



24th

Annual Report 2010 - 2011



Shilpa Medicare Limited

Our Facilities



Shilpa Medicare EU GMP Approved Facility (Unit-1)



Shilpa Medicare EU GMP Approved Facility (Unit-2)



Shilpa Medicare R&D (Vizag) Facility



Loba Fienchemie GmbH (USFDA approved facility)



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

24th ANNUAL GENERAL MEETING

Day	Thursday
Date	22 nd September, 2011
Time	11.30 A.M.
Venue	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur - 584101 (Karnataka)

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COMPANY INFORMATION

Board of Directors

Omprakash Inani	:	Chairman
Vishnukant C Bhutada	:	Managing Director
Ajeet Singh Karan	:	Independent Director
Carlton Felix Pereira	:	Independent Director
Pramod Kasat	:	Independent Director
Venugopal Loya	:	Independent Director
Rajendra Sunki Reddy	:	Independent Director
N.P.S. Shinh	:	Independent Director
Dr. Abhay B Upasani	:	Independent Director

Board Committees

Audit Committee

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

Remuneration Committee

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

Investor Grievances Committee

Omprakash Inani	– Chairman
Venugopal Loya	– Member
Vishnukant C. Bhutada	– Member

Company Secretary

Nagalakshmi Popuri

Works

Deosugur Industrial Area
Deasugur – 584 170.
(Raichur District)

100 % Export Oriented Unit
33-33A, 40-47
Raichur Industrial Growth Center
Wadloor Road, Chicksugur Cross
Chicksugur – 584134.
(Raichur District)

Auditors

Bohara Bhandari Bung And Associates

Chartered Accountants
Amar Complex, M.G.Road
Raichur – 584 101

Registered Office

1st Floor, 10/80, Rajendra Gunj
Raichur – 584102 (Karnataka)
Phone : 08532-235704, 235006
Fax : 08532-235876
Email : info@vbshilpa.com
Website: www.vbshilpa.com

Bankers

The Lakshmi Vilas Bank Ltd
ICICI Bank Ltd
Standard Chartered Bank Ltd
Axis Bank Ltd
State Bank of India

Registrars & Share Transfer Agent

M/s. Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, Vithalrao Nagar
Madhapur, Hyderabad-500 081
Tel: 040-23420815-28
Fax: 040-23420814/23420857
Email : mailmanager@karvy.com
Website: www.karvycomputershare.com

PERFORMANCE OF THE COMPANY STANDALONE AT GLANCE FOR 5 YEARS

(₹ in Lakhs)

Year	2006-07	2007-08	2008-09	2009-10	2010-11
Gross Revenue	6983.13	9557.69	13670.24	23557.90	26285.60
Profit before Depreciation and Taxes	1200.20	2031.73	2206.45	7700.89	7625.74
Depreciation	187.33	351.09	604.37	976.47	1042.10
Taxes *	303.41	543.62	860.38	2123.15	1491.11
Profit After Taxes	709.46	1137.02	741.70	4601.27	5092.53
Dividend (Incl. Dividend Tax)	81.23	99.56	128.84	180.37	224.12

PERFORMANCE PARAMETERS

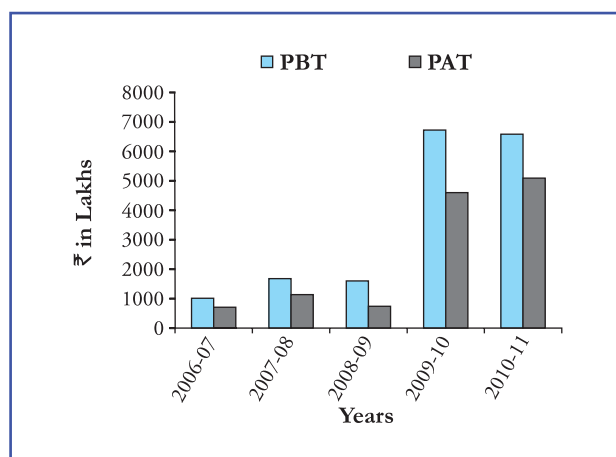
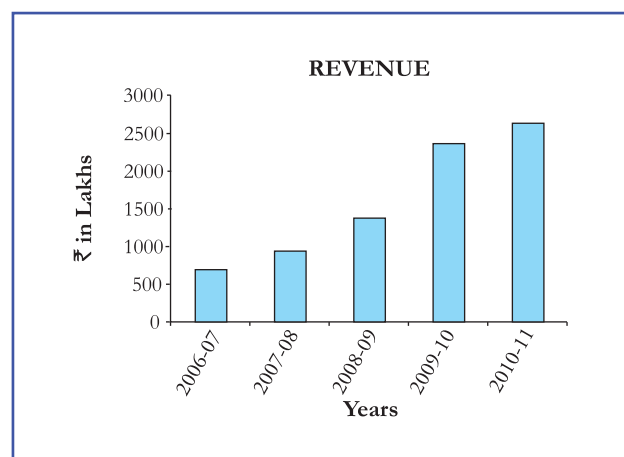
Net Fixed Assets	2921.15	8290.63	12724.30	12793.88	12709.48
Share Capital	347.15	425.48	440.48	440.48	480.48
Reserves & Surplus	3773.80	5111.71	6344.36	10778.98	22603.09
Net Worth (Net)	4120.95	5537.19	6784.84	11219.46	23083.57
Return on Net Worth (%)	17.22	20.53	@10.93	41.02	22.06
Borrowings	723.66**	7592.89	9732.66	6746.74	5097.41
Debt Equity Ratio (Gross)	0.18	1.37	1.43	0.60	0.22
Dividend (%)	20	20	25	35	40
Earning per Share (₹)	20.44	# 5.34	#3.40	#20.89	22.08

* Includes Deferred Taxes of the respective year.

** Only Working Capital Borrowings and no Term Loans.

@ Reduced due to impact of exchange fluctuation on ECB on Profit.

On ₹ 2/- per share.





NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of the Company will be held on **Thursday, the 22nd Day of September, 2011 at 11.30 A.M. at Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur - 584101 (Karnataka)** to transact the following items of business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date along with report of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of **Mr. Omprakash Inani**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Mr. Carlton Felix Pereira**, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Dr. Abhay B Upasani**, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution.

“RESOLVED THAT M/s. Bohara Bhandari Bung And Associates, Chartered Accountants, Registration No. 008127S be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.”

SPECIAL BUSINESS :

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

“RESOLVED THAT, Sri Ajeet Singh Karan, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, alongwith a deposit of ₹ 500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation.”

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

Nagalakshmi Popuri
Company Secretary

Place : Hyderabad
Date : 11th August, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Brief profile of **Mr. Omprakash Inani**, **Mr. Carlton Felix Pereira** and **Dr. Abhay B. Upasani** who have been proposed to be re-appointed u/s. 256 and of **Mr. Ajeet Singh Karan**, who is proposed to be appointed as Director, has been annexed alongwith explanatory statement in pursuance of Clause 49 of the Listing Agreement.
3. Proxy forms in order to be effective must be received by the Company not less than 48 hours before the meeting.
4. The Share Transfer Register and the Register of Members of the Company will remain closed from 19th September, 2011 to 22nd September, 2011 (both days inclusive).
5. M/s. Karvy Computershare Pvt. Ltd., Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad-500081, A.P. is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
6. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
7. Securities and Exchange Board of India, vide Circular Ref.No. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfers requests. Based on the directive contained in the said circular, all share transfer requests received after 20th May, 2009 should therefore be accompanied with PAN details.
8. All the shareholders and beneficial owners who have not claimed the Dividend for the years 2004-05 to 2009-10 are required to submit their claims immediately to the Company/ STA for respective Dividends. The Dividends unclaimed for 7 years will be transferred to Investor Education and Protection Fund and the Shareholders are not entitled to make any claim from the said Fund in relation to the transferred unclaimed- dividends.
9. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
10. The Annual Accounts of the Subsidiary Companys' and the related detailed information are available for inspection of any shareholders at the Registered Office of the Company during business hours and shall be provided to the shareholders who seeks such information.

Details of Directors seeking re-appointment and appointment at the up-coming 24th Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Directors, **Mr. Omprakash Inani, Mr. Carlton Felix Pereira and Mr. Abhay B Upasani**, who are proposed to be re-appointed are given below:

a)	Name	Mr. Omprakash Inani	Mr. Carlton Felix Pereira	Dr. Abhay B Upasani
b)	Brief Resume			
	i) Age	55 years	43 years	49 years
	ii) Qualification	B.Com	B.Com, ACA	MS, FICS, FIAGES, FACG (USA)
	iii) Experience in specific functional area	29 years	23 years	More than 20 years
	iv) Date of appointment on the Board of the Company (Shilpa Medicare Ltd)	23/03/1988	05/09/2007	30/09/2009
c)	Nature of expertise in specific functional areas	Chairman of the Company. He is one of the key person in the management decisions, having very good experience in the fields of business and functional aspects of the Company. He also monitors the operations of all the plants.	Highly experienced in Finance, Taxation and Business Planning Professional, has rich experience in relation to financial restructuring, transactions in M & A and PE activities.	Has good exposure in medical field and is a senior consultant Doctor. He also has good knowledge of pharmaceutical industry particularly in relation to new drug delivery systems, clinical trials and developments taking place in the global health care.
d)	Names of other companies in which Directorship held	1) Raichem Lifesciences Pvt. Ltd. 2) Bhakara Investments Pvt. Ltd. 3) Raichem Medicare (P) Ltd. 4) Srinidhi Cottons Pvt. Ltd. 5) Mansarovar Health Club	1) Tano India Advisors Pvt. Ltd. 2) SSIPL Retail Pvt. Ltd. 3) ABG Motors Ltd. 4) Anil Printers Ltd. 5) Compact Travels (P) Ltd. 6) Promac Engineering Industries Ltd.	Nil
e)	Name(s) of Companies in which Committee Membership(s) held	1) Shilpa Medicare Limited a) Audit Committee b) Remuneration Committee c) Investor Grievance Committee	Nil	Nil
f)	No. of shares of ₹ 2/- each held by the Director	Self- 779776 Wife- 1254880	Nil	Nil
g)	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Related to Mr. Vishnukant C. Bhutada Managing Director	None	None

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

ITEM NO. 7

Mr. Ajeet Singh Karan, is a M.B.A. Graduate from Indian Institute of Management, Ahmedabad. He has more than 20 years of experience in building businesses across several industries in India. He worked as the CEO of KAPL (now SC Johnson India)- the world's largest liquid mosquito repellent company with the flagship brand "All-Out". He was instrumental in growing revenues and profits of the Company more than six fold during his tenure. He played a key role in the operation of KAPL's Joint venture with S.C. Johnson and thereafter successful integration of the Baygon business into KAPL.

Before joining KAPL, Ajeet was part of scripting the success of several multinationals including Hindustan Lever (part of Unilever group), Pepsico India, Coca-cola India. He has played a variety of roles from being involved in running profit centers for these companies to setting up manufacturing operations in India resulting in substantial increase in market share for these businesses in the region.

The Board thought that joining of Mr. Ajeet Singh Karan on the Board as an Independent Director would immensely help the Company in the areas where he has good knowledge and experience. Hence, the Board recommends the resolution for your approval.

As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting. None of the Directors except Mr. Ajeet Singh Karan is interested in the above said resolution.

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

Nagalakshmi Popuri
Company Secretary

Place : Hyderabad
Date : 11th August, 2011

DIRECTOR'S REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting herewith the 24th Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

(₹ In Lakhs)

PARTICULARS	Financial Year 2010-11		Financial Year 2009-10	
	Standalone	Consolidated	Standalone	Consolidated
Sales (Net of ED)	25,754.35	29,028.57	23,445.97	26,491.20
Other Income	531.25	515.25	111.94	177.45
Profit before Interest, Depreciation, Income Tax & Exchange Fluctuation	7,432.04	7,536.52	7,783.67	7,765.41
Interest	184.74	206.01	504.04	542.29
Depreciation	1,042.10	1,297.78	976.47	1,271.61
Exchange Fluctuation (Gain) / Loss	(378.44)	(379.96)	(421.26)	(417.86)
Net Profit before Tax	6,583.64	6,412.68	6,724.43	6,369.37
Provision for Taxation				
a. Current Tax	1,329.00	1,330.06	1,840.00	1,841.46
b. Deferred Tax	162.10	129.94	283.15	268.40
Profit after Tax	5,092.53	4,952.69	4,601.28	4,259.51
Less: Share in Losses of Associate	—	10.00	—	—
Prior Period adjustment (Loss)	(4.31)	(17.89)	10.66	4.68
Brought forward from previous year	7,147.92	5,948.66	3,216.35	2,364.75
Profit & Loss A/c Balance before transfer to General Reserve	12,236.14	10,873.46	7,828.29	6,628.94
Transfer to General Reserve	525.00	525.00	500.00	500.00
Provision for proposed Dividend and dividend tax	224.11	224.11	180.37	180.37
Add: Loss pertaining to Minority Group	NA	(0.09)	—	0.09
Balance carried to Balance Sheet	11,487.03	10,124.42	7,147.92	5,948.66

REVIEW OF OPERATIONS :

Your Company has achieved a turnover of ₹ 257.54 Crs. (₹ 234.46 Crs.) and profit before interest, depreciation and tax (PBDIT) of ₹ 78.10 Crs. for the year ended March 31, 2011. The net profit is ₹ 50.93 Crs. as against ₹ 46.01 Crs. in the previous year. The Company's policy to maintain quality and consistency has been giving good returns by way of long-standing good customer base for the Company due to which the Company is able to maintain its margins though there was a stiff competition particularly from China and other pharma companies. The net profit in terms of EPS is ₹ 22.08 against ₹ 20.89 in the previous year.

EXPORTS :

During the year, your Company has continued to export to various countries and earned valuable foreign exchange of ₹ 19,741.71 Lacs (₹ 16,863.90 Lacs). This has been recognized by the FKCCI Bangalore and VITC Bangalore by bestowing the Best District Exporter and Best Exporter in the category respectively.

Certificates:

During the year, your Company received following important approvals related to Oncology products :		
TGA – Australia	PMDA – Japan	Health – Canada
BSG – Hamburg	INFARMED – Portugal	Afssaps – France
In – House R & D recognised by DSIR - India		

RESEARCH & DEVELOPMENT

Your Company attaches utmost importance to Research and Development activities which is essential for survival and future growth of any organization. Due to Company's continuous thrust in this area only it invented various API's in Oncology. Company's R & D facilities have received the recognition by DSIR during the year.

Shilpa Medicare has made significant investments in generating clean energy which is the only project of its kind in PHARMA Industry.

The company has commissioned biomass fired boilers of capacity 6 & 10 TPH, considering Clean Development Mechanism (CDM), an instrument established under the Kyoto Protocol, in view to contribute to the mitigation of climate change. On 25th Dec, 2010 under the United Nations Framework Convention on Climate Change (UNFCCC), the company in association with the consulting firm First Climate (India) Pvt. Ltd. got the Biomass based steam generation project registered as a CDM project activity titled "Biomass Based Steam Generation Project at Raichur, India". This CDM project activity will be able to generate around 350,000 Certified Emission Reductions (CERs) in its ten years of crediting period up to 31st December, 2020.

DIVIDEND

Your Directors recommended dividend of ₹ 0.80 i.e. 40% (₹ 0.70 i.e. 35%) per equity share of ₹ 2/- each for the financial year under review absorbing an amount of ₹ 224.11 lacs inclusive of dividend tax.

CAPITAL

During the year the Company has issued and allotted 2,000,000 equity shares of ₹ 2/- each at a premium of ₹ 348/- to M/s. Baring India Private Equity Fund III Limited on preferential basis and also issued and allotted 500,000 share warrants carrying a right to subscribe to equal number of equity shares of ₹ 2/- at the price of ₹ 350/- per share (including premium) to the Promoters and PACs.

WOS COMPANIES' OPERATIONS

During the year M/s. LOBA Feinchemie GmbH, Austria has turned around in the last quarter and posted a nominal profit. It is expected that the operations would further improve this year to post profits.

Raichem Lifesciences (P) Limited (RLSPL), a 100% subsidiary Company has posted a net loss of ₹ 59.27 lacs for the year ended 31st March, 2011. Marketing operations of this Company are satisfactory. RLSPL has started the civil construction works of formulation unit, at Forma SEZ, Jedcherla, Andhra Pradesh after obtaining the necessary approvals.

STRATEGIC INVESTMENTS

During the year the Company has invested in Nu Therapeutics (P) Limited (NTPL) to acquire a strategic stake. In the current financial year the Company has agreed to acquire further Shares from promoters of NTPL. After such acquisition, the NTPL would become a subsidiary of the Company.

During the year the Company also invested an amount of ₹ 133.35 lacs in Raichem Medicare Private Limited (RMPL) a Joint Venture Company. With this investment RMPL has become a subsidiary of the Company as per Section 4 of the Companies Act, 1956.

DIRECTORS

During the year Mr. Ajeet Singh Karan has been co-opted as Additional Director w.e.f. 28th January, 2011 to act as an Independent Director. A notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of ₹ 500/- proposing his candidature for the office of Director of the Company has been received to appoint him as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation."

Mr. Omprakash Inani, Mr. Carlton Felix Pereira and Dr. Abhay B. Upasani will retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

COMPLIANCE WITH GENERAL CIRCULAR No.2/2011 DATED 8TH FEBRUARY, 2011 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

Since the Central Government had issued a general circular No. 2/2011 dated 8th February, 2011 granting general exemption from attaching annual accounts of subsidiary companies subject to fulfillment of few conditions, your Company has duly complied with the respective conditions and opted for exemption. Your Board has passed necessary resolution at its meeting held on August 11, 2011 to comply with the conditions of the circular. Statements pursuant to Section 212 of the Companies Act, 1956 relating to performance/ financials of the subsidiary companies form part of this Annual Report.

Further, the Board undertakes that the annual accounts of the subsidiary companies and the related detailed information shall be made available for inspection by any shareholders at the Registered Office of the Company during business hours and shall be provided to the shareholders who seek such information.



DIRECTORS' INFORMATION U/S 217 (2A) OF THE COMPANIES ACT, 1956.

Details of employees drawing remuneration exceeding limits prescribed U/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 is attached with the report.

FIXED DEPOSITS

The Company has not accepted any deposits which cover under the Section 58A of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 Your Directors' confirm that:

- i. In preparation of annual Accounts for the Financial Year ended 31st March, 2011 the applicable Accounting Standards have been followed.
- ii. The Directors' have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the Company at the end of the financial year ended 31st March, 2011 and of the profit and loss of the Company for the year.
- iii. The Directors' have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv. The Directors have prepared the Annual Accounts on a 'going concern' basis.

COSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information is given as Annexure to this report.

CORPORATE GOVERNANCE

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. Report on Corporate Governance including Auditor's certificate on compliance with the code of Corporate Governance under Clause 49 of the Listing Agreement is enclosed as Annexure to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis for the year under review is annexed hereto and forms part of the Annual Report.

AUDITORS

The Statutory Auditors of the Company, M/s Bohara Bhandari Bung And Associates, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and the Board recommended the re-appointment of M/s Bohara Bhandari Bung And Associates, Chartered Accountants, as Statutory Auditors of your Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 11th August, 2011

Omprakash Inani
Chairman

ANNEXURES ATTACHED TO DIRECTORS REPORT

Form – “A”

Particulars under the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1998

Conservation of Energy

A. Power and Fuel Consumption	2010-11	2009-10
1. Electricity		
a) Purchased unit (Kwh)	7,599,433	5,876,466
Total Amount (₹)	39,198,624	28,497,085
Rate/Unit (₹)	5.16	4.85
b) Own Generation		
Through Diesel Generator		
Unit (Kwh)	370,825	359,487
Units per Ltr of Diesel Oil (Kwh)	3.30	3.38
Cost/Unit (₹)	11.19	8.92
2. Paddy Husk		
Qty (Kg)	7,362,693	6,458,675
Value (₹)	12,876,582	12,732,935
Rate/Kg (₹)	1.75	1.97
3. Fire Wood		
Qty (Kg)	0	167,702
Value (₹)	0	264,349
Rate/Kg (₹)	0	1.59
B. Consumption * per unit of production		
Electricity (Kwh)	22.94	27.33
Paddy Husk (Kg)	21.19	28.30
Wood (Kg)	0	0.73

Note:

*Production Unit is different for different products, hence consumption per unit cannot be worked out precisely. Therefore, here total quantity of production considered in kgs only.

Form-“B”

PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

SPECIFIC AREAS IN WHICH R&D WAS CARRIED OUT

Research & Development activity gained momentum during the financial year. Development stage of our Oncology products is satisfactory.

BENEFITS DERIVED

Product stabilization and reduction of cost found non-infringing process for Oncology products. Further, Company plans to develop new products to increase revenue from Oncology products and share in the market.

EXPENDITURE

Total R&D expenditure during the year was ₹ 194.17 lacs including capital expenditure of ₹ 29.83 lacs excluding first time investment in new plant. The corresponding previous year spends were ₹ 221.44 lacs including capital expenditure of ₹ 25.08 lacs.



**PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH, 2011**

Name	Age	Qualification	Designation	Date of Joining	Experience (Year)	Gross Remuneration (₹)	Last Employment
Vishnukant C. Bhutada	48	B. Pharm	Managing Director	20.11.1987	24	25,028,804	-NA-

Notes :

1. Remuneration includes actual payment of salary, commission and/or taxable value of perquisites, Company's contribution to Provident Fund.
2. Nature of Appointment - the appointment is on contractual basis.

FOREIGN EXCHANGE EARNINGS AND OUTGO: Pl. refer Note No. 25(f) of Notes to Accounts.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 11th August, 2011

Omprakash Inani
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

PHARMACEUTICALS INDUSTRY OVERVIEW

GLOBAL INDUSTRY OVERVIEW:

Divergent growth rates expected for developed and pharmerging markets. As countries recover from the global economic crisis at different rates, there is growing divergence in the pace of pharmaceutical growth among major markets. The pharmerging countries are forecast to grow at a 15–17% rate in 2011, to \$170–180 billion. Many of these markets are benefiting from greater government spending on healthcare and broader public and private healthcare funding, which is driving greater demand and access to medicines. China, which is predicted to grow 25–27% to more than \$50 billion next year, is now the world's third-largest pharmaceutical market. Among major developed countries, Japan is forecast to grow 5–7% in 2011, a year when biennial price cuts will have little impact. The five major European markets (Germany, France, Italy, Spain and the U.K.) collectively will grow at a 1–3% pace, as will Canada. The US will remain the single largest pharmaceutical market, with 3–5% growth expected next year. Pharmaceutical sales in the US will reach \$320–\$330 billion, up from \$310 billion forecast for this year, not including the impact of off-invoice discounts or rebates.

As per a McKinsey Report, the pharmaceuticals market in India looks poised to grow to USD 55 billion by 2020. At this projected scale, the market will be comparable to developed markets other than the US, Japan and China. Even more impressive will be its level of penetration. In terms of volume, India will be at the top, a close second only to the US market. The report also states that the BRIC countries (Brazil, Russia, India and China), will lead growth in the coming decade.

INDIAN INDUSTRY OVERVIEW

Indian pharmaceutical market ranks fourteenth globally in terms of value and third in volume. The Indian Pharmaceutical Market achieved 15.3% growth with volumes contributing 7.6%, new products contributing 6.5% and price 1.2% (IMS-SSA MAT Mar 2011).

India's healthcare sector, growing at 16% annually, is likely to touch USD 350 billion by 2023, an eight-fold increase from 2008, estimates consulting firm Techno Park. According to Ernst & Young, healthcare spending could rise to contribute 6.1% of India's

GDP in 2012 as against the current contribution of 4.8% and would employ around nine million people from four million today.

With the changing disease profile in India, the pattern of demand for medicines is also shifting. In 2001, anti-infective and gastrointestinal drugs and vitamins accounted for 50% of the domestic pharmaceutical market. In the next decade, they are expected to account for just 36%. Conversely, drugs for cardiovascular problems, disorders of the central nervous system, Oncology and other chronic diseases will account for 64% of total pharmaceutical market, up from 50% in 2001, states PricewaterhouseCoopers.

India thus has to address both old and new public health challenges. While India continues to deal with the problems of infectious diseases, India is also experiencing a rapid upsurge in chronic diseases such as diabetes and cardiovascular ailments due to lifestyle factors and in some cases genetic dispositions.

ONCOLOGY MARKET

GLOBAL ONCOLOGY MARKET:

The IMS Global Oncology Forecast estimates that between now and 2012, the oncology market will grow at a compound annual rate of 12% to 15% to reach \$75 to \$80 billion in global sales-nearly double the forecasted growth rate of the overall pharmaceutical market. Nearly 2,000 individual molecules for the treatment of cancer are under development—a measure of the industry's determination and ongoing commitment to finding new and innovative treatments for cancer. Even if only one-third of these indications are ultimately approved, treatment options will be enormously expanded for many tumor types over the next 10 to 20 years.

Many of the molecules in late-stage development are being evaluated not just for one indication, but for a range of potential cancer indications. Added to this, is the ongoing research into follow-on indications for products that are already approved and available for other tumor types-investigations that include more than 230 potential new indications for molecules already available to physicians.

Currently, there are 790 oncologies in Phase 2 development (131 of those are for follow-on indications of marketed products); 160 in Phase 3 (57 of those being follow-on indications); and 32 in preregistration (25 of which are follow-on indications). Thus, the true scale of the late-stage pipeline is much more driven by the “trailing edge” of existing products than it is by the “building wave” in Phase 1 and 2.

In terms of indication sequencing your Company is pursuing a strategy of introducing new molecules in a niche market. Indeed, half of the 790 projects currently in Phase 2 are intended for niche cancer indications.

INDIAN ONCOLOGY MARKET:

The oncology market in India is about \$186 million, and is expected to reach \$693 million. More than 30 drug companies are active in Indian oncology market. The current market is largely generic and dominated by regional players. In the last few years many multinational drug companies have entered the Indian Oncology market.

Many companies have launched products in the Indian market. These companies are targeting a small but significant proportion of Indian cancer patients who will be able to afford the newer and premium-priced anti-cancer treatments. The medical insurance sector has become stronger over the last decade and provides an ever increasing opportunity to the MNCs.

Indian pharmaceutical companies are currently dominating the conventional chemotherapy market. These have strong R & D oncology setup and are key manufacturers in the Indian Market. The challenge they pose is the increasing ability to genericize small molecules products. Additionally, Indian pharma companies and some other leading biotech companies are also looking at manufacturing biologics and may pose a serious threat for MNCs manufacturing targeted agents.

Increased rates of incidence of various cancer types prevailing in India and a booming economy has made India one of the key emerging markets for various multinational pharmaceutical companies with an oncology portfolio.

OUTLOOK ON THREATS, RISKS AND CONCERNS:

As expected, India has been relatively insulated from the global recession, without any significant impact on the growth of the pharmaceutical industry. The industry growth is largely driven by chronic disease segments viz. cardiovascular, diabetes, asthma, cancer, and largely influenced by changing lifestyles. There are signs that health awareness has increased due to higher disposable incomes, urbanization and greater health insurance coverage, which could improve further with acceleration in Government



spend on healthcare infrastructure. The adoption of intellectual property rights has encouraged innovation. The industry continues to remain under price control; the scope and coverage of the Government's new pharmaceuticals policy cannot be ascertained, since it is pending review by the Government and remains an area of uncertainty for the pharmaceutical industry. It is hoped that Government will consider several representations made by industry associations in framing the new policy. Data Exclusivity/Data Protection remain a concern area for the industry.

INTERNAL CONTROL SYSTEMS AND ADEQUACY:

Your Company conducts its business with integrity and high standards of ethical behavior, and in compliance with the laws and regulations that govern its business. Your Company has a well established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines, including suitable monitoring procedures and self-assessment exercises. In addition to external audit, the financial and operating controls of your Company is reviewed by the Internal Auditors, who report significant findings to the Audit Committee of the Board. Compliance with laws and regulations is also monitored. Your Company's Code of Conduct sets out the fundamental standards to be followed by employees in their everyday actions. In accordance with the Code of Conduct, and Standards associated with the Code of Conduct, employees are required to become familiar with the legal requirements, policies and procedures applicable to their areas of operation, avoid conflicts of interest and are tasked with upward reporting of all unethical and illegal conduct. All employees are committed to the principle of performance with integrity and ensuring that activities comply with all applicable laws. Additionally, Managers are required to certify on an annual basis whether there have been any transactions which are fraudulent, illegal or violative of the Code of Conduct. Strong oversight and self monitoring policies and procedures demonstrate your Company's commitment to the highest standards of integrity.

FINANCIAL PERFORMANCE:

During the year, the Company recorded sales of ₹ 257.54 Crs. and net profit margins slightly improved primarily due to favorable product mix, forex movement and close management of costs during the year. Earnings before tax were at ₹ 65.84 Crs. and earnings after tax were at ₹ 50.93 Crs., representing 19.77% margin to sales.

HUMAN RESOURCES:

Capability Building, Talent Management and Employee Engagement remain the key focus of your company's Human Resource strategy. Your Company has continued to build on its capabilities in getting the right talent to support the different therapy areas in which it does business. These are backed by robust management training schemes, hiring of key management personnel, and sales training.

Human resources are the most valuable asset for the Company, and Shilpa Medicare continues to seek, retain and enrich the best available talent.

The human resource plays an important and vital role in the growth and success of an organization. Your Company has maintained cordial and harmonious relations with all employees.

The Company provides an environment which encourages initiative, innovative thinking, and rewards performance. The Company ensures training and development of its personnel through succession planning, job rotation, on- the- job training and various training programs and workshops.

CAUTIONARY STATEMENT:

Statements in the "Management Discussion and Analysis" describing the Company's objectives, estimates, expectations or projections may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations; include Government regulations, patent laws, tax regimes, economic developments within India and countries in which the Company conducts business, litigation and other allied factors.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreement)

The Company's shares were listed on Bombay Stock Exchange Limited on 19.06.1995 and National Stock Exchange Limited on 03.12.2009. The Corporate Governance Report has been prepared in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

1. CORPORATE GOVERNANCE PHILOSOPHY

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

The company has complied with the requirements of the Corporate Governance code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed herein below.

2. BOARD OF DIRECTORS

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

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

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

During the year under review Seven Board Meetings were held on **29.04.2010, 28.07.2010, 01.09.2010, 24.09.2010, 27.10.2010, 28.01.2011 and 19.03.2011**. The maximum gap between two consecutive meetings did not exceed four months. The details of the meetings held are as follows:

Name of the Director	Category	No of Board Meetings during the Year 2010-2011 and attendance		Attendance at last AGM 30.09.2010	No of Directorships held in other Companies@.	No of Memberships held in Committees.
		Held	Attended			
Omprakash Inani	Chairman, Non-executive -Promoter	7	6	Yes	Nil	3
Vishnukant C. Bhutada	Managing Director -Promoter	7	7	Yes	Nil	1
Venugopal Loya	Independent Director	7	5	Yes	Nil	3
Carlton Felix Pereira	Independent Director	7	4	No	3	Nil
N.P.S. Shinh	Independent Director	7	4	No	7	Nil
Rajendra Sunki Reddy	Independent Director	7	7	Yes	Nil	1
Pramod Badrinarayan Kasat	Independent Director	7	4	No	Nil	2

Name of the Director	Category	No of Board Meetings during the Year 2010-2011 and attendance		Attendance at last AGM 30.09.2010	No of Directorships held in other Companies@.	No of Memberships held in Committees.
		Held	Attended			
Abhay Bindumadhav Upasani	Independent Director	7	1	No	Nil	Nil
Ajeet Singh Karan*	Non-Executive Director	2	1	-	2	Nil

Note: @ Excluding Directorship in Foreign and Private Limited Companies.

* Appointed as Additional Director w.e.f 28th January, 2011.

3. COMMITTEES OF DIRECTORS

A. AUDIT COMMITTEE

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The Committee also acts in terms of reference and directions of the Board from time to time.

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

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

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

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

The Audit Committee meetings were held during the year under review on the following dates **28.04.2010, 27.07.2010, 26.10.2010 and 27.01.2011**. The gap between two Audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

B. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Three (3) Non-Executive Directors. The composition of the Remuneration Committee is as follows:

Sl.No	Name of the Director	Category
1	Pramod Kasat	Chairman
2	Omprakash Inani	Member
3	Venugopal Loya	Member

The Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Other Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendations to the Board and acts in terms of reference of the Board from time to time.

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

	Amount in ₹
Salary	6,000,000
Allowances, Perquisites & others	3,978,804
Commission	14,330,000
Companies Contribution to PF	720,000
Total	25,028,804

Apart from the above, he is also eligible for the Leave encashment, Leave Travel Concession, Gratuity and other benefits in terms of his appointment and rules of the Company.

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

Name of the Director	Sitting fees paid ₹	No. of shares held on 31.03.2011
Omprakash Inani	₹ 30,000	779776
N.P.S. Shinh	₹ 30,000	Nil
Carlton Felix Pereira	₹ 30,000	Nil
Pramod Badrinarayan Kasat	Nil	Nil
Venugopal Loya	₹ 10,000	Nil
Rajendra Sunki Reddy	Nil	5300
Abhay Bindumadhav Upasani	Nil	Nil
Ajit Singh Karan	Nil	Nil

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

C. INVESTORS RELATIONS COMMITTEE

The present composition of the Investors Relations Committee (Shareholders/ Investors Grievances Committee) is as under:

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

The Investors Relations Committee of the Board is empowered to oversee the redressal of investor's complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints. In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer to approve the share transfers/transmissions and comply with other formalities in relation thereto. All investor's complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no pending share transfers and un-resolved shareholders' grievances pertaining to the Financial Year ended 31st March, 2011.

4. GENERAL BODY MEETINGS

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

Financial Year ended	Date	Venue	Time	Special Resolution Passed
31 st March, 2010	30 th September, 2010	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka	11.30 AM	No Special Resolution
31 st March, 2009	30 th September, 2009	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka.	11.00 AM	1) Appointment of Mr. Deepak Kumar Inani as Manager (Marketing) of the Company and to hold an office or place of profit U/s.314 of the Companies Act. 2) Re-appointment of Mr. Vishnukant C Bhutada as Managing Director.
31 st March, 2008	19 th September, 2008	10/80, 1 st Floor, Rajendra Gunj, Raichur- 584102	12:15 PM	No Special Resolution

ii) During the last three years the following Extra-Ordinary General Meetings were held at 10/80, 1st Floor, Rajendra Gunj, Raichur.

Year	Date	Time	Special Resolutions Passed
2010-2011	10-09-2010	12.15 P.M.	1) Consent under Section 81(1A) of the Companies Act, 1956 to issue shares on preferential basis to Baring India Private Equity Fund III Limited. 2) Consent under Section 81(1A) of the Companies Act, 1956 to issue shares/ warrants to promoters
2009-2010	No Extra-ordinary General Meeting of the members was held during the year.		
2008-2009	No Extra-ordinary General Meeting of the members was held during the year.		

5. DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions

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

B. Details of Non-Compliance and Penalties

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI and any Statutory Authority relating to Capital Markets.

C. As per the Internal Code of Conduct the employees have been given access to the Audit Committee.

D. CEO/ CFO Certification

The Managing Director and Manager –Finance (who is heading the finance functions) have certified to the Board in accordance with Clause 49 (v) of the Listing Agreement pertaining to CEO certification for the Financial Year ended 31st March, 2011.

E. Compliance Certificate

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

F. Code of Conduct

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and Senior Management of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Code of Conducts for the Financial Year ended 31st March, 2011. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

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

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of Non-Mandatory Requirements.

H. Relationship inter-se among Directors

In accordance with the provisions of Section 6 read with Schedule IA of the Companies Act, 1956, Managing Director, Mr. Vishnukant C. Bhutada and Chairman of the Board Mr. Omprakash Inani belongs to promoter group and are related to each other.

6. MEANS OF COMMUNICATION

- Quarterly and half-yearly reports are published in two Newspapers- One in English and one in Kannada.
- The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website: www.vbshilpa.com. The Secretarial Department serves to inform the investors by providing key and timely information like details of Directors, Financial Results, Shareholding Pattern, etc.
- The Company is also displaying official news announcements on its website www.vbshilpa.com.
- Management Discussion and Analysis forms part of this Annual Report.

7. GENERAL SHAREHOLDER'S INFORMATION

A. Annual General Meeting	
Date and Time	22 nd September, 2011. 11.30AM
Venue	Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101, Karnataka
Last Date of Proxy Forms Submission	11.30 AM on 20.09.2011
B. Financial Year	1 st April 2010 to 31 st March 2011
C. Book Closure	19 th September, 2011 to 22 nd September, 2011
D. Dividend Payment Date	Within 15 days from the date of AGM's approval.
E. Listing on Stock Exchanges	1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
	2. National Stock Exchange of India Limited, "Exchange Plaza", 5 th Floor, Plot No. C/1, G Block, Bhandra- Kurla Complex, Bandra (E), Mumbai

F. Stock Code

Name of the Stock Exchange	Stock Code	Scrip Code
Bombay Stock Exchange Limited	530549	SHILPA MEDCA
National Stock Exchange of India Limited	N.A	SHILPAMED-EQ
Demat ISIN No. for NSDL & CDSL	INE790G01023	

The Companies Securities are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The listing fees for the year 2010-2011 has been paid to both the above said Stock Exchanges.

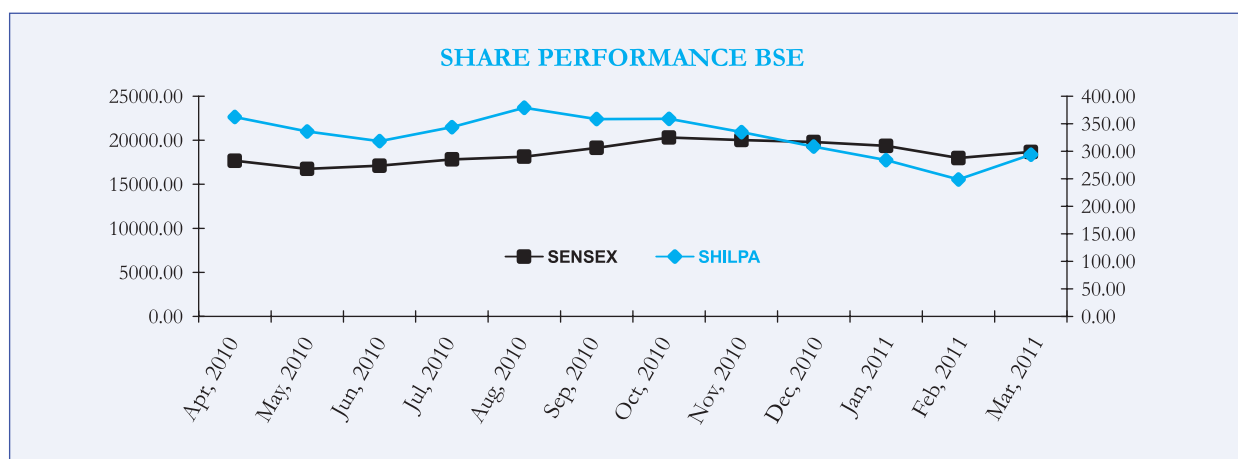


G. Market Price Data & Share Performance of the Company

The monthly High, Low and trading volumes of the Company's Equity Shares during the last Financial Year 2010-2011 at The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited are given below:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2010	362.50	267.35	2854922	362.00	269.00	2341080
May, 2010	336.00	272.00	426568	340.00	268.05	374512
June, 2010	318.45	284.85	474625	318.80	282.40	4049146
July, 2010	343.95	301.60	838904	343.00	300.10	611604
August, 2010	379.00	326.55	1009438	378.50	325.00	1233801
September, 2010	358.70	325.00	254459	358.00	329.00	344310
October, 2010	359.00	322.00	262228	357.90	320.00	395231
November, 2010	335.00	246.00	159799	327.00	231.00	202723
December, 2010	308.75	248.10	121468	314.90	250.00	175679
January, 2011	284.00	221.00	76342	289.70	219.10	84541
February, 2011	248.90	209.00	51857	250.00	208.00	109721
March, 2011	293.90	222.00	183711	294.00	217.00	181934

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



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

I. Registrar and Share Transfer Agent

M/s. Karvy Computershare Private Limited,
Plot No. 17 to 24, Vithalrao Nagar, Madhapur,
Hyderabad- 500081, A.P
Tel: 040-23420815-28
Fax: 040-23420814/ 23420857
Email: mailmanager@karvy.com
Website: www.karvycomputershare.com

The Company periodically audits the operations of Share Transfer Agent.

J. Share Transfer System

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

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

K. Distribution of Equity Shares as on 31st March, 2011

CATEGORY		No. of Shareholders	% to Shareholders	No. of Shares Held	% to Capital
From	To				
1	5000	4577	93.18	1447344	6.02
5001	10000	165	3.36	622352	2.59
10001	20000	58	1.18	430515	1.79
20001	30000	19	0.39	236944	0.99
30001	40000	9	0.18	162345	0.68
40001	50000	10	0.20	227725	0.95
50001	100000	17	0.35	597566	2.48
100001	ABOVE	57	1.16	20299374	84.50
TOTAL		4912	100.00	24024165	100.00

L. Shareholding Pattern as on 31st March, 2011

Category	No. of Shares held	% of Capital
Indian Promoters	13204441	54.96
Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/ Non-Govt. Institution)	500	0.00
Indian Public	5234806	21.79
Private Corporate Bodies	1842718	7.67
NRI's/OCB's/FCCB's, others	2476537	10.31
Mutual Funds	1095388	4.56
HUF's	160947	0.67
Clearing Members	8828	0.04
Total	24024165	100

M. Dematerialization of Shares and Liquidity

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on 31st March, 2011, 98.02% of the Company's Equity Shares are in dematerialized form. The ISIN NO. / Code for the Company's Equity Shares is INE790G01023. Shareholders can open an account with any of the depository participants registered with any of these depositories.

N. Plant Locations

- Plot Nos. 1A, 1B, 2, 2A, 3A to 3E & 4A to 4C, 5A, 5B
Deosugur Industrial Area,
Deosugur- 584170
(Dist. Raichur)
- 100% EOU, 33-33A, 40 to 47,
Raichur Industrial Growth Centre
Wadloor Road, Chicksugur Cross,
Chicksugur- 584134
(Dist. Raichur)
- Wind Mills

Machine- No.1 Madkaripura, Dist. Chitradurga.	Machine-No.2 Jogimatti, Dist. Chitradurga.	Machine- No.3 Vanivilas sagar, Dist. Chitradurga.	Machine- No.4 Kodameedipalli, Dist. Kurnool.
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O. Subsidiaries

1. LOBA Feinchemie GmbH
Fahragasse 7
A- 2401, Fischamend
Austria.
2. ZATORTIA HOLDINGS LIMITED
17, GR.Xnopoulo Street
Totalserve House- 3106
Limasol – Cyprus
P.O Box- 54425, 3724
3. RAICHEM LIFESCIENCES PRIVATE LIMITED
8, Shreeji House, 1st Floor
75, Mint Road, Fort
Mumbai- 400041.
4. RAICHEM MEDICARE PRIVATE LIMITED
10/80, Rajendra Gunj
Raichur
Karnataka- 584102.

P. Address for Correspondence

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

By Order of the Board of Directors

Vishnukant C. Bhutada
Managing Director

Place : Hyderabad
Date : 11th August, 2011

Managing Director's and Finance Manager's Certification

We have reviewed the Financial Statements, read with the Cash Flow Statement of Shilpa Medicare Limited for the year ended 31st March, 2011 and that to the best of our knowledge and belief, we state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
- (ii) These statements present true and fair view of the Company's affairs and are in compliance with current Accounting Standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluating the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and Audit Committee:
 - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (ii) There are no instances of fraud involving the management or an employee.

Place : Hyderabad
Date : 11th August, 2011

N.C. Bhandari
Sr. Mgr. Finance

Vishnukant C. Bhutada
Managing Director

Declaration by the Managing Director

I, Vishnukant C. Bhutada, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2010-2011.

Place : Hyderabad
Date : 11th August, 2011

Vishnukant C. Bhutada
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Shilpa Medicare Ltd.,

We have examined the compliance of Corporate Governance by Shilpa Medicare Ltd., (the "Company") for the Financial Year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the concerned Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Bohara Bhandari Bung And Associates

Chartered Accountants

Firm Regn No:008127S

CA. P.M.Bhandari

Partner

M.No.036241

Place : Hyderabad

Date : 11th August, 2011

AUDITOR'S REPORT

To,

The Members of
Shilpa Medicare Limited,

We have audited the attached Balance Sheet of **Shilpa Medicare Limited** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
5. On the basis of written representations received from the Directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

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

Place : Hyderabad
Date : 11th August, 2011

CA. P.M.Bhandari
Partner
M.No.036241

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

On the basis of such checks as we considered appropriate and in terms of information and explanation given to us, we further state that:

1. In respect of Fixed Assets:

- a) The Company has maintained proper records, showing full particulars including Quantitative details and situation of Fixed Assets.
- b) As explained to us, Fixed Assets have been physically verified wherever feasible by the Management and no material discrepancy with respect to book records was noticed on such verification.
- c) During the year the Company has not disposed off a substantial part of the Fixed Assets.

2. In respect of Inventories:

- a) The Inventory in its possession has been physically verified by the Management. In our opinion the frequency of the verification is reasonable. The Stocks lying with third parties have been verified with reference to Statements of Accounts or Subsequent return of goods.
- b) The procedure as explained to us and followed by the Management for physical verification of Inventories is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) According to the information and explanations given to us, no material discrepancies were noticed on physical verification as compared to book records.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

- a) The Company has not taken any secured / unsecured loan from any Company covered in the register maintained under Section 301 of the Act. However, it had outstanding opening balance of unsecured loan (Dr) amounting to ₹ 2479.52 Lakhs to two of its subsidiaries and ₹ 645.65 Lakhs (including interest) was given during the year and ₹ 79.60 Lakhs during the year was given to one of its associate Company. Of which ₹ 922.33 Lakhs and ₹ 79.60 Lakhs are outstanding as on 31.03.2011 from the subsidiary and associate companies respectively, covered in the register maintained under Section 301 of the Act.
- b) The rates of interest and the terms and conditions of the above said transactions where-ever applicable, are prima-facie not prejudicial to the interest of the Company.
- c) The payment of Principal amount and interest thereon, where-ever applicable are regular.
- d) There were no overdue amounts of the aforesaid transactions.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed Assets and also for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

5. In respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

- a) According to information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the Public.

7. In our opinion, the Company has an internal Audit System commensurate with the size and nature of its business.

8. On the basis of records produced, we are of the opinion that prima-facie cost records and accounts prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the products of the Company under the rules under said section are generally maintained / are under preparation. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.

9. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investors Education Fund, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs duty, Excise duty, Cess and any other statutory dues has generally been regularly deposited with the appropriate authorities. According, to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- b) Details of dues of Income-tax which have not been deposited as on 31st March, 2011 on account of disputes are given below :

Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
Income-tax Act	Income-tax	Commissioner of Income tax (Appeals)	AY: 2008-09	*53.43

* Out of this sum of ₹ 23.28 lacs is paid under protest against the disputed Tax demand.

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanation given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi fund/mutual benefit fund/society. Therefore, provisions of Clause4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. The Company did not either deal or trade in shares, securities, debentures and other investment and hence Clause 4(xiv) is not applicable.
15. According to the information provided to us, the Company has issued a letter of comfort amounting to Euro 20.00 Lakhs for loans taken by step down subsidiary from banks or financial institutions.
16. In our opinion and according to information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment and vice versa.
18. During the year, the Company has not made preferential allotment of Equity shares to parties and companies covered in the Register maintained under Section.301 of the Companies Act, 1956.
19. The Company has not raised funds by way of issue of Debentures; hence, Clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. The Company has not raised any funds through Public Issue during the year and hence Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
21. Based upon the Audit procedures performed and information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the course of our Audit.

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

CA. P.M.Bhandari
Partner
M.No.036241

Place : Hyderabad
Date : 11th August, 2011



Balance Sheet as at 31st March, 2011

(Amount in ₹)

Particulars	Sch.No.	Current Year	Previous Year
I. SOURCE OF FUNDS:			
1. Share Holder's Fund			
Share Capital	1	48,048,330	44,048,330
2. Reserves & Surplus	2	2,260,309,445	1,077,898,406
3. Share Warrants		43,750,000	—
4. Loan Funds			
a) Secured Loan	3	509,740,656	671,744,650
b) Unsecured Loan	3	—	15,302,106
5. Deferred Tax Liability (Net)		152,618,975	136,408,437
TOTAL		3,014,467,406	1,945,401,929
II. APPLICATION OF FUNDS:			
1. Fixed Assets			
Gross Block	4	1,629,953,936	1,559,627,825
Less: Accumulated Depreciation		359,005,662	280,240,311
Net Block		1,270,948,274	1,279,387,514
Add: Capital Work - in - Progress	4	30,077,781	30,580,253
		1,301,026,055	1,309,967,767
2. Investments	5	280,840,924	36,947,400
3. Current Assets, Loans & Advances			
a) Inventories	6	374,435,352	436,457,329
b) Sundry Debtors	7	336,340,807	314,864,913
c) Cash & Bank Balances	8	837,475,516	17,984,420
d) Loans & Advances	9	319,758,218	305,757,918
		1,868,009,893	1,075,064,580
Less: Current Liabilities & Provisions	10	435,409,466	476,577,818
		1,432,600,427	598,486,762
TOTAL		3,014,467,406	1,945,401,929
Significant Accounting Policies	17 (A)		
Notes to Accounts	17 (B)		

Schedule 01 to 10, 17(A) to 17(B) are form an integral part of Balance Sheet.

As per our Report of even date attached.

For Bohara Bhandari Bung And Associates

Chartered Accountants

(Firm Reg No: 008127S)

For and on behalf of the Board

CA.P.M. Bhandari

Partner

M.No.036241

N.C. Bhandari

Sr.Manager Finance

Omprakash Inani

Chairman

Place : Hyderabad

Dated : 11th August, 2011

Nagalakshmi Popuri

Company Secretary

Vishnukant C. Bhutada

Managing Director

Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Sch.No.	Current Year	Previous Year
INCOME			
Turnover		2,633,670,942	2,398,943,132
Less : Excise Duty		58,236,369	54,346,288
		2,575,434,573	2,344,596,844
Variation in Finished Goods	11	461,438	(699,665)
Other Income	12	53,124,738	11,194,041
TOTAL		2,629,020,749	2,355,091,220
EXPENDITURE			
Cost of Materials	13	1,543,088,053	1,282,904,859
Employee Cost	14	175,852,688	121,237,650
Operating & Administrative Expenses	15	166,875,604	172,581,520
Exchange (Gain)		(37,844,373)	(42,126,350)
Interest		18,474,355	50,404,433
Depreciation	4	104,210,353	97,646,584
TOTAL		1,970,656,680	1,682,648,696
PROFIT BEFORE TAX		658,364,069	672,442,524
Less: Tax Expense			
a) Current Tax		132,900,200	184,000,000
b) Deferred Tax (Net)		16,210,538	28,314,777
		149,110,738	212,314,777
PROFITS AFTER TAXES		509,253,331	460,127,747
Less: Prior Period Expenditure / (Income)	16	430,870	(1,066,223)
		508,822,461	461,193,970
Add: Profits from earlier years		714,791,945	321,634,995
Profits available for appropriation		1,223,614,406	782,828,965
Appropriations			
a) Transferred to General Reserve		52,500,000	50,000,000
b) Provision for Proposed Dividend		19,219,332	15,416,916
c) Tax on Dividend		3,192,090	2,620,104
		74,911,422	68,037,020
Balance carried to Balance Sheet		1,148,702,984	714,791,945
Earnings per Share			
Basic (₹ 2 & ₹ 2 Per share respectively)		22.08	20.89
Diluted (₹ 2 & ₹ 2 Per share respectively)		21.84	—
Weighted Average No. of Equity shares			
Basic		23,059,781	22,024,165
Diluted		23,318,686	—
Significant Accounting Policies	17 (A)		
Notes to Accounts	17 (B)		

Schedules 11 to 16, 17(A) to 17(B) are form an integral part of Profit and Loss Account.

As per our Report of even date attached.

For Bohara Bhandari Bung And Associates

Chartered Accountants
(Firm Reg No: 008127S)

For and on behalf of the Board

CA.P.M. Bhandari

Partner
M.No.036241

N.C. Bhandari
Sr.Manager Finance

Omprakash Inani
Chairman

Place : Hyderabad
Dated : 11th August, 2011

Nagalakshmi Popuri
Company Secretary

Vishnukant C. Bhutada
Managing Director

Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profits Before Tax (PBT)	658,364,069	672,442,524
Adjusted for:		
Depreciation	104,210,353	97,646,584
(Profit) / Loss on sale of Fixed Assets	(10,767,492)	2,485,127
Interest (Net)	(17,976,892)	48,939,515
Bad debts	338,550	1,639,122
Creditors No Longer required written back	(1,286,467)	—
Unrealized Exchange (Gain) / Loss (Net)	(7,894,449)	(24,996,843)
Operating profit before working capital changes	724,987,672	798,156,029
Adjusted for:		
Increase / (Decrease) in Current Liabilities	(115,817,389)	213,121,689
(Increase) / Decrease in Trade Receivables	(23,092,429)	(135,460,023)
Decrease / (Increase) in Inventory	62,021,977	(206,966,008)
Decrease / (Increase) in Other Loans and Advances (Refer note 02 below)	(70,586,153)	(80,602,858)
Cash generated from Operations	577,513,678	588,248,829
Prior Period adjustments	(430,870)	1,066,223
Taxes paid	(200,917,136)	(126,345,867)
Net Cash from Operating Activities	376,165,672	462,969,185
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl Capital Work in progress)	(149,311,149)	(140,192,611)
Sale of Fixed Assets	64,810,000	2,523,088
Interest received	36,451,247	1,464,918
Purchase of Investments (Refer note 02 below)	(41,109,930)	(36,725,020)
Net cash used in Investing Activities	(89,159,832)	(172,929,625)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in share capital	4,000,000	—
Increase in share premium(Net)	696,000,000	—
Application money pending allotment - Share Warrants	43,750,000	—
Interest Expenses	(18,474,355)	(50,404,433)
Secured Loans	(159,553,994)	(257,946,824)
Unsecured Loans	(15,302,106)	15,302,106
Subsidy received during the year	—	305,000
Dividend & Dividend distribution tax	(17,934,289)	(12,822,664)
Net Cash earned from Financing Activities	532,485,256	(305,566,815)
Net Increase/(decrease) in Cash and Cash Equivalents	819,491,096	(15,527,255)
Cash & Cash Equivalents at the beginning of the Year	17,984,420	33,511,675
Cash & Cash Equivalents at the end of the Year	837,475,516	17,984,420

Note: 1. Cash flow has been prepared under Indirect Method as prescribed under AS-3 by ICAI.

2. Does not include advance of ₹ 202,783,594/- to Wholly Owned Subsidiary, converted into Equity in the current year.

As per our Report of even date attached.

For Bohara Bhandari Bung And Associates

Chartered Accountants

(Firm Reg No: 008127S)

For and on behalf of the Board

CA.P.M. Bhandari

Partner

M.No.036241

N.C. Bhandari

Sr.Manager Finance

Omprakash Inani

Chairman

Place : Hyderabad

Dated : 11th August, 2011

Nagalakshmi Popuri

Company Secretary

Vishnukant C. Bhutada

Managing Director

Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 01				
SHARE CAPITAL				
Authorised Capital:				
40,000,000 Equity Shares of ₹ 2/-		80,000,000		80,000,000
Issued, Subscribed and Paid Up Capital:				
1) 24,024,165 (22,024,165) Equity Shares of ₹ 2/-		48,048,330		44,048,330
Of the above-				
a) 6,662,500 Equity Shares of ₹ 2/- each were issued as Bonus shares by way of Capitalisation of Reserves.				
b) During the year 2008-09, 3,916,665 shares of ₹ 2/- allotted to the erstwhile shareholders of Shilpa Organics Pvt Ltd on Amalgamation.				
c) During the year 2008-09, 750,000 equity shares of ₹ 2/- were allotted on conversion of share warrants.				
TOTAL		48,048,330		44,048,330
SCHEDULE No: 02				
RESERVES & SURPLUS				
a) Subsidy				
Opening Balance	5,477,199		5,172,199	
Additions during the year	—	5,477,199	305,000	5,477,199
b) Share Premium Account				
Opening Balance	274,625,000		274,625,000	
Additions during the year	696,000,000	970,625,000	—	274,625,000
c) General Reserve				
Opening Balance	79,768,369		29,768,369	
Additions during the year	52,500,000	132,268,369	50,000,000	79,768,369
d) Capital Reserve				
Opening Balance	3,235,893		3,235,893	
Additions during the year	—	3,235,893	—	3,235,893
e) Surplus in Profit & Loss Account		1,148,702,984		714,791,945
TOTAL		2,260,309,445		1,077,898,406

Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 03				
SECURED & UNSECURED LOANS				
A) Secured Loans				
a) External Commercial Borrowings	223,250,000		338,550,000	
b) Term Loan	—		134,609,368	
c) Working Capital Loan (Cash Credit/Packing Credit/Loan)	286,490,656	509,740,656	198,585,282	671,744,650
(For Nature of Securities Refer Note No.03 & 04 of Notes to Accounts)				
B) Unsecured Loan				
a) From Bank		—		15,302,106
TOTAL		509,740,656		687,046,756

Schedules forming part of Balance Sheet for the year ended 31st March, 2011

SCHEDULE 4 : FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2010	Additions During the year	Deletions During the year	As on 31.03.2011	As on 01.04.2010	For the Year	As on 31.03.2011	As on 31.03.2010
Borewell	223,926	-	-	223,926	47,704	11,197	165,025	176,222
Buildings	351,752,857	23,096,266	-	374,849,123	26,370,697	12,046,713	336,431,713	325,382,160
Canteen Equipment	58,918	-	-	58,918	6,786	4,372	47,760	52,132
Computer	8,609,673	2,541,106	-	11,150,779	3,867,645	1,557,213	5,725,921	4,742,028
Electrical Installations	107,834,499	2,447,972	-	110,282,471	11,550,617	8,030,168	90,701,686	96,283,882
Empty Cylinders	399,934	-	-	399,934	230,033	64,829	105,072	169,901
ETP Building	44,457,273	84,635	-	44,541,908	2,965,678	1,486,515	40,089,715	41,491,595
ETP Machinery	17,103,666	(40,486)	-	17,063,180	1,275,204	1,269,092	14,518,884	15,828,462
Furniture	8,436,729	4,417,035	-	12,853,764	1,884,300	576,669	10,392,795	6,552,429
Generator	3,788,179	-	-	3,788,179	927,885	281,083	2,579,211	2,860,294
Lab Equipments	82,241,973	2,251,155	-	84,493,128	9,102,346	6,112,406	69,278,376	73,139,627
Leasehold Land/Plot	25,607,116	1,686,826	-	27,293,942	-	-	27,293,942	25,607,116
Office Equipment	320,811	121,344	-	442,155	16,392	27,668	398,095	304,419
P/M (Power Generation Unit)	197,087,510	84,600,000	79,487,510	202,200,000	96,325,718	19,309,072	112,010,212	100,761,792
Pipeline	108,796,119	10,349,590	-	119,145,709	12,381,619	8,355,943	98,408,147	96,414,500
Plant & Machinery	556,614,368	15,022,138	-	571,636,506	99,993,622	41,533,309	430,109,575	456,620,746
Pollution Control Equip.	3,650,768	-	-	3,650,768	2,190,922	270,887	1,188,959	1,459,846
R & D Equipments	22,987,817	1,065,717	-	24,053,534	4,802,523	1,153,566	18,097,445	18,185,294
Storage Tank	3,248,739	1,142,664	-	4,391,403	1,360,858	529,159	2,501,386	1,887,881
Technical Know-how	2,188,000	-	-	2,188,000	1,703,428	218,800	265,772	484,572
Transformer	358,340	-	-	358,340	140,893	49,845	167,602	217,447
Unit-II Land & Building	585,872	-	-	585,872	181,045	19,568	385,259	404,827
Vehicles	12,698,830	1,027,659	-	13,726,489	2,788,671	1,244,684	9,693,134	9,910,159
Weigh Bridge	346,908	-	-	346,908	25,810	25,741	295,357	321,098
Xerox Machine	229,000	-	-	229,000	99,915	31,854	97,231	129,085
Total (₹)	1,559,627,825	149,813,621	79,487,510	1,629,953,936	280,240,311	104,210,353	1,270,948,274	1,279,387,514
Capital Work-in-Progress	30,580,253	-	502,472	30,077,781	-	-	30,077,781	30,580,253
Total (₹)	1,590,208,078	149,813,621	79,989,982	1,660,031,717	280,240,311	104,210,353	1,301,026,055	1,309,967,767
Previous Year	1,422,600,256	143,415,146	6,387,577	1,559,627,825	183,973,089	97,646,584	1,279,387,514	1,238,627,167

Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 05				
INVESTMENTS				
Longterm (at Cost)				
A) Investment in Subsidiaries (unquoted)				
i) Zatortia Holdings Ltd 2,000 (1,000) Equity Shares of 1.74 Euro each fully paid	202,890,974		107,380	
ii) Raichem Lifesciences Pvt Ltd 410,000 (410,000) Equity Shares of ₹ 10/- each fully paid	28,100,000		28,100,000	
iii) Raichem Medicare Pvt Ltd **				
a) 98,233 (5,000) Equity Shares of ₹ 10/-each fully paid	13,334,950		50,000	
b) Share Application Money pending allotment	–	244,325,924	7,675,000	35,932,380
B) Investments in Associates (Unquoted)				
i) Reva Pharmachem Pvt Ltd				
a) 100,000 (96,667) Equity Shares of ₹ 10/-each fully paid.	1,000,000		966,670	
b) Share Application Money in Reva Pharmachem Pvt Ltd	–	1,000,000	33,350	1,000,020
ii) Nu-Therapeutics Pvt Ltd 438139 (Nil) Equity Shares of ₹ 10/- each fully paid		35,500,000	–	–
C) In Government Securities (NSC-Assigned as Securities to Government Department)		15,000		15,000
TOTAL		280,840,924		36,947,400
** has become subsidiary w.e.f 19.03.2011.				
Aggregate Book value of Unquoted Investments		280,840,924		36,947,400
SCHEDULE No: 06				
INVENTORIES				
a) Finished Goods		2,315,886		1,854,448
b) Raw Materials		170,351,844		148,141,389
c) Work-in-progress		194,320,070		283,179,156
d) Stores & Spares		7,038,064		2,763,783
e) Packing Material		409,488		518,553
TOTAL		374,435,352		436,457,329

Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 07				
SUNDRY DEBTORS (Unsecured)				
Exceeding Six Months				
a) Considered good	2,280,016		2,240,167	
b) Considered Bad / Doubtful	338,550		1,639,122	
	2,618,566		3,879,289	
Less: Bad debts Written-off	338,550		1,639,122	2,240,167
		2,280,016		–
Others				
a) Considered good		334,060,791		312,624,746
TOTAL		336,340,807		314,864,913
SCHEDULE No: 08				
CASH & BANK BALANCES				
a) Cash-in-Hand		240,506		260,277
b) Foreign Currency in hand		808,025		55,208
c) Balance with Scheduled Banks:				
1. In Current Accounts		7,804,411		(811,907)
2. In Fixed Deposits *		828,622,574		18,480,842
*(Out of the above ₹ 3,600,000/- (₹ 18,480,842/-) has been assigned as security to banks				
TOTAL		837,475,516		17,984,420
SCHEDULE No: 09				
LOANS & ADVANCES				
Unsecured (Considered good)				
a) Loans and advances to				
i) Wholly Owned Subsidiaries**		92,233,417		247,951,527
ii) Associates		7,960,000		–
b) Advances Recoverable in cash or kind or for value to be received		6,845,495		6,353,723
c) Sundry Deposits		250,693		159,000
d) Deposits with Government Offices/Local Authorities		4,457,338		4,449,155
e) Advance Income Tax / TDS receivable		146,197,741		–
f) Interest accrued but not due on fixed deposit with Banks		1,956,850		756,746
g) Refund of Excise Duty/ Service Tax Receivable		38,404,120		27,856,429
h) VAT paid on Capital goods		2,997,868		2,786,776
i) CST Receivable		18,173,199		15,444,562
j) VAT Receivable		281,497		–
TOTAL		319,758,218		305,757,918
** Balances Outstanding during the year from Subsidiaries				
i) Zatortia Holdings Ltd.		66,940		202,554,184
ii) Raichem Lifesciences Pvt. Ltd.		92,166,477		45,397,343

Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 10				
CURRENT LIABILITIES & PROVISIONS				
A) Current Liabilities				
a) Unclaimed Dividend		690,032		587,301
b) Unclaimed bonus/salary		68,250		73,950
c) Interest Payable but not due on loans		214,449		426,952
d) Sundry Creditors\$: i) For Goods	169,837,910		303,304,184	
ii) For Others	80,824,611	250,662,521	72,354,566	375,658,750
e) VAT, Entry Tax & Profession Tax		40,537		1,418,594
f) Tax Deducted at Source payable		5,040,609		5,640,404
B) Provisions				
a) Provision for Income Tax	150,282,442		72,101,637	
b) Proposed Dividend	19,219,332		15,416,916	
c) Provision for Tax on Proposed Dividend	3,192,090		2,620,104	
d) Provision for Gratuity	5,999,204	178,693,068	2,633,210	92,771,867
TOTAL		435,409,466		476,577,818

\$ Please refer Note No. 10 of Schedule 17 (B)

Schedules forming part of Profit & Loss Account for the year ended 31st March, 2011

SCHEDULE No: 11				
INCREASE / (DECREASE) IN FINISHED GOODS				
Closing Stock of Finished Goods		2,315,886		1,854,448
Less: Opening Stock of Finished Goods		1,854,448		2,554,113
TOTAL		461,438		(699,665)
SCHEDULE No: 12				
OTHER INCOME				
a) Miscellaneous Income		53,124,738		11,194,041
TOTAL		53,124,738		11,194,041
SCHEDULE No: 13				
MATERIALS				
a) Raw Materials Consumed	1,420,307,687		1,411,027,447	
Add: Change in Work in Progress	88,859,086	1,509,166,773	(147,372,281)	1,263,655,166
b) Cost of Materials Traded		29,998,351		16,562,787
c) Packing Material Consumed		3,922,929		2,686,906
TOTAL		1,543,088,053		1,282,904,859

Schedules forming part of Profit & Loss Account for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 14				
EMPLOYEE COST				
a) Salaries, Wages, Bonus and Allowances		160,077,642		115,621,881
b) Contribution to Provident Fund, Gratuity and Other Funds		9,455,986		3,357,718
c) Employee Welfare Expenses		6,319,060		2,258,051
TOTAL		175,852,688		121,237,650
SCHEDULE No: 15				
OPERATING & ADMINISTRATIVE EXPENSES				
a) Commission, Brokerage & Consultancy		12,335,325		31,881,013
b) Clearing & Forwarding		12,204,707		11,097,904
c) Laboratory Expenses & R&D Expenses		12,520,782		16,250,587
d) Power & Fuel		56,745,093		45,191,847
e) Repairs & Maintenance				
i) Plant & Machinery	14,542,324		12,479,116	
ii) Building	7,797,576		4,049,606	
iii) Others	1,766,638	24,106,538	1,656,301	18,185,023
f) Transportation Expenses		8,840,994		7,638,137
g) VAT, Entry Tax & Profession Tax		557,974		408,935
h) Travelling Expenses		8,482,518		7,176,746
i) Advertisements & Sales Promotion Expenses		5,010,483		4,580,934
j) Insurance		1,592,171		1,413,143
k) Legal Charges/License Fees/Rates & Taxes		1,285,054		1,382,242
l) Miscellaneous Expenses		11,423,135		9,314,899
m) Bank Charges		4,259,012		4,467,066
n) Audit Fees		475,000		400,000
o) Listing Fees		98,906		59,887
p) Job work charges		6,599,362		9,008,908
q) Bad Debts written off		338,550		1,639,122
r) Loss on Transfer of Assets		—		2,485,127
TOTAL		166,875,604		172,581,520
SCHEDULE: 16				
PRIOR PERIOD INCOME / EXPENDITURE				
Prior Period Expenditure / (Income)		430,870		(1,066,223)
TOTAL		430,870		(1,066,223)



17 (A). Significant Accounting Policies:

Basis of preparation of financial statements:

- (a) The financial statements are prepared on historical cost convention and on the presumption of going concern in accordance with generally accepted accounting principles in India the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956 of India adopted consistently by the Company.
- (b) The Company generally follows mercantile system of accounting and recognizes all the income and expenditure on accrual basis.

Use of Estimates :

The preparation of financial statements in conformity with generally accounting principles requires management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the results of operations during the said reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Fixed Assets:

- a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- b) Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Depreciation:

Depreciation on Fixed Assets is provided on straight line method as prescribed in Schedule XIV of the Companies Act, 1956 of India. Intangible assets are amortized over their useful life/ a period of ten years.

Impairment:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

Investments:

- a. Long Term Investments are carried at cost after deducting provision, if any, for diminution in value considered being other than temporary in nature.
- b. Current investments are stated at lower of cost and fair value.

Inventory:

- a) Raw-Materials, Stores and Packing Materials are valued at cost – Cost is determined on FIFO basis.
- b) Work-in-progress & finished goods are valued at estimated cost or net realizable value whichever is lower.

Employee Benefits:

Employee benefits of short term nature are recognized as expenses as and when it accrues. Long Term employee benefits/ post employment benefits (e.g. gratuity), both funded and non-funded, are recognized as expense based on actuarial valuation at year end which takes into account actuarial gains and losses.

Sales and Purchases:

Sales and Purchases are accounted net of returns basis. Sales include Export Entitlements / Benefits. Export entitlements are accounted on accrual basis at realizable value or entitlement value whichever is less.

Foreign Currency Transactions:

Transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transaction. The exchange difference arising out of these transactions are dealt in profit and loss account.

Derivative Instruments:

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

Taxes on Income:

Tax on Income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is provided in conformity with Accounting Standard-22 issued by the Institute of Chartered Accountants of India based on the timing difference between the accounting income and the taxable income.

17 (B). NOTES TO ACCOUNTS:

- Previous year's figures have been regrouped, rearranged and / or reworked wherever necessary.
- Figures have been rounded off to the nearest rupee.
- Working Capital Loans from The Lakshmi Vilas Bank Ltd., is secured by way of pari passu charge on Hypothecation of stock and book debts and on the Fixed Assets of the Company.
 - Working Capital Loans from Standard Chartered Bank is secured by first pari passu charge on Current Assets / Fixed Assets of the Company. First charge on certain fixed assets of the Company (except those created through other loans) in line with other working capital lender. Personal guarantees of Directors in line with other working capital lenders.
- External Commercial Borrowing (ECB) from ICICI Bank Ltd is secured by first charge on all movable and immovable properties created by such loans and irrevocable guarantee of some of the Directors of the Company.
- Deferred Taxes:

Particulars	Current Year	Previous Year
Deferred tax liability on account of timing differences in depreciation	153,737,075	136,408,437
Deferred tax Asset on account of disallowable items under Income Tax Act.	(1,118,100)	—
Net Deferred Tax Liability	152,618,975	136,408,437

- In the opinion of the Management, the value of the Current Assets, Loans and Advances under the ordinary course of business would at least be equal to the amount as stated in the Balance Sheet.
- The Company has granted the following advances to its wholly owned Subsidiaries. However, there is no agreement as to the repayment of the Loan.

Particulars	Current Year	Previous Year
Raichem Lifesciences Pvt Ltd	92,166,477	45,397,343
Zatortia Holdings Ltd	66,940	202,554,184
Total	92,233,417	247,951,527

- Sundry Debtors, Sundry Creditors and Loans and Advances receivable are subject to confirmation.
- Amounts under the Head "Advance Taxes / TDS receivable" for previous year has been netted against provision for taxes for the said period.
- The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given.
- Exchange fluctuation includes credit of ₹ 725,000/- (PY: Credit ₹ 43,575,000/-) on account of Exchange difference arising in respect of outstanding ECB Loan. There are no other outstanding Forward Exchange Contracts on 31.03.2011.
- Income tax Demand of ₹ 5,342,960/- (PY: Nil) pertaining to earlier year is contested in appeal and the Company is legally advised based on certain Judicial pronouncements relating to identical point of law and as such therefore no provision made.

13. During the year Net worth of Reva Pharmachem Pvt Ltd (Associate Company) as at the Balance Sheet date has been completely eroded. However, the management is of the view that since the Investments are long term in nature no provision is required to be made.
14. An amount of ₹ 2,327,661/- is paid against the disputed Tax demand as disclosed in Note No.12 of Schedule 17 (B) above and the same is shown under the head "Advance tax / TDS Receivable".
15. The Company is in appeal before the Hon. Tribunal in respect of its claim of Refund of Input tax paid on Capital Goods amounting to ₹ 2,997,868/- under Karnataka Value Added Tax Act, 2003, the same is shown as receivable under the head "VAT paid on Capital & Other items"
16. Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits
 1. In respect of gratuity, a defined benefit scheme (based on Actuarial Valuation)

Movement of present value of the defined benefit obligation	Current Year	Previous Year
Obligations at period beginning	6,614,035	5,384,489
Service Cost	4,301,357	650,435
Interest on Defined benefit obligation	490,889	430,759
Benefits settled	(55,846)	—
Actuarial (gain)/loss	(163,684)	(301,645)
Obligations at period end	10,736,751	6164,035
Change in plan assets		
Plans assets at period beginning, at fair value	3,530,825	3,042,197
Difference in Opening balance	—	(250,000)
Expected return on plan assets	317,977	242,486
Actuarial gain/(loss)	961	18,394
Contributions	943,630	477,748
Benefits settled	(55,846)	0
Plans assets at period end, at fair value	4,737,547	3,530,825
Reconciliation of present value of the obligation and the fair value of the plan assets:	—	—
Closing PBO	10,736,751	6,164,035
Closing Fair value of plan assets	4,737,547	3,530,825
Closing Funded status	(5,999,204)	(2,633,210)
Unrecognised actuarial (gains).losses	—	—
Net asset/(Liability) recognized in the balance sheet	(5,999,204)	(2,633,210)
Expenses recognised in the P & L account		
Service cost	4,301,357	650,435
Interest cost	490,889	430,759
Expected return on plan assets	(317,977)	(242,486)
Actuarial (gain)/loss	(164,645)	(320,039)
Net gratuity cost	4,309,624	518,669
Experience Adjustment on Plan Assets	961	18,394
Experience Adjustment on Plan Liabilities	(163,684)	(301,645)

Principal Actuarial Assumptions

Interest rate	8%	8%
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	8%	8%
Expected rate of return on assets	0%	0%
Salary increase (taking into account inflation, seniority, promotion and other relevant factors)	6%	6%
Attrition rate of employees	5%	5%
Retirement age of employees (Years)	58	58

Actuarial gain / loss is recognised immediately. The estimates of salary increase take into account inflation, promotion etc.

The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at 15 days 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 superannuation or on exit otherwise.

17. Capital Work in Progress includes ₹ 30,077,781 /- (PY: ₹ 30,580,253/-) being expenditure during construction period pending capitalization/ allocation. Expenditure during construction period includes :

Particulars	Current Year	Previous Year
Advance to Machinery Suppliers, Civil Constructions & Contractors	17,528,042	27,870,781
Advances towards Building Under Construction, Electrical, Plant & Machinery under erection.	12,549,739	2,709,472
Total	30,077,781	30,580,253

18. Audit fees include payment towards:

Particulars	Current Year*	Previous Year*
Statutory Audit	300,000	250,000
Tax Audit	100,000	80,000
Certification	75,000	70,000
Total	475,000	400,000

*excludes service tax

19. Managerial Remuneration:

Particulars	Current Year	Previous Year
Salary	6,000,000	5,000,000
Perquisites	3,978,804	2,993,769
Commission (Refer Note No.20 below)	14,330,000	11,365,566
Company's Contribution to PF	720,000	576,000
Total \$\$	25,028,804	19,935,335

\$\$ includes Taxable perquisites of ₹ 28,804/- (PY39,600/-)

20. Computation of Net Profit u/s 349 of the Companies Act, 1956.

Particulars	Current Year	Previous Year
Profit Before Tax as per P&L A/c.	658,364,069	672,442,524
Add: 1) Depreciation	104,210,353	97,646,584
2) Managerial Remuneration	25,028,804	19,935,335
3) Loss on sale of fixed assets	—	2,485,127
	787,603,226	792,509,570
Less: Depreciation as per Section: 350 of the Companies Act, 1956	104,210,353	97,646,584
Less: Profit on sale of Fixed Assets	10,767,492	—
Net Profit	672,625,381	694,862,986
Aggregate of Salary and Commission shall not exceed @ 5% of Net Profit.	*33,631,269	**20,266,837

* Managerial remuneration has been restricted to ₹ 25,000,000/- by the recipient voluntary (excluding taxable perquisites of ₹ 28,804/-).

** Enhanced remuneration effective from 01.09.2009 only.

21. Interest Paid includes:

Particulars	Current Year	Previous Year
To Bank / Financial Institutions	18,250,863	50,404,433
To Government Bodies	223,492	—
Total	18,474,355	50,404,433

22. Other Income Includes:

Particulars	Current Year	Previous Year
Interest (TDS CY ₹ 4,756,107/- PY:230,914/-)	36,451,247	1,464,917
Duty Drawback (Rebate) / Cenvat	—	7,783,932
Credit Balance No Longer Required	1,286,467	1,363,996
Miscellaneous Receipts	740,406	570,000
Discount Received	364,126	11,196
Bad Debts Recovered	3,500,000	—
Profit on Sales of Assets	10,767,492	—
Scrap Sales	15,000	—
Total	53,124,738	11,194,041

23. Prior Period Income Includes:

Particulars	Current Year	Previous Year
Claims and provisions no longer required (Net)	430,870	(1,066,223)
Total	430,870	(1,066,223)

24. Contingent Liabilities:

Particulars	Current Year	Previous Year
For Local and Foreign L/Cs	89,833,344	56,086,888
Guarantees	1,360,598	3,330,000
Bills discounted	—	15,302,106
Letter of Comfort	126,480,000	121,120,000
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	41,458,818	19,172,443
Claim against the Company not acknowledged as debts (Includes amount disclosed in Note No.12 of Schedule 17 (B))	7,582,960	2,340,000
Total	266,715,720	217,351,437

25. Other Statutory Information:

(a) Annual capacities (as certified by the Management and relied upon by the Auditors being technical matter)

	Particulars	Current Year	Previous Year
a)	Wind Energy	3.86 MW	3.86 MW

	Particulars	Current Year	Previous Year
a)	Bulk Drugs	In view of multiple products and processes individual annual capacities cannot be quantified, hence not applicable.	
b)	Intermediates		

A) Actual Production

Sl. No.	Production	Current Year	Previous Year
1.	Bulk Drugs (Kgs)	90,037.86	79646.44
2.	Intermediates(Kgs)	257,398.04	148,554.19
3.	Wind Energy (Units)	6,431,895.00	709,456.00

B) Stock & Turnover

Particulars	Current Year		Previous Year	
	Qty (Kgs)	Amount (₹)	Qty (Kgs)	Amount (₹)
Opening Stock				
Bulk Drugs	700	1,854,448	915.10	2,554,113
Total	700	1,854,448	915.10	2,554,113
Closing Stock				
Bulk Drugs	840	2,315,886	700	1,854,448
Total	840	2,315,886	700	1,854,448
Turnover				
Bulk Drugs	90177.86	1,119,082,189	80547.21	1,428,086,173
Intermediates	257398.04	1,423,062,421	148552.19	889,697,265
Others		10,725,353		2,206,441
Wind Energy – Units	6431895	22,564,610	709456	24,606,965
Total		2,575,434,573		2,344,596,844

C) Major raw material consumed (exceeding 10% of the total consumption)

Particulars	Current Year		Previous Year	
	Qty (kgs)	Amount (₹)	Qty (kgs)	Amount (₹)
Cholic Acid	213946	637,307,409	186800	572,840,378
3a, 7a Dihydroxy, 5b Cholan, 24OIC Acid	24900	114,876,900	–	–
2 Amino 3,5 Dibromo benzaldehyde	62788	73,711,479	21987	24,052,552
3a-Hydroxy-7-Keto-5b Cholan 24 Acid	12815	55,418,759	19625	88,600,267
4-Amino-1(3,3 Difluoro-4-Hydroxy-5-Hydroxy)	447	56,561,106	950	192,389,507
Trans-4-Amnio Cyclohexanol	26945	39,033,840	19182	28,248,362
2-Deoxy 2,2 Difluoro-D-Erythro-Pentafanous	352	1,280,891	3372	46,120,647
Potassium Tetra Chloro Platinat	25.237	30,671,823	25.30	26,304,372
N-Acetyl Cytosine	3408	4,906,625	13585.80	31,417,937
Tri fluoro methane sulfonate	3825	9,172,350	11100	54,478,150
Others		397,366,505		346,575,275
Total		1,420,307,687		1,411,027,447

D) Cost of major materials traded

Raw Material	Current Year		Previous Year	
	Qty (Kgs)	Amount (₹)	Qty (Kgs)	Amount (₹)
Ursodeoxy Cholic Acid	1615	24,308,589	962	15,371,096
Others		5,689,762		1,191,691
Total		29,998,351		16,562,787

E) Value of Imported & Indigenous Raw Materials & Spares consumed

A) Raw Materials	Current Year		Previous Year	
	%	Amount ₹	%	Amount ₹
Imported	73.87	1,090,195,073	71.90	1,060,138,006
Indigenous	26.13	373,032,272	28.10	414,318,235
Total	100.00	1,463,227,345	100.00	1,474,456,241
B) Spares Consumed				
Imported	12.82	878,432	—	—
Indigenous	87.17	5,969,762	100.00	6,596,614
Total	100.00	6,848,194	100.00	6,596,614

F) Earnings in Foreign Currency

Particulars	Current Year	Previous Year
Total Direct Export (FOB)	1,974,171,337	1,686,390,206
Total	1,974,171,337	1,686,390,206

Expenditure in Foreign Currency

Total Expenditure in Foreign Currency	Current Year	Previous Year
Foreign travel	1,248,633	662,773
Imports (CIF)	1,081,214,143	1,073,471,561
Interest	5,579,644	11,525,989
Others	18,120,381	23,944,599
Total	1,106,162,801	1,113,604,867

Dividend paid to NRI's/FCB

Particulars	Current Year	Previous Year
No. of Share holders	78	21
No. of Shares	364,141	2,659,820
Dividend	254,903	1,329,913

26. SEGMENT REPORTING:

During the year the Company has only one reportable segments viz., Bulk Drugs & Intermediates in accordance with the requirements of AS-17 "Segment Reporting". Hence, segment reporting is not applicable to the Company.

27. RELATED PARTIES DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18:

List of related parties

1. Associates

Reva Pharmachem Pvt Ltd

2. Subsidiaries

Zatortia Holdings Ltd

Raichem Lifesciences (P) Ltd

Loba Feinchemie GmbH

Raichem Medicare Pvt Ltd

3. Key Management Personnel (KMP)

Vishnukanth C. Bhutada

4. Relatives

Dharmavati Bhutada

Deepak Kumar Inani

Amount in ₹

Sl. No.	Particulars	Current Year				Previous Year			
		Subsidiaries	Associates	KMP	Relatives	Subsidiaries	Associates	KMP	Relatives
1	Sales								
	A) Loba Feinchemie GmbH	1,470,635	–	–	–	2,316,156	–	–	–
	B) Raichem Lifesciences Pvt Ltd	51,000	–	–	–	298,093	–	–	–
2	Reimbursement of expenses								
	A) Loba Feinchemie GmbH (Received)	816,076	–	–	–	552,427	–	–	–
	B) Raichem Lifesciences Pvt Ltd (Paid)	471,139	–	–	–	254,037	–	–	–
3	Interest Received								
	Raichem Lifesciences Pvt Ltd	3,003,556	–	–	–	–	–	–	–
4	Rent paid								
	Dharmavati Bhutada	–	–	–	511,875	–	–	–	444,375
5	Remuneration								
	Deepak Inani	–	–	–	1,194,804	–	–	–	789,267
6	Managerial Remuneration								
	Vishnukant C. Bhutada	–	–	25,028,804	–	–	–	19,935,335	–
7	Movement of Loans / Deposits / Advances								
7.01	Opening Balance								
	A) Zatortia Holdings Ltd	202,554,184	–	–	–	178,463,411	–	–	–
	B) Raichem Lifesciences Pvt Ltd	45,397,343	–	–	–	5,336,594	–	–	–
	C) Loba Feinchemie GmbH	–	–	–	–	3,542,700	–	–	–
7.02	Given during the year								
	A) Zatortia Holdings Ltd	296,350	–	–	–	46,653,500	–	–	–
	B) Raichem Lifesciences Pvt Ltd*	64,268,750	–	–	–	40,314,786	–	–	–
	C) Reva Pharmachem Pvt Ltd	–	7,960,000	–	–	–	–	–	–

Sl. No.	Particulars	Current Year				Previous Year			
		Subsidiaries	Associates	KMP	Relatives	Subsidiaries	Associates	KMP	Relatives
7.03	Received back during the year								
	A) Zatortia Holdings Ltd. **	202,783,594	-	-	-	3,718,000	-	-	-
	B) Raichem Lifesciences Pvt Ltd***	17,499,616	-	-	-	254,037	-	-	-
7.04	Closing Balance								
	A) Zatortia Holdings Ltd	66,940	-	-	-	202,554,184	-	-	-
	B) Raichem Lifesciences Pvt Ltd	92,166,477	-	-	-	45,397,343	-	-	-
	C) Reva Pharmachem Pvt Ltd	-	7,960,000	-	-	-	-	-	-
8	Other Outstandings								
8.01	Payables								
	A) Vishnukant C. Bhutada	-	-	9,902,030	-	-	-	7,853,606	-
	B) Raichem Lifesciences Pvt Ltd	-	-	-	-	105,608	-	-	-
9	Receivables								
	A) Loba Feinchemie GmbH	1,625,268	-	-	-	965,326	-	-	-
	B) Raichem Lifesciences Pvt Ltd	58,997	-	-	-	-	-	-	-
10	Maximum balance outstanding during the year								
	A) Zatortia Holdings Ltd	202,850,534	-	-	-	225,116,941	-	-	-
	B) Raichem Lifesciences Pvt Ltd	92,166,477	-	-	-	45,651,380	-	-	-
	\$ includes commission for the year.								

* Including interest of ₹ 2,703,200/- Net of TDS.

** Advance receivable of ₹ 202,783,594/- converted into Equity.

*** Investment made by Raichem Lifesciences Pvt Ltd in Nu-Therapeutics Pvt Ltd transferred to Shilpa Medicare Limited (₹ 17,499,616/-)

Balance Sheet Abstract and Company's General Business Profile

Amount in ₹ '000

1	Registration Details:		State Code:	08	
	Registration No. :	8739			
	Balance Sheet dated:	31 st March, 2011			
2	Capital raised during the year :				
	Public Issue	Nil	Right Issue		Nil
	Bonus Issue	Nil	Private Placment		700,000
	Conversion of Warrants	Nil			
3	Position of Mobilization & Deployment of Funds:				
	Total Liabilities	3,449,876.87			
	Totals Assets	3,449,876.87			
	SOURCE OF FUNDS:				
	Shares Capital	48,048.33	Reserves Surplus		2,260,309.45
	Secured Loan	509,740.66	Unsecured Loan		Nil
	Deferred Tax Liability	152,618.97			
	APPLICATION OF FUNDS:				
	Net Fixed Assets(Incl. CWIP)	1,301,026.05	Investment		280,840.92
	Current Assets	1,868,009.89	Misc. Expenditure		Nil
	Accumulated Losses	Nil			
4	Performance of the Company				
	Turnover & other Income	2,628,559.31	Total Expenditure		1,970,656.68
	Profit for the year before taxes	658,364.07	Profit after taxes		509,253.33
	Earning / Per Share	22.08			
	Dividend:	40%			
5	Generic Names of Three Principal Product/ Service of the Company (in monetary terms)				
	Production Description	Bulk Drug	Intermediates		Power
	Item Code No (I.T.C Code)	2901	2901		
	Turnover	1,119,082.19	1,423,062.42		22,564.61

As per our Report of even date attached.

For Bohara Bhandari Bung And Associates

Chartered Accountants

(Firm Reg No: 008127S)

For and on behalf of the Board

CA.P.M. Bhandari

Partner

M.No.036241

N.C. Bhandari

Sr.Manager Finance

Omprakash Inani

Chairman

Place : Hyderabad

Dated : 11th August, 2011

Nagalakshmi Popuri

Company Secretary

Vishnukant C. Bhutada

Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Report on the Consolidated Financial Statements

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SHILPA MEDICARE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHILPA MEDICARE LIMITED AND ITS SUBSIDIARIES.

- 1) We have audited the attached Consolidated Balance Sheet of SHILPA MEDICARE LIMITED (the Company) and its Subsidiaries (collectively referred to as "The Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. The Consolidated financial statements include investments in Associates accounted on equity method in accordance with Accounting Standard 23(Accounting for Investments in Associates in Consolidated Financial Statements) as Notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
 - a) The financial Statements of M/s. Zatortia Holdings Limited, A wholly owned foreign subsidiary, is audited by other auditors as per the requirement of the International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law. These financial statements have been converted as per the requirements of Indian GAAP and reflect total assets of ₹ 2120.74 Lakhs as at 31st March, 2011 and total revenue of ₹ Nil and net cash inflow amounting to ₹ 0.20 Lakhs for the year then ended.
 - b) The financial Statements of M/s. Loba Feinchemie AG (GmbH), foreign sub-subsidiary, are unaudited. These unaudited financial statements and other financial statements have been prepared by the management and are presented to us and we do not express an opinion thereto.

As per the Austrian Act M/s. Loba Feinchemie AG (GmbH), foreign sub-subsidiary is a "small company with a limited liability (GmbH) and is exempted from audit for the period. The unaudited financial statement reflect total assets of ₹ 2,359.94 Lakhs as at 31st March, 2011 and total revenue of ₹ 3,124,52 Lakhs and net cash outflow amounting to ₹ 37.41 Lakhs for the year then ended.
- 3) We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting Standard (AS) 21, "Consolidated Financial Statements", (AS) 23 "Accounting for Investments in Associates" and other applicable Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006.
- 4) On the basis of the information and explanation given to us and on the consideration of the separate audit reports on the individual audited financial statements of SHILPA MEDICARE LIMITED and its subsidiaries and subject to our remark in paragraph 2(b) and read with other notes, we are of the opinion that the attached consolidated financial statements read together with notes thereto give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - a) In the case of the Consolidated Balance Sheet, the statement of affairs as at 31st March, 2011;
 - b) In the case of the Consolidated Profit and Loss Account, of the Profits of the Group for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flow of the group for the year then ended on that date.

For Bohara Bhandari Bung & Associates
Chartered Accountants
(Firm Regn No: 008127S)

CA. P.M.Bhandari
Partner

Place : Hyderabad
Dated : 11th August, 2011

Membership No: 036241

Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

Particulars	Sch No	Current Year	Previous Year
I. SOURCE OF FUNDS:			
1 Share Holder's Fund			
a) Share Capital	1	48,048,330	44,048,330
2 Reserves & Surplus	2	2,124,048,542	957,972,457
3 Share Warrants		43,750,000	—
4 Share Application Money pending Allotment		16,497,700	—
5 Foreign Currency Translation Reserve		14,438,401	10,724,995
6 Loans Funds			
a) Secured Loan	3A	561,019,506	730,854,698
b) Unsecured Loan	3B	12,852,685	38,879,250
7 Minority Interest		14,739,750	5,148
8 Deferred Tax Liability (Net)		147,190,942	134,196,839
TOTAL		2,982,585,857	1,916,681,716
II. APPLICATION OF FUNDS:			
1 Fixed Assets			
Goodwill		29,344,890	28,101,294
Gross Block	4	2,299,017,627	2,189,113,880
Less: Accumulated Depreciation	4	865,911,279	741,760,362
Net Block		1,462,451,237	1,475,454,812
Add: Capital Work-in-Progress	4	87,207,475	32,862,115
		1,549,658,712	1,508,316,927
2 Investments	5	36,487,323	27,017,355
3 Current Assets, Loans & Advances			
a) Inventories	6	433,315,297	504,342,847
b) Sundry Debtors	7	401,208,499	348,940,278
c) Cash & Bank Balance	8	871,995,910	23,358,519
d) Loans & Advances	9	232,839,375	65,890,648
		1,939,359,082	942,532,292
Less: Current Liabilities & Provisions	10	543,452,372	561,745,332
		1,395,906,710	380,786,959
4 Miscellaneous Exp to the extent not written off		533,112	560,476
TOTAL		2,982,585,857	1,916,681,716
Significant Accounting Policies	17 (A)		
Notes to Accounts	17 (B)		

Schedule 01 to 10, 17(A) to 17(B) are form an integral part of Balance Sheet.

As per our Report of even date attached.

For Bohara Bhandari Bung And Associates

Chartered Accountants

(Firm Reg No: 008127S)

For and on behalf of the Board

CA.P.M. Bhandari

Partner

M.No.036241

N.C. Bhandari

Sr.Manager Finance

Omprakash Inani

Chairman

Place : Hyderabad

Dated : 11th August, 2011

Nagalakshmi Popuri

Company Secretary

Vishnukant C. Bhutada

Managing Director

Consolidated Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Sch No	Current Year	Previous Year
INCOME			
Sales		2,961,093,269	2,703,466,615
Less: Excise Duty		58,236,369	54,346,288
		2,902,856,900	2,649,120,327
Variation in Finished Goods	11	(3,387,273)	(18,731,814)
Other Income	12	51,524,690	17,745,517
TOTAL		2,950,994,317	2,648,134,030
EXPENDITURE			
Materials	13	1,631,123,572	1,347,353,509
Employees Expenditure	14	331,238,452	283,641,998
Operating & Administrative Expenditure	15	234,980,223	240,597,690
Exchange (Gain) / Loss		(37,995,621)	(41,786,124)
Interest		20,601,292	54,229,049
Depreciation	4	129,778,511	127,160,846
TOTAL		2,309,726,430	2,011,196,967
PROFIT / (LOSS) BEFORE TAX		641,267,887	636,937,064
Less: Tax Expense			
a) Current Tax		133,005,514	184,145,556
b) Deferred Tax		12,994,104	26,840,308
		145,999,618	210,985,864
PROFITS / (LOSS) AFTER TAXES BEFORE MINORITY INTEREST & SHARE IN LOSSES OF ASSOCIATES		495,268,269	425,951,200
Less: Loss Pertaining to Minority Interest		(8,532)	(8,815)
Less: Share in losses of Associates		(1,000,000)	—
(Refer Note No. 6 of Schedule 17(A) on consolidated statements)			
Less: Prior Period Expenditure / (Income)	16	1,789,294	(468,272)
		492,487,507	426,428,287
Add: Profits from earlier years		594,865,996	236,474,731
Profits available for appropriation		1,087,353,503	662,903,018
Appropriations			
a) Transferred to General Reserve		52,500,000	50,000,000
b) Provision for Proposed Dividend		19,219,332	15,416,916
c) Dividend Tax (Incl. Surcharge and Cess)		3,192,090	2,620,104
		74,911,422	68,037,020
Balance carried to Balance Sheet		1,012,442,081	594,865,996
Earnings per Share			
Basic (₹ 2 & ₹ 2 per share respectively)		21.48	19.34
Diluted (₹ 2 & ₹ 2 per share respectively)		21.24	—
Weighted Average No. of Equity shares			
Basic		23,059,781	22,024,165
Diluted		23,318,686	—
Significant Accounting Policies	17 (A)		
Notes to Accounts	17 (B)		

Schedules 11 to 16, 17(A) to 17(B) are form an integral part of Profit and Loss Account.

As per our Report of even date attached.

For Bohara Bhandari Bung And Associates

Chartered Accountants
(Firm Reg No: 008127S)

CA.P.M. Bhandari

Partner
M.No.036241

N.C. Bhandari
Sr. Manager Finance

Nagalakshmi Popuri
Company Secretary

For and on behalf of the Board

Omprakash Inani
Chairman

Vishnukant C. Bhutada
Managing Director

Place : Hyderabad
Dated : 11th August, 2011

Consolidated Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year	Previous Year
A. Cash Flow from Operating Activities		
Profits Before Tax (PBT)	641,267,887	636,937,064
Add: Adjustments		
Add : Depreciation	129,778,511	127,160,846
Add : (Profit) / Loss on sale of Fixed Assets	(10,706,580)	2,369,334
Add : (Profit) / Loss on sale of Investments	—	(192,227)
Add : Interest (Net)	(15,860,592)	52,763,126
Add: Bad debts Written off	482,344	1,698,078
Add: Doubtful recoveries provided for (miscellaneous expenditure)	12,862	—
Add: Creditor balances no longer required, written back	(1,286,467)	—
Add: Deferred Revenue expenses written off	280,238	282,990
Add: Revaluation of Foreign Currency Balances	(19,865,654)	(23,121,911)
	724,102,550	797,897,300
Operating profit before working capital changes		
Increase/(Decrease) in Current Liabilities	(97,929,900)	172,120,550
Decrease/(Increase) in Receivables	(51,279,718)	(126,448,655)
Decrease/(Increase) in Inventory	73,833,493	(195,960,740)
Decrease/(Increase) in Misc. Expenditure	(196,320)	(843,466)
Decrease/(Increase) in Other Loans and Advances	(20,948,027)	11,816,306
	627,582,077	658,581,295
Less:		
Prior period adjustments	(430,870)	468,272
Income Tax paid	(201,024,647)	(123,832,725)
Net Cash from Operating activities	426,126,561	535,216,842
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets and change in CWIP	(211,905,038)	(176,434,136)
Sale of Fixed Assets	64,829,919	2,699,742
Interest Received	36,461,884	1,465,923
(Purchase) / Sale of shares in subsidiaries and other Companies	(10,379,603)	(26,224,636)
(Purchase) / Sale of Investments	(146,878)	15,898,248
Net Cash from Investing Activities	(121,139,716)	(182,594,859)

Consolidated Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year	Previous Year
C. Cash Flows from Financing Activities		
Increase in Share Capital	4,982,320	—
Increase in Share Premium	709,752,480	—
Share Warrants	43,750,000	—
Application money pending allotment of Equity shares	8,822,700	—
Interest Expenses	(20,601,292)	(54,229,049)
Secured Loans	(170,001,026)	(296,701,030)
Unsecured Loans	(15,302,106)	(3,481,410)
Subsidy received during the year	—	305,000
Dividend & Dividend distribution tax	(17,934,289)	(12,822,664)
Net Cash from Financing Activities	543,468,787	(366,929,153)
Net Increase/(decrease)in Cash and Cash Equivalents	848,455,632	(14,307,170)
Cash & Cash Equivalents at the Beginning of the year	23,358,519	37,665,690
Add: Upon addition of subsidiaries	181,759	—
Cash & Cash Equivalents at the End of the year	871,995,910	23,358,519

Note

- Cash flow has been prepared under Indirect Method as prescribed under AS-3 by ICAI.
- Conversion of Advances amounting to ₹ 202,783,594 (PY- Nil) into Equity during the year has not been considered for the purpose of cash flow.

As per our Report of even date attached.

For Bohara Bhandari Bung And Associates

Chartered Accountants
(Firm Reg No: 008127S)

For and on behalf of the Board

CA.P.M. Bhandari

Partner
M.No.036241

N.C. Bhandari
Sr.Manager Finance

Omprakash Inani
Chairman

Place : Hyderabad
Dated : 11th August, 2011

Nagalakshmi Popuri
Company Secretary

Vishnukant C. Bhutada
Managing Director

Consolidated Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE NO: 01				
SHARE CAPITAL				
Authorised Capital:				
40,000,000 (40,000,000) Equity Shares of ₹ 2/- (2/-) each.		80,000,000		80,000,000
Issued, Subscribed and Paid Up Capital:				
1) 24,024,165 (22,024,165) Equity Shares of ₹ 2/-		48,048,330		44,048,330
Of the above -				
a) 6,662,500 Equity Shares of ₹ 2/- each were issued as Bonus shares.				
b) During the year 2008-09 3,916,665 shares of ₹ 2/- allotted to the erstwhile shareholders of Shilpa Organics Pvt Ltd on Amalgamation.				
c) During the year 2008-09, 750,000 shares of ₹ 2/- each were allotted on conversion of share warrants.				
TOTAL		48,048,330		44,048,330
SCHEDULE No: 02				
RESERVES & SURPLUS				
a) Subsidy:				
Opening Balance	5,477,199		5,172,199	
Additions during the year	—	5,477,199	305,000	5,477,199
b) Share Premium Account:				
Opening Balance	274,625,000		274,625,000	
Additions during the year	696,000,000	970,625,000	—	274,625,000
c) General Reserve:				
Opening Balance	79,768,369		29,768,369	
Add: Additions during the year	52,500,000	132,268,369	50,000,000	79,768,369
d) Capital Reserve				
Opening Balance	3,235,893		3,235,893	
Add: Additions during the year	—	3,235,893	—	3,235,893
e) Surplus in Profit & Loss Account		1,012,442,081		594,865,996
TOTAL		2,124,048,542		957,972,457

Consolidated Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 3A				
SECURED & UNSECURED LOANS				
A) SECURED LOANS				
a) External Commercial Borrowings (Term Loan) [repayable within one year ₹ 111,625,000 (PY:112,850,000)]	223,250,000		338,550,000	
b) Term Loan (repayable within one year ₹ Nil/- (PY:60,906,979/-))	—		134,609,368	
c) Working Capital Loan (Cash Credit/ Packing Credit/Deposit Loan etc)	337,769,506	561,019,506	257,695,330	730,854,698
(Note: For Nature of Securities Refer Note No 03&04 of Notes to Accounts to standalone financial statements)				
TOTAL		561,019,506		730,854,698
SCHEDULE No: 3B				
A) UNSECURED LOANS				
a) From Bank	—		15,302,106	
b) Loan from Directors	50,000		—	
c) Loan from Sleeping Partner	12,802,685	12,852,685	23,577,144	38,879,250
TOTAL		12,852,685		38,879,250

Consolidated Schedules forming part of Balance Sheet for the year ended 31st March, 2011

SCHEDULE No:04 – FIXED ASSETS (Consolidated)

(Amount in ₹)

Particulars	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Op.Block as on 01.04.2010	Additions during the year	Deletions during the year	Foreign Currency translation reserve	Cl.Block as on 31.03.2011	Op.Bal as on 01.04.2010	Depreciation for the year	Adjustments for the year	Foreign Currency translation reserve	As on 31.03.2011	Net Block as on 31.03.2011	Net Block as on 31.03.2010
Borewell Buildings	223,926	188,225	-	-	412,151	47,704	13,767	-	-	61,471	350,680	176,222
Canteen Equipment	572,919,085	23,096,266	-	2,217,517	598,232,868	177,974,300	19,282,036	-	7,129,063	204,385,399	393,847,469	394,944,785
Computer	58,918	-	-	-	58,918	6,786	4,372	-	-	11,158	47,760	52,132
Electrical Installations	13,544,347	2,935,855	218,897	184,537	16,445,843	7,580,144	1,985,813	65,083	174,089	9,674,964	6,770,879	5,964,203
Empty Cylinders	107,834,499	2,447,972	-	-	110,282,471	11,550,617	8,030,168	-	-	19,580,785	90,701,686	96,283,882
ETP Building	399,934	-	-	-	399,934	230,033	64,829	-	-	294,862	105,072	169,901
ETP Machinery	44,457,273	84,635	-	-	44,541,908	2,965,678	1,486,515	-	-	4,452,193	40,089,715	41,491,595
Furniture	17,103,666	(40,486)	-	-	17,063,180	1,275,204	1,269,092	-	-	2,544,296	14,518,884	15,828,462
Generator	132,100,565	6,646,765	465,369	5,550,058	143,832,019	108,650,027	6,178,406	471,520	5,026,614	119,383,526	24,448,492	23,450,538
Intangible rights	3,788,179	526,749	-	-	4,314,928	927,885	282,796	-	-	1,210,681	3,104,247	2,860,294
Lab Equipments	10,974,856	20,979	-	486,904	11,482,740	10,347,766	248,506	-	472,353	11,068,625	414,114	627,090
Leasehold Land/Plot	101,981,493	2,559,090	327,659	872,413	105,085,337	27,525,122	6,730,727	-	851,172	35,107,020	69,978,316	74,456,371
Office Equipment	70,030,363	13,391,341	-	419,325	83,841,029	-	-	-	-	-	83,841,029	70,030,363
P/M (Power Generation Unit)	320,811	121,344	-	-	442,155	16,392	27,668	-	-	44,060	398,095	304,419
Pipeline	197,087,510	84,600,000	79,487,510	-	202,200,000	96,325,718	19,309,072	25,445,002	-	90,189,788	112,010,212	100,761,792
Plant & Machinery	108,796,119	10,349,590	-	-	119,145,709	12,381,619	8,355,943	-	-	20,737,562	98,408,147	96,414,500
Pollution Control Equip.	761,187,161	15,022,138	1,119,910	16,554,371	791,643,760	270,653,490	52,974,754	1,466,703	8,151,218	330,312,760	461,331,000	490,533,671
R & D Equipments	3,650,768	-	-	-	3,650,768	2,190,922	270,887	-	-	2,461,809	1,188,959	1,459,846
Storage Tank	22,987,817	1,065,717	-	-	24,053,534	4,802,523	1,153,566	-	-	5,956,089	18,097,445	18,185,294
Technical Know-how	3,248,739	1,142,664	-	-	4,391,403	1,360,858	529,159	-	-	1,890,017	2,501,386	1,887,881
Transformer	2,188,000	-	-	-	2,188,000	1,703,428	218,800	-	-	1,922,228	265,772	484,572
Unit-II Land & Building	358,340	-	-	-	358,340	140,893	49,845	-	-	190,738	167,602	217,447
Vehicles	585,872	-	-	-	585,872	181,045	19,568	-	-	200,613	385,259	404,827
Weigh Bridge	12,709,731	1,078,639	-	482	13,788,852	2,796,483	1,250,330	-	501	4,047,314	9,741,538	9,913,248
Xerox Machine	346,908	-	-	-	346,908	25,810	25,741	-	-	51,551	295,357	321,098
	229,000	-	-	-	229,000	99,915	31,854	-	-	131,769	97,231	129,085
Total (₹)	2,189,113,880	165,237,484	81,619,345	26,285,609	2,299,017,627	741,760,362	129,794,213	27,448,308	21,805,011	865,911,279	1,433,106,348	1,447,353,517
Less: Depreciation capitalized during the year							15,702					
Grand Total (₹)	2,189,113,880	165,237,484	81,619,345	26,285,609	2,299,017,627	741,760,362	129,778,511	27,448,308	21,805,011	865,911,279	1,433,106,348	1,447,353,517
Previous Year	2,089,404,864	181,245,377	13,582,107	(67,954,254)	2,189,113,880	675,639,535	127,160,846	8,493,236	(52,546,783)	741,760,362	1,447,353,517	1,413,765,329

Consolidated Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 05				
INVESTMENTS				
A) Investment in Associate (unquoted)				
a) Nil (5,000) Equity Shares of ₹ 10/- of each fully paid in Raichem Medicare Pvt Ltd.*	—		50,000	
b) Share Application Money in Raichem Medicare Pvt Ltd.	—	—	7,675,000	7,725,000
B) Investment in Associate (unquoted)				
a) 100,000(96,667) Equity Shares of ₹ 10/- of each fully paid in Reva Pharmachem Pvt Ltd.	1,000,000		966,670	
b) Share Application Money in Reva Pharmachem Pvt Ltd	—	—	33,350	1,000,020
	1,000,000			
Less: Share in losses of associates restricted to the extent of value of investment. (Refer Note No. (vi) of significant policies on Consolidated Statement (c) (vi) of notes on consolidated statements)	(1,000,000)	—	—	—
C) Investment in Equity Shares of Nu Therapeutics Pvt Ltd 438,139 (267,988)		35,500,000		17,499,616
D) Repurchase value of Reinsurance		962,323		772,719
E) In Government Securities (NSC-Assigned as Securities to Government Dept)		25,000		20,000
* Raichem Medicare Private Limited has become a subsidiary during the year.				
TOTAL		36,487,323		27,017,355
SCHEDULE No. 06				
INVENTORIES				
a) Finished Goods		44,430,872		65,170,284
b) Raw Materials		185,570,459		150,082,646
c) Work-in-progress		195,866,414		285,807,581
d) Stores & Spares		7,038,064		2,763,783
e) Packing Material		409,488		518,553
TOTAL		433,315,297		504,342,847

Consolidated Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No. 07				
SUNDRY DEBTORS				
a) Unsecured:				
Outstanding for more than six months :				
Considered good	4,460,990		6,802,813	
Considered Doubtful / Bad	482,344		1,692,348	
	4,943,333		8,495,161	
Less: Bad Debts Written off	482,344	4,460,990	1,692,348	6,802,813
b) Outstanding for less than six months :				
Considered Good		396,747,509		342,137,465
TOTAL		401,208,499		348,940,278
SCHEDULE No: 08				
CASH & BANK BALANCES				
a) Cash-in-Hand		571,145		456,788
b) Foreign Currency in hand		808,025		55,208
c) Balance with Scheduled Bank:				
1. In Current Accounts		10,934,166		4,305,681
2. In Fixed Deposits*		859,682,574		18,540,842
*Out of the above ₹ 3,600,000/- (PY 18,540,842) has been assigned as security to banks				
TOTAL		871,995,910		23,358,519
SCHEDULE No: 09				
LOANS & ADVANCES				
a) Advance to Associates		7,960,000		—
b) Advance Recoverable in cash or kind for value to be recovered		10,181,748		12,188,474
c) Sundry Deposits		1,562,868		1,464,044
d) Deposits with Government Offices/Local Authorities		4,903,828		4,835,648
e) Advance Income Tax / TDS receivable		146,200,659		2,226
f) Interest accrued but not due on fixed deposit with Bank.		2,146,884		757,751
g) Refund of Excise Duty receivable pertaining to current year		38,405,305		27,856,429
h) VAT paid on Capital & Other Items		2,997,868		2,786,776
i) CST Receivable		18,173,199		15,444,562
j) VAT Recievable		307,016		—
k) Other Advances		—		554,738
TOTAL		232,839,375		65,890,648

Consolidated Schedules forming part of Balance Sheet for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 10				
CURRENT LIABILITIES & PROVISIONS				
A) Current Liabilities				
a) Fund - Unclaimed Dividend		690,032		587,301
b) Unclaimed bonus/salary		68,250		73,950
c) Interest Payable but not due		—		426,952
d) Sundry Creditors:				
i) For Goods	192,821,792		311,683,154	
ii) For Others	108,780,527	301,602,319	98,875,935	410,559,089
e) VAT, Entry Tax & Profession Tax		47,362		1,467,093
f) Tax Deducted at Source (TDS) payable		5,404,930		5,685,562
g) Other Liabilities		5,251,455		5,480,689
B) Provisions				
a) Provision for Income Tax	150,826,256		72,580,848	
b) Proposed Dividend	19,219,332		15,416,916	
c) Provision for Tax on Proposed Dividend	3,192,090		2,620,104	
d) Provision for Gratuity/severance/ pension accruals	57,107,528		46,846,828	
e) Other Provisions	42,818	230,388,024	—	137,464,696
TOTAL		543,452,372		561,745,332

Consolidated Schedules forming part of Profit & Loss Account for the year ended 31st March, 2011

SCHEDULE No. 11				
VARIATION IN FINISHED GOODS				
Closing Stock of Finished Goods		44,430,845		47,818,121
Less: Opening Stock of Finished Goods		47,818,118		66,549,935
		(3,387,273)		(18,731,814)
SCHEDULE No: 12				
OTHER INCOME				
a) Miscellaneous Income		51,524,690		17,745,517
TOTAL		51,524,690		17,745,517

Consolidated Schedules forming part of Profit & Loss Account for the year ended 31st March, 2011

(Amount in ₹)

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
SCHEDULE No: 13				
MATERIALS				
a) Raw Materials Consumed	1,506,941,569		1,479,591,105	
(Less) / Add: Change in Work in Progress	89,991,704	1,596,933,273	(149,554,789)	1,330,036,316
b) Cost of Materials Traded		29,998,351		14,246,631
c) Packing Material Consumed		4,191,948		3,070,562
TOTAL		1,631,123,572		1,347,353,509
SCHEDULE No: 14				
EMPLOYEE EXPENDITURE				
a) Salaries, Wages, Bonus and Allowances.		282,268,686		241,565,856
b) Contribution to Provident Fund, Gratuity and Other Funds		40,361,317		36,963,196
c) Welfare Expenses		8,608,449		5,112,946
TOTAL		331,238,452		283,641,998
SCHEDULE No: 15				
OPERATING & ADMINISTRATIVE EXPENSES				
a) Commission, Brokerage & Consultancy		14,043,968		32,798,167
b) Clearing & Forwarding		12,204,707		11,097,904
c) Laboratory Expenses & R&D Expenses		12,520,782		16,250,587
d) Power & Fuel		70,580,047		57,599,590
e) Repairs & Maintenance				
i) Plant & Machinery	18,738,617		16,011,182	
ii) Building	9,973,494		6,314,576	
iii) Others	8,082,884	36,794,995	6,052,293	28,378,051
f) Transportation Expenses		13,355,005		12,066,949
g) VAT, Entry Tax & Profession Tax		557,974		408,935
h) Travelling Expenses		12,609,385		11,620,909
i) Advertisements & Sales Promotion Expenses		6,965,737		6,136,442
j) Insurance		5,156,924		7,637,434
k) Legal Charges/License Fees/Rates & Taxes		8,175,071		11,331,046
l) Miscellaneous Expenses		27,323,276		26,154,957
m) Bank Charges		5,740,832		4,478,207
n) Audit Fees		694,342		601,998
o) Listing Fees		98,906		59,887
p) Job work charges		6,599,362		9,008,908
q) Bad Debts written off		482,344		1,698,078
r) Loss on Transfer of Assets		—		2,369,334
s) Storage and Handling Charges		796,330		617,318
t) Deferred Revenue Expenditure		280,238		282,990
TOTAL		234,980,223		240,597,690
SCHEDULE : 16				
PRIOR PERIOD EXPENSES				
Prior Period (Income) / Expenditure		1,789,294		(468,272)
TOTAL		1,789,294		(468,272)

17 (A). Significant Accounting Policies

1) Basis of Preparation

The consolidated financial statements of Shilpa Medicare Limited, its subsidiaries and associates (“the Group”) are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956.

2) Principles of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- 2.1 The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.
- 2.2 Interest in a jointly controlled entity / associates has been reported under Equity method of consolidation. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture. The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as ‘Goodwill’ being an asset in the consolidated financial statements.
- 2.3 Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the Profit / (Loss) thereon.

3) Use of estimates

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

- 3.1 In case of foreign subsidiaries, being non-integral foreign operations, revenue items are converted at the average rates prevailing during the year. All Assets and Liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the “Foreign Currency Translation Reserve”.
- 3.2 The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s separate financial statements except otherwise stated elsewhere in this schedule.
- 3.3.1 The subsidiaries considered in the Consolidated Financial Statements are as under:

Sl. No.	Name of the Subsidiary	Country	Extent of Holding
1	Zatortia Holdings Limited (“Zatortia”)	Cyprus	100.00%
2	Loba Feinchemie GmbH (“Loba”)(Stedown Subsidiary)	Austria	99.99%
3	Raichem Lifesciences Pvt Ltd (“Raichem”) (formerly known as Raichem Pharma Pvt Ltd)	India	100.00%
4	Raichem Medicare (P) Ltd	India	50.01%

- 3.3.2 The Associates considered in the Consolidated Financial Statements are as under:

Sl. No.	Name of the Associate	Country	Extent of Holding
1	Reva Pharmachem (P) Ltd	India	33.33%

- 4) For the purpose of consolidation, the Consolidated Financial Statements of Shilpa Medicare Limited which reflects Zatortia, Loba & Raichem as at 31st March 2011 has been prepared. In order to consolidate financial statements of Shilpa Medicare Limited have been restated, where considered material, to comply with generally accepted Accounting Principles in India.

- 5) Loss for the year attributable to Minority has been calculated proportionately on the basis of their respective holdings.
- 6) Loss of Associate has been restricted to the extent of Investment in the said Associate in conformity with AS-23.

17 (B) Other Notes

1. In view of different sets of environment in which Cyprus & Austrian subsidiaries namely Zatortia & Loba respectively, are operating, Accounting policies followed in respect of following item by them are different from the accounting policies mentioned in Schedule 17 (B) notes to accounts of the Financial Statements of the Parent Unit:

Particulars	Accounting Policies		2010-11		2009-10	
	Company	Subsidiaries	Amount	Proportion	Amount	Proportion
Depreciation and Amortization	Depreciation is charged on the basis of rates and manner specified for each class of assets in Schedule XIV of the Companies Act, 1956.	Depreciation is charged based on balance useful life of assets (ranging from 10% -50%) on straight line basis depending on the item of assets.	7,728,996/-	99.99%	7,731,745	99.99%

2. In respect of accounting of employee benefits AS-15 has been strictly complied with by the respective Company in respect of all the employee benefits. The details of which are given in their respective standalone notes.

In respect of subsidiary companies employee benefits i.e. pension plan where ever the employees of the Company qualify, it is fully funded by way of reinsurance with the Insurance Company. In respect of provision for severance payments / jubilee payments in case of foreign subsidiary have been provided for based on the valuation of that Company.

3. Balance in provision for income tax account in the previous year is after netting-off the payments made and refunds if any, received.
4. Contingent Liabilities:

Particulars	Current Year	Previous Year
For Local and Foreign L/Cs	89,833,344	68,994,628
Guarantees	1,360,598	3,330,000
Bills discounted	—	15,302,106
Letter of Comfort	126,480,000	121,120,000
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	41,458,818	19,172,443
Claim against the Company not acknowledged as debts (Includes amount disclosed in Note No.05 below)	7,582,960	2,340,000
Total	266,715,720	230,259,177

5. Income tax Demand of ₹ 5,342,960/- (PY: Nil) pertaining to earlier year is contested in appeal and the Company is legally advised based on certain Judicial pronouncements relating to identical point of law and as such therefore no provision in made thereto.
6. An amount of ₹ 2,327,661/- is paid against the disputed Tax demand as disclosed in Note No.05 of Schedule 17(B) above and the same is shown under the head “Advance tax / TDS Receivable”.
7. The Company is in appeal before the Hon. Tribunal in respect of its claim of Refund of Input tax paid on Capital Goods amounting to ₹ 2,997,868/- under Karnataka Value Added Tax Act, 2003, the same is shown as receivable under the head “VAT paid on Capital & Other items”

8. RELATED PARTIES DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18:

List of Related Parties

1. **Associates**
 - 1.01 Reva Pharmachem Pvt Ltd
2. **Key Management Personnel (KMP)**
 - 2.01 Vishnukant C. Bhutada
 - 2.02 Rajkumar Somani
3. **Relatives**
 - 3.01 Dharmavati Bhutada
 - 3.02 Deepak Kumar Inani

Sl No	Particulars	Current Year				Previous Year			
		Subsidiaries	Associates	KMP	Relatives	Subsidiaries	Associates	KMP	Relatives
1	Rent								
	Dharmavati Bhutada	-	-	-	511,875	-	-	-	444,375
2	Remuneration								
	Deepak Inani	-	-	-	1,194,804	-	-	-	789,267
3	Managerial Remuneration \$								
	Vishnukant C. Bhutada	-	-	25,028,804	-	-	-	19,935,335	-
4	Movement of Loans / Deposits / Advances								
4.01	Opening Balance								
	A) Reva Pharmachem Pvt Ltd	-	7,960,000	-	-	-	-	-	-
4.02	Given during the year	-	-	-	-	-	-	-	-
4.03	Closing Balance								
	A) Reva Pharmachem Pvt Ltd	-	7,960,000	-	-	-	-	-	-
5	Other Outstandings								
	Payables								
	A) Vishnukant C. Bhutada \$	-	-	9,902,030	-	-	7,853,606	-	-
6	Maximum Balance Outstanding during the year								
	A) Reva Pharmachem Pvt Ltd	7,960,000	-	-	-	Nil	-	-	-

\$ includes Commission for the year.

9. All other notes to accounts are as appearing in the notes to accounts of the Parent Company.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES



(₹ in Lacs)

Name of the Subsidiary Company	Financial Year/ period of the Subsidiary Company	Date from which it became subsidiary	Extent of the interest of the holding Company in the Capital and Reserves of the Subsidiary Company at the end of the financial year/ period of the Subsidiary Company.		Net aggregate amount of the subsidiary Company's profit/ (loss) not dealt within the holding company's accounts		Net aggregate amount of the subsidiary Company's profit/ (loss) dealt within the holding Company's accounts.	
			a) Number of shares held	b) Extent of holding	Current Year/ Period	Previous Year/ Period	Current Year/ Period	Previous Year/ Period
Zatortia Holdings Limited \$\$	01 st April to 31 st March	31.03.2008	2000	100%	NA	NA	(3.31)	(4.86)
Loba Feinchemie GmbH \$\$	01 st April to 31 st March	31.03.2008	Step down subsidiary (Invested through Zatortia Holdings Limited)	99.99%	(0.00)	(0.01)	(48.68)	(279.68)
Raichem Lifesciences Private Limited	01 st April to 31 st March	10.03.2009	410,000	100%	NA	NA	(59.27)	(49.84)
Raichem Medicare Private Limited \$	01 st April to 31 st March	19.03.2011	98,233	50.01%	NA	NA	NA	NA

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31st MARCH, 2011

Sl No	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment in **			Turnover/ Revenue	Profit/ (Loss) before taxes	Provision for Income & Deferred Tax	Profit/(Loss) After Tax	Dividend
						Govern- ment Securities	Mutual Fund/ Insurance Company						
1	Zatortia Holdings Limited \$\$	2.16	2114.46	2120.73	2120.73	—	—	—	—	(3.31)	—	(3.31)	—
2	Loba Feinchemie GmbH \$\$	453.05	(219.14)	2359.59	2359.59	—	—	—	3124.52	(47.62)	0.64	(46.98)	—
3	Raichem Lifesciences (P) Ltd.	41.00	130.88	1242.93	1242.93	0.05	—	—	164.41	(91.43)	32.16	(59.27)	—
4	Raichem Medicare (P) Ltd \$	19.65	261.05	448.41	448.41	0.05	—	—	—	—	—	—	—

(₹ in Lacs)

** Excluding Investment in Subsidiaries, \$ Business not yet commenced, \$\$ Conversion into Indian Rupees @ exchange rate 1 Euro =63.24 for Balance Sheet items & ₹ 59.77 for P & L Items (PY 60.56 & 67.08) exchange rate adopted as per RBI Website.

For and on behalf of the Board

N.C. Bhandari
Sr.Manager Finance

Omprakash Inani
Chairman

Place : Hyderabad
Dated : 11th August, 2011

Nagalakshmi Popuri
Company Secretary

Vishnukant C. Bhutada
Managing Director



Shilpa Medicare Limited

Registered Office: 10/80, 1st Floor, Rajendra Gunj, Raichur - 584 102 (Karnataka)

PROXY FORM

Regd.Folio No. :

No. of Shares Held:

Client ID No. :

I/We of being a member/members of Shilpa Medicare Limited, hereby appoint of or failing him/her of as my/our proxy to attend and vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company at Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur - 584101, Karnataka on Thursday, the 22nd Day of September, 2011 at 11.30 AM.

As WITNESS my / our hand/ hands this day of.....2011

Signed by the said

- Note: 1. The proxy must be deposited at the Registered Office of the Company not less than 48 Hours before the time for holding the meeting.
2. Please bring your copy of this Annual Report for the meeting.

Affix
₹1/-
Revenue
Stamp

Signature



Shilpa Medicare Limited

Registered Office: 10/80, 1st Floor, Rajendra Gunj, Raichur - 584 102 (Karnataka)

ATTENDANCE SLIP

(Please present this slip at the Meeting Venue)

ANNUAL GENERAL MEETING - ON THURSDAY, 22nd SEPTEMBER, 2011.

Regd.Folio No. :

No. of Shares Held :

Client ID No. :

I hereby record my presence at the 24th Annual General Meeting of the Company being held on Hotel Nrupatunga, Ambedkar Circle, Station Road, Raichur- 584101 (Karnataka).

.....
Name of the Shareholder / Proxy

.....
Signature of Member / Proxy

NOTES



NOTES

[illegible]

AWARDS



Kempegowda Road, P.B. No.9996, Bangalore - 560 009, India. www.fkcci.org



Let's join hands to make a **CANCER free world...**



Shilpa Medicare Limited

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