)
Cash & Cash Equivelants at the Beginning of the Year	919.35	1,687.27
Cash & Cash Equivelants at the End of the Year	**1,841.72**	**919.35**

Components of Cash and Cash Equivalents	As at 31st March, 2015	As at 31st March, 2014
Cash on Hand	24.09	28.00
Cash at Banks		
a) In Current Account	1,072.64	226.30
b) In Fixed Deposit Account (With Maturity Less than 3 Months)	732.26	652.17
c) Unclaimed Dividend	12.73	12.88
Total Cash and Cash Equivalents	**1,841.72**	**919.35**

Note:

1. Previous year figures have been reclassed wherever 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 event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
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 to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provision of the Companies Act, 2013.

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.	Raichem Medicate Private Limited ('RMPL')	India	50.01%
2.	NU Therapeutics Private Ltd ('NU Therapeutics')	India	68.27%
3.	INM Technologies Private Limited ('INM')	India	75.00%
4.	Zatortia Holding Limited ('Zatortia')	Cyprus	100.00%
5.	Loba Feinchemie GmbH ('Loba') (Stepdown Subsidiary)	Austria	99.99%
6.	Makindus Inc ('Makindus')	USA	70.00%

B) The Associate considered in the Consolidated Financial Statements is as under:

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

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

Name of the Associate	Country	Extent of Holding
Maia Pharmaceuticals Inc. ('Maia)	USA	49.80%

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

iii) Other significant accounting policies are set out under "Significant Accounting Policies" as given in the Company's standalone Financial Statements.

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

(All amounts are in lakhs, otherwise stated)

2. SHARE CAPITAL

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised Shares		
4,25,00,000 (P.Y. 4,25,00,000), Equity Shares of Rs. 2/- each.	850.00	850.00
	850.00	**850.00**
Issued, Subscribed and Fully Paid up Shares:		
3,85,50,952 of Rs 2/- each fully paid up (PY: 3,67,86,247).	771.02	735.72
TOTAL	**771.02**	**735.72**

1(a) Reconciliation of number of Shares.

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos	Amount	Nos	Amount
Shares at the beginning of the year	36786248	735.72	24524165	490.48
Add : Issued during the year :	1764705	35.29	12262083	245.24
Shares at the end of the year	**38550953**	**771.02**	**36786248**	**735.72**

1 (b) Rights, Preferences and Restrictions attached to Equity Shares:

The Company has only one class of Equity shares having par value of Rs 2/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

1(c) Shareholders holding more then 5% shares.

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No of Shares	% Held	No of Shares	% Held
i) Vishnukant C. Bhutada	4281551	11.11	4354551	11.84
ii) Tano Mauritius India FVCI II	3589753	9.31	1825048	4.96
iii) Baring India Private Equity III Limited	3000000	7.78	3000000	8.16
iv) Dharmavati Bhutada	2071383	5.37	2071383	5.63
v) Kanta Bai Inani	1919820	4.98	1919820	5.22
vi) Kamal Kishore Inani	1874414	4.86	1884414	5.12

1(d) Details of Equity shares allotted as fully paid-up without payment being received in cash during the period of five years immediately preceeding the Balance Sheet date.

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

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

(All amounts are in lakhs, otherwise stated)

3. RESERVES AND SURPLUS

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(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	220.64
	Add: Received during the year	-	20.00
	Less: Amount utilised	-	-
	Closing Balance	**240.64**	**240.64**
(c)	**Securities Premium Account**		
	Opening Balance	11,481.56	11,714.88
	Add: Additions during the year	8,109.88	-
	Less: Utilised on issue of Bonus shares	-	245.24
	Closing Balance	**19,591.44**	**11,469.64**
(d)	**General Reserves**		
	Opening Balance	3,182.68	2,372.68
	Add: Amount transferred from Surplus Statement of Profit & Loss.	500.00	810.00
	Less: Amount utilised	-	-
	Closing Balance	**3,682.68**	**3,182.68**
(e)	**Surplus in Statement of Profit and Loss**		
	Opening Balance	23,583.42	17,277.51
	Add: Adjustment related to Fixed Assets. (Net) (Refer note:12)	83.95	-
		23,667.37	**17,277.51**
	Add: Profit for the year	7,369.12	7,566.93
	Amount available for appropriations	**31,036.48**	**24,844.45**
	Less: Appropriations		
	a) Proposed Dividend (Refer note below)	(424.06)	(385.51)
	b) Dividend Distribution Tax	(84.79)	(65.52)
	c) Transfer to General Reserve	(500.00)	(810.00)
	Closing Balance	**30,027.64**	**23,583.42**
	Foreign Currency Monetary Translation Difference Account	348.33	400.14
	TOTAL	**53,923.09**	**38,908.88**

Note:

Dividend of Rs.1.10 per share (PY Rs1.00 per share) proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting .

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

(All amounts are in lakhs, otherwise stated)

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(A) From Bank (Secured) :		
Term Loans	7,041.47	3,004.99
a. External Commercial Borrowings		
i) External Commercial Borrowings (ECB) of 10 Mn USD from the Standard Chartered Bank Ltd (SCB) is secured by hypothecation of Immovable Fixed Asset (USD 6 Mn.) of SEZ unit and (USD 4 Mn) Movable Fixed Assets of Raichur Plant and guarantees given by 02 of its Directors.		
Terms of Repayment & Interest Rate:		
The above ECB is repayable in 8 equal half yearly installments with qtrly interest @ fixed libor of 1.78%+ 3.50% last installment falls due on 27.03.2017.		
ii) External Commercial Borrowings (ECB) of USD 10 Mn is taken for Raichem Medicare Pvt Ltd during the year and it is secured by hypothecation of total Fixed Asset located at plot no 24,25,26 & 26P Raichur Industrial Growth Center, Village Chicksugur, Raichur Dist and Corporate Guarantee of Holding Company.		
Terms of Repayment & Interest Rate:		
ECB of 10 MN is payable in 16 equal quarterly instalment With moratorium period of 12 months from the date of disbursment i.e. 28/7/2014. Interest is payable at 03 months average Libor +rate, payable quarterly.		
b) Vehicle Loan	3.84	4.59
Nature of Security		
i) Loan taken from Bank of Baroda against hypothecation of Vehical and personal guarantee of Director.		
Terms of Repayment & Interest Rate:		
Repayble in equal EMI Installement & interest on such loan is charge@ 11.50% .		
c) Wind Mill	58.05	733.00
i) Term Loan of Rs 13 Cr avalied from The Lakhsmi Vilas Bank Limited is secured against existing Wind Electrical Converters and personal guarantees of 02 of its Directors.		
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 Base Rate + 0.75% margin per annuam Last instalment falls due in July 2017.		
(B) From Others (Unsecured)		
ECB of USD 05 MN is taken from ICE SPA Italy	3,129.54	3,004.99
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.		
TOTAL	**10,232.90**	**6,747.57**

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

(All amounts are in lakhs, otherwise stated)

5. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liability	4,168.38	2,825.58
On account of Timing Difference of Depreciation/item disallowed in Income Tax Act		
Deferred Tax Asset	(391.46)	(231.71)
On account of disallowable items under Income Tax Act		
TOTAL	**3,776.92**	**2,593.87**

6. LONG TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Gratuity / Severance Pay/ Others	1,117.71	992.83
TOTAL	**1,117.71**	**992.83**

7. LONG TERM LIABILITY

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest accrued but not due on ECB	230.51	118.72
TOTAL	**230.51**	**118.72**

8. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured Loan		
(a) Working Capital Loans		
From Banks		
i) SCB [Refer below note "a" & "d"(i) & (ii)]	4,270.53	2,202.24
ii) Citi Bank [Refer below note "b" & "c"(iii)]	813.68	-
iii) Other's Bank [Refer below note"c " & "d" (iv)]	762.41	824.43
Nature of Security		
a) Working capital loan from SCB is secured by First 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 is secured by First Pari Passu Charge on current assets(both present & future) and First Pari Passu Charge on moveable & immovable fixed assets (except those created through other loans) and personal Gurantee of 02 Directors.		
c) Working Capital loan from "ERSTE" Bank, Austria is taken by foreign stepdown subsidiary and is secured against mortage of movable & immovable assets & trade receivable.		
d) Interest rate is as under:		
(i) On PSFC/PCFC - Libor + 2%		
(ii) On overdraft - 12.75%		
(iii) On PSFC/PCFC - Libor + 1%		
(iii) On PSFC/PCFC - Libor + 1%		
(iv) On Overdraft i) in USD @3.65%, ii) in Euro @ 3.06%		
(b) Loans from Directors.	-	0.06
TOTAL	**5,846.62**	**3,026.73**

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

(All amounts are in lakhs, otherwise stated)

9. TRADE PAYABLES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Trade paybles (Refer Note no 40 & 41)	6,284.32	8,491.16
(b)	Others (Refer Note no 40 & 41)		
	(i) Capital Creditors	1,169.83	581.73
	(ii) Advances from Customers	96.21	224.72
	TOTAL	**7,550.36**	**9,297.61**

10. OTHER CURRENT LIABILITIES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Current maturities of Long-Term Debt (For nature of security, terms of repayment & rate of interest refer note 04 above)	2,781.23	2,068.17
(b)	Interest accrued but not due on borrowings	35.86	3.99
(c)	Book Overdraft	537.41	640.04
(d)	Unclaimed Dividends	12.73	12.88
(e)	Provision for Expenses	428.38	283.69
(f)	Employee Benefit Liability	848.77	489.67
(g)	Income / Wealth Tax (Net)	-	41.31
(h)	Service Tax	4.05	3.05
(i)	Tax deduction at source	275.72	222.84
(j)	VAT, Entry Tax ESI, & Professional Tax	18.21	27.80
(k)	Unclaimed Bonus & Salary	5.19	-
(l)	Security / Trade deposit	41.77	29.40
	TOTAL	**4,989.32**	**3,822.85**

11. SHORT TERM PROVISIONS

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Provision for Employee Benefits		
	i) Providend Fund/Other Fund Payable	68.55	85.94
(b)	Others	-	-
	i) Proposed Dividend	424.06	385.51
	ii) Tax on Proposed Dividend	84.79	65.52
	TOTAL	**577.40**	**536.96**

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

(All amounts are in lakhs, otherwise stated)

12. FIXED ASSETS

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 1 April 2014	Additions	Deletion/ Adjustment during the year	FCTR	Balance As at 31.03.2015	As at 1 April 2014	For the Year	#Disposal/ Adjustment during the year	FCTR	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets												
i) Owned												
a) Borewell	16.10	2.85	-	-	18.95	1.74	4.64	0.16	-	6.53	12.42	14.37
b) Building	10,523.54	161.25	-	(559.94)	10,124.84	3293.24	320.84	-	(448.66)	3,165.42	6,959.42	7230.29
c) Canteen Equipment	2.85	0.52	-	-	3.37	0.44	0.62	0.24	-	1.30	2.07	2.42
d) Computer	355.76	45.81	-	0.05	401.62	170.28	121.58	(9.31)	0.01	282.57	119.05	196.73
e) Network Server equipement	9.25	-	-	-	9.25	0.25	1.46	-	-	1.71	7.53	9.00
f) Electrical Installation	2,012.14	78.20	-	-	2,090.34	507.74	216.60	(12.80)	-	711.53	1,378.80	1504.28
g) Empty Cylinders	4.67	-	-	-	4.67	4.06	0.06	-	-	4.12	0.55	0.61
h) ETP Building	454.55	-	-	-	454.55	89.92	14.20	-	-	104.12	350.43	364.63
i) ETP Machinery	215.78	8.30	-	-	224.08	69.78	8.80	-	-	78.58	145.50	146.00
j) Furniture	2,294.29	109.70	7.91	(318.86)	2,077.21	1702.80	101.42	(8.35)	(300.04)	1,495.83	581.39	591.49
k) Generator	57.98	-	-	-	57.98	23.52	2.56	(0.42)	-	25.66	32.32	30.39
l) Lab Equipments	3,236.33	399.09	-	-	3,635.42	616.95	347.06	1.67	-	965.68	2,669.74	2620.65
m) Office Equipment	91.71	16.33	0.98	(13.11)	93.95	61.90	14.96	(1.05)	(11.57)	64.25	29.70	29.35
n) P/M (Power Generation Unit)	2,022.00	1820.31	-	-	3,842.31	1529.70	92.45	(28.40)	-	1,593.75	2,248.56	492.30
o) Pipeline	1,691.62	78.23	-	-	1,769.85	509.61	69.77	(9.57)	-	569.82	1,200.04	1182.01
p) Plant & Machinery	17,722.00	815.99	33.35	(565.98)	17,938.66	6340.23	670.56	(101.51)	(541.62)	6,367.67	11,571.00	11382.55
q) Pollution Control Equip.	36.51	-	-	-	36.51	32.75	0.39	(4.67)	-	28.47	8.03	3.76
r) R & D Equipments	238.44	-	-	-	238.44	92.92	58.94	(4.49)	-	147.37	91.07	144.92
s) Storage Tank	64.39	20.37	7.10	-	77.66	40.10	2.90	(17.50)	-	25.51	52.15	24.35
t) Transformer	46.61	-	-	-	46.61	7.05	4.19	(0.32)	-	10.92	35.69	43.71
u) Unit-II Land & Building	5.86	-	-	-	5.86	2.40	0.15	-	-	2.55	3.31	3.46
v) Vehicle	327.75	19.99	16.26	(0.81)	330.67	88.37	33.31	10.42	(0.95)	131.14	199.53	238.90
w) Electrical Operated Vehicals	27.02	7.85	-	-	34.87	0.78	3.27	0.00	-	4.05	30.82	26.24
x) Xerox Machine	3.72	-	-	-	3.72	2.42	0.28	(0.10)	-	2.61	1.11	1.30
y) Weigh Bridge	3.47	-	-	-	3.47	1.29	0.40	-	-	1.69	1.78	2.18
z) EHS Equipement	1.06	0.44	-	-	1.50	0.03	0.12	-	-	0.16	1.34	0.00
aa) Storage Drums	-	2.85	-	-	2.85	-	0.20	-	-	0.20	2.65	0.00
ab) Land	870.90	201.37	125.16	(24.73)	922.37	-	-	53.42	-	53.42	868.95	878.96
	42,336.27	**3,789.45**	**190.77**	**(1,483.38)**	**44,451.57**	**15,190.27**	**2,091.74**	**(132.57)**	**(1,302.83)**	**15,846.62**	**28,604.96**	**27,164.84**

(Contd.)

FIXED ASSETS (Contd.)

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 1 April 2014	Additions	Deletions/ Adjustment during the year	FCTR	Balance As at 31.03.2015	As at 1 April 2014	For the Year	#Disposal/ Adjustment during the year	FCTR	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
ii) Leased Assets												
a) Leasehold Land & Green Field (Refer Note No.a)	708.59	33.25	-		741.85	-	0.00				741.84	700.53
Total	**708.59**	**33.25**	**-**		**741.85**	**-**	**-**	**-**	**-**	**-**	**741.84**	**700.53**
Sub-Total (A)	**43,044.87**	**3,822.70**	**190.77**	**(1,483.38)**	**45,193.42**	**15,190.27**	**2,091.75**	**(132.57)**	**(1,302.83)**	**15,846.62**	**29,346.80**	**27,865.37**
Intangible Assets												
a) Computer software	166.70	62.86	-	(16.54)	213.02	94.20	21.34	-	(15.36)	100.18	112.84	61.73
b) Technical Know How	21.88	0.00	-	-	21.88	21.88	0.00	-	-	21.88	-	-
c) DMF/ Patents Fees	225.72	206.50	-	-	432.23	15.79	36.27	-	-	52.08	380.15	209.93
d) Other	74.22	0.00	-	(13.54)	60.68	74.22	0.00	-	(13.54)	60.68	(0.00)	-
Sub-Total (B)	**488.53**	**269.36**	**-**	**(30.08)**	**727.81**	**206.10**	**57.62**	**-**	**(28.90)**	**234.82**	**492.99**	**271.66**
Less Capitalized (C)	**-**	**-**	**-**	**-**	**-**	**-**	**8.19**	**-**	**-**	**-**	**-**	**-**
Sub-Total (A+B-C)	**43,533.39**	**4,092.07**	**190.77**	**(1,513.46)**	**45,921.23**	**15,396.37**	**2,141.12**	**(132.57)**	**(1,331.73)**	**16,081.43**	**29,839.79**	**28,137.02**
Previous Year Figure	**29,565.15**	**12753.36**	**89.89**	**1,304.77**	**43,533.39**	**12,021.59**	**2,323.15**	**73.12**	**1,124.76**	**15,396.37**	**28137.02**	**17543.56**

Pursuant to Schedule II of The Companies Act -2013, Assets whose useful life is expired as on 01/4/2014 have been adjusted from opening retained earnings. Such adjustment is amounting to Rs.135.20 Lakhs before tax .

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

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	27.48	144.28
b) Electrical Installation	6.38	33.52
c) Lab Equipment	4.00	11.26
d) Pipline	2.53	14.01
e) Plant & Machineries	64.70	342.83
	105.09	**545.90**

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

(All amounts are in lakhs, otherwise stated)

13. TANGIBLE & INTANGIBLE ASSETS UNDER DEVELOPMENT

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Building Under Construction	2,773.68	1,579.94
(b)	Machinery Under Erection	355.23	208.05
(c)	Land Development Expenses	2.38	13.76
(d)	Lab Equipment Under Erection	5.49	-
(e)	Projects Under Erection	16,555.96	8,004.98
(f)	Pre-Operative Expenses (Pending Capitalization)	2,469.47	1,295.80
	TOTAL	**22,162.20**	**11,102.53**

14. NON-CURRENT INVESTMENTS

	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	**Investments in Government Securities (Unquoted)**		
	i) National Savings Certificate	0.25	0.25
	ii) Repurchase value of Insurance	18.74	20.30
	Total Value of Unquoted Investment	**18.99**	**20.55**

15. LONG TERM LOANS AND ADVANCES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	**Capital Advances**		
	i) Unsecured, considered good (Refer Note 47)	2,066.48	2,295.73
	Less: Provision for doubtful advances -	-	
	TOTAL (a)	**2,066.48**	**2,295.73**
b)	**Security Deposits (Unsecured Considered Good)**		
	i) Electricity Deposits	164.23	84.90
	ii) Rental Deposits	62.37	77.57
	iii) Telephone Deposits	0.66	0.65
	iv) Miscellaneous Deposits	19.57	20.80
		246.83	**183.93**
	Less: Provision for Doubtful Deposits	-	0.91
	TOTAL (b)	**246.83**	**183.02**
c)	**Other Loans and Advances (Unsecured Considered Good)**		
	i) MAT Credit Entitlement Benefit	1,328.29	1,173.64
	ii) Income Tax paid under protest (Refer note 44)	173.28	123.28
	iii) Service Tax (Under Protest)	8.76	8.76
	iv) VAT on Capital Goods & Others (Refer note 46)	41.27	33.54
	v) Prepaid Expenses	5.40	5.61
	vi) Advance to KIADB	8.33	0.10
	TOTAL (c)	**1,565.33**	**1,344.93**
	TOTAL (a+b+c)	**3,878.64**	**3,823.68**

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

(All amounts are in lakhs, otherwise stated)

16. CURRENT INVESTMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unamortized Expenditure	16.21	20.30
TOTAL	**16.21**	**20.30**

17. CURRENT INVESTMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investments in Mutual Funds (Quoted)		
i) HDFC Mutual Fund	1,023.48	-
ii) ICICI Prudential Mutual Fund	4,209.31	1,013.90
iii) Tempelton India Ultra Short Bond Fund	1,024.53	-
iv) SBI Mutual Fund	278.08	-
TOTAL	**6,535.40**	**1,013.90**
Market Value of Quoted Investment	**6,868.57**	**1,013.90**

18. INVENTORIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Raw Materials		
i) With Company	7,127.80	6,197.37
ii) Goods- In-Transit	-	192.70
(b) Work- in- process	4,825.32	4,447.17
(c) Finished Goods		
i) With Company / Consignment Agent	646.81	951.45
(d) Stock-In-Trade	30.31	64.40
(e) Stores and Spares	265.69	254.44
(f) Packing Materials	182.36	217.64
TOTAL	**13,078.29**	**12,325.17**

19. TRADE RECEIVABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured Considered Good (Refer Note : 40)		
i) Trade receivable outstanding for the period more than six months	157.44	95.62
Considered Doubtful	15.42	15.14
	172.86	**110.77**
Less: Written - off	15.42	15.14
TOTAL (a)	**157.44**	**95.62**
Unsecured, Considered Good		
i) Trade receivable outstanding for the period less than six months	7,979.65	6,700.06
TOTAL (b)	**7,979.65**	**6,700.06**
TOTAL (a+b)	**8,137.08**	**6,795.68**

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

(All amounts are in lakhs, otherwise stated)

20. CASH AND CASH EQUIVALENTS

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Cash on hand	24.09	28.00
(b)	Balance with banks in current account	1,072.64	226.30
(c)	Fixed Deposits with original maturity of less than 03 months	732.26	652.17
(d)	Unclaimed Dividends	12.73	12.88
	TOTAL	**1,841.72**	**919.35**

21. SHORT TERM LOAN AND ADVANCES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	**Loans and Advances to Related Parties Unsecured Considering Good (Refer note 38)**		
	i) Reva Pharma chem Pvt Ltd (Associate)	200.44	185.00
	TOTAL (a)	**200.44**	**185.00**
(b)	**Others (Unsecured)**		
	(a) Income / Wealth Tax (Net)	9.91	-
	(b) Cenvat Receivable	1,517.61	1,245.75
	(c) VAT Receivable	166.34	88.07
	(d) CST Receivable	342.01	280.40
	(e) Service Tax Receivable	303.76	246.76
	(f) Prepaid Expenses	199.19	93.20
	(g) Staff Advance/Against Expenses	25.99	15.23
	(h) Tender Deposits	4.63	6.20
	(i) Rent Deposit	0.50	0.50
	(j) Others Misc Receivable	13.48	3.60
	TOTAL (b)	**2,583.42**	**1,979.71**
	TOTAL (a+b)	**2,783.86**	**2,164.71**

22. OTHER CURRENT ASSETS

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Interest Accrued on Fixed Deposit and Others	13.68	7.90
(b)	Advance Receivable in Cash or Kind	249.61	115.86
(c)	Fixed Deposit having Maturity more then 03 months (Refer note below)	126.40	31.35
(d)	Income accrued and due	6.90	-
		396.59	**155.11**
	Considered Doubtful	5.79	-
		402.38	**155.11**
	Less: Written-off	5.79	-
	TOTAL	**396.59**	**155.11**

Note: Fixed Deposit with original maturity of more than 3-months have been given in the form of Bank Guarantee.

(a) The Telangana Pollution Control Board, Hyderabad.

(b) The Asst Commissioner of Customs/Central Excise, Bellary

(c) Standard Chartered Bank Bangalore (SCB), against FLC.

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

(All amounts are in lakhs, otherwise stated)

23. REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
a) Sales of Products	58,411.60	55,219.38
Less: Excise Duty	566.06	711.81
	57,845.54	**54,507.57**
b) Power Sales	543.77	310.07
TOTAL	**58,389.31**	**54,817.64**
i) Sale of Bulk Drugs / Intermediates/ Formulation	56,923.13	53,802.56
ii) Trading	860.29	647.32
iii) Power	543.77	310.07
iv) Others	62.12	57.69
TOTAL	**58,389.31**	**54,817.64**

24. OTHER OPERATING INCOME

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Product Development Charges	2,990.60	2,319.98
TOTAL	**2,990.60**	**2,319.98**

25. OTHER INCOME

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Interest Income		
i) From Banks	144.37	117.73
ii) From Others	27.67	21.95
(b) Liabilities Written Back	14.96	56.79
(c) Provision Written Back	7.39	3.21
(d) Sale of Carbon Credits (Net)	-	22.88
(e) Dividend on Current Investments	190.30	195.94
(f) Miscellaneous Income	69.52	179.67
(g) Gain from Redemption/Maturity of MFs	25.68	314.09
TOTAL	**479.89**	**912.26**

26. COST OF MATERIAL CONSUMED

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Opening Stock	6,607.71	3,396.03
Add: Purchases	32,604.88	35,636.32
Less: Closing Stock	7,310.15	6,607.71
Cost om Material Consumed.	**31,902.43**	**32,424.64**
Material Consumed Comprises of :		
a) Raw Materials (Chemicals)	31,749.02	32,309.10
b) Packing Materials	153.41	115.55
TOTAL	**31,902.43**	**32,424.64**

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

(All amounts are in lakhs, otherwise stated)

27. PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Purchase of Medicines/Bulk Drugs/Machineries /Others	606.83	550.98
TOTAL	**606.83**	**550.98**

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

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Opening Stock		
(a) Finished Goods	1,015.89	640.47
(b) Work-In-process	4,447.17	3,288.48
Less: Closing Stock		
(a) Finished Goods	677.12	1,015.85
(b) Work-In-process	4,825.32	4,447.17
TOTAL	**(39.38)**	**(1,534.07)**

29. EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Salaries and Wages	7,073.55	5,936.94
(b) Contribution to Provident and other Funds	1,013.98	706.93
(c) Staff Welfare Expenses	142.58	138.73
TOTAL	**8,230.11**	**6,782.60**

30. FINANCE COST

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Working Capital Loans	146.51	90.49
(b) Term Loans	253.04	216.35
(c) Others	5.48	45.58
TOTAL	**405.02**	**352.41**

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

(All amounts are in lakhs, otherwise stated)

31. OTHER EXPENSES

	Particulars	As at 31st March, 2015	As at 31st March, 2014
(a)	Power and Fuel	1,921.02	1,736.91
(b)	Rent	168.49	180.19
(c)	Repairs & Maintenance		
	i) Buildings	161.51	231.98
	ii) Machinery	718.27	580.16
	iii) Others	106.40	97.99
(d)	Exchange Loss / (Gain) Net	(213.50)	553.41
(e)	Rates and taxes,	51.05	55.25
(f)	Licence fees	16.88	41.89
(g)	Insurance	120.26	117.04
(h)	Traveling and Conveyance	196.35	205.17
(i)	Contract Labour Charges	574.31	506.71
(j)	Legal & Professional Fees	398.29	310.25
(k)	Facility Fees	97.11	30.80
(l)	Auditor's Fees	12.82	11.49
(m)	Research & Development	1,587.72	952.18
(n)	Transportation Charges	271.71	251.37
(o)	Brokerage and Commission	285.39	436.62
(p)	Job work charges	79.26	7.98
(q)	Sales Promotion & Advertisement	47.42	39.10
(r)	Directors Sitting Fees	1.70	1.40
(s)	Loss on sale /Discard of Assets.	1.30	9.16
(t)	Bad Debts / Advance Written-off	25.88	15.14
(u)	Clearing and Forwarding expenses	247.87	245.10
(v)	VAT/ Entry tax	16.68	8.49
(w)	Miscellaneous expenses	918.10	655.74
(x)	Unamortized Expenditure written off	4.09	4.09
(y)	Short term capital loss	-	30.47
	TOTAL	**7,816.38**	**7,316.08**

32. EXTRAORDINARY ITEM

	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a)	Compensation paid	4.85	290.24
	TOTAL	**4.85**	**290.24**

33. PRIOR PERIOD ITEMS

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Machinery / Laboratory Repairs & Maintenance	8.34	-
TOTAL	**8.34**	**-**

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

(All amounts are in lakhs, otherwise stated)

34. CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
(a)	Foreign Letter of Credit	1,426.87	1,258.59
(b)	Bank Guarantees/Corporate Guarantee	6,306.48	47.40
(c)	Claims against the Company Not Acknowledeged as Debts.	1,194.50	1,194.44
(d)	Other Guarantee.	74.52	109.13
(e)	Commitment against capital contracts yet to be executed (Net of Advances)	3,206.80	3,639.21
	TOTAL	**12,209.17**	**6,248.87**

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, 2015	Year ended 31st March, 2014
(i)	**ASSETS**		
	(a) Fixed Assets	0.78	0.99
	(b) Non Current Assets	92.95	35.62
	(c) Current Assets	497.05	137.82
(ii)	**LIABILITIES**		
	(a) Current Liabilities	173.63	10.36
	Particulars	**F.Y. 2014-2015**	**F.Y. 2013-2014**
	(a) Income	0.03	-
	(b) Expenditure	389.30	106.18

36. SEGMENT INFORMATION:

	Particulars	Year ended 31st March, 2015
1)	**Segment Revenue**	
	(a) Bulk Drug / Intermediates	57,845.55
	(b) Power	543.77
	TOTAL	**58,389.31**
	Less: Inter Segment Revenue	-
	Income from operations	**58,389.31**
	Segment Results	
	Profit before Interest & Tax	
	(a) Bulk Drug/Intermediates	10,920.55
	(b) Power	281.71
	TOTAL	**11,202.26**
	Less : Finance cost	405.02
	Net Profit before tax	**10,797.24**
	Particulars	**F.Y. 2014-2015**
	Capital Employed	
	(a) Bulk Drug/Intermediates	34,906.67
	(b) Power	853.76
	TOTAL	**35,760.43**

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

(All amounts are in lakhs, otherwise stated)

Note: The Company is mainly engaged in the Business of Manufacturing of Bulk Drugs, Intermediates and Wind Power Generation, Formulation and Product Development are inter related and integrated part of business of "Pharmaceutical products", hence separate segment for its Formulation division has not been ascertained. Segment Reporting is applicabe for the first time and has been prepared as per AS-17 issued by the Institute of Chartered Accountants of India.

37. Company is committed with Corporate Social Responsbility (CSR) listed in Scheduled VII of the Companies Act-2013. Company has vision to make its expenditure in the following. (in Lakhs)

CSR Project		Amount outlay (budget)	Amount earmarked	Amount Spent/ Direct/Through Implementing Agency
a)	Safe Drinking water	50.00	50.00	Nil
c)	Promoting Education	39.87	39.87	Nil
e)	Rural Development Project	50.00	50.00	Nil

38. RELATED PARTIES DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18:

List of Related Parties

1. Associates

a) Reva Pharmachem Pvt Ltd

2. Key Management Personnel-(KMP)

a) Omprakash Inani

b) Vishnukant C. Bhutada

3. Relatives

a) Dharmavati Bhutada

b) Deepak Kumar Inani

4. Shilpa Foundation - Trust in which Key Management personnel are Trustees.

RELATED PARTIES DISCLOSURES (Contd.)

(All amounts are in lakhs, otherwise stated)

Sl. No.	Particulars	Current Year			Previous Year		
		Associates	KMP	Relatives	Associates	KMP	Relatives
1	**Reimbursement of Expenses -Received**						
	a) Reva Pharmachem Pvt Ltd	3.00	-	-	3.00	-	-
2	**Interest Received**						
	a) Reva Pharmachem Pvt Ltd	17.16	-	-	15.04	-	-
3	**Commission Paid**						
	a) Reva Pharmachem Pvt Ltd	4.15	-	-	8.98	-	-
4	**Rent Paid**						
	Dharmavati Bhutada	-	-	8.25	-	-	8.25
5	**Remuneration**						
	a) Deepak Kumar Inani	-	-	15.67	-	-	5.59
6	**Managerial Remuneration**						
	a) Vishnukant C. Bhutada	-	600.00	-	-	479.70	-
7	**Sitting Fees**						
	a) Omprakash Inani	-	0.70	-	-	0.50	-
8	**Charity & Donation Paid**						
	Shilpa Foundation	-	-	2.25	-	-	1.25
9	**Movement of Loans/Advances**						
	Opening Balance						
	a) Reva Pharmachem Pvt Ltd	185.00	-	-	170.74	-	-
	Paid During the Year $						
	a) Reva Pharmachem Pvt Ltd	15.45	-	-	16.76	-	-
	Received During the Year						
	a) Reva Pharmachem Pvt Ltd	-	-	-	2.50	-	-
	Closing Balance						
	Receivables						
	a) Reva Pharmachem Pvt Ltd	200.44	-	-	185.00	-	-
10	**Maximum Balance Outstanding**						
	During the Year						
	a) Reva Pharmachem Pvt Ltd	200.44	-	-	185.00	-	-
11	**Payables**						
	a) Vishnukant C. Bhutada	-	300.70	-	-	221.10	-

Note:
$ including interest (Net of TDS).

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

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. 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 vender as at Balance Sheet date is Rs 0.12 Lakhs included in Trade Payable Note no 9(a).

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 Translation 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 105.09 lakhs (P.Y Rs 545.90) lakhs to the Fixed Assets acquired out of such External Commercial Borrowings (ECB),being the Exchange difference has been accumulated in "Foreign Monetary Item Transalation Difference A/c", being Loss / gain arises on account of reinstatement of investment in Foreign Subsidiary.

43. In respect of accounting of employee benefits AS-15 has been strictly complied with by the respective Company in respect of all the employee benefits. The details of which are given elsewhere in their standalone notes. In respect of subsidiary companies employee benefits i.e. pension plan wherever the employees of the Company qualify, it is fully funded by way of reinsurance with the Insurance Company. In respect of provision for severance payments/jubilee payments in case of foreign subsidiary have been provided for based on the valuation of that Company.

44. As on 31.03.2015 Demand raised by Income Tax Depertment are as under:-

a) A.Y 2010-11 Rs 402.57 Lakhs (P.Y 420.57)

b) A.Y 2011-12 Rs 951.94 Lakhs (P.Y 951.94)

Based on the judicial pronouncement and legal advises,Company has contested the above demands before the CIT(Appeals), Amount of Rs 173.28 lakhs is Paid under protest against the above dispute demand and shown under note no:14 C (i)

45. 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.

46. Out of the sum of Rs 41.27 lakhs(P.Y 33.53) the Company is in the process of filing appeal 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. 2.43 Lakhs paid on regular consumable items which in its opinion are allowable under the Act, however disallowed by the assessing authority under Karnataka Value Added Tax Act, 2003.

47. The Company has hedged the interest rate on ECB of US$ 10 MN facility. The aggregate amount of loan covered under the said interest rate swap as at March 31, 2015 is Rs. 3129.53 Lakhs (P.Y4958.09)US$ 5.00 MN (P.Y 7.50MN). The periodic net payments related to interest rate swap is recorded as finanace cost & finance cost- pre-operative, since the part assets purchase from such loan are pending for capatilization.

48. 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.

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

50. All other notes to accounts are as appearing in the notes to account of the standalone financials.

As per our report of event date.
for **Bohara Bhandari Bung & 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: 29th May, 2015

Ajay Vemuri
Company Secretary

N.C. Bhandari
Chief Financial Officer

Innovating for affordable healthcare

Shilpa Medicare Limited

CIN : L85110KA1987PLC008739
Registered Office : 10/80, RAJENDRA GUNJ, RAICHUR
● E-mail : **info@vbshilpa.com** ● Website : www.**vbshilpa**.com

28th ANNUAL GENERAL MEETING

ADMISSION SLIP

DATE	VENUE	TIME
28th September, 2015	**Hotel Nrupatunga,** Ambedkar Circle, Station Road, Raichur- 584101, Karnataka	11.30 A.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 28th 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 14 to the Notice dated 7th August, 2015, 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 : 10/80, RAJENDRA GUNJ, RAICHUR
● E-mail : **info@vbshilpa.com** ● Website : www.**vbshilpa**.com

28th 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 28th Annual General Meeting (AGM) of the Company to be held on the 28th September, 2015 at 11.30 a.m. Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur, Karnataka - 584102 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, 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend for the financial year ended 31st March, 2015.		
3	Appointment of Mr. Omprakash Inani (DIN No.01301385) who retires by rotation and offers himself 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	Appointment of Ms. Namrata Bhutada (DIN No.05133614), as a Director of the Company with effect from the date of this AGM.		
6	Approval of Re-appointment of Mr. Vishnukant C. Bhutada (DIN No.01243391), as Managing Director of the Company.		
7	Approval of Ratification of Remuneration to Cost Auditors.		
8	Approval of Related Party Transaction with M/s Raichem Medicare Private Limited.		
9	Approval for adoption of New Articles of Association.		
10	Sub-division of shares.		

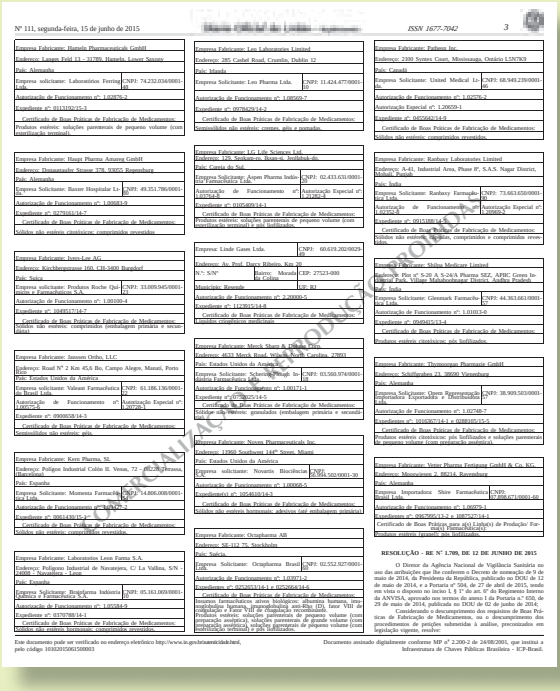
Signed this_____day of_____2015.

Signature of shareholder:

Affix Rs.1/- Revenue Stamp

NOTE : This form of proxy, in order to be effective, should be duly completed and deposited at the Investor Service Centre, Shilpa Medicare Limited, PLOT NO.10, SHOP NO.80, Rajendra Gunj, Raichur, Karnataka- 584102 not less than 48 hours before the commencement of the AGM i.e. by 11.30 a.m. on 25th September, 2015.

Export Excellence Award 2015 from FKCCI



Nº 111, segunda-feira, 15 de junho de 2015 ISSN 1677-7042 3

Empresa Fabricante: Hameln Pharmaceuticals GmbH
Endereço: Langes Feld 13 - 31789, Hameln, Lower Saxony
País: Alemanha
Empresa solicitante: Laboratórios Fresenius Kabi Ltda. CNPJ: 74.232.034/0001-48
Autorização de Funcionamento nº: 1.02876-2
Expediente nº: 025302/15-5
Certificado de Boas Práticas de Fabricação de Medicamentos: Produtos estéreis: soluções parenterais de pequeno volume (com esterilização terminal).

Empresa Fabricante: Hexal Pharma Amaring GmbH
Endereço: Domagstraße Strasse 378, 93055 Regensburg
País: Alemanha
Empresa Solicitante: Baxter Hospitalar Ltda. CNPJ: 49.351.786/0001-50
Autorização de Funcionamento nº: 1.00683-9
Expediente nº: 027916/14-7
Certificado de Boas Práticas de Fabricação de Medicamentos: Sólidos não estéreis citostáticos: comprimidos revestidos

Empresa Fabricante: Ivers-Lee AG
Endereço: Kirchlengraume 160, CH-3400 Burgdorf
País: Suíça
Empresa solicitante: Produtos Roche Quí. e Farmacêuticos S.A. CNPJ: 33.009.945/0001-19
Autorização de Funcionamento nº: 1.00100-4
Expediente nº: 104951/14-7
Certificado de Boas Práticas de Fabricação de Medicamentos: Gás: não estéreis: comprimidos (embalagem primária e secundária)

Empresa Fabricante: Janssen Ortho, LLC
Endereço: Road Nº 2 Km 45,6 Bo, Campo Alegre, Manatí, Porto Rico
País: Estados Unidos da América
Empresa solicitante: Valeant Farmacêutica do Brasil Ltda. CNPJ: 61.188.130/0001-02
Autorização de Funcionamento nº: 1.00572-6 Autorização Especial nº: 1.00726-5
Expediente nº: 090005/14-3
Certificado de Boas Práticas de Fabricação de Medicamentos: Semisólidos não estéreis: gels

Empresa Fabricante: Kern Pharma, SL
Endereço: Polígono Industrial Colón II. Venus, 72 - 08228 Terrassa (Barcelona)
País: Espanha
Empresa Solicitante: Momenta Farmacêutica Ltda. CNPJ: 14.806.008/0001-20
Autorização de Funcionamento nº: 1.01079-2
Expediente nº: 000143/15-2
Certificado de Boas Práticas de Fabricação de Medicamentos: Sólidos não estéreis: comprimidos revestidos.

Empresa Fabricante: Laboratorios Leon Farma S.A.
Endereço: Polígono Industrial de Navatejera, C/ La Vallina, S/N - 24008 - Navatejera - Leon
País: Espanha
Empresa Solicitante: Biopharma Indústria, Comércio e Farmacêutica S.A. CNPJ: 05.161.069/0001-50
Autorização de Funcionamento nº: 1.00584-9
Expediente nº: 020798/14-1
Certificado de Boas Práticas de Fabricação de Medicamentos: Sólidos não estéreis hormonais: comprimidos revestidos.

Empresa Fabricante: Leo Laboratories Limited
Endereço: 285 Cashel Road, Crumlin, Dublin 12
País: Irlanda
Empresa Solicitante: Leo Pharma Ltda. CNPJ: 11.424.477/0001-19
Autorização de Funcionamento nº: 1.00560-7
Expediente nº: 057842/14-2
Certificado de Boas Práticas de Fabricação de Medicamentos: Semisólidos não estéreis: cremes, gels e pomadas.

Empresa Fabricante: LG Life Sciences Ltd.
Endereço: 129, Seokam-ro, Buga-si, Jeollabuk-do.
País: Coreia do Sul
Empresa Solicitante: Aspen Pharma Indústria Farmacêutica Ltda. CNPJ: 02.433.631/0001-03
Autorização de Funcionamento nº: 1.01754-8 Autorização Especial nº: 1.01282-4
Expediente nº: 010549/14-1
Certificado de Boas Práticas de Fabricação de Medicamentos: Produtos estéreis: soluções parenterais de pequeno volume (com esterilização terminal) e pó liofilizados.

Empresa Linde Gases Ltda. CNPJ: 60.619.202/0029-40
Endereço: Av. Prof. Darcy Ribeiro, Km 39, N.º: S/Nº Bairro: Morada da Colina CEP: 27523-000
Município: Resende UF: RJ
Autorização de Funcionamento nº: 2.00000-5
Expediente nº: 112815/14-8
Certificado de Boas Práticas de Fabricação de Medicamentos: Líquidos criogênicos medicinais

Empresa Fabricante: Merck Sharp & Dohme Corp.
Endereço: 4633 Merck Road, Wilson, North Carolina, 27893
País: Estados Unidos da América
Empresa Solicitante: Schering-Plough Indústria Farmacêutica Ltda. CNPJ: 03.560.974/0001-19
Autorização de Funcionamento nº: 1.00171-1
Expediente nº: 070825/14-5
Certificado de Boas Práticas de Fabricação de Medicamentos: Sólidos não estéreis: granulados (embalagem primária e secundária)

Empresa Fabricante: Novex Pharmaceuticals Inc.
Endereço: 11900 Southwest 144th Street, Miami
País: Estados Unidos da América
Empresa solicitante: Novartis Biocêuticos Ltda. CNPJ: 02.994.502/0001-30
Autorização de Funcionamento nº: 1.00008-5
Expediente(s) nº: 105481/14-3
Certificado de Boas Práticas de Fabricação de Medicamentos: Sólidos não estéreis hormonais: sólidos para embalagem unitária(s)

Empresa Fabricante: Octapharma AB
Endereço: SE-112 75, Stockholm
País: Suécia
Empresa Solicitante: Octapharma Brasil CNPJ: 02.552.927/0001-60
Autorização de Funcionamento nº: 1.01972-2
Expediente(s) nº: 025283/14-1 e 025266/14-6
Certificado de Boas Práticas de Fabricação de Medicamentos: Insumos farmacêuticos ativos biológicos: albumina humana (não-recombinante) e fator VIII de coagulação recombinante (com base em DNA de hamster chinês) e fator VIII de coagulação recombinante. Produtos estéreis: soluções parenterais de pequeno volume (com esterilização terminal) e pó liofilizados. Produtos não estéreis: soluções parenterais de pequeno volume (com esterilização terminal) e pó liofilizados.

Empresa Fabricante: Padmac Inc.
Endereço: 2300 Syntex Court, Mississauga, Ontário L5N7K9
País: Canadá
Empresa Solicitante: United Medical Ltda. CNPJ: 68.949.239/0001-46
Autorização de Funcionamento nº: 1.02570-2
Autorização Especial nº: 1.00659-1
Expediente nº: 045566/14-9
Certificado de Boas Práticas de Fabricação de Medicamentos: Sólidos não estéreis: comprimidos revestidos.

Empresa Fabricante: Ranbaxy Laboratories Limited
Endereço: A-41, Industrial Area, Phase II*, S.A.S. Nagar District, Mohali, Punjab
País: Índia
Empresa Solicitante: Ranbaxy Farmacêutica Ltda. CNPJ: 73.683.650/0001-80
Autorização de Funcionamento nº: 1.02552-9 Autorização Especial nº: 1.02602-2
Expediente nº: 091519/14-3
Certificado de Boas Práticas de Fabricação de Medicamentos: Sólidos não estéreis: cápsulas, comprimidos e comprimidos revestidos.

Empresa Fabricante: Shilpa Medicare Limited
Endereço: Plot nº S.N/ A S-2/A Shilpa Pharma SEZ, APIIC Green Industrial Park, Village Mahaboobnagar District, Andhra Pradesh
País: Índia
Empresa Solicitante: Glenmark Farmacêutica Ltda. CNPJ: 44.363.661/0001-57
Autorização de Funcionamento nº: 1.01013-0
Expediente nº: 094845/13-4
Certificado de Boas Práticas de Fabricação de Medicamentos: Produtos estéreis citostáticos: pós liofilizados e soluções parenterais de pequeno volume (com esterilização terminal).

Empresa Fabricante: Thymosinpharm Pharmazie GmbH
Endereço: Schillingallee 23, 38690 Vienenburg
País: Alemanha
Empresa Solicitante: Opera Representação Distribuidora e Importadora Ltda. CNPJ: 38.909.503/0001-07
Autorização de Funcionamento nº: 1.02748-7
Expediente nº: 101630/14-1 e 028105/15-5
Certificado de Boas Práticas de Fabricação de Medicamentos: Produtos estéreis citostáticos: pós liofilizados e soluções parenterais de pequeno volume (com esterilização terminal).

Empresa Fabricante: Vetter Pharma Fertigung GmbH & Co. KG.
Endereço: Moorenweis 2, 88214, Ravensburg
País: Alemanha
Empresa Importadora: Shire Farmacêutica Brasil Ltda. CNPJ: 07.898.671/0001-60
Autorização de Funcionamento nº: 1.00929-1
Expediente nº: 090299/13-2 e 108757/14-1
Certificado de Boas Práticas para a(s) Etapa(s) de Produção/ Fora(s) Fabricação(ões): Produtos estéreis (granulé) pós liofilizados.

RESOLUÇÃO - RE Nº 1.709, DE 12 DE JUNHO DE 2015

O Diretor da Agência Nacional de Vigilância Sanitária no uso das atribuições que lhe conferem o Decreto de nomeação de 9 de maio de 2014, da Presidenta da República, publicado no DOU de 12 de maio de 2014, e a Portaria nº 594, de 27 de abril de 2015, tendo em vista o disposto no inciso I, § 1º do art. 6º do Regimento Interno da ANVISA, aprovado nos termos do anexo I da Portaria nº 650, de 29 de maio de 2014, publicada no DOU de 02 de junho de 2014,

Considerando o descumprimento dos requisitos de Boas Práticas de Fabricação de Medicamentos, ou o descumprimento dos procedimentos de petições submetidas à análise, precisotados em legislação vigente, resolve:

Este documento pode ser verificado no endereço eletrônico http://www.in.gov.br/autenticidade.html, pelo código 101020150615000003

Documento assinado digitalmente conforme MP nº 2.200-2 de 24/08/2001, que institui a Infraestrutura de Chaves Públicas Brasileira - ICP-Brasil.

GMP from ANVISA-Brazil for SEZ Unit.

GMP Certificate from Cofepris-Mexico for SEZ Unit

SALUD
SECRETARÍA DE SALUD

Cofepris
Comisión Federal para la Protección contra Riesgos Sanitarios

ESTADOS UNIDOS MEXICANOS
COMISIÓN FEDERAL PARA LA PROTECCIÓN CONTRA RIESGOS SANITARIOS
COMISIÓN DE AUTORIZACIÓN SANITARIA
SUBDIRECCIÓN EJECUTIVA DE LICENCIAS SANITARIAS

CERTIFICADO No. 143300516A0965

México, D.F. a 18 de Septiembre de 2014

SHILPA MEDICARE LIMITED
Dronegar Industrial Area
Raichur-584 170
Karnataka, India

P R E S E N T E

Con fundamento en los Artículos 4 párrafo [illegible] 8 [illegible] los Estados Unidos Mexicanos; 2, [illegible] Pública Federal; 1, 2, 3, 15, 16 fracciones IV y X, 17 y 17A de la [illegible] 1, 3 fracciones XXII y XXVIII; 13 apartado A fracciones IX y X, 17 bis [illegible] 388, 389 fracción V y 392 de la Ley General de Salud; 1 y 2 inciso c [illegible] de la Secretaría de Salud; 1, 3 fracciones I inciso b, VII, XIII, 4 fracción [illegible] y XIV del Reglamento de la Comisión Federal para la Protección Contra [illegible] 208 del Reglamento de Insumos para la Salud, así como Acuerdo por el [illegible] 164-SSA1-2013, Buenas prácticas de fabricación [illegible] Salud, a través de la Comisión Federal para la [illegible] Secretaría y Servicios de la Comisión Federal de [illegible] el 28 de enero de 2011 y modificado el 22 de junio de 2011, 10 de [illegible] 2 de [illegible] de 2013 en el Diario Oficial de la Federación [illegible] cumple con las Buenas Prácticas de Fabricación [illegible] Sanitaria Vigente en la materia para los principios activos, [illegible] de Ambroxol; Nifedipino y Clorhidrato de Gemcitabina.

Se extiende el presente Certificado a petición del interesado para los fines legales a que haya lugar, el cual es vigente hasta el día **10 de junio de 2016**, pero al modificar las condiciones en que fue autorizado o presentar desviaciones el Certificado queda cancelado.

SUBDIRECTOR EJECUTIVO DE LICENCIAS SANITARIAS

MARCO [illegible] SOLIS LEYVA

SECRETARÍA DE SALUD
COMISIÓN FEDERAL DE PROTECCIÓN CONTRA RIESGOS SANITARIOS
SUBDIRECCIÓN EJECUTIVA DE LICENCIAS SANITARIAS

c.c.p. Expediente de la Comisión de Autorización Sanitaria, 1º Piso.

MLSL/IVL/[illegible]

15-SEPTIEMBRE-2014 CRFF-FIN

Oldahama No. 14, Col. Nápoles, Del. Benito Juárez, D.F., C.P. 03810
Tel. 5080-5200 [Ext.1360] 01 800 033 50 50 www.cofepris.gob.mx

1 de 1

CAS-DEAFI

COF 023189

GMP Certificate from Cofepris-Mexico for Unit-1

Shilpa

Innovating for
affordable healthcare

SHILPA MEDICARE LIMITED
First Floor, 10/80, Rajendra Gunj,
Raichur – 584 102, Karnataka (India)
Phone: 08532-235006, 235704
Fax: 08532-235876
E-mail : info@vbshilpa.com
URL : www.vbshilpa.com