



SHILPA MEDICARE LIMITED

CORRIGENDUM AND UPDATE
TO THE POSTAL BALLOT
NOTICE DATED 12 JULY 2021

SHILPA MEDICARE LIMITED

CIN: L85110KA1987PLC008739

Regd. Office: #12-6-214/A1, Hyderabad Road, Raichur - 584135,
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CORRIGENDUM AND UPDATE TO THE POSTAL BALLOT NOTICE

DATED 12TH JULY, 2021.

Dear Member(s),

This has reference to the postal ballot notice dated 12th July, 2021 issued by the Company for the purpose of seeking members approval by way of Special Resolution "To consider and approve transfer of active pharmaceutical ingredient (API) business of the company by way of slump sale as "going concern" to Shilpa Lifesciences Private Limited (company under incorporation) a wholly owned subsidiary of the company" as set out in the said postal ballot notice which was already emailed to all the Members of the Company.

A brief information is being issued to notify the Members of the Company reaffirming the company's position in relation to value at which the API Business is being transferred to the Wholly Owned Subsidiary. Additionally, the Company is issuing a corrigendum in relation to a typographical error being made in the explanatory statement to the proposed resolution.

Copy of the detailed update is being enclosed herewith.

Except as detailed in the attached update, all other terms and contents of the notice of Postal Ballot dated 12th July, 2021 shall remain unchanged. The update will also available on the website of the Company www.vbshilpa.com

For Shilpa Medicare Limited

V V Krishna Chaitanya
Company Secretary & Compliance Officer
M. No: 49415
13 August 2021
Raichur

**CORRIGENDUM TO THE POSTAL BALLOT NOTICE
DATED 12TH JULY, 2021.**

To
The Members of Shilpa Medicare Limited.

In continuation to the postal ballot notice dated 12th July, 2021 sent to the members of the Company, please consider the below update to the explanatory statement contained in the postal ballot notice.

This corrigendum is being issued to inform the Members of the Company regarding amendment in 01st Paragraph in the explanatory statement of the aforesaid postal ballot notice where the word “less” was missed out. Accordingly, the first paragraph of the explanatory statement should read as under:

“The nature of risk and opportunities inherent in the Active Pharmaceutical Ingredient (API) and formulation businesses are distinct from one another and would require different strategies for growth, investment and management focus. To optimize the available opportunities in each of the businesses the Board of Directors (“the Board”) of Shilpa Medicare Limited (“the Company”), at its meeting held on 12th July, 2021 approved the transfer of the API Business along with the intermediates, polymers, peptides & CDMO business (together known as “the Business”) and all related assets situated at Unit 1 located at Deosugur, Raichur & Unit 2, Chiksugur, Raichur, on a going concern basis by way of slump sale to Shilpa Lifesciences Private Limited (A Company Under Incorporation). (“the Transferee”) in accordance with the terms of Business Transfer Agreement to be entered into by the Company and the Transferee. The sale of the Business will be along with its employees, assets, liabilities, working capital pertaining thereto, all licenses, rights, regulatory approvals, permits and contracts, as identified by the Board, by way of ‘slump sale’ for a lump sum cash consideration which shall not be *less* than the Fair Market Value of the net assets as per the Rule 11 UAE of the Income Tax Rules, 1962 which will be based on the report to be obtained from an Independent Valuer subject to necessary adjustment in working capital of the business.”

On and from the date hereof, the Postal Ballot Notice shall always be read in conjunction with this update letter which is also being uploaded on the website of the Company at www.vbshilpa.com and on the website of National Stock Exchange at www.nseindia.com and on website of Bombay Stock Exchange at www.bseindia.com.

All other contents of the Postal Ballot Notice dated 12th July, 2021, save and except as amended by this corrigendum and an update of the same date, shall remain unchanged.

**UPDATE TO THE POSTAL BALLOT NOTICE
DATED 12TH JULY, 2021.**

To

The Members of Shilpa Medicare Limited.

Notice is hereby given to the Members that in continuation to the Postal Ballot Notice dated 12th July, 2021 sent to the members of the Company, to consider that the following information shall be read in conjunction with and as part and parcel of first para of explanatory statement (following the last sentence of first para), annexed to the said Postal Ballot Notice under the provisions of section 102 of the Companies Act, 2013 for the proposed business therein.

“Fair Market Value as per Rule 11 UAE of the Income Tax Rules, 1962, which is estimated to be of Rs. 3,414 million as per the valuation report issued by a registered valuer after considering borrowings of Rs. 3,455 million.

Accordingly, the transfer of assets for the proposed transaction is expected to be in the range of Rs. 3,414 million to Rs. 5,500 million after assuming borrowing of Rs. 3,455 million. The actual transaction value will be subject to adjustment on account of actual borrowings being transferred to the subsidiary company as part of the slump sale and adjustment in relation to changes in normalized working capital of the business”

The said valuation report is available for inspection at our registered office of the Company during the business hours i.e. from 10.00 AM to 6.00 PM on all days except Bank Holidays in Raichur, from now till the conclusion of the voting period.

This update is also being uploaded on the website of the Company at www.vbshilpa.com and on the website of National Stock Exchange at www.nseindia.com and on website of Bombay Stock Exchange at www.bseindia.com

All other contents of the Postal Ballot Notice dated 12th July, 2021, save and except as amended by this update and a corrigendum of the same date, shall remain unchanged.

For and on behalf of

Shilpa Medicare Limited

V V Krishna Chaitanya
Company Secretary & Compliance Officer