

Date: 31.12.2022

To,

BSE Limited
Floor 25, P J Towers
Dalal Street
Mumbai-400001

National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Code-539148

Symbol: SHIVALIK

Sub: Annual Communique-2023

Dear Sir/Madam,

Please find attached "*Annual Communique-2023*" of the Company sent through email to the shareholders of the Company.

You are requested to take the same on your record.

Thanking You

Yours faithfully,
For Shivalik Rasayan Limited

Parul Choudhary
Company Secretary & Compliance Officer
ACS- 34854



Annual Communique

2023

From the Chairman's Desk



*Mr. Rahul Bishnoi
Chairman, Shivalik Rasayan Ltd*

*R&D focused Agro Chemical and
Pharma oncology API plants*

*State of the art R&D facility
across 12,000 sq ft with 75
Senior Scientists; facility
approved by DSIR*

2 US Patents granted for

- Highly Pure
Fingolimod Hydrochloride*
- Highly Pure Temozolomide*

*State-of-art facility setup in 2021
for APIs with international
compliance standards*

*WHO-GMP Certification received
for 6 Oncology & 2 Non-
Oncology API products*

My Dear Shareholders,

On the very first day of 2023, I take this opportunity to wish you all a very happy, healthy and prosperous New Year. You all have been very supportive to the company over the last few years which have been tough for the world as well as us, led by Sars-covid-19, the geopolitical conflict and now the recurrence of covid infection in China, creating fear amongst the global community. However, our company has been putting in all our efforts and resources over the last 4 years in preparing our company for future growth opportunities thereby further building up on the strong foundations of your company. We have continued to focus on our philosophy of sustainable growth through attainable targets. The big question is where are we headed? Let me share with you the efforts taken by us to create long term value for all stakeholders.

Shivalik primarily is a chemical company focused on Agro-chemical, APIs, and Specialty Chemicals. The vision of the management is to make Shivalik an R&D driven company where we can offer APIs to regulated markets as well as advanced Agro & Specialty Chemicals.

To attain this vision, we set up a state-of-the-art R&D facility across 6000 square feet area with an investment of Rs.20 crores. This facility became functional in 2019 and got its approval from DSIR. Later, it was further expanded by another 6000 sq. ft., by investing additional Rs.25 crores during 2020-21. Today, we have a strength of 75 senior scientist working relentlessly in our R&D to improve our offerings to our domestic and global clientele.

This sustained and continuous effort has led to the company being granted two US patents for the manufacture of (1) Highly Pure Fingolimod Hydrochloride and (2) Highly Pure Temozolomide, published by USPTO in December 2022. Further our R&D team has developed 12 API products, 2 Agro Chemical molecules and 2 Advanced Intermediates of agro chemicals which are meant as an import substitute to China.

Further, we have invested Rs.120 crore to setup a *state-of-the-art* manufacturing facility which became operational in 2021, to produce Active Pharma Ingredients (APIs) with international compliance standards. This API plant has completed validation of 8 Oncology API products and has validated 5 Non-Oncology API products on the site till date. Out of these, Shivalik has received WHO-GMP Certificate for 6 Oncology and 2 Non-Oncology API products.

I am also delighted to inform that your company has submitted its first US Drug Master File (USDMF) to USFDA and also has submitted CEP for 4 API to EDQM, Europe for the following products.

USDMF submitted to USFDA and CEP for EDQM

S.No	API Name	US DMF/CEP	Approved Date / Status
1	Bortezomib	USDMF # 36171	Under US FDA review
2	Busulfan	R0-CEP 2021-356-Rev 00	01-December-2022
3	Clonidine HCl	R0-CEP 2022-153-Rev 00	21-November-2022
4	Pirfenidone	CEP-2021-413	Under review at EDQM
5	Temozolomide	CEP-2021-394	Under review at EDQM

Approval to manufacture and supply API for regulated markets

The manufacturing & supply of API for regulated markets requires a long gestation period. Most customers ask for long-term stability data, DMFs, CEPs in addition to plant approvals by USFDA/EDQM etc., before agreeing to approve a company as an additional or primary source. I am thankful to all of you for your patience for standing with us during this phase. The resultant approval received and further expected is a collective effort of perseverance and aiming to achieve the best for the company, at par with international standards. The revenues from these molecules shall start once the API plant is approved by USFDA for which audit is expected in the coming financial year.

In discussion with Chinese company to manufacture and supply 3 APIs to China market

It is also a matter of pride for the company that a Chinese company has approached your company to manufacture (in India) and market three API's (in China). The dossier for one of the molecules has been submitted to Chinese Regulatory Authority, NMPA, and dossier for rest two are under evaluation by this party. Shivalik is also in advance stage of discussion to develop Ibrutinib and Lenvatinib API to major Japanese customers.

In discussion with Japanese customers for Ibrutinib and Lenvatinib API

Upcoming Agro Chemical Greenfield plant at a cost of Rs.120 cr at GIDC, Dahej-III to manufacture Agro & specialty Chemicals.

Currently, your company is investing another Rs.120 crores for establishing a greenfield facility over an area of 50,000 sq.mt. (12.5 acres) at GIDC, Dahej-III, Gujarat, to manufacture Agro/Specialty Chemical. This plant has already got clearance from Ministry of Environment and Forest to produce 12,100 MTPA (metric tons per annum) of Technical and 8,000 MTPA of Specialty Chemicals. The plant is expected to be operational by April 2023 and will start contributing to revenues by H2 of next financial year.

MoEF clearance received for 12,100 TPA of Technical & 8,000 TPA of Specialty Chemicals

Further our R&D team has developed a non-infringing process for newer agro chemical & intermediates like Azoxystrobin Technical,

Non-Infringing process developed for newer agro chemicals & intermediates

Targeting active ingredients going off patent by 2030

34 new product registrations submitted to CIB&RC – approval process 18-24 months

Operating margins sustained and improving over past 6 years

Chlorantraniliprole Technical (CTPR), Trifloxystrobin Technical, Dinotefuran and Pymetrozine. These products shall be taken up for production in the new plant, once ready.

There are around 22 pesticides whose active ingredients are expected to get-off patent by 2030. It is expected that the market size of these products will cross over US\$ 4.1 billion by 2030. We foresee an enormous growth opportunity in manufacturing of these products. With an experienced R&D team, your company intends to reap early entry advantage with some of these molecules.

We have already submitted application for 34 new product registrations (Agro Chemicals) with Central Insecticides Board & Registration Committee (CIB&RC) approvals for which are expected over the next 18-24 months. Our focus continues to be on technical grades with high value – low volume agro chemicals.

You will appreciate that the current revenue stream of your company is coming from the existing agro chemical plant of Dehradun despite an enormous increase in the operating expenditure (OPEX) on account of R&D and API plant, the company has consistently reported steady operating margins over the last several quarters. On an annual basis our operating margins have sustained and improved over the 6 years. Your management is confident to generate handsome revenue growth with decent profit margins once both the plants start generating revenues.

In the end, I would say that during the last four years your management has demonstrated its expertise to setup state of the art R&D, complex API and Agro chemical plant. I feel privileged to work for this great company with such talented people.

We remain committed to offering the best solutions while continuously enhancing the landscape of advanced APIs, agrochemicals and pharmaceutical advanced intermediates.

Shivalik Rasayan has dared to dream big with ambitions to be amongst the top companies in India. However, we are taking one step at a time to reach our desired goal, without compromising on the quality of our earnings. We continue to seek your support as you have supported us in the past and look forward to a bigger and brighter future for the organization over the next decade.

Once again, I wish you all a Happy and Prosperous New Year.

With warm regards

Rahul Bishnoi