



Innovating for
affordable healthcare

Shilpa Medicare Limited

Manufacturers and Exporters of Bulk Drugs

Shilpa House # 12-6-214/A-1, Hyderabad Road,
RAICHUR - 584 135, Karnataka, India.

Phone : +91-8532-238704, Fax : +91-8532-238876

E-mail : info@vbshilpa.com Website : http://www.vbshilpa.com

CIN No. L85110KA1987PLC008739

Dated 07th February 2019

To
Corporate Relationship Department
BSE Limited,
1st Floor, Rotunda Building,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 051.

Dear Sir,

Sub: Outcome of Board Meeting – Reg.

**Ref: Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements)
Regulations, 2015;**

Scrip Code: BSE - 530549/ Stock Symbol: NSE - SHILPAMED

With reference to the captioned subject, Please find the enclosed documents in terms of Regulation 33 of SEBI (LODR) Regulations, 2015:

1. Un-Audited Standalone and Consolidated Financial Results for the Third quarter 31st December, 2018.
2. Limited Review Report on Standalone and Consolidated Financial Results for the Third quarter ended 31st December, 2018.

It is further intimated that meeting was commenced at 11:45 A.M. and ended at 04:00 P.M.

This is for your information and necessary records.

For SHILPA MEDICARE LIMITED,


MADHUSUDHAN REDDY
Company Secretary & Compliance Officer





Shilpa Medicare Limited

Registered office: # 12-6-214/A-1, Hyderabad Road, Raichur- 584135

Website - www.vbshilpa.com, Email - info@vbshilpa.com., Telephone +91-8532-238494

CIN No. - L85110KA1987PLC008739

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2018

(Rs. in Lakhs, except per equity share data)

Sl. No.	Particulars	Quarter ended			Nine months ended			Previous Year ended	
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)	31.03.2018 (Audited)	
1	Income								
	Revenue from operations	15,717.13	15,551.34	17,324.23	49,286.10	52,649.26	74,394.59		
	Other Income	432.76	394.18	461.38	1,222.91	1,470.45	2,331.53		
	Total Income	16,149.89	15,945.52	17,785.61	50,509.01	54,119.71	76,726.12		
2	Expenses								
	a) Cost of material consumed	5,398.44	5,830.19	4,559.39	19,063.54	22,118.81	29,867.96		
	b) Purchase of stock-in-trade	12.67	277.49	115.13	416.25	411.65	586.46		
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	990.03	(1,733.92)	4,114.42	(2,326.31)	1,733.97	4,720.58		
	d) Employee benefits expense	3,421.52	3,456.05	2,841.87	10,025.77	8,037.51	11,308.10		
	e) Finance cost	95.64	32.48	45.02	179.65	154.11	212.21		
	f) Depreciation and amortisation expenses	1,002.91	880.43	811.02	2,795.46	2,314.31	3,277.70		
	g) Excise duty on sales	-	-	-	-	265.41	265.41		
	h) Other expenses	2,974.50	2,892.91	2,332.44	8,602.00	6,802.45	9,739.18		
	Total Expenses	13,895.71	11,635.63	14,819.29	38,756.36	41,838.22	59,977.60		
3	Profit before tax and exceptional items (1)-(2)	2,254.18	4,309.89	2,966.32	11,752.65	12,281.49	16,748.52		
4	Exceptional items - (Income)/Expenses (refer note 06 below)	574.91	(1,993.62)	-	(1,420.08)	-	-		
5	Profit Before Tax (3+4)	1,679.27	6,303.51	2,966.32	13,172.73	12,281.49	16,748.52		
6	Tax Expense	112.19	1,400.58	548.14	2,432.18	2,429.79	3,424.64		
	- Current tax	474.58	1,220.02	175.70	2,920.29	1,993.68	2,736.69		
	- Deferred tax (Net of Mat credit)	(362.39)	180.56	372.44	(488.11)	436.11	687.95		
7	Profit for the Period (5)-(6)	1,567.08	4,902.93	2,418.18	10,740.55	9,851.70	13,323.88		
8	Other comprehensive income (OCI)								
	A. Items that will not be reclassified to profit or loss								
	Remeasurement of the defined benefit (liability)/asset	-	4.22	(3.73)	8.44	(11.19)	16.87		
	B. Items that will be reclassified subsequently to profit or loss								
	Gain / (Loss) on derivative instrument (net)	(55.08)	26.21	115.02	90.02	(3.49)	91.42		
	Total other comprehensive income (net of tax)(A+B)	(55.08)	30.43	111.29	98.46	(14.68)	108.29		
9	Total comprehensive income for the period / year (7)+(8)	1,512.00	4,933.36	2,529.47	10,839.01	9,837.02	13,432.17		
10	Paid up equity share capital (par Value Rs.1/- each, fully paid)	815.27	815.27	815.27	815.27	815.27	815.27		
11	Reserves i.e Other equity						114,882.68		
12	Earnings per equity share (par value Rs.1/- each)								
	Basic (Rs.)	1.85	6.05	3.15	13.29	12.26	16.68		
	Diluted (Rs.)	1.85	6.05	3.15	13.29	12.26	16.68		





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 CIN No. - L85110KA1987PLC008739



STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2018

(Rs. in Lakhs, except per equity share data)

Sl No.	Particulars	Quarter ended			Nine months ended			Previous year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)	
1	Income							
	Revenue from operations	17,342.52	16,227.89	18,552.51	53,386.95	55,664.24	79,153.39	
	Other Income	312.96	315.21	506.65	1,064.05	1,489.71	2,167.76	
	Total Income	17,655.48	16,543.10	19,059.16	54,451.00	57,153.95	81,321.15	
2	Expenses							
	a) Cost of material consumed	5,607.29	6,154.03	4,847.92	19,897.32	22,833.19	30,794.70	
	b) Purchase of stock-in-trade	19.14	277.64	116.05	420.57	412.56	588.70	
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	985.23	(1,913.32)	4,171.80	(2,135.83)	1,616.34	4,204.16	
	d) Employee benefits expense	4,446.59	4,435.97	3,721.99	12,930.25	10,672.25	14,913.88	
	e) Finance cost	106.64	62.52	46.42	227.05	161.62	266.12	
	f) Depreciation and amortisation expenses	1,125.34	1,000.48	919.84	3,151.73	2,644.96	3,722.21	
	g) Excise duty on sales					271.10	270.75	
	h) Other expenses	3,666.55	3,520.42	2,980.46	10,432.77	8,387.99	12,164.85	
	Total Expenses	15,956.78	13,537.75	16,804.49	44,923.87	47,000.02	66,925.37	
3	Profit before share of profit of joint venture and associates, exceptional items and tax (1)-(2)	1,698.70	3,005.35	2,254.67	9,527.13	10,153.93	14,395.78	
4	Share of Profit / (loss) of Joint venture and associates, net of tax	2.03	(307.01)	(83.32)	(850.78)	(563.78)	(719.03)	
5	Profit before tax and exceptional items (3-4)	1,700.74	2,698.35	2,171.36	8,676.36	9,590.16	13,676.75	
6	Exceptional items- (Income)/(Expenses)(refer note 06 below)	574.91	(2,606.56)		(2,033.02)			
7	Profit Before Tax (5+6)	1,125.83	5,304.91	2,171.36	10,709.38	9,590.16	13,676.75	
8	Tax Expense	(46.05)	1,139.16	537.81	2,056.98	2,367.59	3,390.57	
	-Current tax	474.94	1,333.54	177.71	3,040.63	1,999.53	2,738.23	
	-Deferred tax (Net of Mat credit)	(520.99)	(194.39)	360.10	(983.65)	368.06	652.34	
9	Profit for the Period / year before non-controlling interest (7)-(8)	1,171.88	4,165.75	1,633.55	8,652.40	7,222.57	10,286.18	
10	Share of (loss)/profit attributable to non-controlling interest	(75.37)	(60.96)	(96.73)	(185.59)	(211.16)	(238.00)	
11	Profit after taxes attributable to owners of the Parent Company for the period / year (9-10)	1,247.25	4,226.71	1,730.28	8,837.99	7,433.73	10,524.18	
12	Other comprehensive income (OCI)							
	A. Items that will not be reclassified to profit or loss							
	Remeasurement of the defined benefit liability/asset Gain/(Loss) (net of tax)		4.22	(3.73)	8.43	(11.19)	18.13	
	B. Items that will be reclassified subsequently to profit or loss							
	Gain / (Loss) on derivative instrument (net of tax)	(55.08)	26.21	115.02	90.02	(3.49)	91.42	
	Total other comprehensive income (net of tax)(A+B)	(55.08)	30.43	111.29	98.45	(14.68)	109.55	
13	Total comprehensive income for the period / year (11)+(12)	1,192.17	4,257.14	1,841.57	8,936.44	7,419.05	10,633.73	
14	Paid up equity share capital (par Value Rs.1/- each, fully paid)	815.27	815.27	815.27	815.27	815.27	815.27	
15	Reserves i.e other equity						107,688.04	
16	Earnings per equity share (par value Rs.1/- each)							
	Basic (Rs.)	1.46	5.22	2.29	10.96	9.25	13.20	
	Diluted (Rs.)	1.46	5.22	2.29	10.96	9.25	13.20	

Notes:

- 1 The unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2018 in respect of Shilpa Medicare Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on February 07, 2019. The above results have been subjected to limited review by the statutory auditors of the Company. The reports of the statutory auditors are unqualified
- 2 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind-AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules there under and in terms of Regulation 33 of SEBI (Listing Obligation and Other Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.
- 3 Effective April 1, 2018, the Company adopted Ind-AS 115 "Revenue from Contracts with Customers" and applied prospectively to contracts with customers existing as on April 1, 2018. The applicability of Ind-AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company
- 4 Post implementation of Goods and Service Tax ("GST") in India with effect from July 1, 2017, revenues are disclosed net of GST. Revenues for the period prior to July 1, 2017 included excise duty which is now subsumed in GST. Accordingly, revenues for the nine months ended December 31, 2017 and year ended March 31, 2018 are not comparable with those of the other periods presented.
- 5 During the quarter ended September 30, 2018, the Company sold its 24% investment in the equity shares of Raichem Medicare Private Limited ("RMPL") (Joint Venture) for a sum of Rs. 2,583.06 lakhs. Gain arising from such sale of equity shares, net of related expense and cost of equity shares amounting to Rs. 1,955.47 lakhs and Rs. 2,568.41 lakhs is recorded as exceptional item in the Standalone and Consolidated financial statements for the quarter ended September 30, 2018 and nine months ended December 31, 2018 respectively. The Company has entered into sale agreement to dispose off its balance equity shares along with preference shares by end of Financial Year 2018-19 accordingly the value of equity & preference shares has been reclassified under "Asset held for sale" as per Ind-AS 105 hence share in loss of RMPL has not been considered under equity method for quarter ended September 30, 2018 and December 31, 2018. Also an Insurance claim amount of Rs. 38.15 lakhs (net) has been presented under exceptional items both in standalone and Consolidated financial statements in the quarter ended September 30, 2018 and nine months ended December 31, 2018.
- 6 As part of Treasury management, the Company has invested in Commercial paper of Infrastructure Leasing & Financial Service Limited (IL&FS) amounting to Rs 1437.28 Lakhs of which is due for maturity in the month January-2019. The affordable amount and interest thereon is not received as on the due date, as a result of increasing in credit risk in related to the investment and the uncertainty prevailing on IL&FS due to the proceedings with NCLT. As a matter of prudence, the management has provided for an amount of Rs. 574.91 lakhs equivalent to 40% of Investment amount as impairment in value during the quarter ended December 31, 2018 and the same has been shown under exceptional item.
- 7 The Operating segment of the Company is "Pharmaceuticals", as the Chief Operating Decision Maker review business performance at an overall Company level as one segment. Therefore, segment reporting as per Ind-AS 108 is not applicable to the Company.
- 8 Comparative figures have been regrouped/ reclassified wherever required to confirm to the current classification.

Date: 07/02/2019
Place: Hyderabad

For and on behalf of the Board of Directors

Vishnukant C. Bhutada
Managing Director





Limited Review Report – Standalone Financial Results

To the Board of Directors of Shilpa Medicare Limited,

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **SHILPA MEDICARE LIMITED** ("the Company") for the quarter and nine months ended 31st December, 2018 (the "statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity, issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting principles and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S



K. Shraavan
(K.SHRAVAN)

Partner

Membership No. 215798

Place : Hyderabad
Date : 07.02.2019



Limited Review Report – Consolidated Financial Results

To the Board of Directors of Shilpa Medicare Limited,

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial results of SHILPA MEDICARE LIMITED ("the Company") its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), its associates and joint Ventures for the quarter and nine months ended 31st December, 2018 (the "statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity, issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Statement includes the result of the following Subsidiaries/ Associates/Joint Venture:
 - a. Koanaa Healthcare Limited, UK (Wholly owned subsidiary Company)
 - b. Koanaa Healthcare Limited, Austria (Wholly owned subsidiary Company)
 - c. Zatortia Holdings Limited (Wholly Owned Subsidiary Company)
 - d. Shilpa Therapeutics Private Limited (Wholly Owned Subsidiary Company)
 - e. INM Technologies Private Limited (Subsidiary Company)
 - f. INM Nuvent Paints Private Limited (Step down Subsidiary Company)





CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

- g. Loba Feinchemie, Gmbh (Step down Subsidiary Company)
 - h. Makindus, Inc (Subsidiary Company)
 - i. MAIA Pharmaceuticals, Inc (Associate Company)
 - j. Reva Medicare Private Limited (Joint Venture Company)
 - k. Reva Pharmachem Private Limited (Associate Company)
 - l. Shilpa Pharma Inc (Wholly owned subsidiary Company)
4. We did not review the financial results of above Subsidiaries included in the Statement whose financial results reflect total revenue of Rs. 1861.33 lakhs and Rs. 4593.49 lakhs (before elimination) for the quarter and period ended 31st December 2018 respectively, net Loss of Rs. 379.53 lakhs and Rs. 1816.79 lakhs (before elimination) for the quarter and period ended 31st December 2018, respectively.
- We did not review the financial results of above Joint Ventures and Associates whose financial results reflect company's share of net profit of Rs.2.03 lakhs for the quarter ended 31st December 2018 and net loss of Rs. 850.78 lakhs for the period ended 31st December 2018.
- These financial results have been prepared and furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts included in respect of these subsidiaries, Joint Ventures and Associates are based solely on such unaudited financial statements.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Consolidated Financial Results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting principles and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Hyderabad
Date : 07.02.2019

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 0005135



K. Shrawan
(K.SHRAVAN)

Partner

Membership No. 215798