

# S.N.M. Nandury & Co

Chartered Accountants

1-4-69/4/A, Lane adj: Vijaya Bank  
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## INDEPENDENT AUDITOR'S REPORT

**To the Members of SHILPA THERAPEUTICS PRIVATE LIMITED**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **SHILPA THERAPEUTICS PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total 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 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Key Audit Matters	Auditor's Response
<p><b><u>Minimum Alternate Tax (MAT) Credit Entitlement – Deferred tax assets:</u></b></p> <p>The Company pays minimum alternate tax (MAT) under section 115JB of the Income Tax Act, 1961. The MAT paid would be available as an offset over a period of 15 years. The MAT credit is recognized as a deferred tax asset to be available for offset when the Company pays taxes under the provision of Income Tax Act, 1961. The balance of MAT credit receivable as at March 31, 2021 is Rs.2.58 Lakhs (refer note 1.2 (m) Ind AS Notes and Note 4 of the financial statements).</p> <p>The recognition and recoverability of deferred tax asset on account of MAT credit requires significant judgement regarding the Company's future profitability and taxable income which will result in utilization of the MAT credit within the time limits available under the applicable Income tax laws.</p>	<p><b><u>Principal audit procedures</u></b></p> <p>In respect of such deferred tax assets, we assessed recoverability from a tax perspective by performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Understanding why the MAT credit entitlement arose and understanding whether the MAT credit entitlement can be utilized.</li> <li>• assessing any restriction in use of the MAT credit entitlement and</li> <li>• determining when the MAT credit entitlement will expire.</li> </ul> <p>Further, we assessed the applicability of Ind AS 12 Income Taxes by assessing management's assessment of recoverability of MAT credit entitlement against forecast income streams, including reliability of future income projections.</p> <p>We validated the appropriateness of the related disclosures in the financial statements.</p>

#### Other information

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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.



### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Companies Act, 2013 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 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 system 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 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 financial statements, including the disclosures, and whether the 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 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, 2016 ("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 Companies Act, 2013 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,





- c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the 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 Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) No managerial remuneration is paid to directors during the year. Hence, evaluation of same in accordance with the provisions of section 197 read with Schedule V to the Act is not applicable;
- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - 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;
  - Provision regarding transfer of amounts, required to be transferred, to the Investor Education and Protection Fund is not applicable to the Company.

**UDIN: 21201040AAAAKE9758**

Place : Hyderabad  
Date : 22.05.2021



For S.N.M. Nandury & Co.,  
Chartered Accountants  
(Firm Regn. No. 006198S)

  
Surya Narayana Murthy N.  
M.No. 201040 Proprietor

**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 THERAPEUTICS PRIVATE LIMITED for the year ended March 31,2021.,

1.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
  - c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the names of the Company.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. According to the information and explanation given to us, the Company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence, the sub-clauses are not applicable to the company
4. There are no loans given, investments made, guarantees and securities provided by the company to which section 185 and 186 of the Companies Act, 2013 shall apply.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
7.
  - a. According to the records of the Company, there were no undisputed statutory dues in respect of provident fund, Employees' State Insurance and professional tax. As per the records of the company and explanations furnished by the management, there are no dues, in respect of Income Tax and Sales Tax, Service Tax, Customs Duty and Excise Duty and Cess. Other Statutory dues to the extent applicable to the Company have been regularly deposited with the appropriate authorities.
  - b. There is no dispute with the revenue authorities regarding any duty or tax payable
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks during the year.



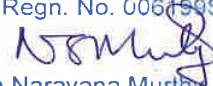
9. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). During this FY 2020-21 STPL availed the Term Loan of Rs.25.00 Crores & Working capital term loan of Rs.1.50 Crores from Citibank NA. The said term loan was utilized for the intended and approved purpose of project financing.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration hence the provisions of Section 197 read with Schedule V to the Act is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**UDIN: 21201040AAAAKE9758**

Place : Hyderabad  
Date : 22.05.2021



For S.N.M. Nandury & Co.,  
Chartered Accountants  
(Firm Regn. No. 0061595)

  
Surya Narayana Murthy N  
M.No. 201040 Proprietor

## **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 over financial reporting of SHILPA THERAPEUTICS PRIVATE LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 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.





### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**UDIN: 21201040AAAAKE9758**

Place : Hyderabad  
Date : 22.05.2021



for **S.N.M. Nandury & Co.**,  
Chartered Accountants  
Firm's Regn No 0061199S

**Surya Narayana Murthy N**  
Proprietor  
Membership No. 201040

**SHILPA THERAPEUTICS PRIVATE LIMITED**  
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Balance Sheet as at 31.03.2021**

(All amounts are in Indian Rupees in thousands, except share data and per share data, unless otherwise stated)

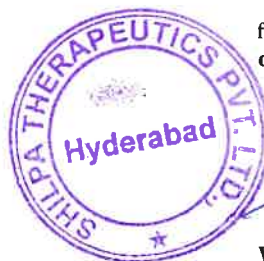
Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	1A	310,682.44	350,292.13
b) Capital work-in-progress	1A	2,922.75	2,791.50
c) Intangible assets	1A	1,525.73	2,268.64
d) Intangible assets under development	1A	15,646.16	7,241.19
e) Right-of-use asset		2,777.20	3,887.47
f) Financial assets:			
(i) Other financial assets	2	3,099.54	2,154.09
g) Deferred tax assets (net)	3	76,069.30	48,740.70
h) Other non-current assets	4	5,564.65	469.49
<b>Total Non-Current Assets</b>		<b>418,287.78</b>	<b>417,845.22</b>
<b>Current assets</b>			
a) Inventories	5	21,418.92	13,896.68
b) Financial assets			
(i) Trade receivables	6	25,964.67	40,687.58
(ii) Cash and cash equivalents	7	5,697.91	4,894.68
(iii) Other financial assets	8	80.31	79.93
c) Other current assets	9	41,539.29	42,119.70
d) Current tax assets (net)	10	3,076.08	2,763.82
<b>Total Current Assets</b>		<b>97,777.19</b>	<b>104,442.39</b>
<b>TOTAL ASSETS</b>		<b>516,064.97</b>	<b>522,287.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	11	18,376.34	18,376.34
b) Other Equity	12	(170,877.83)	(101,001.85)
<b>Total Equity</b>		<b>(152,501.49)</b>	<b>(82,625.51)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	13	543,455.04	524,855.04
b) Provisions	14	8,301.40	9,697.85
c) Other non-current liabilities	15	874.89	1,008.22
<b>Total Non-Current Liabilities</b>		<b>552,631.33</b>	<b>535,561.12</b>
<b>Current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	16	15,000.00	-
(ii) Trade payables	17		
Total outstanding dues of micro and small enterprises		4,383.08	159.92
Total outstanding dues of other than micro and small enterprises		12,025.94	16,990.78
(iii) Other financial liabilities	18	24,299.47	35,759.86
b) Other current liabilities	19	56,106.96	12,055.29
c) Provisions	20	4,119.67	4,386.15
<b>Total Current Liabilities</b>		<b>115,935.13</b>	<b>69,352.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>516,064.97</b>	<b>522,287.61</b>

Note No.01 to 35 form an integral part of financials statements

As per our report of even date  
for **S.N.M.Nandury & Co**  
Chartered Accountants  
(firm Regn. No.006199S)

**Surya Narayana Murthy N.**  
Proprietor  
M.No.201040

Place: Hyderabad  
Date: 22.05.2021



for and on behalf of the Board of Directors  
of **Shilpa Therapeutics Private Limited**

**Vishnukant C. Bhutada**  
Director  
DIN:01243391

Place: Raichur  
Date: 22.05.2021

**Ramakant Inani**  
Director  
DIN:03222748

**SHILPA THERAPEUTICS PRIVATE LIMITED**  
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Statement of Profit and Loss for the year ended 31.03.2021**

(All amounts are in Indian Rupees in thousands, except share data and per share data, unless otherwise stated)

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>INCOME</b>			
Revenue from operations	21	52,049.35	57,167.84
Other income	22	1,843.41	983.85
<b>Total Income</b>		<b>53,892.77</b>	<b>58,151.69</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	15,190.42	11,863.21
Changes in inventories of finished goods, work in progress and Stock-in- trade	24	(1,165.15)	(4,196.06)
Employee benefits expense	25	44,466.98	47,761.32
Finance costs	26	48,269.97	29,143.97
Depreciation and amortization expense	1A	22,381.26	14,638.85
Other expenses	27	30,703.29	37,418.62
<b>Total Expenses</b>		<b>159,846.76</b>	<b>136,629.91</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(105,953.99)</b>	<b>(78,478.22)</b>
Exceptional Items		-	-
<b>Profit/(Loss) before tax</b>		<b>(105,953.99)</b>	<b>(78,478.22)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax (net)		(27,328.60)	(18,983.22)
		<b>(27,328.60)</b>	<b>(18,983.22)</b>
<b>Profit/(Loss) for the year from continuing operations</b>		<b>(78,625.39)</b>	<b>(59,495.00)</b>
<b>Other Comprehensive Income/ (Expense)</b>		<b>879.04</b>	<b>162.16</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of the net defined benefit (liability)/asset (net of tax)		879.04	162.16
<b>Items that will be reclassified subsequently to profit or loss</b>		-	-
<b>Total Comprehensive Income/(Loss) for the year (Comprising Profit/(Loss) and Other Comprehensive Income/(Expense) for the year)</b>		<b>(77,746.35)</b>	<b>(59,332.84)</b>
<b>Earnings per equity share:</b>			
(1) Basic		(42.31)	(32.29)
(2) Diluted		(42.31)	(32.29)

Note No.01 to 35 form an integral part of financials statements

As per our report of even date

**for S.N.M.Nandury & Co**

Chartered Accountants

(firm Regn. No.006199S)



**Surya Narayana Murthy N.**

Proprietor

M.No.201040

Place: Hyderabad

Date: 22.05.2021



for and on behalf of the Board of Directors  
of **Shilpa Therapeutics Private Limited**



**Vishnukant C. Bhutada**

Director

DIN: 01243391

Place: Raichur

Date: 22.05.2021



**Ramakant Ihani**

Director

DIN: 03222748

**SHILPA THERAPEUTICS PRIVATE LIMITED**  
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Statement of Change in Equity for the period ended 31.03.2021**

(All amounts are in Indian Rupees in thousands, except share data and per share data, unless otherwise stated)

**A. Equity Share Capital:**

Particulars	Amount
Balance as at 01.04.2019	18,376.34
Changes in equity share capital during the year	-
Balance as at 31.03.2020	18,376.34
Changes in equity share capital during the period	-
Balance as at 31.03.2021	18,376.34

Refer note 12 for details of equity share capital

**B. Other Equity:**

Particulars	Reserve and surplus				Other Comprehensive Income (OCI)	Total (Amount)
	Securities Premium Reserve	Other Reserve (Revaluation Reserve under Previous GAAP)	Retained Earnings	Fair value of Corporate guarantee	Remeasurement of defined benefit plan	
Balance at 01.04.2019	43,092.81	9,631.18	(95,608.23)	-	1,215.23	(41,669.01)
Total Comprehensive Income for the year	-	-	(59,495.00)	-	162.16	(59,332.84)
Balance at 31.03.2020	43,092.81	9,631.18	(155,103.23)	-	1,377.39	(101,001.85)
Changes in during the year	-	-	-	7,870.37	-	7,870.37
Total Comprehensive Income for the year	-	-	(78,625.39)	-	879.04	(77,746.35)
Balance at 31.03.2021	43,092.81	9,631.18	(233,728.62)	7,870.37	2,256.42	(170,877.83)

Note No.01 to 35 form an integral part of financials statements

Note:

- 1. Security Premium :** This reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013
- 2. Other Reserver(Revaluation Reserve):** This reserve is created to account for value fluctuations in long term assets including fixed asset revaluation
- 3. Retained Earnings:** This reserver represents the cumulative profit/loss of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013
- 4. Fair Value of Corporate guarantee** represents the value created towards the corporate guarantee given by the Holding company ( Shilpa Medicare Limited) on the term & working capital loan of INR 2,65,000 thousand availed by Shilpa Therapeutics Private Limited
- 5. Remeasurement of the net defined benefits plan:** This reserve comprises the cumulative net gains/losses on actuarial valuation of post employment obligations

As per our report of even date  
for **S.N.M.Nandury & Co**  
Chartered Accountants  
(firm Regn. No.006199S)

**Surya Narayana Murthy N.**  
Proprietor  
M.No.201040



for and on behalf of the Board of Directors  
of **Shilpa Therapeutics Private Limited**

**Vishnukant C. Bhutada**  
Director  
DIN: 01243391

**Ramakant Inani**  
Director  
DIN: 03222748

Place: Hyderabad  
Date: 22.05.2021

Place: Raichur  
Date: 22.05.2021



**SHILPA THERAPEUTICS PRIVATE LIMITED**  
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Statement of Cash flow for the year ended 31.03.2021**

(All amounts are in Indian Rupees in thousands, unless otherwise stated)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Cash Flow from Operating activities:</b>		
Net profit as per profit & loss account (before extraordinary item & tax)	(105,953.99)	(78,478.22)
Adjustments for:		
Depreciation and amortisation	22,381.26	14,638.85
Income from investing activities	(86.82)	(88.81)
Interest Paid	48,269.97	29,143.97
Reinstatement of net defined benefit	879.04	162.16
<b>Operating profit/(loss) before working capital changes &amp; Other Adjustments</b>		
Adjustments for:		
(Increase)/Decrease in loans & advances	(4,907.33)	(6,957.38)
(Increase)/Decrease in inventories	(7,522.25)	(6,142.10)
Increase/(Decrease) in current liability	50,414.61	19,206.93
Increase/(Decrease) in trade payable	(741.69)	(6,131.08)
(Increase)/Decrease in trade receivable	14,722.92	(35,918.85)
Increase/(Decrease) in short term provision	(3,089.80)	4,987.65
<b>Net cash generated/(used) in operations (A)</b>	<b>14,365.92</b>	<b>(65,576.89)</b>
<b>Cash flow from investing activities:</b>		
Sale of Fixed Asset	21,596.74	-
Purchase of fixed assets	(11,051.34)	(96,861.48)
Right-of-use asset /Corporate Guarantee	7,870.37	(4,997.75)
Change in investments/Other current assets	79.93	(46.96)
Change in Long term advances	(945.46)	(186.31)
Income from interest on electricity deposits	86.82	88.81
Change in Other non-current liabilities	(133.33)	(133.33)
Change in Long term provisions	(1,396.45)	5,064.30
<b>Net cash used in investing activity (B)</b>	<b>16,107.28</b>	<b>(97,072.72)</b>
<b>Cash flow from financing activities:</b>		
Change in Long term borrowings	18,600.00	187,175.00
Interest paid	(48,269.97)	(29,143.97)
<b>Net cash generated in financing activity (C)</b>	<b>(29,669.97)</b>	<b>158,031.04</b>
<b>Net cash generated from operating, financing &amp; investing activity (A+B+C)</b>	<b>803.23</b>	<b>(4,618.57)</b>
Cash and cash equivalent at the beginning of the year	4,894.68	9,513.25
<b>Cash and cash equivalent at the end of the year</b>	<b>5,697.91</b>	<b>4,894.68</b>
<b>Component of Cash and Cash equivalent</b>	<b>5,697.91</b>	<b>4,894.68</b>
Cash in hand	0.31	1.52
in Current accounts	5,697.60	4,893.16

Note No.01 to 35 form an integral part of financials statements

Note:

1. Previous year figures have been reclassified wherever necessary.
2. Cash flow statement has been prepared under "Indirect Method" as per Ind AS-7-Statement of cash flows as prescribed under Companies (Accounting Standard) Rules, 2015.

As per our report of even date

**For S N M Nandury & Co.**

Chartered Accountants  
(firm Regn. No.006199S)

*Surya Narayana Murthy N.*

**Surya Narayana Murthy N.**  
Proprietor  
M.No.201040



For and on behalf of the Board of Directors  
of Shilpa Therapeutics Private Limited

*Vishnukant C. Bhutada*

**Vishnukant C. Bhutada**  
Director  
DIN: 01243391

*Ramakant Inani*

**Ramakant Inani**  
Director  
DIN: 03222748

Place: Hyderabad  
Date: 22.05.2021

Place: Raichur  
Date: 22.05.2021



## SHILPA THERAPEUTICS PRIVATE LIMITED

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

### Notes forming part of financial statement for the year ended 31.03.2021

(All amounts are in Indian Rupees in thousands, except share data and per share data, unless otherwise stated)

Note: 35

#### Related party transactions:

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below:

#### (i) Key Management Personnel

##### Directors:

1. Mr. Vishnukant C. Bhutada
2. Mr. Ramakant Innani
3. Mr. Rajender Sunki Reddy

#### (ii) Holding Company

Shilpa Medicare Limited

#### Chief Executive Officer:

1. Mr. Venkatesh Katakam

Name of the related party	Relationship	Description of transaction	01.04.2020 to 31.03.2021 Income / (Expenses) & Other Transactions	Balance as at 31.03.2021 (Payable) / Receivable	01.04.2019 to 31.03.2020 Income / (Expenses) & Other Transactions	Balance as at 31.03.2020 (Payable) / Receivable
1. Mr. Venkatesh Katakam	Key Management Personnel	Managerial remuneration	(3,947.78)	(313.73)	(3,609.14)	(403.75)
2. Shilpa Medicare Ltd.	Holding Company	Sale of goods/service*	60,330.26	25,666.34	35,702.76	30,734.73
		Purchase of Goods*	(4,889.02)	(643.05)	(5,608.85)	(59.99)
		Interest on Unsecured Loan	(24,256.60)	(22,437.35)	(39,733.18)	(35,759.86)
		Interest on Preference Shares	(320.00)	(2,240.88)	(320.00)	(1,920.88)
		Unsecured Loan	(184,525.00)	(336,330.04)	187,175.00	(520,855.04)
		Expenses incurred on behalf	(54.00)	-	(17.50)	-
		Corporate Guarantee	-	(300,000.00)	-	(20,000.00)

a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures".

b) As the provisions for gratuity are obtained on an actuarial basis for the Company as a whole amounts pertaining to the Key Management Personnel are not specifically identified and hence not included in the above.

\* Net of taxes

Note No. 1 to 35 form an Integral part of the financial statements

As per our report of even date

for S.N.M. Nandury & Co

Chartered Accountants

(Firm Regn. No.006199S)



For and on behalf of Board of Directors  
of Shilpa Therapeutics Private Limited

Surya Narayana Murthy N.

Proprietor

M.No.201040

Vishnukant. C. Bhutada

Director

DIN: 01243391

Ramakant Innani

Director

DIN: 03222748

Place: Hyderabad

Date: 22.05.2021

Place: Raichur

Date: 22.05.2021

## **SHILPA THERAPEUTICS PRIVATE LIMITED**

(Formerly known as Nu Therapeutics Private Limited)

### **1. NOTES TO THE FINANCIAL STATEMENTS**

#### **CORPORATE INFORMATION**

Shilpa Therapeutics Private Limited (formerly known as NU Therapeutics Pvt. Ltd.) (The "Company") situated at Cherlapally, IDA Phase-III, Hyderabad, India, a progressive novel drug delivery company with an international outlook is dedicated to the development and commercialization of innovative and patient compliant novel drug delivery systems such as fast disintegrating oral strips.

The Company is the first company to commercialize prescription products as oral thin strips/films in India.

#### **1.1. Basis of Preparation**

- i. These 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.
- ii. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening IND-AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'.

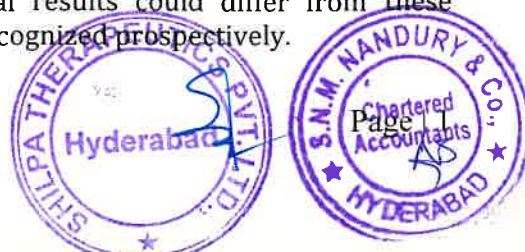
The financial statements of the Company for the year ended March 31, 2021 were approved by the Board of Directors on 22.05.2021.

- iii. The financial statements have been prepared to comply in all material aspects with applicable accounting principal in India and as notified under the Companies Act 2013 and the other relevant provisions of the Act.
- iv. The IND-AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant IND-AS.

#### **1.2 Significant Accounting Policies**

##### **a) Critical accounting Estimates and Judgements:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and 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 recognized prospectively.



The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.2(g))
- Estimation of Useful life of property, plant and equipment and intangibles (Note 1.2(c))
- Recognition of deferred taxes (Note 1.2(m))
- Estimation of impairment (Note 1.2(e))
- Estimation of provision and contingent liabilities (Note 1.2(n))

**b) Leases:**

In respect of both finance and operating lease of assets of significant value and lease period extending to more than 12 months, Ind AS 116 lease accounting model is adopted. Lessee to recognize right of use assets and lease liabilities. Earlier, operating lease expenses are charged to the statement of profit and loss.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

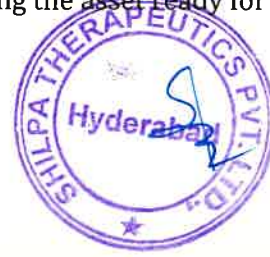
Accordingly, the company has recognized ROU value of leased premises and the lease liabilities in the Balance Sheet for the year ended 31.03.2021.

**c) Property, Plant and Equipment & Depreciation:**

- i. 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.
- ii. 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.
- iii. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on ascertained useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act-2013, with exception of those assets whose useful life is ascertained by the management.
- v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

**d) Intangible Assets:**

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



Intangible assets are amortized over their useful life.

**e) Impairment of Assets:**

The carrying values of assets/cash generating units 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 cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

**f) Inventory:**

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

**g) Employee Benefits:**

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution plans

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

Defined benefit plans

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.

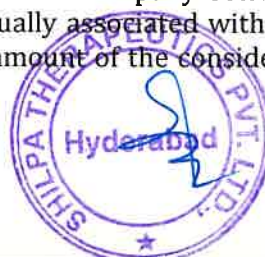
Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income(OCI).

**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, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

**i) Other Income**

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

**j) Foreign Currency Transactions/Translations:**

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

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

**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 is reduced from the borrowing cost.

**l) 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 market place 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:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets

### **(b) Financial Assets Measured at fair value through other comprehensive income**

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 recognized 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 group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

## **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 De-recognition. On De-recognition 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:

- (a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial Assets that are debt instruments and are measured at FVTOCI.
- (c) Lease receivables under IND-AS 17.
- (d) Trade receivables or any contractual right to receive cash or another financial asset
- (e) Loan commitments which are not measured at FVTPL
- (f) 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 is measured at fair value with all changes in fair value recognized 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) Taxes on Income:**

Tax expense comprises of current and deferred tax.

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

**n) Provisions, Contingent Liabilities and Contingent Assets:**

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 recognised as a finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

**o) Earnings per share:**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

**p) Government Grant:**

The Company recognizes government grants 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 presented in the balance sheet by setting up the grant as deferred income. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

**q) Recent accounting pronouncements:**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the period ended**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

Note: 1A

**Property, plant and equipment (Tangible Assets), Intangible Assets and Capital work in progress-Tangible & Intangible Assets for year ended 31.03.2021**

Sr No	Particulars	Gross Block			Depreciation /Amortisation			Net Block	
		As at 01.04.2020	Additions during the period	Deductions/ adjustment during the period	As at 31.03.2021	As at 01.04.2020	For the period ended 31.03.2021	Disposal/Adjustment during the period	As at 31.03.2021
<b>I</b>	<b>Tangible Assets (Owned)</b>								
1	Land	10,028.06	-	-	10,028.06	-	-	-	10,028.06
2	Air Conditioners	2,559.48	-	-	2,559.48	938.36	401.80	-	1,340.17
3	Semi Automatic Strapping Machine	74.14	-	-	74.14	30.10	3.52	-	1,219.31
4	Computer	4,889.47	125.50	651.17	4,363.80	2,401.70	850.12	145.06	33.63
5	Electrical Equipment	20,919.39	-	-	20,919.39	1,683.24	1,995.13	-	3,106.77
6	Epabx & Communications	1,420.83	-	-	1,420.83	299.80	202.96	-	3,678.37
7	Factory Building	68,797.01	432.58	-	69,229.58	7,453.31	2,174.54	-	502.76
8	Furniture & Fixtures	8,669.12	-	-	8,669.12	2,058.52	842.30	-	9,627.86
9	Generator (15 KVA)	2,397.08	-	-	2,397.08	641.02	113.86	-	2,900.82
10	Lab Equipment	49,560.88	87.15	23,224.20	26,423.83	5,350.13	2,658.85	2,287.43	5,768.30
11	Clean Room & Stores Equipment	39,585.14	-	-	39,585.14	1,125.30	1,880.30	-	1,642.20
12	Fire & Safety Equipment	1,667.29	-	-	1,667.29	94.67	100.50	-	754.88
13	Motor Cycle (Passion Pro)	68.39	-	-	68.39	34.37	6.50	-	2,900.82
14	Plant and Machinery	187,707.69	1,743.90	153.85	189,297.74	26,325.72	9,089.64	-	5,721.55
15	Water Cooler	85.27	-	-	85.27	81.00	-	-	15.24
16	Office Equipment	262.64	14.00	-	276.64	5.38	9.86	-	7.97
17	Telephone equipment	8.39	-	-	8.39	7.97	-	-	0.42
18	Maruti swift car	725.00	-	-	725.00	602.55	86.20	-	688.75
	<b>Sub - Total (A)</b>	<b>399,425.29</b>	<b>2,403.13</b>	<b>24,029.22</b>	<b>377,799.19</b>	<b>49,133.15</b>	<b>20,416.09</b>	<b>2,432.49</b>	<b>67,116.75</b>
	<b>Capital Work in Progress-Tangible</b>								
1	Lab Equipment Under Installation	-	131.25	-	131.25	-	-	-	131.25
2	Building Under Construction	2,791.50	-	-	2,791.50	-	-	-	2,791.50
	<b>Sub - Total (B)</b>	<b>2,791.50</b>	<b>131.25</b>	<b>-</b>	<b>2,922.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,922.75</b>
	<b>Sub - Total (C)=(A+B)</b>	<b>402,216.79</b>	<b>2,534.38</b>	<b>24,029.22</b>	<b>380,721.94</b>	<b>49,133.15</b>	<b>20,416.09</b>	<b>2,432.49</b>	<b>313,605.19</b>
<b>II</b>	<b>Intangible Assets</b>								
1	Patents & Trade Mark	989.36	-	-	989.36	538.72	98.94	-	637.65
2	Computer Software	2,325.48	112.00	-	2,437.48	507.48	755.97	-	1,263.45
	<b>Sub - Total (D)</b>	<b>3,314.84</b>	<b>112.00</b>	<b>-</b>	<b>3,426.84</b>	<b>1,046.20</b>	<b>854.91</b>	<b>-</b>	<b>1,901.10</b>
<b>III</b>	<b>Capital Work in Progress-Intangible</b>								
1	Product Under Development	7,241.19	8,404.96	-	15,646.16	-	-	-	15,646.16
	<b>Sub - Total (E)</b>	<b>7,241.19</b>	<b>8,404.96</b>	<b>-</b>	<b>15,646.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,646.16</b>
	<b>Sub - Total (F)=(D+E)</b>	<b>10,556.03</b>	<b>8,516.96</b>	<b>-</b>	<b>19,072.99</b>	<b>1,046.20</b>	<b>854.91</b>	<b>-</b>	<b>1,901.10</b>
	<b>Total (C+F)</b>	<b>412,772.82</b>	<b>11,051.34</b>	<b>24,029.22</b>	<b>399,794.93</b>	<b>50,179.35</b>	<b>21,270.99</b>	<b>2,432.49</b>	<b>69,017.85</b>
									<b>330,777.08</b>





**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the period ended**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**Note: 1A****Property, plant and equipment (Tangible Assets), Intangible Assets and Capital work in progress-Tangible & Intangible Assets for the year ended 31.03.2020**

Sr No	Particulars	Gross Block			Depreciation /Amortisation				Net Block
		As on 01.04.2019	Additions	Deductions/adjustment during the year	As on 31.03.2020	As on 01.04.2019	For the period ended 31.03.2020	Disposal/Adjustment during the year	As on 31.03.2020
<b>I</b>	<b>Tangible Assets (Owned)</b>								
1	Land	10,028.06	-	-	10,028.06	-	-	-	10,028.06
2	Air Conditioners	1,638.95	920.53	-	2,559.48	552.48	385.88	938.36	1,621.12
3	Semi Automatic Strapping Machine	74.14	-	-	74.14	26.58	3.52	30.10	44.04
4	Computer	3,036.35	1,853.12	-	4,889.47	1,349.04	1,052.66	2,401.70	2,487.77
5	Electrical Equipment	7,870.16	13,049.23	-	20,919.39	713.37	969.87	1,683.24	19,236.15
6	Epabx & Communications	1,276.43	144.40	-	1,420.83	100.59	199.20	299.80	1,121.04
7	Factory Building	25,575.78	43,221.23	-	68,797.01	6,144.87	1,308.45	7,453.31	61,343.69
8	Furniture & Fixtures	4,131.29	4,537.83	-	8,669.12	1,378.22	680.30	2,058.52	6,610.60
9	Generator (15 KVA)	1,957.99	439.10	-	2,397.08	531.75	109.27	641.02	1,756.06
10	Lab Equipment	8,193.65	41,367.24	-	49,560.88	2,963.43	2,386.71	5,350.13	44,210.75
11	Clean Room & Stores Equipment	841.21	38,743.93	-	39,585.14	270.53	854.76	1,125.30	38,459.85
12	Fire & Safety Equipment	151.56	1,515.73	-	1,667.29	45.30	49.37	94.67	1,572.62
13	Motor Cycle (Passion Pro)	68.39	-	-	68.39	27.87	6.50	34.37	34.02
14	Plant and Machinery	65,788.23	121,919.46	-	187,707.69	21,500.93	4,824.80	26,325.72	161,381.97
15	Water Cooler	85.27	-	-	85.27	81.00	5.38	81.00	4.26
16	Office Equipment	-	262.64	-	262.64	7.97	-	5.38	257.27
17	Telephone equipment	8.39	-	-	8.39	-	-	7.97	0.42
18	Maruti swift car	725.00	-	-	725.00	513.92	88.63	602.55	122.45
	<b>Sub - Total (A)</b>	<b>131,450.84</b>	<b>267,974.44</b>	<b>-</b>	<b>399,425.29</b>	<b>36,207.86</b>	<b>12,925.29</b>	<b>49,133.15</b>	<b>350,292.13</b>
<b>Capital Work in Progress-Tangible</b>									
1	Plant and Machinery	73,440.70	27,363.79	100,804.49	-	-	-	-	-
2	Lab Equipment Under Installation	31,183.79	12,736.21	43,920.00	-	-	-	-	-
3	Building Under Construction	32,329.95	19,767.96	49,306.42	2,791.50	-	-	-	2,791.50
4	Clean Room & Stores Equipment Under Installation	30,654.37	8,160.36	38,814.73	-	-	-	-	-
5	Electrical Equipment & Installations Under Installation	6,749.05	6,300.18	13,049.23	-	-	-	-	-
6	Fire & Safety Equipment	-	1,155.73	1,155.73	-	-	-	-	-
7	Interest on borrowed fund pending for capitalisation	5,606.75	30,982.89	36,589.65	-	-	-	-	-
	<b>Sub - Total (B)</b>	<b>179,964.62</b>	<b>106,467.13</b>	<b>283,640.24</b>	<b>2,791.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,791.50</b>
	<b>Sub - Total (C)=(A+B)</b>	<b>311,415.46</b>	<b>374,441.57</b>	<b>283,640.24</b>	<b>402,216.79</b>	<b>36,207.86</b>	<b>12,925.29</b>	<b>49,133.15</b>	<b>353,083.64</b>
<b>Intangible Assets</b>									
1	Patents & Trade Mark	989.36	-	-	989.36	439.78	98.94	538.72	450.64
2	Computer Software	277.50	2,047.98	-	2,325.48	3.13	504.35	507.48	1,818.00
	<b>Sub - Total (D)</b>	<b>1,266.86</b>	<b>2,047.98</b>	<b>-</b>	<b>3,314.84</b>	<b>442.91</b>	<b>603.29</b>	<b>1,046.20</b>	<b>2,268.64</b>
<b>Capital Work in Progress-Intangible</b>									
1	Product Under Development	3,229.02	4,012.18	-	7,241.19	-	-	-	7,241.19
	<b>Sub - Total (E)</b>	<b>3,229.02</b>	<b>4,012.18</b>	<b>-</b>	<b>7,241.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,241.19</b>
	<b>Sub - Total (F)=(D+E)</b>	<b>4,495.87</b>	<b>6,060.16</b>	<b>-</b>	<b>10,556.03</b>	<b>442.91</b>	<b>603.29</b>	<b>1,046.20</b>	<b>9,509.83</b>
	<b>Total (C+F)</b>	<b>315,911.33</b>	<b>380,501.73</b>	<b>283,640.24</b>	<b>412,772.82</b>	<b>36,650.77</b>	<b>13,528.58</b>	<b>50,179.35</b>	<b>362,593.47</b>

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the period ended**

(All amounts are in Indian Rupees in thousands, except share data and per share data, unless otherwise stated)

**Note 2 :****Non-Current Financial Assets:****Others Financial Assets**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Security deposits (unsecured considered good)</b>		
a) Electricity Deposit	2,645.04	1,691.59
b) Security Deposit with IDPL	6.00	6.00
c) Deposit with Mana Effluent treatment Plant Ltd	31.50	31.50
d) Deposit with Ramky Enviro	50.00	50.00
e) Rent Security Deposit	350.00	350.00
f) Gas Deposit	5.00	5.00
g) Guest House Deposit	-	20.00
h) Biowaste - Maridi Bio	12.00	-
<b>Total</b>	<b>3,099.54</b>	<b>2,154.09</b>

**Note 3****Non-Current Assets:****Deferred Tax Asset / Liability (Net)**

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Asset (on account of disallowable items under Income Tax Act)	94,413.75	62,266.33
Deferred Tax Liability (On account of timing difference of WDV of assets)	(18,602.81)	(13,783.99)
MAT Credit Entitlement	258.36	258.36
<b>Total</b>	<b>76,069.30</b>	<b>48,740.70</b>

**Note 4****Other Non Current Asset:****Long Term Loans and Advances**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Other Loans and Advances - Unsecured</b>		
a) Unamortized Finance Cost (Corporate Guarantee by SML)	5,095.16	-
b) VAT Input Credit	469.49	469.49
<b>Total</b>	<b>5,564.65</b>	<b>469.49</b>

**Note 5:****Current Assets:****Inventories**

Inventories	As at 31.03.2021	As at 31.03.2020
<b>a) Raw Materials and components</b>		
Raw Materials	8,602.17	6,009.53
Packing Materials	6,578.98	2,822.46
	<b>15,181.14</b>	<b>8,832.00</b>
b) Work-in-progress	3,937.24	4,603.80
<b>c) Finished goods</b>		
Internally Manufactured	2,281.48	449.77
<b>d) Stores and spares</b>		
Consumables	19.06	11.11
<b>Total</b>	<b>21,418.92</b>	<b>13,896.68</b>



**Note 6****Current Financial Assets:****Trade Receivables**

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good	25,964.67	40,687.58
	<b>25,964.67</b>	<b>40,687.58</b>
Unsecured, considered doubtful	3,262.55	3,262.55
Less: Provision for Bad Debts	3,262.55	3,262.55
	-	-
<b>Total</b>	<b>25,964.67</b>	<b>40,687.58</b>

**Note 7****Current Financial Assets:****Cash and cash equivalents**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Cash on hand	0.31	1.52
b) Balances with banks in current accounts	5,697.60	4,893.16
<b>Total</b>	<b>5,697.91</b>	<b>4,894.68</b>

**Note 8****Other Current Financial Assets**

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued but due	80.31	79.93
<b>Total</b>	<b>80.31</b>	<b>79.93</b>

**Note 9****Other Current Assets**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Short-term loans and advances:</b>		
<b>Others (specify nature):</b>		
<b>Unsecured, considered good</b>		
a) Advances with creditors	2,383.50	5,901.22
b) Pre-paid Expenses	648.47	343.50
c) Advance to Staff	-	1.88
d) GST Receivable	33,981.74	35,859.26
e) Professional Tax Receivables	-	13.85
f) Old asset transferred Receivable	4,525.60	-
<b>Total</b>	<b>41,539.30</b>	<b>42,119.70</b>

**Note 10****Current Tax Assets (Net)**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Income Tax Refund Receivable for FY 2019-20	2,763.82	2,763.82
b) Income Tax Refund Receivable for FY 2020-21	311.28	-
c) TCS Receivables	0.98	-
<b>Total</b>	<b>3,076.08</b>	<b>2,763.82</b>



**SHILPA THERAPEUTICS PRIVATE LIMITED**  
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financials statement for the period ended 31.03.2021**

(All amounts are in Indian Rupees in thousands, except share data and per share data, unless otherwise stated)

**Note:11**

**Equity Share Capital**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Authorised Equity shares</b>		
20,00,000 (P.Y 20,00,000), Rs. 10/- each par value	20,000.00	20,000.00
	<b>20,000.00</b>	<b>20,000.00</b>
<b>Issued Subscribed and fully paid up capital:</b>		
<b>Opening balance</b>	<b>18,376.34</b>	<b>18,376.34</b>
Changes during the year	-	-
<b>Closing balance</b>	<b>18,376.34</b>	<b>18,376.34</b>
18,37,634 (P.Y. 18,37,634), Rs.10/- each par value		
<b>Total</b>	<b>18,376.34</b>	<b>18,376.34</b>

**(a) Reconciliation of the number of equity shares outstanding is set out below:**

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,837,634	18,376.34	1,837,634	18,376.34
Shares issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	1,837,634	18,376.34	1,837,634	18,376.34

**(b) Rights, preference and restriction attached to each class of shares:**

**Equity Shares:**

The Company has class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Shares in respect of each class in the company held by its holding company in aggregate:**

of the above 1,837,634(PY:1,837,634) equity shares of Rs.10/- each are held by Shilpa Medicare Limited, Its Holding Company.

**(d) The details of shareholder holding more than 5% of the paid up equity capital of the Company**

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shilpa Medicare Limited	1,837,634	100.00	1,837,634	100.00
<b>Total</b>	<b>1,837,634</b>	<b>100.00</b>	<b>1,837,634</b>	<b>100.00</b>





**Note 12**  
**Other Equity**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Security Premium Reserver	43,092.81	43,092.81
b) Other Reserve(Revaluation Reserve)	9,631.18	9,631.18
c) Retained Earning	(233,728.62)	(155,103.23)
d) Fair value of Corporate gurantee	7,870.37	-
e) Other Comprehensive Income(OCI)		
i) Remeasurement of defined benefit plan	2,256.42	1,377.39
<b>Total</b>	<b>(170,877.83)</b>	<b>(101,001.85)</b>

**Note 13**  
**Non-Current Financial Liabilities**  
**Long Term Borrowings**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>		
Citibank NA- Term Loan	203,125.00	-
<b><u>Nature of Security:</u></b>		
Term Loan from Citibank NA is secured by exclusive charge on present & future current assets and movable and immovable assets of the company. Exclusive charge by way of equitable mortgage on land & buildings situated at 118, cherlapally, IDA Phase III, Hyderabad alongwith Corporate Guarantee by holding company Shilpa Medicare Limited		
<b><u>Terms of Repayment &amp; Interest Rate:</u></b>		
Repayment of Term Loan from Citibank NA have a moratorium period of 12 Months and would be repayable in 16 equal quarterly installments of Rs.156.25 lacs each. First installment falling due on 23.07.2021 and final installment on 23.04.2025.		
Interest @ 8.65% will be paid with monthly rests on the last date of each month in each year, or at such other rests as determined by the bank. Further the bank shall at any time or from time to time be entitled to change the specified rate of interest based upon relevant circumstances, including market conditions.		
<b><u>Unsecured</u></b>		
<b>Loans from Related Parties</b>		
Loan from Shilpa Medicare Ltd.(Holding Co.)	336,330.04	520,855.04
Rate of Interest @ 7.50% p.a.		
<b>8% Cumulative Redemable Preference shares</b>		
4,00,000 (P.Y.4,00,000), Rs.10/- each par value	4,000.00	4,000.00
<b>Total</b>	<b>543,455.04</b>	<b>524,855.04</b>

**Note 14 :**  
**Non-Current Liabilities**  
**Provisions**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Provision for Gratuity	2,744.43	3,526.43
b) Provision for dividend on Preference Share Capital	2,240.88	1,920.88
c) Lease Liability	3,316.09	4,250.54
<b>Total</b>	<b>8,301.40</b>	<b>9,697.85</b>

**Note 15:**  
**Other Non Current Liabilities**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Capital Subsidy Recd (Govt. Grant)</b>	1,008.22	1,141.56
Less:- Amortised in the Proporation of Dep	(133.33)	(133.33)
<b>Total</b>	<b>874.89</b>	<b>1,008.22</b>





**Note 16**  
**Current Financial Liabilities**  
**Borrowings**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Secured Loan</b>		
<b>Working Capital Loan from Banks</b>		
i) Citi Bank -WCDL	15,000.00	-
<b>Nature of Security:</b> Working Capital Demend Loan from Citibank NA is secured by exclusive charge on present & future current assets and movable and immovable assets of the company. Exclusive charge by way of equitable mortgage on land & buildings situated at 118, cherlapally, IDA Phase III, Hyderabad alongwith Corporate Guarantee by holding company Shilpa Medicare Limited		
<b>Rate of Interest:</b> Interest @ 7.00% will be paid with monthly rests on the last date of each month or at such other rests as determined by the bank. Further the bank shall at any time or from time to time be entitled to change the specified rate of interest based upon relevant circumstances, including market conditions.		
<b>Tenor &amp; Repayment</b> For 180 days falling due on 07.06.2021		
<b>Total</b>	<b>15,000.00</b>	<b>-</b>

**Note 17**  
**Current Financial Liabilities**  
**Trade Payable**

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Payables (Refer Note No. 17.01)		
- due to Micro and Small Enterprises (Refer Note No.17.02)	4,383.08	159.92
- due to creditors other than Micro and Small Enterprises		
- Project		
Domestic	2,962.88	11,998.36
Foreign		
- Others	9,063.06	4,992.43
<b>Total</b>	<b>16,409.02</b>	<b>17,150.71</b>

**Note**

17.01. Balances as at the year end are subject to confirmation.

17.02. A Sum of Rs.4,383.08 Thousand is payable to Micro, Small and Medium Enterprises as at 31st March, 2021 (Rs.159.92 Thousand as on 31.03.2020). There are no Micro, Small and Medium Enterprises, to whom the Company overdues, which are outstanding for more than 45 days during the year ended 31.03.2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act has been determined to the extent such parties has been identified on the basis of information available with the Company and relied upon by the Auditors.

**Note 18**  
**Other Current Financial Liabilities**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Interest accrued on Term Loan from CITI Bank	1,772.95	-
b) Interest accrued on WCD Loan from CITI Bank	89.18	-
c) Interest accrued and due on unsecured loan	22,437.35	35,759.86
<b>Total</b>	<b>24,299.47</b>	<b>35,759.86</b>



**Note 19****Other Current Liabilities**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Current maturities of Long Term Debts & Government Grant	47,008.33	133.33
b) Advance from Customers	1,718.13	1,893.38
c) Salaries & Reimbursements payable	2,766.77	3,353.06
d) Gratuity Payable	251.62	60.39
e) Provident Fund Payable	266.41	284.27
f) ESI Payable	18.11	4.63
g) Bonus Payable	1,686.82	1,861.50
h) Audit Fee Payable	30.00	30.00
i) TDS payable	2,344.52	4,419.42
j) Professional Tax Payable	16.25	15.30
<b>Total</b>	<b>56,106.96</b>	<b>12,055.29</b>

**Note 20****Current Liabilities****Provisions**

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Expenses	4,119.67	4,386.15
<b>Total</b>	<b>4,119.67</b>	<b>4,386.15</b>

**Note 21****Revenue from operations**

Particular	For the year ended 31.03.2021	For the year ended 31.03.2020
a) Sales	43,049.35	27,663.79
b) Other Operating Revenue (Dossier and Product Development charges)	9,000.00	31,479.98
c) Sales Return	-	(1,975.93)
<b>Gross Revenue from Operation</b>	<b>52,049.35</b>	<b>57,167.84</b>

**Note 22****Other Incomes**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
a) Interest on Fixed Deposits	-	49.37
b) Interest on refund received from Income Tax Dept	-	25.18
c) Interest on Electricity Deposit	86.82	88.81
d) DDT on preference dividend reversal upto FY 1819	-	298.60
e) Business Support Services	1,120.53	-
f) Duty Draw Back from Customs	19.53	18.76
g) Grant Amortisation	133.33	133.33
h) Trade Payables Written Off	-	368.85
i) Rent Receivable	80.00	-
j) Others	403.20	0.94
<b>Total</b>	<b>1,843.41</b>	<b>983.85</b>



**Note 23****Cost of Material Consumed**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Inventory at the beginning of the year</b>		
Raw Materials	6,009.53	3,355.43
Packing materials	2,822.46	3,524.64
<b>Total</b>	<b>8,832.00</b>	<b>6,880.07</b>
<b>Add: Purchases</b>		
Raw Materials	10,539.48	8,731.94
Packing materials	11,000.09	5,083.20
<b>Total</b>	<b>21,539.56</b>	<b>13,815.14</b>
<b>Total</b>	<b>30,371.56</b>	<b>20,695.21</b>
<b>Less: Inventory at the end of the year</b>		
Raw Materials	8,602.17	6,009.53
Packing materials	6,578.98	2,822.46
<b>Total</b>	<b>15,181.14</b>	<b>8,832.00</b>
<b>Total consumption</b>	<b>15,190.42</b>	<b>11,863.21</b>

**Note 24****Changes in inventories of finished goods, work in progress and stock in trade**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Inventory at the beginning of the year</b>		
Finished Goods	449.77	431.11
Work in progress	4,603.80	426.39
	<b>5,053.57</b>	<b>857.50</b>
<b>Less: Inventory at the end of the year</b>		
Finished Goods	2,281.48	449.77
Work in progress	3,937.24	4,603.80
	<b>6,218.72</b>	<b>5,053.57</b>
<b>Change in the inventory of finished goods, WIP and stock in trade</b>	<b>(1,165.15)</b>	<b>(4,196.06)</b>

**Note 25****Employee Benefits Expense**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
a) Salaries and Incentives	39,457.95	40,982.84
b) Contribution to Provident Fund & ESI	1,669.35	1,827.08
c) Bonus	3,112.87	3,475.46
d) Gratuity	-	1,056.57
e) Staff welfare exp	226.80	419.38
<b>Total</b>	<b>44,466.98</b>	<b>47,761.32</b>

**Note 26****Finance Costs**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Interest expense:</b>		
-Term Loan	19,634.38	-
-Unsecured Loans	24,256.60	28,359.46
- On CC Account	901.23	14.71
- Dividend on Preference Shares	320.00	320.00
- Corporate Guarantee Finance Cost	2,775.21	-
- Finance Cost on Lease Liability (IND AS 116)	382.55	449.80
<b>Total</b>	<b>48,269.97</b>	<b>29,143.97</b>



**Note 27**

**Other expenses**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
a) Consumption of Stores and spares\Consumables	2,512.61	999.64
b) Power and Fuel	11,244.25	15,047.76
(i) Plant and Machinery	149.75	167.52
(ii) Others	2,097.67	883.80
c) Rates and Taxes	1,457.53	1,204.91
d) Insurance	370.44	167.85
e) Traveling and Conveyance	236.36	907.07
f) Contract Labour charges-NMR Maintenance	2,761.06	1,898.19
g) Auditor's Remuneration	30.00	33.00
h) Quality control, research and development expenses	5,066.47	9,873.32
i) Bank charges	919.77	72.83
j) Advertisement and Sales promotion expenses	90.00	435.07
k) Transportation Charges	260.83	183.47
l) Legal, Professional & Consultancy Charges	811.17	1,482.54
m) Foreign Exchange Fluction Loss/ (Profit)	(97.87)	140.53
n) Cylinder Printing Charges	446.21	(75.99)
o) Effluent Treatment Charges	63.00	63.00
p) Books & Periodicals	-	3.29
q) Rent For Godown & Office	60.00	427.30
r) Late Fee-GST	0.50	0.15
s) Facility Fee	-	147.76
t) Miscellaneous Expenses	2,223.54	3,355.62
<b>Total</b>	<b>30,703.29</b>	<b>37,418.62</b>





**SHILPA THERAPEUTICS PRIVATE LIMITED**  
(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the yeard ended 31.03.2021**

(All amounts are in Indian Rupees in thousands, except share data and per share data, unless otherwise stated)

**Note: 28**

**Contingent Liabilities and Commitments**

Particulars	As at 31.03.2021	As at 31.03.2020
(i) Foreign letter of credit	-	-
(ii) Bank guarantees & Corporate guarantees	-	-
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	134.13	5,442.02
(iv) Claims against the Company not acknowledged as debts	-	-
<b>Total</b>	<b>134.13</b>	<b>5,442.02</b>

**Note: 29**

**Employee Benefits**

**Defined Contribution Plan**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Provident Fund</b>	<b>1,752.49</b>	<b>1,760.91</b>
<b>Defined Benefit Plan (Gratuity)</b>		
<b>Movement of present value of the defined benefit obligation</b>		
Obligations at period beginning	3,586.83	2,692.42
Service cost	538.11	872.67
Interest on defined benefit obligation	226.05	183.89
Benefits settled	(475.89)	-
Actuarial (gain)/loss	(879.04)	(162.16)
<b>Obligations at period end</b>	<b>2,996.05</b>	<b>3,586.83</b>
<b>Change in plan assets</b>		
Plans assets at period beginning, at fair value	-	-
Difference in opening balance	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Employer contribution	-	-
Benefits payout	-	-
<b>Plans assets at period end, at fair value</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>		
Closing PBO	2,996.05	3,586.83
Closing fair value of plan assets	(2996.05)	(3586.83)
Closing funded status		
<b>Unrecognised actuarial (gains)/losses</b>	<b>(2996.05)</b>	<b>(3586.83)</b>
<b>Net asset/(liability) recognized in the balance sheet</b>	<b>(2996.05)</b>	<b>(3586.83)</b>
<b>Expenses recognised in the p &amp; l account</b>		
Service cost	538.11	872.67
Interest cost	226.05	183.89
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
<b>Net gratuity cost</b>	<b>764.16</b>	<b>1,056.57</b>
Experience adjustment on plan assets	-	-
Experience adjustment on plan liabilities	-	-
<b>B.Principal actuarial assumptions</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Interest rate</b>		
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	6.75%	6.83%
Expected rate of return on assets	0.00%	0.00%
Salary increase (taking into account inflation, seniority, promotion and other relevent factor)	13.00%	13%F5Y &9%TA
Attrition rate of employees	38.00%	5.00%
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 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

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
	Increase (in %)	Decrease (in %)	Increase (in %)	Decrease (in %)
Discount rate	(6.59)	7.40	(12.89)	15.62
Salary increase	6.10	(5.72)	14.42	(12.56)
Attrition rate	(2.11)	2.29	(4.03)	4.60

Sensitivity of significant 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 assumptions constant.

Note:30

## Fair value measurement hierarchy:

Particulars	Carrying Amount as at 31.03.2021			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets:</b>				
Other Non-current financial asset	-	-	3,099.55	3,099.55
Trade receivable	-	-	25,964.67	25,964.67
Cash and Cash Equivalent	-	-	5,697.91	5,697.91
	-	-	<b>34,762.13</b>	<b>34,762.13</b>
<b>Financial Liability:</b>				
Long Term Borrowings	-	-	590,330.04	590,330.04
Short Term Borrowings	-	-	15,000.00	15,000.00
Trade payables	-	-	16,409.02	16,409.02
Other Non-current financial liability	-	-	24,299.47	24,299.47
	-	-	<b>646,038.53</b>	<b>646,038.53</b>
Particulars	Carrying Amount as at 31.03.2020			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets:</b>				
Other Non-current financial asset	-	-	2,154.09	2,154.09
Trade receivable	-	-	40,687.58	40,687.58
Cash and Cash Equivalent	-	-	4,894.68	4,894.68
	-	-	<b>47,736.35</b>	<b>47,736.35</b>
<b>Financial Liability:</b>				
Long Term Borrowings	-	-	524,855.04	524,855.04
Trade payables	-	-	17,150.71	17,150.71
Other Non-current financial liability	-	-	35,759.86	35,759.86
	-	-	<b>577,765.61</b>	<b>577,765.61</b>

\*Since all the financial assets & financial liabilities are measured at amortised cost, fair value hierarchy is not provided.

## 1. Financial Risk Management

The company's activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The company's focuses on minimizing potential adverse effect on its financial performance.

### (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 (if applicable)

The company operates internationally and a major portion of the business is transacted in USD, EURO & GBP currencies and consequently, the company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

Particulars	(USD & EURO in thousand)			
	31.03.2021		31.03.2020	
	USD	EURO	USD	EURO
<b>Financial Assets:-</b>				
Loan	-	-	-	-
Trade receivables	12.70	3.02	26.75	-
Cash and cash equivalents	-	-	-	-
Other financial assets	-	-	36.30	11.02
<b>Total</b>	<b>12.70</b>	<b>3.02</b>	<b>63.05</b>	<b>11.02</b>
<b>Financial liabilities:-</b>				
Long term borrowings	-	-	-	-
Short-term borrowings	-	-	-	-
Trade payables	-	-	-	-
Other current financial liabilities	21.09	-	21.75	-
<b>Total</b>	<b>21.09</b>	-	<b>21.75</b>	-



**Sensitivity analysis**

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges.

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>USD -Sensitivity</b>				
Increase by 1% ( loss)	(82.14)	-	-	-
Decrease by 1% gain	82.14	-	-	-
<b>Euro -Sensitivity</b>				
Increase by 1% gain	-	-	-	-
Decrease by 1%( loss)	-	-	-	-

**(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 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 average weighted balance of the respective

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 group's net profit before tax at the end of the reporting period year ended 31.03.2021 and 31.03.2020 respectively.

Particulars	31.03.2021	31.03.2020
Impact of net profit before tax due to Change in 0.50% interest on WCL	75.00	-

**(iii) Price Risk**

The company does not hold any investment and hence not exposed to any price risk.

**(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 worthness of the customer on a continuous basis to whom the credit has been granted.

**(C) Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived. In addition, the company maintains the following line of credit facility.

**Maturity profile of financial liabilities as on 31.03.2021**

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	-	15,000.00	-	-
Long term borrowings	-	46,875.00	539,455.04	4,000.00
Trade and other payable	-	16,409.02	-	-
Other financial liability	-	24,299.47	-	-
<b>Total</b>	-	<b>102,583.49</b>	<b>539,455.04</b>	<b>4,000.00</b>

**Maturity profile of financial liabilities as on 31.03.2020**

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	-	-	-	-
Long term borrowings	-	-	520,855.04	4,000.00
Trade and other payable	-	17,150.71	-	-
Other financial liability	-	35,759.86	-	-
<b>Total</b>	-	<b>52,910.57</b>	<b>520,855.04</b>	<b>4,000.00</b>

**Note: 31****Capital Management**

The company's objectives when managing capital are to-

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

Particulars	As at 31.03.2021	As at 31.03.2020
Net Debt	599,632.13	519,960.36
Total Equity	152,501.49	82,625.51
<b>Debt Equity Ratio</b>	<b>3.93</b>	<b>6.29</b>



Note: 32

**Income Tax**

**Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate**

\*Since there is no profit offered for tax company has incurred loss. Hence tax rate reconciliation not provided.

**Movement of Deferred tax Assets / Liability**

Deferred Tax Liability For the year ended 31.03.2021	Opening balance	Charge (Credit) to Profit & Loss	Through OCI	Closing balance
Property, plant and equipment, and intangible assets	13,783.99	4,818.82	-	18,602.81
Capital subsidy accounted using Income Approach	-	-	-	-
Investments to be recognised at Fair Value through profit & loss	-	-	-	-
Corporate Guarantee notional income	-	-	-	-
Others	-	-	-	-
<b>Gross deferred tax Liability</b>	<b>13,783.99</b>	<b>4,818.82</b>	<b>-</b>	<b>18,602.81</b>
<b>Gross deferred tax assets</b>				
Defined benefit obligations	(896.88)	(29.87)	-	(926.75)
Capital Subsidy written back	144.87	34.67	-	179.53
Loss as per IT Act	63,018.35	32,142.63	-	95,160.97
<b>Gross deferred tax assets</b>	<b>62,266.33</b>	<b>32,147.42</b>	<b>-</b>	<b>94,413.75</b>
<b>Net Deferred Tax Liability/(Asset)</b>	<b>(48482.34)</b>	<b>(27328.60)</b>	<b>-</b>	<b>(75810.94)</b>

Note:33

**Segment Information**

The Company is mainly engage in the business of manufacturing of formulation and product development are inter related and integral part of business of " pharmaceutical products ". In accordance with the provision of Ind AS -108 hence segment reporting is not applicable.

**(a) Information about Products and Services:**

Product/Services	Revenue from product
Formulation	52,049.35

**(b) Information about geographical areas**

Geographical Information	Revenues	Non-current Assets
<b>(A) Within India</b>	48,847.28	418,287.78
<b>(B) Outside India</b>		
(i) Europe (The Netherlands)	529.75	-
(ii) Ukrain	36.87	-
(iii) Kenya	50.61	-
(iv) Singapore	248.58	-
(v) Dubai	2,336.26	-
<b>Total</b>	<b>52,049.35</b>	<b>418,287.78</b>

Note: 34

**Payments to Auditors:**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Audit fee	30.00	30.00
Tax consultancy services & certification	140.00	140.00
<b>Total</b>	<b>170.00</b>	<b>170.00</b>

