



Innovating for
affordable healthcare

Shilpa Medicare Limited

Corporate & Admin Office :

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

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

Email: info@vbshilpa.com, Web: www.vbshilpa.com

CIN: L85110KA1987PLC008739

Dated 08th August, 2020

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.

Sub: Outcome of Board Meeting held on 08th August, 2020.

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

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

Dear Sir,

With reference to the captioned subject, Please be noted that pursuant to the Resolution passed at the meeting of the board of directors held on 08th August, 2020 at 03:30 P.M. the following items have taken on record.

1. The unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June, 2020 pursuant to Regulation 33(3) of SEBI (LODR) Regulations, 2015.

The meeting commenced at 03:30 PM hours and concluded at 6:00 PM.

This is for your information and necessary records.

FOR SHILPA MEDICARE LIMITED,

**V V Krishna Chaitanya
Company Secretary and Compliance Officer
M. No: A49415**





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Shilpa Medicare Limited

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

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

CIN No. - L85110KA1987PLC008739

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

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

Sl. No.	Particulars	Quarter ended			Previous year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Continuing operations:				
1	Income				
	Revenue from operations	21,663.61	19,793.29	15,456.46	80,597.12
	a) Net Sales/income from operations	21,037.83	18,739.69	14,756.61	71,628.93
	b) Service Income and License fees	625.78	1,053.60	699.85	8,968.19
	Other Income	263.51	297.05	343.26	1,126.27
	Total Income	21,927.12	20,090.34	15,799.72	81,723.39
2	Expenses				
	a) Cost of material consumed	8,328.12	5,336.45	6,916.94	27,590.30
	b) Purchase of stock-in-trade	101.18	17.01	9.71	392.94
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(1,900.24)	1,293.78	(1,658.08)	(1,426.46)
	d) Employee benefits expense	4,071.00	3,947.34	3,484.02	14,927.86
	e) Finance cost	354.03	128.98	131.57	432.89
	f) Depreciation and amortisation expenses	990.95	915.90	857.16	3,495.73
	g) Other expenses	3,305.02	4,270.97	2,406.37	14,621.95
	Total Expenses	15,250.06	15,910.43	12,147.69	60,035.22
3	Profit before tax and exceptional items (1-2)	6,677.06	4,179.90	3,652.03	21,688.17
4	Exceptional items- (Income)/Expenses (Pl refer note no:04)	(5,294.81)	454.20	-	454.20
5	Profit Before Tax from continuing operations (3+4)	11,971.87	3,725.70	3,652.03	21,233.97
6	Tax Expense of continuing operations	3,357.70	1,189.43	727.83	4,414.56
	-Current tax	2,093.00	712.21	853.14	3,909.38
	-Deferred tax (Net of MAT credit)	1,264.70	477.22	(125.31)	505.18
7	Profit for the Period/year from continuing operations (5-6)	8,614.17	2,536.27	2,924.20	16,819.41
	Discontinued operations:				
8	Profit/(loss) before tax for the period/year from discontinued operations (refer note no: 5)	-	3,304.77	(482.35)	2,164.83
9	Tax (Expense)/credit of discontinued operations	-	(50.63)	168.54	387.58
10	Profit for the Period/year from discontinued operations (8-9)	-	3,254.14	(313.81)	2,552.41
11	Net profit for the period/year (7+10)	8,614.17	5,790.41	2,610.39	19,371.83
12	Other comprehensive income (OCI)				
	A. Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of the defined benefit (liability)/asset	-	(124.99)	-	(124.99)
	B. Items that will be reclassified subsequently to profit or loss				
	Gain / (Loss) on derivative instrument (net)	(19.18)	(24.79)	50.44	4.83
	Total other comprehensive income (net of tax)(A+B)	(19.18)	(149.79)	50.44	(120.16)
13	Total comprehensive income for the period / year (11+12)	8,594.98	5,640.62	2,660.83	19,251.66
14	Paid up equity share capital (par Value Rs.1/- each, fully paid)	815.27	815.27	815.27	815.27
15	Reserves i.e Other equity				144,526.94
16	Earnings per equity share (par value Rs.1/- each)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)
	Continuing operations:				
	Basic (Rs.)	10.57	3.11	3.59	20.63
	Diluted (Rs.)	10.57	3.11	3.59	20.63
	Discontinued operations:				
	Basic (Rs.)	-	3.99	(0.38)	3.13
	Diluted (Rs.)	-	3.99	(0.38)	3.13

[Handwritten Signature]





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Shilpa Medicare Limited

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

CIN No. - L85110KA1987PLC008739

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

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

SI No.	Particulars	Quarter ended			Previous Year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	22,286.48	21,999.10	16,099.11	90,790.98
	a) Net Sales/Income from operations	21,531.96	20,546.72	15,399.26	77,203.62
	b) Service Income and License fees	754.52	1,452.38	699.85	13,587.36
	Other Income	548.03	890.95	198.25	1,693.95
	Total Income	22,834.51	22,890.05	16,297.36	92,484.93
2	Expenses				
	a) Cost of material consumed	8,533.96	5,600.54	7,461.42	28,701.52
	b) Purchase of stock-in-trade	86.73	49.62	9.83	676.29
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(2,200.77)	1,305.11	(2,091.31)	(1,605.27)
	d) Employee benefits expense	5,275.97	5,201.15	4,664.97	19,659.10
	e) Finance cost	400.30	100.78	146.29	455.76
	f) Depreciation and amortisation expenses	1,232.55	1,154.59	1,065.60	4,377.68
	g) Other expenses	4,015.67	5,283.05	3,174.29	21,379.55
	Total Expenses	17,344.42	18,694.85	14,431.09	73,644.64
3	Profit before share of profit of joint venture and associates, exceptional items and tax (1)- (2)	5,490.09	4,195.20	1,866.27	18,840.29
4	Share of Profit / (loss) of Joint venture and associates, net of tax	(62.20)	(38.01)	35.47	(35.09)
5	Profit before tax and exceptional items (3-4)	5,427.89	4,157.20	1,901.74	18,805.21
6	Exceptional items- (Income)/Expenses (pl refer note no.04)	(6,084.00)	-	-	-
7	Profit Before Tax (5+6)	11,511.89	4,157.20	1,901.74	18,805.21
8	Tax Expense	2,914.15	754.78	405.52	3,349.18
	-Current tax	2,093.48	1,122.04	685.23	3,987.24
	-Deferred tax (Net of MAT credit)	820.68	(367.26)	(279.71)	(638.06)
9	Profit for the Period / year before non-controlling interest (7)-(8)	8,597.74	3,402.42	1,496.22	15,456.03
10	Share of (loss)/profit attributable to non-controlling interest	(33.41)	(54.98)	(78.11)	(159.29)
11	Profit after taxes attributable to owners of the Parent Company for the period / year (9-10)	8,631.14	3,457.40	1,574.33	15,615.32
12	Other comprehensive income (OCI)				
	A. Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of the defined benefit liability/asset Gain/(Loss) (net of tax)	16.47	(109.38)	-	(109.38)
	B. Items that will be reclassified subsequently to profit or loss				
	Gain / (Loss) on derivative instrument (net of tax)	(19.18)	(24.79)	50.45	4.83
	Total other comprehensive income(net of tax)(A+B)	(2.72)	(134.17)	50.45	(104.55)
13	Total comprehensive income for the period / year (11)+(12)	8,628.43	3,323.23	1,624.78	15,510.77
14	Paid up equity share capital (par Value Rs.1/- each, fully paid)	815.27	815.27	815.27	815.27
15	Reserves i.e other equity				132,121.00
16	Earnings per equity share (par value Rs.1/- each)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)
	Basic (Rs.)	10.59	4.24	1.93	19.15
	Diluted (Rs.)	10.59	4.24	1.93	19.15

Notes:

- The above unaudited standalone and consolidated financial results for the quarter ended June 30, 2020 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 August 08, 2020. The above results have been subject to limited review by the statutory auditors of the Company. The reports of the statutory auditors are unqualified.
- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind-AS') notified 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 Pursuant to a fire incident on July 8, 2019 at Loba Feinchemie GmbH, Austria, Step down subsidiary , certain fixed assets, inventory and other contents in the factory were damaged. The company has lodged an "estimate of loss" with the insurance Company and the survey is currently ongoing. The Company has received the disbursement for business interruption and damages from the insurance company has presented an net amount of Rs 417.14 lakhs and Rs 1,125.75 Lakhs received during quarter ended June,30, 2020 and March ,31, 2020 respectively under other income in these financial results. The Company is in the process of determining its final claim for loss of fixed assets and has accordingly not recorded any further claim.
- 4 During the current quarter ended June 30,2020, the company disposed off its balance 26% shareholding in Raichem Medicare Private Limited ("RMPL") at a consideration of Rs. 6,084.00 Lakhs . Consequently, the company has recognised an exceptional gain of Rs.5,294.81 lakhs and Rs. 6,084.00 lakhs in the above standalone and consolidated results respectively and taxes on such gain is included within tax expense from continuing operations.
- 5 **Discontinued/Discountinuing Operations:**
Consequent to the approvals received from the Board of Directors on Feb 24, 2020 and from the shareholders on March 30, 2020, the Company has transferred the business undertaking related to Biological on a going concern basis by way of a slump sale to Shilpa Biologics Private Limited effective March 30, 2020, for a consideration of Rs 33,660.00 Lakhs. Gain on disposal of assets/liabilities amounting to Rs 3,685.03 Lakhs which is exceptional in nature has been disclosed under the discontinued operations in the quarter and previous year ended March 31, 2020.
- Accordingly, results of Biological unit for the year ended March 31, 2020 and comparatives for previous periods has been disclosed as discontinued operations in the standalone results.
The above slump sale of Biologics to Shilpa Biologics Private Limited did not have any material impact on the consolidated results.
- 6 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.
- 7 The figures for the quarters ended March 31, 2020 are the balancing figures between audited figures in respect to full financial years and the published unaudited year to date figures upto the year end of the third quarter of the previous financial year, which were subject to limited review.
- 8 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.
- The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions
- 9 Prior period/year figures have been reclassified wherever required to conform to the classification of the current period/year. Also refer note 4 above.

Date: 08.08.2020

Place: Raichur

For and on behalf of the Board of Directors


Vishnukant.C. Bhutada
Managing Director





CHARTERED ACCOUNTANTS

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

Independent Auditor's Review Report on Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

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 ended 30th June, 2020 (the "Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement is the responsibility of the Company's Management and approved by the Company's 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 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 Statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 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. 0005135



K. Shrawan
(K.SHRAVAN)

Partner

Membership No. 215798

UDIN: 20215798 AAAAC76978

Place : Hyderabad

Date : 08.08.2020



Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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 "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its share of the net loss after tax and total comprehensive loss of its associates and joint Ventures for the quarter ended 30th June, 2020 (the "Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 Statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the result of the following Subsidiaries/ Associates/Joint Ventures:
 - 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)
 - 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)
 - m. Sravathi Advance Process Technologies Private Limited (Joint Venture Company)
 - n. Shilpa Biologicals Private Limited (Wholly Owned Subsidiary Company)
 - o. Shilpa Albumin Private Limited (Wholly Owned Subsidiary Company)





Brahmayya & Co.,

CHARTERED ACCOUNTANTS

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

- p. Koanna Healthcare Canada Inc (Wholly owned subsidiary Company)
q. Shilpa Corporate Holdings Private Limited (Wholly owned subsidiary Company)
r. FTF Pharma Private Limited (Associate Company)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements of six subsidiary included in the consolidated unaudited financial results, whose interim financial statements reflects total revenue of Rs. 105.45 lakhs, total net loss after tax of Rs (384.18) lakhs and total comprehensive loss of Rs. (367.71) lakhs for the quarter ended 30th June 2020, as considered in the consolidated unaudited financial results. The statement also include the Group's share of net loss after tax of Rs. (62.20) lakhs and total comprehensive loss of Rs. (62.20) lakhs for the quarter ended 30th June 2020 as considered in the consolidated unaudited financial results, in respect of two joint ventures and two associates, whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Joint ventures is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matters.
7. The Statement includes the interim financial statements of seven subsidiaries which have not been reviewed, whose interim financial statements reflect total revenue of Rs. 1011.61 lakhs, total net loss after tax of Rs. (359.36) lakhs and total comprehensive loss of Rs. (359.36) lakhs for the quarter ended 30th June 2020, as considered in the consolidated unaudited financial results. The statement also include the Group's share of net profit after tax of Rs. NIL and total comprehensive income of Rs. NIL for the quarter ended 30th June 2020, as considered in the consolidated unaudited financial results, in respect of one associate, based on their interim financial statement which have not been reviewed. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

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



K. Shraavan

(K.SHRAVAN)

Partner

Membership No. 215798

UDIN: 20215798 AAAACZ 8551

Place : Hyderabad
Date : 08.08.2020