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Chartered Accountants

Independent Auditor's Report

To the Members of **Shilpa Pharma Lifesciences Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SHILPA PHARMA LIFESCIENCES LIMITED** ("the company"), which comprise the standalone Balance Sheet as at March 31, 2026, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors responsibility for the Audit of Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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



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Key Audit Matters	Auditor's Response
Revenue from sale of products and services Refer to Note 1.1(h) of the summary of significant accounting policies to the standalone Ind AS financial statements. Revenue is recognised when the entity has transferred the control for the promised goods or Services or on completion of performance obligation. The Company has a large number of customers operating in various geographies and sale contracts with customers have different terms relating to the recognition of revenue. Terms of sales arrangement, including the timing of transfer of control, Inco terms and identification of Performance obligations in case of service contracts require significant judgement in determining revenue. We identified the recognition of revenue from sale of products and services as a key audit matter as revenue is a key performance indicator and there could be a risk that revenue is recognised in the incorrect period.	Principal audit procedures Our audit procedures included the following: • We evaluated the Company's accounting policies related to revenue recognition and assessed its compliance in terms of Ind-AS 115 'Revenue from contracts with customers'; • We performed a walkthrough, evaluated the design and tested the operating effectiveness of controls related to the revenue recognition process; • For revenue from sale of products, we selected samples (including year-end testing of cut-off transactions) and tested the underlying documents, including customer contracts, invoices and shipping documents to assess and analyse the timing of recognition of revenue and contractual terms; Performed trend analysis over revenue as compared to previous periods. • Assessing journal entries posted to revenue to identify unusual items not already covered by our audit testing. • For revenue from sale of services, we selected samples and tested underlying documents and read, analysed the distinct performance obligations in these contracts. • We assessed the disclosures in accordance with Ind AS 115 "Revenue from contracts with customers"

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph (2)(i) below on reporting under Rule 11(g);

- c) the standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account,
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act,
- f) With respect to the adequacy of internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



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b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v) The Company has not declared or paid any dividend during the year.

i) Based on our examination, which included test checks, and relying on the representations / explanations from the Company, the Company has used accounting software for maintaining its books of account for the financial year ended March 31,2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with in respect of accounting software.

Additionally, the audit trail, where enabled, has been preserved and retained by the company as per the statutory requirements for record retention.

For B N P S And Associates LLP

Chartered Accountants

(Firm's Regn No.008127S/S200013)

Sd/-

CA. Yogesh R Bung

Partner

Membership No. 143932

Place: Raichur

Date: 21.05.2026

UDIN: 26143932AEQLJF6487

Annexure - A to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of Shilpa Pharma Lifesciences Limited for the year ended March 31, 2026.

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
 - (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
 - b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
 - e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.
- ii) In respect of Inventories:
 - a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
 - b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the audited books of account.

iii)

- a) (A) According to the information and explanations given to us and on the basis of our examination of the records the company has not made any investments nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms or Limited Liability Partnerships or any other parties during the year. However, it has granted loans to its wholly owned subsidiary company during the year in respect of which the requisite information is provided here under.

(Rs. In Lakhs)		
Particulars	Guarantees	Loans
<u>Aggregate amount granted/provided during the year</u>		
- Subsidiary Company	-	415.00
<u>Balance outstanding as at balance sheet date in respect of above cases</u>		
- Subsidiary Company	-	1,645.16

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans to a party other than to its subsidiary company;

- b) In respect of the aforesaid loans given, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest was stipulated and the repayments were regular as per stipulation.
- d) In respect of the aforesaid loans/advances in nature of loans, there is no amount which is overdue for more than ninety days. Except for the subsidiary company, the Company has not given advances in the nature of loans to any other company during the year.
- e) There were no loans/advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees provided, as applicable.
- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us and on the basis of records of the Company examined by us;
- a) in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, entry tax and other material statutory dues, as applicable, with the appropriate authorities.
 - b) there are no statutory dues relating to Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues which have not been deposited on account of any disputes.
- viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been previously recorded in the books of account.
- ix) According to the information and explanations given to us and based on records of the Company examined by us;
- a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
 - b) the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
 - c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
 - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.



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- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) Based on the information and explanations given to us by the management, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the Management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act.
- xiv) In our opinion and according to the information and explanation given to us;
 - a) the Company has an internal audit system commensurate with the size and nature of its business.
 - b) The internal audit reports of the Company issued for the period under audit have been considered by us.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.



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- xvi) According to the information and explanation given to us;
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
 - b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
 - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.
 - d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, para 3(xvi) (d) of the said Order is not applicable.
- xvii) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the Statutory Auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.



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xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For B N P S and Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S200013)

Sd/-

CA.Yogesh R Bung
Partner
Membership No. 143932

Place: Raichur
Date: 21.05.2026
UDIN: 26143932AEQLJF6487



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Annexure – B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Shilpa Pharma Lifesciences Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud and error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's financial controls with reference to standalone financial statements.



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Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For B N P S and Associates LLP

Chartered Accountants

(Firm's Regn No.008127S/S200013)

Sd/-

CA.Yogesh R Bung

Partner

Membership No. 143932

Place: Raichur

Date: 21.05.2026

UDIN: 26143932AEQLJF6487

Shilpa Pharma Lifesciences Limited

Notes to the Standalone Financial Information

Corporate Information

Shilpa Pharma Lifesciences Limited (A wholly owned Subsidiary of Shilpa Medicare Limited) was incorporated on 08.05.2020 having its registered office at 12-6-214/A-1, Shilpa House Hyderabad Road, RAICHUR -584135 Karnataka, with an object of making investments in the group companies.

The company is presently dealing in high-quality Active Pharmaceutical Ingredients (APIs), Intermediates, New Drug Delivery Systems, Peptides / Biotech products and Specialty Chemicals etc. using sophisticated technology meticulously in order to comply with laid down international standards/ specifications. Today, the company is among the world's leading suppliers of Oncology/Non-Oncology APIs.

1. Basis of Preparation of Financial Statements

a) Statement of Compliance

These Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the Company.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date March 31, 2026. The accounting policies are applied consistently to all the periods presented in the financial statements. The Standalone financial statements of the Company for the year ended March 31, 2026 were approved by the Board of Directors on May 21, 2026.

b) Functional and Presentation currency

These standalone financial statements are presented in Indian rupees (INR), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

c) Basis of Measurement

These Standalone financial statements have been prepared on the historical cost basis (i.e. on accrual basis), except for the following assets and liabilities which have been measured at fair value wherever applicable.

- Certain financial assets / liability measured at fair value,
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

d) Critical accounting Estimates and Judgments:

The preparation of Standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

Judgements

The areas involving critical estimates or judgments are:

- Estimation of Useful life of Property, plant and equipment and intangibles [Note 1.1(a)]
- Estimation of impairment [Note 1.1 (d)]
- Measurement of defined benefit obligation [Note 1.1 (f)]
- Revenue of recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time. [Note – 1.1 (h)]
- Recognition of deferred taxes [Note 1.1 (m)]
- Estimation of provision and contingent-liabilities [Note 1.1 (n)]

1.1 Material Accounting Policies

a) Property, Plant and Equipment & Depreciation:

i. Recognition & measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to The Company and cost can be measured reliably.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method (SLM) prescribed in Schedule II of the Companies Act 2013. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Asset Classification	Management estimate of useful life	Useful life as per Schedule III
Building	Building	30 years	30 years
Plant and equipment (including Electrical installation and Lab equipment)	Plant & Machinery	8-20 years	8-20 years
Computers & servers	Plant & Machinery	3-6 years	3-6 years
Office Equipment	Plant & Machinery	5 years	5 years
Furniture & fixtures	Furniture & fixtures	10 years	10 years
Vehicles	Vehicles	6-10 years	6-10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

The company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year upto the date of sale.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

b) Intangible Assets:

i. Recognition and measurement

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost less accumulated amortization. Cost includes only such expenditure that is directly attributable to making the asset ready for its intended use.

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Intangible assets are amortized over their useful life.

Intangible Assets include capitalized expenditure on filing and registration of any Drug Master File (DMF) or Abbreviated New Drug Application (ANDA) and compliance with regulatory procedures of the USFDA, in filing such DMF or ANDA, which are in respect of products for which commercial value has been established by virtue of third party agreements/ arrangements. The cost of each DMF/ANDA is amortized over its estimated useful life from the date on which the amount has been capitalized.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in statement of profit and loss as incurred.

iii. Amortization

Intangible assets are amortised on a straight line basis over the estimated useful life as follows:

- Computer software 3-5 years
- Technical know-how – 10 years
- DMF/ patent fees – 10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c) Research and Development:

All expenditure on research activities are recognized in the Profit and Loss Statement when incurred. Expenditure on development activities are also recognized in the Profit and Loss Statement in the year such expenditure is incurred. However, development expenditure is capitalized only in cases where such costs can be measured reliably, the technological feasibility has been established in respect of the product or process for which costs are incurred, future economic benefits are probable and The Company intends to and has sufficient resources to complete development and to use or sell the asset.

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

d) Impairment of Assets:

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

e) Inventories:

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

f) Employee Benefits:

i. Short term employee benefits

All employee benefits falling due within twelve months from the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Defined Contribution plans

Contribution towards Provident Fund for employees is made to the regulatory authorities, where The Company has no further obligations. Such benefits are classified as Defined Contribution schemes as The Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

ii. Post-employment benefits:

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.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive

income (OCI). Net interest expense/(income) on the net defined (liability)/assets is computed by applying the discount rate, used to measure the net defined (liability)/asset. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss

Provident Fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

iii. Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non- accumulating compensated absences is recognised in the period in which the absences occur.

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the

introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

g) Cash and Cash Equivalent:

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

h) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to The Company and the revenue can be reliably measured.

i. Sale of products:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, Amount disclosed as revenue are excluding goods and service tax (GST) or duties collected on behalf of the government, and net off returns, trade discounts, rebates and any amount collected on behalf of third parties.

ii. Development Revenue:

Development revenue are recognized over the time period of the development activity and are recognized on the completion of each milestone as per term of the agreement.

iii. Recognition of Export benefits:

Export benefit entitlements in respect of incentive schemes including Merchandise Export Incentive Scheme (MEIS) and Focus Product Scheme (FPS) of the government of India are recognized in the period in which they are approved.

iv. Milestone payments and out licensing arrangements:

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of these obligations, The Company recognise or defer the upfront payments received under these arrangements. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the Milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive.

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before The Company transfers the promised goods or services to the customer.

v. Interest Income:

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

i) Foreign Currency Transactions/Translations:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

j) Government Grant:

The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

k) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments are reduced from the borrowing cost.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

I) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

I) Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the trade date i.e. the date that The Company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

(a) Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The Company while applying above criteria has classified the following at amortized cost:

- Trade receivables
- Investments
- Loans
- Other financial assets

(b) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments:

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

Derivative instruments:

The Company uses derivative financial instruments, such as interest rate swaps and cross-currency swaps, to manage its exposure to interest rate and foreign currency risks. The Company does not enter into derivatives for trading or speculative purposes.

Although the derivatives are entered into for hedging purposes, the Company has not designated such instruments under hedge accounting as prescribed in Ind AS 109. Consequently, all changes in the fair value of derivatives and gains or losses on settlement are recognised in the Statement of Profit and Loss.

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at fair value at each reporting date. The resulting gain or loss on remeasurement, determined based on mark-to-market valuations obtained from bankers, is recognised in the Statement of Profit and Loss and the carrying amount of the derivative asset or liability is adjusted accordingly.

Investments in subsidiaries:

Equity investments in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

De-recognition of financial Assets:

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

Impairment of financial Assets:

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

- Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- Financial Assets that are debt instruments and are measured at FVTOCI.
- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured at FVTPL
- Financial guarantee contracts which are not measured at FVTPL.

II) **Financial Liability:**

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The Company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires

m) Income Taxes:

Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax

authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

n) Provisions, Contingent Liabilities and Contingent Assets:

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision is recognised when The Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

o) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, The Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

p) Earnings per share:

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

q) Operating Cycle:

The Company classifies an asset as current asset when:

it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period;
- or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents The Company's normal operating cycle is twelve months.

r) Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f April 1, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The company has reviewed the amendment and based on its evaluation has determined that it does not have any such transactions during the year. Hence, there is no impact of the same on the financial statements of the company.

Shilpa Pharma Lifesciences Limited

(All amount are in Indian Rupees unless otherwise stated)

Standalone Balance Sheet as at March 31, 2026

Particulars	Notes	31-03-26	31-03-25
ASSETS			
Non-Current Assets			
(a) Property Plant & Equipment	2	3,983,948,122	3,494,776,957
(b) Capital work- in- progress	3	268,863,730	343,974,466
(c) Intangible assets	2	114,958,249	68,579,325
(d) Intangible assets under development	4	-	58,588,437
(e) Financial assets	5		
(i) Investments		38,839,503	60,031,825
(ii) Loans		164,516,409	116,000,000
(iii) Other financial assets		24,205,422	22,597,419
(f) Other non current assets	6	93,767,673	106,326,992
Total Non-Current Assets		4,689,099,108	4,270,875,421
Current Assets			
(a) Inventories	7	2,104,678,734	2,144,925,238
(b) Financial assets	8		
(i) Trade receivables		3,027,142,847	2,213,676,812
(ii) Cash and cash equivalents		68,686,195	11,185,674
(iii) Other Bank Balances		21,943,093	14,245,983
(iv) Others financial assets		2,064,475	8,936,160
(c) Other current assets	9	289,437,679	350,304,250
Total Current Assets		5,513,953,023	4,743,274,116
Total Assets		10,203,052,131	9,014,149,537
B EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	100,000,000	100,000,000
(b) Other equity	12	2,590,911,923	1,761,763,865
Total Equity		2,690,911,923	1,861,763,865
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities	13		
(i) Borrowings		1,704,500,724	2,742,049,801
(b) Provisions	14	250,281,265	186,594,762
(c) Deferred Tax Liabilities (Net)	15	288,392,714	306,508,908
(d) Other Financial Liabilities	16	70,891,400	103,022,035
Total Non- Current Liabilities		2,314,066,103	3,338,175,506
Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings		3,108,553,832	2,368,541,930
(ii) Trade Payables			
a) dues to micro and small enterprises		56,709,317	56,873,703
b) dues to other than micro and small enterprises		1,162,306,442	882,877,820
(iii) Other Financial Liabilities		529,202,662	257,494,046
(b) Other Current Liabilities	18	111,679,835	96,861,327
(c) Provisions	19	193,224,960	107,920,438
(d) Current Tax Liabilities (Net)	10	36,397,059	43,640,902
Total Current Liabilities		5,198,074,106	3,814,210,166
Total Equity & Liabilities		10,203,052,131	9,014,149,537

The accompanying notes are an integral part of standalone financial statements.

As per our report of event date attached

for B N P S And Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S200013)

for and on behalf of Board of Directors of
Shilpa Pharma Lifesciences Limited

sd/-
Yogesh. R. Bung
Partner
M.No.143932

sd/-
Vishnukant Bhutada
DIN No:01243391
Managing Director

sd/-
Keshav Bhutada
DIN No:08222057
Executive Director & CEO

sd/-
Ritu Tiwary
Company Secretary

sd/-
Alpesh Maheshkumar Dalal
Chief Financial Officer

Place : Raichur
Date: 21.05.2026

Place: Raichur
Date: 21.05.2026

Shilpa Pharma Lifesciences Limited

(All amount are in Indian Rupees unless otherwise stated)

Standalone Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Notes	31-03-26	31-03-25
INCOME			
(a) Revenue from operations	20	9,847,176,632	8,451,560,674
(b) Other Income	21	15,238,169	55,752,114
Total Income		9,862,414,801	8,507,312,787
EXPENSES			
(a) Cost of materials consumed	22	4,677,107,025	3,345,445,090
(b) Purchases of stock-in-trade	23	-	2,565,000
(c) Change in inventories of finished goods, work-in-progress and stock-in- trade	24	(332,553,393)	361,387,318
(d) Employee benefits expense	25	1,795,277,259	1,599,179,265
(e) Finance costs	26	613,993,520	794,875,646
(f) Depreciation and amortisation expense		294,541,241	267,894,399
(g) Other expenses	27	1,540,082,169	1,251,077,334
Total expenses		8,588,447,820	7,622,424,052
Profit / (Loss) before Tax		1,273,966,981	884,888,735
Exceptional (income) / expense	28	156,039,440	25,000,000
Profit before tax		1,117,927,541	859,888,735
Tax Expenses			
i) Current Income tax		334,280,675	247,647,305
ii) Deferred Tax		(32,371,173)	(23,261,596)
Total Tax Expenses		301,909,502	224,385,709
Profit / (Loss) for the year		816,018,039	635,503,026
Other comprehensive Income			
(a) Items that will not be reclassified profit or loss		-	-
Remeasurement of the net defined benefit liability/ (asset)		(48,577,322)	2,611,906
Income Tax relating to the above		12,226,912	(657,417)
Total Other comprehensive Income(OCI) for the year		36,350,410	(1,954,489)
Total comprehensive income for the year		852,368,449	633,548,537
Earning per equity share for Rs.10/- face value			
Basic	30	85.24	63.35
Diluted		85.24	63.35
Weighted Average Number of equity shares			
Basic		10,000,000	10,000,000
Diluted		10,000,000	10,000,000

The accompanying notes are an integral part of standalone financial statements.

As per our report of event date attached

for B N P S And Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S200013)

for and on behalf of Board of Directors of
Shilpa Pharma Lifesciences Limited

sd/-
Yogesh. R. Bung
Partner
M.No.143932

sd/-
Vishnukant Bhutada
DIN No:01243391
Managing Director

sd/-
Keshav Bhutada
DIN No:08222057
Executive Director & CEO

sd/-
Ritu Tiwary
Company Secretary

sd/-
Alpesh Maheshkumar Dalal
Chief Financial Officer

Place : Raichur
Date: 21.05.2026

Place: Raichur
Date: 21.05.2026

Shilpa Pharma Lifesciences Limited

(all amounts in Indian rupees, except share data and where otherwise stated)

Standalone Statement of Changes in Equity for the year ended 31.03.2026**11 (a) Equity Share Capital**

Particulars	Total
Balance as at 01 April, 2024	10,000,000
Changes in equity share capital during the year	-
Balance as at 31 March, 2025	10,000,000
Changes in equity share capital during the year	-
Balance as at 31 March, 2026	10,000,000

12 (b) OTHER EQUITY

Particulars	Capital Reserves	Retained Earnings	Other Comprehensive Income (OCI) - Remeasurement of defined benefit plan	Debenture Redemption Reserve	Total
Balance as at 01 April, 2024	(523,896,498)	1,674,122,222	(22,010,396)	-	1,128,215,328
Changes during the year	-	(150,000,000)	-	150,000,000	-
Profit for the year	-	635,503,026	(1,954,489)	-	633,548,537
Balance as at 31 March, 2025	(523,896,498)	2,159,625,248	(23,964,885)	150,000,000	1,761,763,865
Changes during the year	-	126,779,610	-	(150,000,000)	(23,220,390)
Profit for the year	-	816,018,039	36,350,410	-	852,368,449
Balance as at 31 March, 2026	(523,896,498)	3,102,422,897	12,385,525	-	2,590,911,923

Notes:

1) Capital Reserves : This reserve represents the difference between the net value of assets & liabilities and the slump sale consideration on account of slump sale agreement between Shilpa Medicare Limited and Shilpa Pharma Lifescience Limited, which was carried out in FY 2022-23.

2) Retained earning : This Reserve represents the cumulative gains/(losses) of the Company.

3) Remeasurement of the net defined benefits plan: This reserve comprises the cumulative net gains/(losses) on actuarial valuation of post- employment obligations.

4) Debenture redemption reserve: This Reserve is created in accordance with the provisions of the Companies Act, 2013 to ensure availability of funds for the redemption of debentures issued by the company.

The accompanying notes are an integral part of standalone financial statements.

As per our report of event date attached

for B N P S And Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S-200013)

for and on behalf of Board of Directors of
Shilpa Pharma Lifesciences Limited

sd/-
CA. Yogesh R Bung
Partner
M.No.143932

sd/-
Vishnukant Bhutada
DIN No: 01243391
Managing Director

sd/-
Keshav Bhutada
DIN No: 08222057
Executive Director & CEO

sd/-
Ritu Tiwary
Company Secretary

sd/-
Alpesh Maheshkumar Dalal
Chief Financial Officer

Place : Raichur
Date: 21.05.2026

Place : Raichur
Date: 21.05.2026

Shilpa Pharma Lifesciences Limited

(All amounts are in Indian Rupees unless otherwise stated)

Standalone Statement of Cash Flows for the year ended 31st March 2026

Particulars	31-Mar-26	31-Mar-25
Cash Flows from Operating Activities		
Profits Before Tax (PBT)	1,117,927,541	859,888,735
Adjustment for:		
Finance cost	502,828,688	794,875,646
Depreciation & Amorisation expenses	294,541,241	267,894,399
Provision for Gratuity & Compensated absence	137,990,621	34,645,130
Bad debts / Advances written off	75,491,272	41,753,132
Provision for doubtful debts	15,202,540	8,284,047
Liabilities written back	(1,057,791)	-
Excess Provision written back	-	(20,658,212)
Amortisation of Capital Subsidy (Grants)	(1,105,800)	(1,105,800)
(Gain)/loss on sale of Assets	(338,310)	(292,265)
Impairment of plant & machinery	56,306,838	25,000,000
Unrealized foreign exchange (Gain) / Loss	(19,122,351)	(16,949,120)
Corporate Guarantee Income	-	(14,131,913)
Corporate Guarantee cost	-	69,574,427
Interest Income	(11,661,486)	(2,105,541)
MTM (gain)/Loss on derivatives instruments	111,164,832	(1,178,094)
Inventories written off	83,396,918	86,958,593
Operating profit before working capital changes	2,361,564,753	2,132,453,163
Movement in working capital		
(Decrease) / Increase in financial & non-financial liabilities	117,140,432	107,739,076
Decrease / (Increase) in Financial & non-financial Assets	95,489,893	(10,623,937)
Decrease / (Increase) in Inventory	(43,150,415)	112,887,265
Decrease / (Increase) in Trade receivables	(846,796,146)	311,745,251
(Decrease) / Increase in Trade payables	263,234,714	(449,143,012)
Net Cash flow generated from Operations	1,947,483,232	2,205,057,805
Taxes paid	(341,524,518)	(254,775,058)
Net Cash flow generated from Operating activities (A)	1,605,958,714	1,950,282,747
Cash Flows From Investing Activities		
Purchase of Property, plant and equipment including intangible assets (Refer Note No 2)	(662,830,766)	(566,478,678)
Proceeds from sale of assets	6,076,635	3,176,734
Proceeds from Investments (Net)	-	376,942
Interest received	11,139,303	2,845,915
Loan Given to Subsidy	(41,497,055)	21,689,454
Net cash used in Investing Activities (B)	(687,111,883)	(538,389,632)
Cash Flows From Financing Activities		
Interest paid	(534,957,987)	(701,220,771)
Long-term loans and borrowings (net)	(887,549,077)	(633,150,199)
Short-term loans and borrowings (net)	590,011,903	(238,290,714)
Net Cash earned from Financing Activities (C)	(832,495,162)	(1,572,661,683)
Net Increase/(decrease)in Cash and Cash Equivalents	86,351,670	(160,768,569)
Change in foreign currency translation arising on exchange conversion	(21,154,039)	20,750,700
Cash & Cash Equivalents at the Beginning of the year	25,431,657	165,449,527
Cash & Cash Equivalents at the end of the period	90,629,288	25,431,657

Shilpa Pharma Lifesciences Limited

Components of Cash and Cash Equivalents	31-03-26	31-03-25
- Cash in Hand	1,656,722	1,041,014
- Balances with banks - on current accounts	17,029,472	10,144,661
- Deposits with original maturity of less than 03 months	50,000,000	-
- Fixed deposits having maturity less than 12 months held as margin money	21,943,093	14,245,983
Total Cash and Cash Equivalents	90,629,288	25,431,657

Reconciliation between opening and closing balances for liabilities arising from financing activities	As at April 1, 2025	Cash Flows	Non Cash Movement	As at March 31, 2026
Particulars				
Non-current borrowings (including current maturities)	2,866,849,801	(887,549,077)		1,979,300,724
Current borrowings (excluding current maturities)	2,243,741,930	590,011,903		2,833,753,832
Interest accrued but not due	107,552,364	(32,129,236)		75,423,128
Particulars	As at April 1, 2024	Cash Flows	Non Cash Movement	As at March 31, 2025
Non-current borrowings (including current maturities)	3,500,000,000	(633,150,199)		2,866,849,801
Current borrowings (excluding current maturities)	2,482,032,643	(238,290,714)		2,243,741,930
Interest accrued but not due	1,416,509	106,135,855		107,552,364

Note:

1.The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as prescribed under Companies (Accounting Standard) Rules, 2015.

2.Purchase of property, plant & equipment and intangible assets includes capital work in progress, capital advance and capital creditors

The accompanying notes are an integral part of Standalone financial statements.

As per our report of event date attached

for B N P S And Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S200013)

for and on behalf of Board of Directors of
Shilpa Pharma Lifesciences Limited

sd/-
Yogesh. R. Bung
Partner
M.No.143932

sd/-
Vishnukant Bhutada
DIN No:01243391
Managing Director

sd/-
Keshav Bhutada
DIN No:08222057
Executive Director & CEO

sd/-
Ritu Tiwary
Company Secretary

sd/-
Alpesh Maheshkumar Dalal
Chief Financial Officer

Place : Raichur
Date: 21.05.2026

Place:Raichur
Date: 21.05.2026

Place:Raichur
Date: 21.05.2026

Shilpa Pharma Lifesciences Ltd

(All amounts in Indian rupees, except share data and where otherwise stated)

2.Property, Plant & Equipment & Intangible Assets

Particulars	Gross Block				Depreciation / Adjustment				Net Block Total 31.03.2026
	As at 1 April 2025	Additions	Sales / Deletion & Adjustment	Gross Block 31.03.2026	As at 1 April 2025	For the year	Adjustment & Sales of asset	Gross Depreciation Total	
Tangible Assets									
<i>j) Owned</i>									
Borewell	1,042,797	-	-	1,042,797	932,294	-	-	932,294	110,503
Building	889,126,057	135,359,784	-	1,024,485,840	300,117,814	27,239,765	-	327,357,579	697,128,261
Land and Green Field	70,461,566	-	-	70,461,566	-	-	-	-	70,461,566
Canteen Equipment	662,699	-	-	662,699	639,688	-	-	639,688	23,011
Computer	50,005,373	5,050,368	-	55,055,741	42,381,546	3,262,096	-	45,643,642	9,412,099
Network Server equipment	7,629,646	354,255	-	7,983,902	5,551,530	596,424	-	6,147,954	1,835,947
Electrical Installation	451,363,026	128,969,362	-	580,332,387	250,184,609	33,574,918	-	283,759,526	296,572,861
ETP Building	58,445,397	-	-	58,445,397	27,801,240	1,882,050	-	29,683,290	28,762,107
ETP Machinery	62,388,496	60,375	-	62,448,871	29,440,008	2,738,128	-	32,178,136	30,270,734
Furniture	102,014,065	19,290,251	215,730	121,088,586	53,574,601	8,034,506	151,490	61,457,618	59,630,969
Lab Equipments	638,769,325	70,582,068	14,024,792	695,326,602	376,799,655	40,986,171	8,430,228	409,355,598	285,971,003
Office Equipment	7,354,300	333,500	-	7,687,800	6,513,110	223,093	-	6,736,203	951,597
Pipeline	816,429,331	100,141,806	-	916,571,137	235,488,040	39,816,465	-	275,304,505	641,266,632
Plant & Machinery	2,670,513,079	315,480,270	34,000	2,985,959,350	1,008,644,376	121,434,304	11,199	1,130,067,480	1,855,891,869
Pollution Control Equip.	3,707,455	-	-	3,707,455	3,294,244	39,025	-	3,333,269	374,186
Vehicle	2,991,149	-	1,134,400	1,856,749	2,842,579	0	1,077,680	1,764,899	91,850
weigh bridge	842,125	-	-	842,125	767,061	32,958	-	800,019	42,106
EHS Equipment	11,213,172	281,438	-	11,494,610	5,209,705	1,134,085	-	6,343,789	5,150,821
Total (A)	5,844,959,058	775,903,478	15,408,922	6,605,453,614	2,350,182,100	280,993,988	9,670,597	2,621,505,491	3,983,948,122
Intangible Assets									
Computer software	65,510,025	1,539,280	-	67,049,305	55,125,668	2,509,896	-	57,635,565	9,413,741
Technical Know How	18,936,841	58,386,897	-	77,323,738	4,619,018	2,133,599	-	6,752,617	70,571,121
DMF/ Patents Fees	119,012,000	-	-	119,012,000	75,134,855	8,903,758	-	84,038,613	34,973,387
Total (B)	203,458,867	59,926,177	-	263,385,044	134,879,541	13,547,253	-	148,426,794	114,958,249
Sub-Total (A+B)	6,048,417,925	835,829,655	15,408,922	6,868,838,658	2,485,061,641	294,541,241	9,670,597	2,769,932,285	4,098,906,371

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				Net Block Total 31.03.2025
	As at 1 April 2024	Additions	Sales / Deletion & Adjustment	As at 31.03.2025	As at 1 April 2024	For the Period	Adjustment & Sales of asset	As at 31.03.2025	
Tangible Assets									
<i>j) Owned</i>									
Borewell	1,042,797	-	-	1,042,797	927,258	-	-	927,258	115,539
Building	867,164,407	23,845,903	1,884,254	889,126,057	274,085,744	26,037,106	-	300,122,850	589,003,207
Land and Green Field	70,461,566	-	-	70,461,566	-	-	-	-	70,461,566
Canteen Equipment	662,699	-	-	662,699	639,688	-	-	639,688	23,011
Computer	46,518,953	3,823,315	336,895	50,005,373	40,433,958	2,267,640	320,052	42,381,546	7,623,827
Network Server equipment	6,976,961	652,685	-	7,629,646	4,835,470	716,060	-	5,551,530	2,078,116
Electrical Installation	412,315,480	39,047,546	-	451,363,026	222,078,811	28,105,798	-	250,184,609	201,178,417
ETP Building	58,445,397	-	-	58,445,397	25,919,190	1,882,050	-	27,801,240	30,644,157
ETP Machinery	62,388,496	-	-	62,388,496	26,704,127	2,735,881	-	29,440,008	32,948,488
Furniture	94,862,848	7,304,937	153,720	102,014,065	46,840,377	6,865,090	130,866	53,574,601	48,439,464
Lab Equipments	589,455,602	51,030,321	1,716,597	638,769,325	342,946,882	35,410,470	1,557,697	376,799,655	261,969,670
Office Equipment	7,157,222	298,555	101,477	7,354,300	6,436,570	172,943	96,403	6,513,110	841,190
Pipeline	760,525,495	55,903,837	-	816,429,331	199,903,872	35,584,168	-	235,488,040	580,941,291
Plant & Machinery	2,525,673,490	148,982,193	4,142,603	2,670,513,079	900,125,131	111,865,303	3,346,059	1,008,644,376	1,661,868,704
Pollution Control Equip.	3,707,455	-	-	3,707,455	3,255,219	39,025	-	3,294,244	413,211
Vehicle	2,991,149	-	-	2,991,149	2,835,309	7,271	-	2,842,579	148,570
weigh bridge	842,125	-	-	842,125	720,000	47,064	-	767,064	75,064
EHS Equipement	8,734,800	2,478,372	-	11,213,172	4,322,514	887,191	-	5,209,705	6,003,467
Total (A)	5,519,926,942	333,367,662	8,335,546	5,844,959,058	2,103,010,121	252,623,058	5,451,077	2,350,182,103	3,494,776,957
Intangible Assets									
Computer software	61,998,888	3,511,137	-	65,510,025	53,014,832	2,110,836	-	55,125,668	10,384,357
Technical Know How	18,936,841	-	-	18,936,841	2,725,365	1,893,653	-	4,619,018	14,317,824
DMF/ Patents Fees	119,012,000	-	-	119,012,000	63,868,004	11,266,851	-	75,134,855	43,877,145
Total (B)	199,947,730	3,511,137	-	203,458,867	119,608,200	15,271,340	-	134,879,541	68,579,325
Sub-Total (A+B)	5,719,874,671	336,878,799	8,335,546	6,048,417,925	2,222,618,322	267,894,399	5,451,077	2,485,061,644	3,563,356,282

Shilpa Pharma Lifesciences Ltd

(All amounts in Indian rupees, except share data and where otherwise stated)

3 CAPITAL WORK-IN-PROGRESS (Refer Note No:41)

Particulars	As at 01 April, 2025	Additions	Deletions/ Transfer*	As at 31 March, 2026
a) Machinery under erection	220,253,759	235,068,415	316,002,271	139,319,903
b) Projects under erection	123,720,708	538,161,501	532,338,381	129,543,827
Total	343,974,466	773,229,916	848,340,652	268,863,730

*Note: Includes Rs.563,06,838/- Impairment of Plant & Machinery purchased from Indo Biotech SDN BHD, Malaysia (Fellow subsidiary company)

4 INTANGIBLE ASSETS UNDER DEVELOPMENT (Refer Note No:42)

Particulars	As at 01 April, 2025	Additions	Deletions/ Transfer	As at 31 March, 2026
a) Software under installation	88,591	2,252,753	2,341,344	-
b) Product under development	48,612,949	-	48,612,949	-
c) DMF /ANDA/Patents Fees	9,886,897	-	9,886,897	-
Total	58,588,437	2,252,753	60,841,190	-

3 CAPITAL WORK-IN-PROGRESS (Refer Note No:41)

Particulars	As at 01 April, 2024	Additions	Deletions/ Transfer*	As at 31 March, 2025
a) Machinery under erection	112,415,433	222,315,640	114,477,314	220,253,759
b) Projects under erection	214,170,728	154,122,935	244,572,956	123,720,708
Total	326,586,161	376,438,576	359,050,270	343,974,466

*Note: Includes Rs. 2,50,00,000 Impairment of Plant & Machinery purchased from Indo Biotech SDN BHD, Malaysia (Fellow subsidiary company)

4 INTANGIBLE ASSETS UNDER DEVELOPMENT (Refer Note No:42)

Particulars	As at 01 April, 2024	Additions	Deletions/ Transfer	As at 31 March, 2025
a) Software under installation	88,591	3,511,159	3,511,159	88,591
b) Product under development	44,112,949	4,500,000	-	48,612,949
c) DMF /ANDA/Patents Fees	2,455,263	7,886,897	455,263	9,886,897
Total	46,656,803	15,898,056	3,966,422	58,588,437

Shilpa Pharma Lifesciences Limited*(all amounts in Indian rupees, except share data and where otherwise stated)***Notes Forming Part of Standalone Financial Statement****5 Financial Assets****(i) Investments**

Particulars	As at 31-03-2026	As at 31-03-2025
a) Investments in Equity Instruments (Unquoted)(at Amortised cost)		
i) In Subsidiary of Holding Company		
a) Corporate guarantee given to Shilpa Biologicals Private Limited, Hubli	-	15,159,709
b) Corporate guarantee given to Shilpa Biocare Private Limited, Raichur	-	6,032,613
ii) In Subsidiary Company		
a) Investment in Equity shares of Shilpa Lifesciences Private Ltd (10000 (10,000) of Rs.10 each	100,000	100,000
iii) Others		
i) Investment in equity shares in Atria Wind Power Private Ltd (99,457 (99,457) shares @ Rs.193.28/-each)	19,223,058	19,223,058
ii) Investment in equity shares of Atria Wind Private Ltd (77,695 (77,695) shares @ Rs.251/-each)	19,501,445	19,501,445
b) Investments in Certificates of deposits carried at amortized cost		
i) In government securities (unquoted)		
National Savings Certificate	15,000	15,000
Total value of unquoted investment	38,839,503	60,031,825
Aggregate value of unquoted investment	38,839,503	60,031,825

(ii) Loans

Particulars	As at 31-03-2026	As at 31-03-2025
Loans to Related parties		
Considered good, unsecured		
a) Shilpa Lifesciences Private Ltd (Wholly Owned Subsidiary)	164,516,409	116,000,000
Terms		
Repayable in 12 equal quarterly installments with a moratorium period of 5 years upto 18.04.2029 along with interest, if any due. The first installment falling due on 18.07.2029 Interest is payable at 7.50% p.a.		
Total	164,516,409	116,000,000

(iii) Other Financial Assets

Particulars	As at 31-03-2026	As at 31-03-2025
a) Security deposits (unsecured considered good) (Refer Note No. 49)		
i) Electricity deposits	22,137,651	20,529,648
ii) Rental deposits	150,000	150,000
iii) Telephone deposits	57,157	57,157
iv) Miscellaneous deposits	1,860,614	1,860,614
Total	24,205,422	22,597,419

6 Other Non-Current Assets

Particulars	As at 31-03-2026	As at 31-03-2025
a) Capital advances		
i) Unsecured, considered good	84,379,701	59,904,114
b) Others		
i) Prepaid Expenses	1,721,228	24,501
ii) Unamortised -NCD Expenses	-	10,932,623
iii) Fixed deposits having maturity more than 12 months held as Security (Refer Note No. 49)	7,666,744	-
iv) Deferred expenses (CG)	(0)	35,465,754
Total (a+b)	93,767,673	106,326,992

7 Inventories

Particulars	As at 31-03-2026	As at 31-03-2025
a) Raw materials	713,662,124	1,062,727,393
b) Work-in-progress	531,351,994	547,915,832
c) Finished goods	676,828,689	327,711,457
d) Stores and Spares	176,003,051	199,495,855
e) Packing materials	6,832,876	7,074,700
Total	2,104,678,734	2,144,925,238

8 Financial Assets**(i) Trade Receivables (Refer Note 42 & 49)**

Particulars	As at 31-03-2026	As at 31-03-2025
a) Considered good - Unsecured	3,027,142,847	2,213,676,812
b) Trade receivables - credit impaired	28,393,617	13,191,077
Less: Expected Credit Losses (ECL)	(28,393,617)	(13,191,077)
Total	3,027,142,847	2,213,676,812

Expected Credit Losses (ECL)

Opening Balance	(13,191,077)	(4,907,030)
Considered during the period	(15,202,540)	(8,284,047)
Charged off	-	-
Closing Balance	(28,393,617)	(13,191,077)

(ii) Cash and Cash Equivalents

Particulars	As at 31-03-2026	As at 31-03-2025
a) Cash on Hand	1,656,722	1,041,014
b) Balance with Banks in Current Account	17,029,472	10,144,661
c) Bank Deposits having Maturity of Less than 03 months	50,000,000	-
Total	68,686,195	11,185,674

(iii) Other Bank Balances

Particulars	As at 31-03-2026	As at 31-03-2025
a) Fixed deposits having maturity less than 12 months held as margin money (Refer Note No. 49)	21,943,093	14,245,983
Total	21,943,093	14,245,983

(iv) Other Financial Assets

Particulars	As at 31-03-2026	As at 31-03-2025
a) Staff advance	346,120	720,634
b) Interest accrued but not due	1,718,355	8,215,526
Total	2,064,475	8,936,160

9 Other Current Assets

Particulars	As at 31-03-2026	As at 31-03-2025
a) Prepaid Expenses	21,097,877	50,769,921
b) Export Incentive Receivables	7,033,416	14,741,340
c) Refund receivables from customs	8,548,252	8,548,252
d) Advances to suppliers (Refer Note 49)	39,530,290	92,458,303
e) Derivative asset	-	1,178,094
f) GST Receivable (Refer Note 49)	153,288,698	117,180,604
g) GST Refund Receivable	59,939,146	65,427,736
Total	289,437,679	350,304,250

10 Current Tax Assets/(Liabilities) (Refer Note No. 37)

Particulars	As at 31-03-2026	As at 31-03-2025
a) Income Tax (Net)	(36,397,059)	(43,640,902)
Total	(36,397,059)	(43,640,902)

12 Other Equity

Particulars	As at 31-03-2026	As at 31-03-2025
a) Capital Reserve	(523,896,498)	(523,896,498)
<u>b) Retained Earnings</u>	2,159,625,248	1,674,122,222
Add/(Less): Transferred from debenture redemption reserve	150,000,000	(150,000,000)
Add/(Less): Deemed investment written off	(23,220,390)	-
Add: Profit/(Loss) for the Period	816,018,039	635,503,026
Total	3,102,422,897	2,159,625,248
<u>c) OCI - Actuarial Gain / Loss on Defined Benefit Plan</u>	(23,964,885)	(22,010,396)
Add: Profit/(Loss) for the Period	36,350,410	(1,954,489)
Total	12,385,525	(23,964,885)
<u>d) Debenture redemption reserve</u>	150,000,000	150,000,000
Less: Transferred to retained earnings	(150,000,000)	-
Total	-	150,000,000
Total	2,590,911,923	1,761,763,865

13 Financial Liabilities

(i) Long Term Borrowings (Refer Note No. 49)

Particulars	As at 31-03-2026	As at 31-03-2025
a) Term loans (Secured) from		
i) Axis bank	479,600,001	604,400,000
<u>Nature of Security:</u> Term loan of Rs. 7,500.00 Lakhs taken from Axis, Bangalore and is secured by first pari passu charge on the movable fixed assets at Unit1,Deosugur & Unit 2,Chicksugur,Raichur along with NCD holders. <u>Terms of Repayment & Interest Rate:</u> Term loan from Axis would be repayable within 71 equal monthly instalment of `104.00 Lakhs & Last installment of 116.00 Lakhs from the date of first disbursement fall due on Dec'2030. Interest payable monthly in arrears. Rate of interest is 7.6% p.a.		
ii) ICICI bank	500,000,000	-
<u>Nature of Security:</u> Term Loan of Rs. 7,500.00 Lakhs sanctioned by ICICI Bank Limited and secured by security interest/arrangements as stipulated in the Security Template acceptable to the Bank. The borrower is required to maintain a security cover of 1.00x throughout the tenure of the facility. <u>Terms of Repayment & Interest Rate:</u> Term Loan from ICICI bank would be repayable in 60 equal monthly instalments from the date of first disbursement as per the repayment schedule. The final repayment shall be made within 5 years(July'30) from the date of first disbursement. Interest is chargeable at I-MCLR-1Y + 0.10% spread (currently 8.95% p.a., subject to reset every year)		
iii) Non-Convertible Debentures		
i) 13.05% NCD-ICICI Prudential Corp Cre Opp (22500 Non Convertible Debenture of C 1,00,000/- each payable @ par)-Series 1 <u>Nature of security:</u> i. First charge on all movable & immovable Fixed Assets of Shilpa Pharma Lifesciences. Ltd (SPLL) wholly owned subsidiaries and hypothecation of all receivables /loans from inter-company made by SPLL to other group entities. ii. Second charge on all current assets of SPLL . iii. Pledge of 100% equity shares of SPLL. iv. Corporate guarantee provided by the holding Company.	-	750,000,000
<u>Terms of Repayment & Interest Rate:</u> During the FY-23-24 Company has issued 45,000 redeemable Non Convertible Debentures (NCD) in 2 series each having a face value of Rs 1,00,000 with agreed coupon rate of 13.05% p.a. for series-1 and 12.53% p.a. for series 2 respectively. They are redeemable over a period of 5 years starting from 27th month and ending at 60th month from the date of allotment or earlier based on agreed terms of the debenture trust deed. Catalyst Trusteeship Limited is appointed as Debenture Trustee for the said issue. The company has fully repaid NCD availed from OCM Asia Credit I Pte Limited during previous year.	-	-

b) Unsecured Loan from i) Shilpa Medicare Limited (Holding Company) Terms of Repayment & Interest Rate: Repayable in 12 equal quarterly installments with a moratorium period of 5 years upto 14.02.2028 along with interest, if any due. Interest is payable at 7.50% p.a.	724,900,723	1,387,649,801
Total	1,704,500,724	2,742,049,801

14 Provisions

Particulars	As at 31-03-2026	As at 31-03-2025
a) Provision for employee benefits		
i) Provision for gratuity	225,865,999	163,779,200
ii) Provision for leave encashment	24,415,266	22,815,562
Total	250,281,265	186,594,762

15 Deferred Tax Liabilities (Net) (Refer Note No. 37)

Particulars	As at 31-03-2026	As at 31-03-2025
a) Deferred tax liability		
i) Property, plant and equipment, and intangible assets	391,550,565	391,035,826
b) Deferred tax asset		
i) Provision for bad debts	(10,973,153)	(3,320,194)
ii) Other disallowable expenses	-	(2,187,317)
iii) Defined benefit obligations	(81,624,159)	(60,138,301)
iv) Others	(10,560,539)	(18,881,106)
Total	288,392,714	306,508,908

16 Other Non-Current Liabilities

Particulars	As at 31-03-2026	As at 31-03-2025
a) Capital subsidy	165,313	1,271,113
b) Interest accrued but not due on borrowings	70,726,087	101,750,922
Total	70,891,400	103,022,035

17 Financial Liabilities

(i) Borrowing (Refer Note No. 49)

Particulars	As at 31-03-2026	As at 31-03-2025
a) Current Maturities of Long term debts	274,800,000	124,800,000
b) Secured loans		
i) Working capital loans from		
i) ICICI Bank-WCDL [refer note 'a' & 'c' (i)' below]	1,350,000,000	600,000,000
ii) Axis Bank - WCDL [refer note 'b' & 'c' (ii)' below]	898,500,000	847,500,000
iii) Axis bank-Cash Credit [refer note 'b' & c (iv)' below]	462,918,387	531,723,383
iv) ICICI Bank-Cash Credit [refer note 'a' & 'c' (iii)' below]	122,335,445	264,518,546

<u>Nature of Security</u> (a) Working capital from ICICI Bank (ICICI) is secured First Pari Passu charge on all the Current Assets of the Company and Second Pari Passu charge on all the Movable Fixed Assets of company (Present and future) and personal guarantee of Two (2) Directors in all matters of it's Holding Company. (b) Working capital from Axis Bank (AXIS) is secured by First Pari Passu charge on all the Current Assets of the Company and Second Pari Passu charge on all the Movable Fixed Assets of company (Present and future) and personal guarantee of Two (2) Directors in all matters of it's Holding Company. <u>(c) Interest rate as at March 31, 2026 is as under:</u> (i) ICICI-WCDL-8.35% (PY - 8.75%) (ii) Axis Bank-WCDL-8.00% (PY - 8.50%) (iii) ICICI-Cash Credit-8.50% (PY - 8.60%) (iv) Axis Bank-Cash Credit-8.00% (PY- 9.15%)		
Total	3,108,553,832	2,368,541,930

(ii) Trade payables (Refer Note No. 43, 47 & 49)

Particulars	As at 31-03-2026	As at 31-03-2025
a) Dues to micro and small enterprises	56,709,317	56,873,703
b) Dues to other than micro and small enterprises	1,162,306,442	882,877,820
Total	1,219,015,759	939,751,524

(iii) Other financial liabilities

Particulars	As at 31-03-2026	As at 31-03-2025
a) Interest accrued & due on borrowings	4,697,041	5,801,442
b) Employee benefit liability	213,721,975	166,073,212
c) Capital Creditors (Refer Note 49)	200,796,909	80,714,767
d) Derivative Liability	109,986,738	-
Total	529,202,662	257,494,046

18 Other Current Liabilities

Particulars	As at 31-03-2026	As at 31-03-2025
a) Advances from Customers (Refer Note 49)	37,072,763	17,739,577
b) Tax deduction at Source	62,349,948	67,720,520
c) Provident fund payable	8,570,047	7,959,138
d) Capital Subsidy	1,105,800	1,105,800
e) ESI, Professional Tax, Etc.	484,699	294,045
f) Unclaimed Bonus & Salary	2,096,578	2,042,248
Total	111,679,835	96,861,327

19 Provisions

Particulars	As at 31-03-2026	As at 31-03-2025
a) <u>Provision for employee benefits</u>		
i) Provsion for leave encashment	11,960,141	9,506,792
ii) Provison for gratuity	62,050,050	42,826,936
b) <u>Provision for others</u>		
i) Provsion for expenses	119,214,769	55,586,710
Total	193,224,960	107,920,438

20 Revenue From Operations

Particulars	31-03-2026	31-03-2025
a) Sales of Products		
i) Sales of Active Pharmaceutical Ingredients	9,641,093,424	7,814,997,971
b) Sales of Services		
ii) Product development revenue	197,245,914	621,821,362
c) Other operating revenue		
i) Sales of FPS / MEIS Licences	8,837,293	14,741,340
Total	9,847,176,632	8,451,560,674

(i) Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	31-03-2026	31-03-2025
(i) Revenues		
(a) Within India	6,810,231,795	5,579,098,383
(b) Outside India		
-USA	161,185,036	750,937,824
-EUROPE	920,388,389	1,045,027,080
-ROW	1,955,371,412	1,076,497,387
Total	9,847,176,632	8,451,560,674

21 Other Income

Particulars	31-03-2026	31-03-2025
a) Interest from		
i) Deposit with bank	1,146,652	685,198
ii) Others	10,514,834	9,219,624
b) Liabilities written back	1,057,791	27,987,124
c) Corporate guarantee fees	-	14,131,913
d) Capital Subsidy (Grants)	1,105,800	1,105,800
e) Realised gain/(Loss) on Derivatives instruments	-	332,414
f) MTM gain/(Loss) on derivatives instruments	-	1,178,094
e) Miscellaneous Income	1,413,093	1,111,947
Total	15,238,169	55,752,114

22 Cost of Material Consumed

Particulars	31-03-2026	31-03-2025
Inventory at the beginning of the year	1,069,802,093	980,496,896
Add: Purchases	4,327,799,932	3,434,750,287
Less: Inventory at the end of the year	720,495,000	1,069,802,093
Cost of raw materials and packing materials consumed	4,677,107,025	3,345,445,090
Material consumed comprises of :		
a) Raw material	4,652,516,732	3,325,719,522
b) Packing material	24,590,293	19,725,568
Total	4,677,107,025	3,345,445,090

23 Purchase of Stock-in-trade

Particulars	31-03-2026	31-03-2025
a) Purchase of Goods	-	2,565,000
Total	-	2,565,000

24 Changes in inventories of ,finished goods,traded goods and work-in-process

Particulars	31-03-2026	31-03-2025
Opening inventories		
a) Finished goods	327,711,457	557,233,041
b)Work-In-process	547,915,832	679,781,566
Closing Inventories		
a) Finished goods	676,828,689	327,711,457
b)Work-In-process	531,351,994	547,915,832
(Increase) / decrease in inventory	(332,553,393)	361,387,318

25 Employee benefits expense

Particulars	31-03-2026	31-03-2025
a) Salaries, wages, allowances and bonus	1,679,628,494	1,499,709,656
b) Contribution to provident and other funds	93,651,178	77,408,198
c) Staff welfare expenses	21,997,586	22,061,411
Total	1,795,277,259	1,599,179,265

26 Finance costs

Particulars	31-03-2026	31-03-2025
a) Interest expense on :		
i) Working capital facility	202,414,646	164,733,148
ii) Term loans	72,026,480	8,080,916
iii) Factoring arrangement	29,560,186	38,779,393
iv) Non-convertible debntures		
a) Interest on NCD-ICICI	-	108,958,561
b) Interest on NCD-OCM	39,982,917	191,736,260
c) Finance cost other charges-ICICI	-	33,250,907
d) Finance cost other charges-OCM	18,467,380	59,637,696
v) Corporate guarentee	50,465,754	69,574,427
vi) Unsecured Loan	78,592,663	113,056,580
vii) Delayed payment of taxes	598,279	7,067,757
b) Realised (gain) / Loss on Derivatives instruments	10,720,384	-
c) MTM (gain) / Loss on derivatives instruments	111,164,832	-
Total	613,993,520	794,875,646

27 Other Expenses

Particulars	31-03-2026	31-03-2025
a) Power and fuel	358,198,949	301,350,502
b) Repairs and maintenance		
- Buildings	50,328,609	45,712,290
- Plant and machinery	258,830,664	174,457,407
- Others	29,567,455	34,198,565
c) Rent	2,974,563	2,828,091
d) Foreign exchange Loss / (Gain) Net	(100,220,215)	(40,189,855)
e) Rate & Taxes	7,187,054	8,191,241
f) Insurance	13,845,317	14,068,688
g) Travelling and conveyance	24,876,618	14,657,605
h) Contractor labour charges	111,490,489	105,296,684
i) Legal & Professional fees	65,521,441	28,474,248
j) Facility fees	21,527,849	18,209,219
k) Payment to Auditor (Refer Note No. 29)	2,255,000	2,090,000
l) Quality Control / Research and development expenses	306,402,644	263,027,780
m) Transportation Charges	17,835,682	15,931,067
n) Brokerage and Commission	61,900,376	31,270,865
o) Sales promotion and advertisement	31,076,784	7,276,589
p) Bad debts / advance written-off	75,491,272	41,753,132
q) Clearing and forwarding expenses	55,883,991	36,131,523
r) (Profit) / Loss on sale /discard of assets	(338,310)	292,265
s) Custom Duty / GST	27,071,664	44,141,545
t) CSR expenditure	23,559,747	17,547,285
u) Miscellaneous expenses	79,611,984	76,076,551
v) Provision for expected credit losses	15,202,540	8,284,047
Total	1,540,082,169	1,251,077,334

28 Exceptional Income/(Expenses) (Refer Note no. 50)

Particulars	31-03-2026	31-03-2025
a) Gratuity of past service	99,732,602	-
b) Impairment of Plant & Machinery	56,306,838	25,000,000
Total	156,039,440	25,000,000

29 Payments to Statutory Auditors

Particulars	31-03-2026	31-03-2025
a) For Statutory audit	1,665,000	1,500,000
b) For Tax audit	500,000	500,000
c) For Certification	90,000	90,000
Total	2,255,000	2,090,000

30 Earnings per share (EPS)

Particulars	31-03-26	31-03-25
Net profit after tax attributable to equity shares holders for Basic EPS	852,368,449	633,548,537
Weighted Average no of equity shares outstanding during the year for Basic & Diluted EPS	10,000,000	10,000,000
Basic & Diluted EPS	85.24	63.35
Nominal Value per share	10.00	10.00

Shilpa Pharma Lifesciences Limited

(all amounts in Indian rupees, except share data and where otherwise stated)

Notes to the Standalone Financial Statement**11 Equity Share Capital**

Particulars	As at	As at
	31.03.2026	31.03.2025
Authorised share Capital		
Equity shares		
2,00,00,000 shares of Rs.10/- each par value	200,000,000	200,000,000
	200,000,000	200,000,000
Issued subscribed & fully paid up		
Equity shares		
1,00,00,000 Share face value of 10/- each	100,000,000	100,000,000
TOTAL	100,000,000	100,000,000

(a) Reconciliation of the number of shares

Particulars	As at 31.03.2026		As at 31.03.2025	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year				
Equity Shares	10,000,000	100,000,000	10,000,000	100,000,000
Shares issued during the year				
Equity Shares	-	-	-	-
Shares outstanding at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000

(b) Equity Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2026		As at 31.03.2025	
	Nos	% of Holding	Nos	% of Holding
1) Shilpa Medicare Limited	10,000,000	100%	10,000,000	100%

(c) Shares held by promoters in the Company**Shares held by promoters at the end of the year 2025-26**

Promoter name	No. of Shares	% of Shares	% of change
Shilpa Medicare Limited	9,999,994	99.99%	-

Shares held by promoters at the end of the year 2024-25

Promoter name	No. of Shares	% of Shares	% of change
Shilpa Medicare Limited	9,999,994	99.99%	-

Note: The above schedule does not include 1 share each held by Ramakant Innani, Om Prakash Innani, Vishnukant Bhutada, Keshav Bhutada, Ravi Kumar Innani, K H Honneshaiha in the representative capacity on behalf of Shilpa Medicare Ltd.

Rights and Restrictions attached to Equity Shares

- The Company has issued Equity shares having face value of Rs.10/- per share. Each Share Holder is eligible for one vote per share. In case dividend is proposed by the Company it will be subject to the approval of the Board of Directors. In the event of liquidation, the equity share holders are eligible to receive balance assets remaining after repayment to all the preferential share capital holders, in the proportion to their equity holding.

Shilpa Pharma Lifesciences Limited

(all amounts in Indian rupees, except share data and where otherwise stated)

31 Contingent Liabilities and Commitments

Particulars	As at 31 March, 2026	As at 31 March, 2025
a) Foreign letter of credit	43,578,880	65,858,304
b) Bank guarantees	31,592,122	27,234,304
c) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	257,610,091	27,367,949
Total	332,781,093	120,460,557

Shilpa Pharma Lifesciences Ltd

(All amounts in Indian rupees, except share data and where otherwise stated)

32 EMPLOYEE BENEFIT DEFINED CONTRIBUTION PLANS

Particulars	As at 31 March, 2026	As at 31 March, 2025
Defined Contribution Plan		
Provided fund	48,458,478	45,085,453
Movement of present value of the defined benefit obligation		
i) Change in defined benefit obligation		
Obligations at year beginning	206,606,136	188,733,262
Service cost	24,272,073	16,116,262
Past Service Cost	99,732,602	
Interest on defined benefit obligation	13,985,946	13,156,001
Benefits settled	(10,159,086)	(13,034,373)
Actuarial (gain)/loss	(46,521,622)	1,634,984
Obligations at year end	287,916,049	206,606,136
ii) Change in plan assets		
Plans assets at year beginning, at fair value	-	-
Expected return on plan assets		
Actuarial gain/(loss)		
Benefits payout	-	-
Increase/(Decrease) due to effect of any business combination/divestiture/transfer*		
Plans assets at year end, at fair value	-	-
iii) Amount recognised in the balance sheet		
Closing BPO	287,916,049	206,606,136
Closing fair value of plan assets		-
Net asset/(liability) recognized in the balance sheet	287,916,049	206,606,136
iv) Expenses recognised in the statement of P & L account		
Service cost	24,272,073	16,116,262
Interest cost	13,985,946	13,156,001
Expected return on plan assets	-	-
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO		
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO		
Actuarial (Gain)/ Losses due to Experience on DBO	(46,521,622)	1,634,984
Return on Plan Assets (Greater) / Less than Discount rate		-
Total actuarial (gain)/loss included in OCI	(46,521,622)	1,634,984
v) Assets Information		
i) Insured (fund is managed with Life insurance corporation of India)	-	-
%	0.00%	0.00%
ii) Non fund based (Company manages at its own)	287,916,049	206,606,136
%	100%	100%
vi) Principal actuarial assumptions		
Interest rate		
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	7.65%	6.94%
Expected rate of return on assets		
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	6.50%	7.00%
Attrition rate of employees	15.24%	16.27%
Retirement age of employees (Years)	58	58
Actuarial gain / loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc taken in account. The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.		

Sensitivity Analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis does not recognise the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	Decrease	Increase	Decrease	Increase
Discounted rate	4.39%	-4.01%	4.17%	-3.82%
Salary increase	-4.15%	4.35%	-3.72%	3.75%
Attrition rate	0.01%	-0.01%	0.05%	-0.04%

Sensitivity of signification actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points keeping all other actuarial assumption constant.

Shilpa Pharma Lifesciences Ltd

(All amounts in Indian rupees, except share data and where otherwise stated)

33 FAIR VALUE MEASUREMENT HIERARCHY:

Particulars	As at 31 March, 2026					As at 31 March, 2025				
	Carrying Amount					Carrying Amount				
	Amortised Cost	FVTPL			Total	Amortised Cost	FVTPL			Total
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
FINANCIAL ASSETS										
I. At Amortized Cost										
a) Non-current investments	38,839,503	-	-	-	38,839,503	60,031,825	-	-	-	60,031,825
b) Loans	164,516,409	-	-	-	164,516,409	116,000,000	-	-	-	116,000,000
c) Trade receivable	3,027,142,847	-	-	-	3,027,142,847	2,213,676,812	-	-	-	2,213,676,812
d) Cash & bank balance	68,686,195	-	-	-	68,686,195	11,185,674	-	-	-	11,185,674
e) Other bank balance	21,943,093	-	-	-	21,943,093	14,245,983	-	-	-	14,245,983
f) Other financial assets	26,269,897	-	-	-	26,269,897	31,533,579	-	-	-	31,533,579
Total	3,347,397,944	-	-	-	3,347,397,944	2,446,673,873	-	-	-	2,446,673,873
FINANCIAL LIABILITIES										
a) Borrowings	4,813,054,556	-	-	-	4,813,054,556	5,110,591,731	-	-	-	5,110,591,731
b) Trade payables	1,219,015,759	-	-	-	1,219,015,759	939,751,524	-	-	-	939,751,524
c) Other financial liabilities	600,094,062	-	-	-	600,094,062	360,516,081	-	-	-	360,516,081
Total	6,632,164,376	-	-	-	6,632,164,376	6,410,859,335	-	-	-	6,410,859,335

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value:

- 1) The use of quoted market prices or dealer quotes for similar instruments
- 2) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- 3) The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

34 FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets/liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(i) Foreign Currency Risk

The company operates internationally and a major portion of the business is transacted in USD & EURO currencies and consequently, The company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency.

The currency profile of financial assets and financial liabilities as at March 31, 2026 and March 31, 2025 are as below:

Particulars	As at 31 March, 2026					As at 31 March, 2025				
	USD	EURO	CNY	RMB	Others	USD	EURO	CNY	RMB	Others
Trade receivables	15,339,012	820,160	-	-	-	9,720,570	1,129,637	265,000	-	70,000
Cash and cash equivalents	187,082	4,374	-	850	503,012	114,893	8,173	-	178	189,386
Trade payables	(2,791,489)	(320,918)	-	-	(663,250)	(4,468,181)	(222,360)	-	-	-
Net Foreign Currency Risk	12,734,605	503,616	-	850	(160,238)	5,367,282	915,450	265,000	178	259,386

Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges.

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	31.03.2026	31.03.2025	31.03.2025	31.03.2024
USD-Sensitivity				
Increase by 1% (gain/(loss))	12,053,851	4,593,395	-	-
Decrease by 1% (gain/(loss))	(12,053,851)	(4,593,395)	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	548,973	845,185	-	-
Decrease by 1% (gain/(loss))	(548,973)	(845,185)	-	-
CNY-Sensitivity				
Increase by 1% (gain/(loss))	-	31,211	-	-
Decrease by 1% (gain/(loss))	-	(31,211)	-	-
RMB-Sensitivity				
Increase by 1% (gain/(loss))	115	21	-	-
Decrease by 1% (gain/(loss))	(115)	(21)	-	-
Others-Sensitivity				
Increase by 1% (gain/(loss))	(389,702)	30,550	-	-
Decrease by 1% (gain/(loss))	389,702	(30,550)	-	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/ income and to manage the interest rate risk, The company weighted average balance manage its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liability outstanding at the ending of the reporting period is the average weighted balance of the respective reporting period.

According to The company interest rate risk exposure is only for floating rate borrowings, change in 0.5% in the interest rate component applicable to the short term borrowings would effect the Companies net profit before tax at the end of the reporting period year ended 31 March, 2026 and 31 March, 2025 respectively.

Particulars	31-Mar-26	31-Mar-25
Change in 0.50% interest on WCL	15,542,769	11,842,710

(iii) Price Risk

The company does not have any exposure to price risk ,as there is no market based equity investment made by the Company.

B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk is arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable. Nil customer accounted for more than 10% of the trade receivable as at 31 March, 2026 and One Customer accounted for more than 10% of the trade receivable as at 31 March, 2025. Since The company is dealing with the customer from past several years, hence there is no risk in dealing with said customers.

Expected credit loss assessment

The company reviews the customer balances outstanding at the end of each reporting period and determines thee expected credit losses. Past trend of impairment of trade receivables do not reflect any significant credit losses. The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	31-Mar-26	31-Mar-25
Opening balance	13,191,077	4,907,030
Impairment loss recognised	15,202,540	8,284,047
Impairment loss reversed/transferred	-	-
Closing balance	28,393,618	13,191,077

C) Liquidity risk

Liquidity risk is the risk that The companywill encounter difficulty in meeting the obligations associated with its financial liability that are settled by delivering cash or other financial asset. The objective of liquidity risk management is to maintain sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived.

The following are the contractual maturities of financial liabilities and excluding interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which The company can be required to pay:

March 31,2026

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	2,833,753,832	274,800,000	-	-
Long term borrowings	-	-	1,704,500,724	-
Trade and other payable	-	1,419,812,667	-	-
Other financial liabilities	-	529,202,662	70,891,400	-
Total	2,833,753,832	1,694,612,667	1,704,500,724	-

March 31, 2025

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	2,243,741,930	124,800,000	-	-
Long term borrowings	-	-	2,742,049,801	-
Trade and other payable	-	1,020,466,291	-	-
Other financial liabilities	-	257,494,046	103,022,035	-
Total	2,243,741,930	1,145,266,291	2,742,049,801	-

35 CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to safeguard their ability to continue as a going concern. The company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company. Company's vision is to keep the ratio below 1.33 and its adjusted net debt to equity ratio was as follows.

Particulars	31-Mar-26	31-Mar-25
Total Debts (A)	4,813,054,556	5,110,591,731
Total equity (B)	2,690,911,923	1,861,763,865
Net Debt to Equity Ratio A/B	1.79	2.75

36 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, has to spend 2% of its average net profits of three immediate preceding financial year. The company has formed trust by name ' Shilpa Foundation' to commit the expenditure under the various activities like pure and safe drinking water, Orphanage home, Education promotion, Hospital/ Medical facility. Swatch bharaat, Green Projeect with local bodies/NGO to make eco-friendly environment.

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
A) Amount required to be spent by The company during the year	23,559,747	17,547,285
B) Amount of expenditure on construction/acquisition of any asset	-	-
C) Amount of expenditure other than B above	-	100,285
D) Short fall at the end of the year	-	-
E) Total of previous year shortfall	-	-
F) Details of related party transaction	23,559,747	17,447,000

The company has transferred Rs.23,559,747/- (PY Rs.17,447,000) to "Shilpa Foundation". The amount of earmarked fund is insufficient to kick start the project, the committee has set aside the fund to take on the project when sufficient fund are available for initiating the project.

37 RECONCILIATION OF TAX EXPENSES**(I) Income Tax**

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
Amount recognised in Statement of profit and loss		
Current Tax	334,280,675	247,647,305
Deferred Tax	(32,371,173)	(23,261,596)
Tax expense for the year	301,909,502	224,385,709
Profit before tax	1,117,927,541	859,888,735
Tax at effective tax rate at 25.17% (P.Y. 25.17%)	281,382,362	216,433,995
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Exempt income and other deductions	(278,330)	(1,732,319)
Non-deductible expenses for tax purpose	20,116,892	9,581,803
Others	688,578	102,231
Income tax expense	301,909,502	224,385,709

(II) Recognised Deferred Tax Assets / Liabilities

Movement of Deferred Tax Assets / Liabilities	As at 31 March, 2026	As at 31 March, 2025
Deferred Tax Liabilities		
Property, plant and equipment, and intangible assets	391,550,565	391,035,826
Gross Deferred Tax Liabilities	391,550,565	391,035,826
Deferred Tax Assets		
Allowance for bad debts	10,973,153	3,320,194
Other disallowable expenses	-	2,187,317
Defined benefit obligations	81,624,159	60,138,301
Others	10,560,539	18,881,106
Gross Deferred Tax Assets	103,157,851	84,526,918
Net Deferred Liabilities	288,392,714	306,508,908

Movement of Deferred Tax Assets / Deferred Tax Liabilities	As at 01 April, 2025	Recognised in statement of profit & loss	Recognised in OCI	Upon fair valuation of financial asset	As at 31 March, 2026
Deferred Tax Assets					
Allowance for bad debts	3,320,194	7,652,959	-	-	10,973,153
Other disallowable expenses	2,187,317	(2,187,317)	-	-	-
Defined benefit obligations	60,138,301	20,828,442	657,417	-	81,624,159
Others	18,881,106	(8,320,567)	-	-	10,560,539
Total	84,526,918	17,973,517	657,417	-	103,157,851
Deferred Tax Liabilities					
Property, plant and equipment, and intangible assets	391,035,826	514,739	-	-	391,550,565
Total	391,035,826	514,739	-	-	391,550,565
Net Deferred Liabilities recognised	306,508,908	(17,458,777)	(657,417)	-	288,392,714

Movement of Deferred Tax Assets / Deferred Tax Liabilities	As at 01 April, 2024	Recognised in statement of profit & loss	Recognised in OCI	Upon fair valuation of financial asset	As at 31 March, 2025
Deferred Tax Assets					
Allowance for bad debts	731,699	2,588,495	-	-	3,320,194
Other disallowable expenses	1,728,431	458,886	-	-	2,187,317
Defined benefit obligations	54,466,362	5,014,522	657,417	-	60,138,301
Deferred Revenue	1,981,908	(1,981,908)	-	-	-
Others	14,720,502	4,160,604	-	-	18,881,106
Total	73,628,902	10,240,599	657,417	-	84,526,918
Deferred Tax Liabilities					
Property, plant and equipment, and intangible assets	404,056,682	(13,020,856)	-	-	391,035,826
Total	404,056,682	(13,020,856)	-	-	391,035,826
Net Deferred Liabilities recognised	330,427,780	(23,261,455)	(657,417)	-	306,508,908

38 FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Earning in Foreign Currency

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
Products & Services	3,408,078,468	2,872,462,286
Total	3,408,078,468	2,872,462,286

(ii) Expenditure in foreign currency

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
Import of raw material	2,087,544,295	1,647,283,459
Others	457,304,591	261,816,428
Total	2,544,848,886	1,909,099,887

Shilpa Pharma Lifesciences Limited

(all amounts in Indian rupees, except share data and where otherwise stated)

Notes Forming Part of Standalone Financial Statement for the Year ended 31 March,2026**39 Related party transactions**Related parties where control exists and related parties with whom transactions have taken place during period 01st April 2025 to 31st March 2026 are listed below ;**List of Related Parties****1. Holding Company**

a) Shilpa Medicare Limited

2. Fellow Subsidiary Companies

- a) Shilpa Biocare Private Ltd
b) Shilpa Biologicals Private Ltd
c) Shilpa Pharma INC
d) FTF Pharma Private Limited
e) Pilnova Pharma INC
f) Shilpa Therapeutics Private Ltd (merged with Shilpa Medicare Limited w.e.f 01.04.2025)
g) Koanna International FZ LLC (Dubai)

3. Wholly Owned Subsidiary Company

a) Shilpa Lifesciences Private Limited

4. Key Management Personnel-(KMP)

- a) Vishnukant C. Bhutada - Managing Director
b) Ramakant Innani - Director
c) Keshav Bhutada - Executive Director
d) Kalakota Reddy Sharath - Director
e) Anita Bandyopadhyay - Independent Director
f) Alpesh Dalal - Chief Financial Officer
g) Ritu Tiwary - Company Secretary

5. Enterprises having common Directors/ Board of Trustees

- a) Mohini Infra (P) Ltd
b) Shilpa Foundation
c) Reva Medicare Pvt. Ltd.
d) Sravathi Advance Process Technologies Private. Ltd.
e) Maia Pharmaceuticals, INC.

Sl. No.	Name of the related party	Description of transaction	01st April 2025 to 31st Mar 2026	Balance as at 31st Mar 2026 (Payable) / Receivable	01st April 2024 to 31st Mar 2025	Balance as at 31st Mar 2025 (Payable) / Receivable
			Transaction		Transaction	
A	Remuneration paid to Key Management Personnel					
i)	Vishnukant.C. Bhutada	Commission	68,038,717	(41,503,617)	45,250,000	(25,910,151)
ii)	Keshav Bhutada	Remuneration	9,999,996	(539,318)	8,816,641	(610,101)
		Commission	11,594,543	(7,072,671)	-	-
B	Others					
i)	Shilpa Biocare Private Ltd	Sales of Goods /services	240,005	-	1,716,050	-
		Sales of capital goods	1,512,619	-	332,950	-
		Other Income	92,620	-	3,406,995	-
		Purchase of Goods/service	729,190	-	-	-
		Purchase of Capital Goods	29,902,375	-	288,843	-
		Trade Receivable	-	-	-	161,382
		Trade Payable	-	(2,078,136)	-	-
		<u>Corporate Guarantee</u>				
		Corporate Guarantee to IDFC First Bank Ltd	-	-	(1,500,000,000)	-
		Corporate Guarantee Income	-	-	6,257,828	-
		Deemed Investment in Equity	(6,032,613)	-	-	6,032,613
ii)	Shilpa Biologicals Private Ltd	Sales of Goods /services	6,054,400	-	50,045	-
		Sales of Capital goods	2,218,339	-	680,117	-
		Purchase of Capital Goods	-	-	-	-
		Trade Payable	-	-	-	(470,297)
		Trade Receivable	-	-	-	-
		Interest due but not paid	1,034,184	(923,456)	-	-
		<u>Loan Received</u>				
		Received during the year	161,000,000	-	-	-
		Repaid during the year	(161,000,000)	-	-	-
		Closing balance	-	-	-	-
		Corporate Guarantee received	-	-	-	-
		Corporate Guarantee income	-	-	7,874,085	-
		Corporate Guarantee Expense	-	-	29,999,543	-
		Investment in Equity	-	-	-	-

Sl. No.	Name of the related party	Description of transaction	01st April 2025 to 31st Mar 2026	Balance as at 31st Mar 2026 (Payable) / Receivable	01st April 2024 to 31st Mar 2025	Balance as at 31st Mar 2025 (Payable) / Receivable
			Transaction		Transaction	
iii)	Shilpa Medicare Limited	Sales of Goods /services	2,058,274,754	-	1,438,000,382	-
		Sale of Capital Goods	117,074,890	-	-	-
		Purchase of Goods/service	192,418,707	-	156,114,000	-
		Purchase of Capital Goods	7,202,832	-	21,316,113	-
		Interest Paid	77,558,479	-	113,056,580	-
		Trade Payable	-	(67,711,049)	-	(12,715,777)
		Trade Receivable	-	452,981,826	-	180,382,248
		Interest due but not paid	(77,558,479)	(69,802,631)	-	(101,750,922)
		Equity Share Capital	-	-	-	(100,000,000)
		Loan Received				
		Received during the year	487,250,922	-	2,302,649,801	-
		Repaid during the year	1,150,000,000	-	915,000,000	-
		Closing balance	-	(724,900,723)	-	(1,387,649,801)
		Loan Given				
		Given during the year	-	-	-	-
		Received during the year	-	-	137,689,454	-
		Closing balance	-	-	-	-
		Corporate Guarantees Received	-	-	2,250,000,000	(750,000,000)
		Corporate Guarantees Expense	50,465,754	-	39,574,884	-
iv)	Shilpa Therapeutics Private Ltd	Sales of Goods /services	-	-	120,000	-
		Electricity Charges	-	-	1,815,207	-
		Purchase of Capital Goods	-	-	1,897,520	-
		Trade Payable	-	-	-	-
v)	FTF Pharma Private Ltd	Sales of Goods /services	37,085	-	5,786,500	-
		Purchase of Goods /Services	388,337	-	2,434,329	-
		Purchase of Capital Goods	2,558,500	-	-	-
		Trade Receivable	-	-	-	2,491,300
		Trade payable	-	(177,480)	-	(2,823,821)
vii)	Reva Medicare Private Ltd	Purchase of Goods/Services	7,551,140	-	6,012,053	-
		Trade payable	-	(6,648,541)	-	(2,602,752)
		Commission Accrued But not paid	-	(4,648,959)	-	(2,539,038)
viii)	Mohini Infra Private Ltd	Godown Rent	795,552	-	780,000	-
		Trade payable	-	(72,999)	-	-
ix)	Maia Pharmaceuticals, INC.	Trade Receivable	-	-	-	-
		Provided for bad debts	-	-	20,648,224	-
x)	Shilpa Lifesciences Private Limited	Investment in Equity	-	100,000	-	100,000
		Loan receivables	48,516,409	164,516,409	116,000,000	116,000,000
		Interest accrued but not received	9,234,978	-	7,799,281	7,019,353
xi)	Shilpa Foundation	CSR Expenditure	23,559,747	-	17,447,000	-
xii)	Sravathi Advance Process Technologies Private Ltd.	Advance paid	-	8,600,000	9,000,000	8,600,000
xiii)	Koanaa International FZ LLC (Dubai)	Sales of Goods /services	6,675,514	-	5,424,300	-
		Trade Receivable	-	-	-	5,391,628
xiv)	Pilnova Pharma INC USA	Sales of Goods /services	26,355	-	-	-
		Trade Receivable	-	-	-	-
xv)	Shilpa Pharma INC	Purchase of Goods /Services	1,425,823	-	-	-
		Trade Payable	-	(1,425,823)	-	-

Shilpa Pharma Lifesciences Limited

(all amounts in Indian rupees, except share data and where otherwise stated)

40. CWIP AGEING SCHEDULE

Particulars	Amount in capital work-in-progress for a period of				As at 31 March, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	243,306,891	6,039,455	3,265,920	16,251,464	268,863,730
Total	243,306,891	6,039,455	3,265,920	16,251,464	268,863,730

Particulars	Amount in capital work-in-progress for a period of				As at 31 March, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	200,385,440	94,221,881	49,367,146	-	343,974,466
Total	200,385,440	94,221,881	49,367,146	-	343,974,466

41. INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

Particulars	Amount in capital work-in-progress for a period of				As at 31 March, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

Particulars	Amount in capital work-in-progress for a period of				As at 31 March, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	14,886,897	3,201,540	40,500,000	-	58,588,437
Total	14,886,897	3,201,540	40,500,000	-	58,588,437

42.. TRADE RECEIVABLES AGEING SCHEDULE

Particulars	Outstanding for following periods from due date of payment						As at 31 March, 2026
	Not yet Due	Less than 6 Month & due	6Month to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	2,177,690,752	748,115,796	54,591,861	42,040,227	2,799,055	1,905,156	3,027,142,847
Undisputed Trade receivable – credit impaired	788,991	1,443,640	1,162,024	1,321,373	502,156	318,373	5,536,558
Disputed Trade receivables – credit impaired	-	-	-	18,260,060	2,597,000	2,000,000	22,857,060
Total	2,178,479,743	749,559,436	55,753,885	61,621,661	5,898,211	4,223,529	3,055,536,465
Less: Allowance for credit loss							(28,393,617)
Net receivables							3,027,142,848

Particulars	Outstanding for following periods from due date of payment						As at 31 March, 2025
	Not yet Due	Less than 6 Month & due	6Month to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,660,558,222	409,434,377	100,584,812	23,060,653	1,462,185	18,576,563	2,213,676,812
Disputed Trade receivables – credit impaired	-	8,284,047	-	2,907,030	2,000,000	-	13,191,077
Total	1,660,558,222	417,718,424	100,584,812	25,967,683	3,462,185	18,576,563	2,226,867,890
Less: Allowance for credit loss							(13,191,077)
Net receivables							2,213,676,812

43. TRADE PAYABLES AGEING SCHEDULE

Particulars	Outstanding for following periods from due date of payment				As at 31 March, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises	56,337,203	163,735	59,856	148,522	56,709,317
Others	1,151,991,399	7,684,396	196,849	2,433,798	1,162,306,442
Total	1,208,328,602	7,848,131	256,705	2,582,321	1,219,015,759

Particulars	Outstanding for following periods from due date of payment				As at 31 March, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises	56,460,167	165,043	70,292	178,201	56,873,703
Others	878,849,896	1,439,292	1,412,851	1,175,782	882,877,820
Total	935,310,063	1,604,335	1,483,143	1,353,983	939,751,523

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(all amounts in Indian rupees, except share data and where otherwise stated)

44 Analytical ratios

Sr No	Particulars	Numerator	Denominator	31st March 2026	31st March 2025	% of variance	Reasons for variance
1	Current Ratio	Current Assets	Current Liabilities	1.06	1.24	-15%	
2	Debt Equity Ratio	Total Debt	Share holder equity	1.79	2.75	-35%	Decrease is mainly on account of full repayment made towards NCD during the year.
3	Debt service coverage ratio	Earnings available for debt service	debt service	3.52	0.55	546%	Increase is mainly on account of full repayment made towards NCD during the year.
4	Inventory turnover ratio	Cost of Goods sold	Average inventory	2.04	1.67	23%	
5	Return on equity	Net profit after taxes	Average shareholders equity	0.36	0.41	-13%	
6	Trade receivable turnover ratio	Revenue	Average Trade Receivables	3.76	3.52	7%	
7	Trade payable turnover ratio	Purchase of trade and services	Average Trade Payables	4.03	4.36	-8%	
8	Net Capital turnover ratio	Revenue	Average Working Capital	15.82	5.91	167%	Increase is on account of significant growth in sales resulting in increase in receivables during the year.
9	Net Profit ratio	Net Profit	Revenue	0.09	0.08	15%	
10	Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.28	0.27	6%	

Shilpa Pharma Lifesciences Limited*(All amount are in Indian Rupees unless otherwise stated)*

- 45** During the financial year ended 31/03/2026, the company has reclassified the following comparatives which are primarily to conform to the current years classification. This reclassifications do not have material impact on the Standalone Financial Statements.

Note	Note description	Previously reported amount	Revised Amount	Change in Amount
6	Other Non-current assets	94,826,992	106,326,992	(11,500,000)
8(b)(iv)	Other financial assets	8,867,741	8,936,160	(68,419)
9	Other current assets	361,804,250	350,304,250	11,500,000
17(a)(iii)	Other Financial Liabilities	257,425,627	257,494,046	(68,419)
20	Revenue from Operations	8,443,812,225	8,451,560,674	(7,748,449)
21	Other Income	63,500,563	55,752,114	7,748,449
25	Employee benefits expense	1,502,580,147	1,599,179,265	(96,599,118)
27	Other expenses	1,372,676,452	1,251,077,334	121,599,118
28	Exceptional (income) / expense	-	25,000,000	(25,000,000)

46 Additional Regulatory information

- a** The Title Deeds of all immovable properties namely freehold / Leasehold land/ building are held in the name of the company.
- b** In the opinion of the Board, all assets other than fixed assets, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.
- c Valuation of Property Plant & Equipment, intangible asset**
The company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- d Loans or advances to specified persons**
No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- e Details of benami property held**
No proceedings have been initiated on or are pending against The companyfor holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- f** The quarterly returns of current assets filed by The company Companies with banks are in agreement with books of account.
- g Wilful defaulter**
The company has not been declared wilful defaulter by any bank or financial institution or other lender.
- h Relationship with struck off companies**
The company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- i** The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- j Compliance with number of layers of companies**
The company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.
- k Compliance with approved scheme(s) of arrangements**
The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- l Utilisation of borrowed funds and share premium**
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by The companyto or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of The company(Ultimate Beneficiaries). The company has not received any fund from any party(Funding Party) with the understanding that The companyshall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of The company("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- m Undisclosed income**
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account
- n Details of crypto currency or virtual currency**
The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

47 Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development('MSMED') Act, 2006

Particulars	As at 31st March,2026	As at 31st March,2025
a. Principal and interest amount remaining unpaid	56,709,317	56,873,703
b. Interest due thereon remaining unpaid*	-	-
c. Interest paid by The companyin terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

The above disclosures are provided by The company based on the information available with The company in respect of the registration status of its vendors/suppliers.

The companyhas not provided for any interest on balances of trade payables outstanding for more than 45 days based on the historical data where no such claims have been made against The company by any of its vendors / suppliers.

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

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	Raichur Facility	Raichur Facility
A) ELIGIBLE EXPENSES		
a) Capital Expenditure	-	-
b) Revenue Expenditure	-	-
Total (A)	-	-
B) IN-ELIGIBLE EXPENSES		
a) Revenue Expenditure		
i) Employee Cost	284,758,017	267,952,076
ii) Research & Development expenses	184,550,915	151,746,402
iii) Equipment Maintenance	4,395,649	2,210,698
iv) Power & Fuel	35,624	22,654
v) Other Expenses	36,950,171	30,278,937
vi) Misc. Expenses	7,280,833	5,165,422
vii) Depreciation	25,588,519	24,615,770
	543,559,728	481,991,960
Less : Revenue Income	-	-
Less : Sale of Assets	-	-
	543,559,728	481,991,960
b) Capital Expenditure	30,573,321	18,570,985
Total (B)	574,133,048	500,562,944
Total (A+B)	574,133,048	500,562,944

49 Balances of Trade Receivables / Trade payables / Long Term Borrowings / advances from customers / Advances to suppliers, balances of GST and Deposits are subject to Balance Confirmation.

50 The exceptional items for the year comprises of:

- Impairment loss of Rs.563.07 lakhs recognized on Plant & Machinery acquired from Indo Biotech.
- Incremental gratuity expense of Rs.997.33 lakhs recognized pursuant to the implementation of the new Labour Codes notified by the Government of India, resulting from the reassessment of the Company's gratuity liability. Considering the material and non-recurring nature of the impact, the same has been presented as an exceptional item.

51 Previous year figures have been reclassified / regrouped wherever necessary in line with the current year numbers.

52 All Figures have been rounded off to the nearest rupees.

The accompanying notes are an integral part of Standalone financial statements.

As per our even report attached
for **B N P S And Associates LLP**
Chartered Accountants
Firm's Registration No.008127S/S200013

for and on behalf of Board of Directors of
Shilpa Pharma Lifesciences Limited

sd/-
Yogesh R Bung
Partner
M.No.143932

sd/-
Vishnukant Bhutada
DIN No.01243391
Managing Director

sd/-
Keshav Bhutada
DIN No:08222057
Executive Director & CEO

sd/-
Ritu Tiwary
Company Secretary

sd/-
Alpesh Maheshkumar Dalal
Chief Financial Officer

Place : Raichur
Date: 21.05.2026

Place : Raichur
Date: 21.05.2026

Place : Raichur
Date: 21.05.2026