

# ON THE VE

43<sup>rd</sup> ANNUAL REPORT

2020-21

### What's Inside

(01)	CORPORATE OVERVIEW	02-08
	About Shivalik Rasayan Limited	02
	Moves that Set Us Apart	03
-	Capacity Thrust: In Agro &	04
H.	Speciality Chemicals	
C-C	Financial Performance	05
	Chairman's Message	06
9	The Shivalik Commitment:	08
•	Intelligent R&D	

(02)	STATUTORY REPORTS	09-53	
	Notice	09	
	Director's Report	17	
(M)	Management Discussion and Analysis	26	
5	Corporate Governance Report	28	

(03)	FINANCIAL S	FINANCIAL STATEMENTS		
	Standalone			54
	Consolidated			84



For more investor-related information, please visit:

[http://shivalikrasayan.com/annual-reports]

#### Or simply scan:



#### **INVESTOR INFORMATION**

Market Capitalisation as at ₹ 972.12 Crores 31 March, 2021

CIN L24237UR1979PLC005041

BSE Code 539148 Dividend Declared 10%

AGM Mode Hotel Saffron Leaf, GMS Road Dehradun, Uttarakhand-248146

**Disclaimer:** This document contains statements about expected future events and financials of Shivalik Rasayan Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

KEY PERFORMANCE INDICATORS (KPIs) of 2020-21

**₹ 8,486.60** LAKHS REVENUE

₹ **1,910.69** LAKHS EBITDA\*

₹ 1,267.55 LAKHS

**₹9.20** 

EPS\*

**#EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortisation. **#PAT:** Profit After Tax. **#EPS:** Earnings Per Share

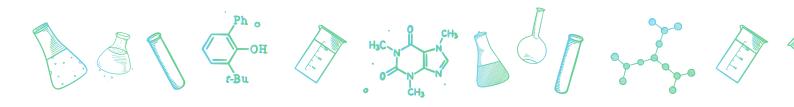


# ON THE MOVE

Stagnancy has never boded well at Shivalik
Rasayan Limited. Though, with experience in
developing pharma ingredients, we now enjoy
a comfortable spot in the market, it's no excuse
to settle. We endeavour to move ahead with
the same fire and passion for research, quality,
innovation, and integrity that has driven us up
till this point. Also, as India's most cost-effective
pharma producer, it is our priority to contribute in
the access of medical care by providing quality
offerings at best prices.

With a special emphasis on developing best-in-class agrochemicals, Active Pharmaceutical Ingredients (APIs), and by using new technologies, we aim to strike a sweet spot between growth and sustainability to benefit shareholders.

The recent developments and validations at Shivalik only show a Company that is ready to take over the world of pharma beyond national territories as we continue to garner a dependable clientele across the globe. With our core strengths reinforced, we are now on the move to deliver on our purpose of building long-term value.





# **Shivalik Rasayan Limited (referred to as** 'SRL' or 'The Company') is among India's leading manufacturers of international quality agrochemicals, APIs.

The Company is well-known for producing effective and environment-friendly plant-protection agrochemicals. SRL is a manufacturer of Organo Phosphorus (OP) based insecticides and chemicals, with its organophosphate products including, Dimethoate Technical and Malathion Technical. Dimethoate Technical is an important element in formulations used to control a variety of insects, pests, and mites, while the Malathion Technical is a non-systemic, spectrum OP-based contact insecticide, particularly favourable in agricultural production of multiple feeding crops.

**50,000** M<sup>2</sup> TOTAL PLANT AREA

**USFDA** and EU

STANDARD COMPLIANT FACILITY

SRL has a world-class manufacturing facility at Dehradun, well-prepared for futuristic innovations with its cutting-edge technology and the latest equipment. The Company's R&D centre at Bhiwadi has approval from the Department of Scientific and Industrial Research (DSIR) under the Department of Science and Technology, Government of India. The Company's API plant is now operational and SRL has received WHO-GMP approvals for its Dahej-II Plant.



#### **MISSION**

To be among the fastest growing bulk chemical manufacturer by redefining product innovatively with leadership in quality & cost.



#### **VALUES**

**IMPACT**: Values reside in our commitment to customers in meeting timelines, quality and cost.

**KNOWLEDGE:** Our values exist owing to our talented pool of scientists and associated teams for their consistent and rigorous efforts for innovation and achieving affordability for our products.

CARE: We value our team, teamwork, high level of integrity, mutual trust and respect among each other.



Corporate Overview Statutory Reports Financial

# THE MOVES

## THAT SET US APART

- Robust R&D centre for developing international quality products
- Cutting-edge technology for development of noninfringing generic API processes
- Chemical R&D, Formulations R&D, Analytical R&D, (for both Oncology & Non-Oncology products)
- Highly qualified team of scientists
- Trustworthy chain of clients around the world
- API supplier for captive consumption along with third-party sales within India as well as abroad
- Well-established quality control, research and development, and instrumentation laboratories
- Adherence to global safety standards as well as regular safety audits
- Best raw material sourcing and monitoring mechanism to ensure superior quality

# Capturing opportunities through our state-of-the-art facility at Dahej-II, Gujarat

- Received WHO-GMP approvals for the new Dahej Plant
- Completed all Plant validation processes
- Plant validation of 7 API completed, the products are under stability.
- Planning to file 2 DMF by December 2021





# **CAPACITY THRUST**

### IN AGRO & SPECIALITY CHEMICALS



#### **Production Capacity**

**3,500 MT** Per annum First Phase One-Block





#### **Expanding Capacities**

Green field Agro & Speciality Chemical Plant at Dahei III, GIDC, Gujarat in 50,000 sq. mt.



#### **Operational** Authorisation

**GPCB** clearance has been received



#### **Technology Driven**

Focus on technical with higher value at lower volumes



#### **Work-in-Progress**

Plant is expected to be operational by December 2022



#### **Execution**

Initially set up one block with a total project cost of Rs. 125 Crores



#### **Structural Design**

Plant design drawings under approval of **GIDC** 



#### **Environmental Clearance**

Received Environmental Clearance (EC) from Ministry of Environment and Forest Department to produce 12,000 MT per annum Agro-Chemical Technical and 8,000 MT per annum Intermediates and Speciality Chemicals



#### **Catering Worldwide**

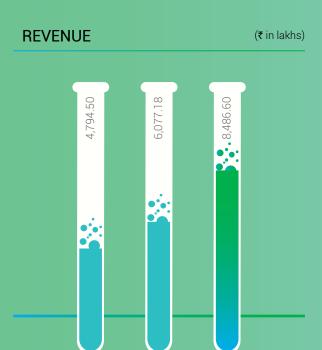
Supply of Intermediate/ Advanced Intermediates for Captive Consumption and thirdparty sales in India and abroad





(₹)

# FINANCIAL PERFORMANCE

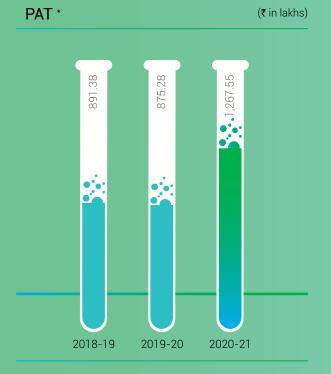


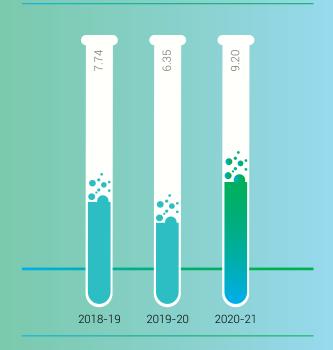
2019-20

2020-21

2018-19







**EARNINGS PER SHARE** 

\*EBITDA- Earnings Before Interest, Tax, Depreciation, and Amortisation. \*PAT- Profit After Tax

Annual Report 2020-2021 5



# CHAIRMAN'S MESSAGE



This year has been difficult, local and global businesses, irrespective of the size or the sector, they all hit a halt. COVID-19 brought a drastic shift in the way people live. However, with the increased momentum of vaccination efforts, the pandemic's global impact is gradually approaching its end, and I am confident that we are moving towards a physically and financially healthier future.

Shivalik Rasayan Limited

#### Dear Shareholders,

It gives me great pleasure to present to you the Company's performance for the fiscal year ended 31 March, 2021. The year 2020-21 will be remembered as a year of the COVID-19 pandemic. For the first time in our lifetimes, at least for most of us, there was a complete shutdown of mobility, financial activity, and vanity at large. The lockdowns were critical to stop the spread, but, as a side effect, the world saw a broken economic setup. The first two quarters, in particular, were a slump for most sectors. However, the gradual easing of lockdowns and resumption of business activities allowed economies to breathe a sigh of relief. The economy looked optimistic, and India registered a V-shaped recovery by the end of Q3. Vaccination drives were at par, tourism was reopening, logistical movement was back. And just when we thought it was all 'normal' again, a second reiteration of COVID-19, deadlier and faster, hit us hard.

The Indian healthcare system collapsed with basic utilities and medicinal drugs going off the stock. April 2021 was the worst-hit month of the second wave. However, this time around, there was no nationwide unanimous lockdown, rather the decision was left for respective state governments. This facilitated a higher mobility and flexibility in the financial aspect, despite many states imposing lockdowns. As we recover and leave behind the ills of the second wave, the move ahead is towards recovery.

The Company has moved through the pandemic adaptably and humanely, prioritising our employees and their health, while also maintaining the sanctity and responsibility of professional deliverables.

SRL's day-to-day processes involve rigorous innovation, a passion for chemistry, and manufacturing efficiency. The Company has always endeavoured to push forward in these aspects. As a well-established company, we are warming up to cease the various opportunities the sector is likely to experience post the pandemic as well. We are well-equipped to seize significant opportunities and enter new markets while continuing to provide high-quality services to our customers.

It is this calibre and dedication that has translated into consistent growth too. Despite the tough year and uncertain challenges we have all faced, the Company has continued the positive momentum. During the financial year 2020-21, we registered revenue figures at Rs.8,486.60 lakhs, and the EBITDA was reported at Rs. 1,910.69 lakhs in 2020-21. The Company recorded a PAT of Rs.1,267.55 lakhs in 2020-21.

We have already secured WHO-GMP approvals for new Dahej plant. Our API plant is now operational and we have completed validations of 7 products. We are likely to file two DMF by December 2021. The Company is well-placed to deliver innovative and cost-effective solutions for the oncology segment in highly regulated markets. With so much on the table, the time ahead is packed with rampant offerings and growth.

The Board of Directors of the Company have decided a strategic expansion to set up a green field Agro & Speciality Chemical Plant at Dahej-III, GIDC Gujarat. The Environmental Clearance (EC) from Ministry of Environment, Forest and Climate Change has been received. The Company is in the process to raise fund through preferential issue to meet its project cost.

As I look forward, I see Shivalik inching towards a position of market leadership as we continue the legacy of delivering relevant offerings, which pack in cutting-edge technology and the latest equipment's usage. I am proud of our highly competent R&D team's efforts and commitment to deliver, which gives us more confidence in developing complex APIs in-house and moving towards a brighter future.

I would like to thank all our valued stakeholders for their continued support and encouragement. I'd like to express my gratitude to our vendors and partners for their unwavering trust and cooperation. With our valuable Board of directors and synergy with our stakeholders, we have embarked on a journey to a better future.

Best Wishes,

Rahul Bishnoi,

Chairman





We've stayed ahead of the curve, thanks to our best-in-class infrastructure and consistent focus on research and innovation. We are committed to manufacturing products that can command true leadership in markets across geographies and create value for stakeholders based on our core strengths and execution capabilities.

Dr. Vimal Kumar Shrawat

Managing Director



#### THE SHIVALIK COMMITMENT:

# INTELLIGENT R&D

The Company prides itself upon its abilities to engage in ageahead R&D. This has helped us create products, which not only capitalise on industry opportunities, but also prioritise quality.

As a pharma brand, R&D is the most crucial element of our business. SRL has stayed focused and pushed itself towards brilliance by continuous investment in R&D, which earned us a coveted stop as manufacturers of quality medical ingredients and enables us to develop high-quality complex APIs.

Today, India has become a viable alternative geography for API requirements, and oncology being a niche segment at the Company, the emerging opportunities. At SRL, we have been developing industrially viable processes for APIs, along with their Key Starting Material (KSM)/advance intermediates. These consistent efforts from the past decade are why we are now ready to quench the anticipated surge in demand going ahead.



#### SRL HAVE EXPERIENCED AND DEDICATED TEAMS

of scientist who committed towards innovation through new processes

AN EXPERIENCED AND
DEDICATED CREW of science
stalwarts, committed to bringing
forth new innovative and
profitable processes







#### **ALL-IN-ONE SOLUTION**

creator for pharma needs, be it conceptualisation or development of non-infringing processes for generic APIs or cost optimisation

#### **INNOVATIVE OFFERINGS**

Solid dosages, injectables, liquids, creams, gels, syrups, novel drugdelivery systems, and parenteral lyophilised powders

A SELF-SUFFICIENT ARD

**FACILITY,** capable of developing method validation as well as impurity profiling and evaluation













Shivalik Rasayan Limited