



Innovating for
affordable healthcare

Shilpa Medicare Limited

Shilpa House # 12-6-214/A1, Hyderabad Road,
RAICHUR - 584 135. Karnataka, India.

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

CIN No. L85110KA1987PLC008739

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

Dated 15th June, 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.

Dear Sir,

Sub: Outcome of Board Meeting held on 15th June, 2020.

**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 note that the Board of Directors of the Company, at its meeting held today, inter-alia, considered and approved the Audited Financial Results (Standalone and Consolidated) as per Indian Accounting Standards (Ind- AS) along with the Independent Auditor's Report thereon for the Quarter and Year ended 31st March, 2020. A copy of the said Audited Financial Results along with the Independent Auditor's Report thereon is enclosed herewith.

The meeting commenced at 14:30 hours and concluded at 18:15 Hours.

This is for your information and necessary records.

FOR SHILPA MEDICARE LIMITED,


V V Krishna Chaitanya
Company Secretary
M. No: A49415





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 AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

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

Sl. No.	Particulars	Quarter ended			Year ended	Previous year ended
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
	Continuing operations:					
1	Income					
	Revenue from operations	19,793.29	21,694.11	17,101.78	80,597.12	66,387.88
	a) Net Sales/Income from operations	18,739.69	18,551.15	15,284.29	71,628.93	63,361.07
	b) Service Income and License fees *	1,053.60	3,142.96	1,817.49	8,968.19	3,026.81
	Other Income	297.05	243.03	348.53	1,126.27	1,553.35
	Total Income	20,090.34	21,937.14	17,450.31	81,723.39	67,941.23
2	Expenses					
	a) Cost of material consumed	5,336.45	7,329.94	4,691.13	27,590.30	23,754.67
	b) Purchase of stock-in-trade	17.01	80.86	309.02	392.94	725.27
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	1,293.78	(1,596.80)	1,333.92	(1,426.46)	(992.39)
	d) Employee benefits expense	3,947.34	3,891.52	3,277.37	14,927.86	12,465.55
	e) Finance cost	128.98	109.35	100.45	432.89	279.38
	f) Depreciation and amortisation expenses	915.90	861.81	844.85	3,495.73	3,401.36
	g) Other expenses	4,270.97	4,254.78	3,257.72	14,621.95	11,580.27
	Total Expenses	15,910.43	14,931.46	13,814.45	60,035.22	51,214.11
3	Profit before tax and exceptional items (1-2)	4,179.90	7,005.68	3,635.86	21,688.17	16,727.12
4	Exceptional items- (Income)/Expenses (PI see # below)	454.20	-	797.62	454.20	622.46
5	Profit Before Tax from continuing operations (3+4)	3,725.70	7,005.68	2,838.24	21,233.97	17,349.58
6	Tax Expense of continuing operations	1,189.43	1,254.01	874.73	4,414.56	3,774.62
	-Current tax	712.21	1,225.30	965.55	3,909.38	4,050.31
	-Deferred tax (Net of MAT credit)	477.22	28.71	(90.83)	505.18	(275.69)
7	Profit for the Period/year from continuing operations (5-6)	2,536.27	5,751.67	1,963.51	16,819.41	13,574.96
	Discontinued operations:					
8	Profit/(loss) before tax for the period/year from discontinued operations (refer note 4)	3,304.77	(139.16)	(451.03)	2,164.83	(1789.63)
9	Tax (Expense)/credit of discontinued operations	(50.63)	48.62	157.59	387.58	625.30
10	Profit for the Period/year from discontinued operations (8-9)	3,254.14	(90.54)	(293.44)	2,552.41	(1164.33)
11	Net profit for the period/year (7+10)	5,790.41	5,661.13	1,670.07	19,371.83	12,410.63
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)	-	(4.43)	(124.99)	4.01
	B. Items that will be reclassified subsequently to profit or loss					
	Gain / (Loss) on derivative instrument (net)	(24.79)	(6.19)	(48.06)	4.83	41.96
	Total other comprehensive income (net of tax)(A+B)	(149.79)	(6.19)	(52.49)	(120.16)	45.97
13	Total comprehensive income for the period / year (11+12)	5,640.62	5,654.95	1,617.58	19,251.66	12,456.60
14	Paid up equity share capital (par Value Rs.1/- each, fully paid)	815.27	815.27	815.27	815.27	815.27
15	Reserves i.e Other equity				144,526.94	127,339.28
16	Earnings per equity share (par value Rs.1/- each)					
	Continuing operations:					
	Basic (Rs.)	3.11	7.05	2.41	20.63	16.65
	Diluted (Rs.)	3.11	7.05	2.41	20.63	16.65
	Discontinued operations:					
	Basic (Rs.)	3.99	(0.11)	(0.36)	3.13	(1.43)
	Diluted (Rs.)	3.99	(0.11)	(0.36)	3.13	(1.43)



* Service Income and License fees for the year ended March 31, 2020 includes an amount of Rs.3,525.00 Lakhs on account of sale of product licences

The above Exceptional Item Includes the followings:

- a) During the current quarter and year ended March 31,2020 an exceptional loss of Rs.454.15 Lakhs (Previous year Nil) is on account of provision for diminution in the value of investments by the Company in one of its foreign subsidiary (Makindus Inc.)
- b) During the previous year ended March 31,2019, exceptional gain of below items:
 - i) Rs.1,955.47 lakhs (net of related expenses) related to gain on sale of 24% investment in the equity shares of Raichem Medicare Private Limited (" RMPL") for the year ended March 31, 2019. The Company has entered into sale agreement to dispose off its balance equity shares. Accordingly the value of balance equity shares has been reclassified under " Asset held for sale".
 - ii) As part of treasury management, the Company has invested in Commercial paper of Infrastructure Leasing & Financial Services Limited (IL&FS) amounting to Rs. 1,437.38 lakhs which was due for redemption on January 02, 2019. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there is significant uncertainty on recovery of the entire amount, the management has made a provision of full amount Rs. 1,437.38 lakhs as at March 31, 2019 and Rs. 862.47 lakhs (i.e 60% of Investment) during quarter ended March, 31, 2019. The Company, however, continues to monitor developments on this matter and is committed to take steps including further legal actions that may be necessary to ensure full recoverability.
 - iii) Rs.559.60 Lakhs has been written-off on account of accrued dividend on Investment in preference shares of Raichem Medicare Private Limited as on March 31, 2019 due to accumulated losses in RMPL and uncertainty in receiving the payment from RMPL. The Company sold its investment of 1,85,00,000 number of redeemable preference shares of RMPL of face value of Rs.10/- each at a premium of Rs.3.35 each and recognised gain of Rs.619.87 lakhs and further recorded insurance gain of Rs 44.11 Lakhs

For and On behalf of

Shilpa Medicare Limited

Vishnukant C Bhutada

Managing Director (DIN: 01242391)



Shilpa Medicare Limited

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CIN No. - L85110KA1987PLC008739

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

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

Sl No.	Particulars	Quarter ended			Year ended	Previous year ended
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	Revenue from operations	21,999.10	23,685.40	19,951.82	90,790.98	73,338.77
	a) Net Sales/income from operations	20,546.72	20,542.44	18,134.33	77,203.62	70,147.08
	b) Service Income and License fees *	1,452.38	3,142.96	1,817.49	13,587.36	3,191.69
	Other Income	890.95	325.40	309.43	1,693.95	1,372.29
	Total Income	22,890.05	24,010.80	20,261.25	92,484.93	74,711.06
2	Expenses					
	a) Cost of material consumed	5,600.54	7,796.38	5,014.52	28,701.52	24,935.69
	b) Purchase of stock-in-trade	49.62	82.30	302.87	676.29	745.28
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	1,305.11	(1,503.33)	2,157.87	(1,605.27)	22.03
	d) Employee benefits expense	5,201.15	4,838.47	4,678.29	19,659.10	17,640.42
	e) Finance cost	100.78	126.94	140.51	455.76	367.56
	f) Depreciation and amortisation expenses	1,154.59	1,096.64	1,054.42	4,377.68	4,206.15
	g) Other expenses	5,283.05	5,097.14	4,057.80	21,379.55	14,411.75
	Total Expenses	18,694.85	17,534.54	17,406.28	73,644.64	62,328.89
3	Profit before share of profit of joint venture and associates, exceptional items and tax (1) - (2)	4,195.20	6,476.26	2,854.97	18,840.29	12,382.17
4	Share of Profit / (loss) of Joint venture and associates, net of tax	(38.01)	68.29	49.08	(35.09)	(801.70)
5	Profit before tax and exceptional items (3-4)	4,157.20	6,544.55	2,904.05	18,805.21	11,580.48
6	Exceptional items- (Income)/Expenses (pl see # # below)	-	-	45.70	-	(1,987.33)
7	Profit Before Tax (5+6)	4,157.20	6,544.55	2,858.35	18,805.21	13,567.80
8	Tax Expense	754.78	1,052.59	560.65	3,349.18	2,617.74
	-Current tax	1,122.04	1,201.43	872.77	3,987.24	3,789.51
	-Deferred tax (Net of MAT credit)	(367.26)	(148.84)	(312.12)	(638.06)	(1,171.78)
9	Profit for the Period / year before non-controlling interest (7)-(8)	3,402.42	5,491.96	2,297.70	15,456.03	10,950.06
10	Share of (loss)/profit attributable to non-controlling interest	(54.98)	(14.21)	(90.48)	(159.29)	(276.01)
11	Profit after taxes attributable to owners of the Parent Company for the period / year (9-10)	3,457.40	5,506.17	2,388.18	15,615.32	11,226.07
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)	(109.38)	-	(7.33)	(109.38)	1.11
	B. Items that will be reclassified subsequently to profit or loss					
	Gain / (Loss) on derivative instrument (net of tax)	(24.79)	(6.19)	(48.06)	4.83	41.96
	Total other comprehensive income (net of tax) (A+B)	(134.17)	(6.19)	(55.39)	(104.55)	43.07
13	Total comprehensive income for the period / year (11)+(12)	3,323.23	5,499.98	2,332.79	15,510.77	11,269.14
14	Paid up equity share capital (par Value Rs.1/- each, fully paid)	815.27	815.27	815.27	815.27	815.27
15	Reserves i.e other equity				132,121.00	118,943.06
16	Earnings per equity share (par value Rs.1/- each)					
	Basic (Rs.)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)
	Diluted (Rs.)	4.24	6.75	2.93	19.15	13.77

* Service Income and License fees for the year ended March 31, 2020 includes an amount of Rs. 7,256.75 Lakhs on account of sale of product licence and further other expenses includes an amount of Rs. 3,368.89 Lakhs related to the said licence fees

The above Exceptional Item includes the followings:

- a) During the previous year ended March 31, 2019, exceptional gain of below items:
- Rs.2,568.42 lakhs is recognized as gain on sale of 24% investment in Raichem Medicare Private Limited ("RMPL") during the year ended March 31, 2019 which is net of related expenses and includes additional gain of Rs. 612.95 Lakhs recognized due to diminishing in the value of equity investment against earlier year losses in previous period. The Company has entered into sale agreement to dispose off its balance equity shares. Accordingly the value of equity shares has been reclassified as " Asset held for sale" as per Ind-AS 105 and share in loss of RMPL has been considered under equity method upto quarter ended June 30, 2018.
 - As part of treasury management, the Company has invested in Commercial paper of Infrastructure Leasing & Financial Services Limited (IL&FS) amounting to Rs. 1,437.38 lakhs which was due for redemption on January 02, 2019. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there is significant uncertainty on recovery of the entire amount, the management has made a provision of full amount Rs. 1,437.38 lakhs as at March 31, 2019 and Rs. 862.47 lakhs (i.e 60% of Investment) during quarter ended March, 31, 2019. The Company, however, continues to monitor developments on this matter and is committed to take steps including further legal actions that may be necessary to ensure full recoverability.
 - During the year ended March 31, 2019 Rs.559.60 Lakhs has been written-off on account of accrued dividend on investment in preference shares in Raichem Medicare Private Limited ("RMPL") due to accumulated losses in RMPL and uncertainty in receiving the payment from RMPL. The Company sold its investment of 1,85,00,000 redeemable preference shares of RMPL during the year ended March 31, 2019 at a premium and recognised gain of Rs.1371.79 lakhs which is net of related expenses and includes an additional gain of Rs.751.92 Lakhs recognised due to diminishing in the value of preference share investment against earlier period losses.



Notes:

- 1 The above audited standalone and consolidated financial results for the quarter and year ended March 31, 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 Jun 15, 2020. The above results have been audited 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') 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 1,125.75 Lakhs under other income in these financial results. The company is in the process of determining it final claim for loss fixed assets and has accordingly not recorded any further claim.
- 4 Discontinued/Discontinuing 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 31, 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.

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.
- 5 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method with practical expedient. There is no impact on retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31 2019 have not been retrospectively adjusted. The effect of this adoption did not have a material impact on the results for the quarter and year ended March 31, 2020
- 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 and March 31, 2019 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 relevant 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.

For and On behalf of
Shilpa Medicare Limited



Vishnukant C Bhutada
Managing Director (DIN: 01243394)





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CIN No. - L85110KA1987PLC008739

Standalone Balance Sheet

(Rs. In Lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
	Audited	Audited
A ASSETS		
(1) NON- CURRENT ASSETS		
(a) Property , plant & equipment	47,831.47	46,048.92
(b) Capital work -in-progress	24,417.71	28,480.10
(c) Goodwill	0.00	2,653.06
(d) Right-of-use asset	2,207.88	0.00
(e) Intangible assets	1,660.80	2,381.55
(f) Intangible assets under development	12,862.89	11,641.39
(g) Financial assets		
i) Investments	9,348.41	8,904.11
ii) Loans	9,617.66	7,211.16
iii) Other financial assets	1,047.63	726.61
(h) Other non- current assets	2,364.68	6,739.97
Total non-current assets	111,359.13	114,786.86
(2) CURRENT ASSETS		
(a) Inventories	20,623.40	17,670.41
(b) Financial assets		
i) Investment	0.00	0.00
ii) Trade receivables	22,654.41	18,168.27
iii) Cash and cash equivalents	2,793.66	3,066.23
iv) Other bank balance	24.85	6,026.65
v) Loans	1.25	389.71
iv) Other financial assets	35,757.26	1,641.09
(c) Other current assets	7,261.28	3,838.50
(d) Current tax assets (net)	864.02	451.59
(e) Assets classified as held for sale	789.19	789.19
Total current assets	90,769.33	52,041.66
TOTAL ASSETS	202,128.46	166,828.52
B EQUITY AND LIABILITIES		
(1) EQUITY		
(a) Equity share capital	815.27	815.27
(b) Other equity	144,526.94	127,339.28
Total equity	145,342.21	128,154.55
LIABILITIES		
(2) NON- CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	16,448.35	8,109.56
(b) Provisions	872.49	535.80
(c) Deferred tax liabilities (net)	3,038.84	5,600.16
(d) Other non-current liabilities	440.41	1,469.69
Total non-current liabilities	20,800.09	15,715.21
(3) CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	15,640.10	7,871.60
ii) Trade payables		
-Total outstanding dues of Micro Enterprises and Small Enterprises	547.98	829.87
-Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,115.47	6,307.08
iii) Other financial liabilities	10,112.07	6,377.88
(b) Other current liabilities	1,873.39	1,275.01
(c) Provisions	697.14	297.33
Total current liabilities	35,986.16	22,958.76
TOTAL EQUITY & LIABILITIES	202,128.46	166,828.52





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Consolidated Balance Sheet

(Rs. In Lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
	Audited	Audited
A ASSETS		
(1) NON- CURRENT ASSETS		
(a) Property , plant & equipment.	55,737.28	49,450.48
(b) Capital work -in-progress	48,208.23	30,446.01
(c) Goodwill	3,700.08	3,675.26
(d) Right-of-use asset	2,639.19	0.00
(e) Intangible assets	3,232.66	2,840.97
(f) Intangible assets under development	18,152.28	12,300.00
(g) Financial assets		
i) Investments	1,045.11	225.45
ii) Loans	(0.00)	0.00
iii) Others financial assets	1,147.37	803.58
(h) Other non- current assets	2,672.83	6,754.72
Total non-current assets	136,535.04	106,496.48
(2) CURRENT ASSETS		
(a) Inventories	22,643.36	18,766.94
(b) Financial assets		
i) Investment	0.00	0.12
ii) Trade receivables	24,372.12	20,372.82
iii) Cash and cash equivalents	4,431.43	3,427.15
iv) Other bank balance	24.85	6,026.65
v) Loans	(0.00)	62.76
vi) Other financials assets	644.79	962.48
(c) Other current assets	9,337.17	4,495.16
(d) Current tax assets (net)	624.17	391.79
Total current assets	62,077.89	54,505.87
TOTAL ASSETS	198,612.93	161,002.35
B EQUITY AND LIABILITIES		
(1) EQUITY		
(a) Equity share capital	815.27	815.27
(b) Other equity	132,121.00	118,943.06
Equity attributable to owners of the Company	132,936.27	119,758.32
(c) Non-controlling interest	(791.13)	(761.94)
Total equity	132,145.14	118,996.38
LIABILITIES		
(2) NON- CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	16,501.84	8,109.56
(b) Provisions	2,616.88	2,177.16
(c) Deferred tax liabilities (net)	4,198.46	4,767.32
(d) Other non-current liabilities	2,376.38	1,607.66
Total non-current liabilities	25,693.56	16,661.70
(3) CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	16,527.34	8,657.99
ii) Trade payables		
-Total outstanding dues of Micro Enterprises and Small Enterprises	1,076.78	832.57
-Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,869.12	7,239.73
iii) Other financial liabilities	11,977.92	6,656.63
(b) Other current liabilities	2,233.45	1,505.27
(c) Provisions	1,089.63	452.06
Total current liabilities	40,774.23	25,344.26
TOTAL EQUITY & LIABILITIES	198,612.93	161,002.35





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CIN No. - L85110KA1987PLC008739

STANDALONE STATEMENT OF CASH FLOWS

(Rs. In Lakhs)

Particulars	Year Ended	Year Ended
	31.03.2020	31.03.2019
	(Audited)	(Audited)
A. Cash Flow From Operating Activities		
Profit/ (Loss) before tax from		
-Continuing Operations	21,237.99	17,349.58
- Discontinued Operations	2,164.83	(1,789.63)
Adjustments for:		
Depreciation and amortization expense	3,846.33	3,716.91
Interest income	(701.80)	(842.57)
Liabilities/ Provision Written back	(31.94)	(21.94)
Finance Cost	437.43	289.33
Dividend Income	(263.50)	(282.91)
Gain on Investment in Mutual Fund	0.00	(336.16)
(Profit)/Loss on sale of Asset	5.63	39.65
Advances Written off	0.00	52.53
Bad Debts Written Off	13.73	280.04
Provision for gratuity and compensated absence	271.02	220.21
Corporate Guarantee Fees	(6.02)	(10.49)
Capital Subsidy(Grants)	(20.70)	(26.04)
Unrealised foreign exchange (gain)/loss	(858.43)	77.53
Gain on Disposal of Discontinued Operation (Refer Note)	(3,685.04)	0.00
Net gain recognized on sale of stake in Associate Company	0.00	(2,575.34)
Preference Dividend written off	0.00	559.59
Provision for Diminution in the value of Investment- Exceptional	454.20	1,437.39
Operating Profit before working capital Changes	22,863.73	18,137.68
Movement In Working Capital		
Decrease/(increase) in inventories	(3,522.32)	(898.57)
Decrease/(increase) in trade receivables	(3,741.35)	3,394.42
Increase / (decrease) Trade payables	378.88	(1,511.53)
Decrease / (Increase) in Financial and non financial assets	(3,693.09)	379.98
Increase / (decrease) in financial Liabilities and other liabilities	4,779.00	458.89
Cash Generated from Operations	17,064.84	19,960.86
Taxes Paid	4,085.44	3,545.15
Net Cash flow from Operating Activities (A)	12,979.40	16,415.71
Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets	(7,996.81)	(7,420.32)
Expenditure on CWIP	(25,624.03)	(20,022.27)
Proceeds from sale of assets	254.87	233.16
Loan Given to Subsidiaries and Others	(2,259.96)	(4,747.95)
Recovery of Loans from Subsidiaries and Others	513.29	1,056.16
Proceeds from sale of Current Investments	0.00	10,853.05
Purchase of Investments	(898.50)	(1,021.65)
Proceeds from sale of stake in Associate Company	0.00	5,038.29
Movement in other bank balances	6,003.56	(6,003.56)
Interest Received	499.39	545.50
Dividend Received	0.40	18.62
Net cash flow generated/(used) from Investing activities (B)	(29,507.80)	(21,470.99)
Cash flows from financing activities		
Proceeds from/(repayment of) long-term loans and borrowings, net	11,714.74	(7,101.45)
Proceeds from/(repayment of) short-term loans and borrowings, net	7,768.50	7,131.40
Payment of Lease Liabilities	(13.31)	0.00
Proceeds from Government Grant/Capital subsidy	0.00	1,100.00
Dividend paid including DDT	(2,063.98)	0.00
Interest paid	(395.50)	(313.06)
Net cash from/(used in) financing activities (C)	17,010.44	816.89
Net increase in cash and cash equivalents (A+B+C)	482.04	(4,238.39)
Cash and cash equivalents at the beginning of the period/year	3,076.04	7,314.43
Cash balance transferred to Discontinued operations	(739.56)	0.00
Cash and cash equivalents at the end of the year	2,818.52	3,076.04
Component of Cash and Cash Equivalent	2,818.52	3,076.04
Cash in Hand	22.80	13.80
In current Account	2,770.87	3,052.44
Unpaid dividend account	24.85	23.09
Books Over draft	0.00	(13.28)





Innovating for
affordable healthcare

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Particulars	(Rs. In Lakhs)	
	Year Ended 31.03.2020	Year Ended 31.03.2019
	(Audited)	(Audited)
A. Cash Flow From Operating Activities		
Profit before tax	18,805.21	13,567.80
Adjustments for:		
Depreciation and amortization expense	4,377.68	4,206.15
Interest income	(149.57)	(562.64)
Liabilities/ Provision Written back	(158.49)	(137.24)
Finance Cost	455.76	367.56
Dividend Income	-	(19.40)
Gain on Investment in Mutual Fund	-	(336.16)
(Profit)/Loss on sale of Asset	(1.37)	45.66
Share of (profit)/loss of associates and joint ventures	35.09	801.70
Bad Debts/ Advances written off	32.81	385.62
Unrealised foreign exchange (gain)/loss	(387.00)	75.25
Net gain recognized on sale of stake in Associate Company	-	(3,940.21)
Preference Dividend written off	-	559.59
Provision for Diminution in the value of Investment	-	1,437.39
Corporate Guarantee fees	(6.02)	(10.49)
Government Grant	(31.68)	(27.37)
Operating Profit before working capital Changes	22,972.42	16,413.21
Movement in Working Capital	-	-
Decrease/(increase) in inventories	(4,116.07)	103.68
Decrease/(increase) in trade receivables	(3,256.68)	1,351.14
Increase / (decrease) Trade payables	540.81	(2,054.89)
Decrease / (Increase) in Financial and non financial assets	(994.75)	274.66
Increase / (decrease) in financial Liabilities and other liabilities	1,446.40	2,196.88
Cash Generated from Operations	16,592.12	18,284.68
Taxes Paid	4,219.63	3,606.73
Net Cash flow from Operating Activities (A)	12,372.49	14,677.96
Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets	(11,553.13)	(8,070.46)
Expenditure on CWIP	(23,374.84)	(21,927.02)
Proceeds from sale of assets	473.50	258.13
(Increase)/ Decrease in Investment	(896.50)	10,472.58
Movement in other bank balances	6,003.56	(6,003.56)
Proceeds from sale of stake in Associate	-	5,372.44
Interest Received	462.73	265.24
Dividend Received	-	16.29
Net cash flow (used in) investing activities (B)	(28,884.68)	(19,616.37)
Cash flows from financing activities		
Proceeds from/(repayment of) long-term loans and borrowings, net	8,167.20	(6,834.15)
Proceeds from/(repayment of) short-term loans and borrowings, net	11,191.80	7,131.40
Proceeds from Government Grant/Capital subsidy	695.00	1,100.00
Payment of lease liabilities	(13.31)	-
Dividend paid including DDT	(2,063.98)	-
Interest paid	(426.47)	(391.29)
Net cash (used in) financing activities (C)	17,550.24	1,005.96
Net increase in cash and cash equivalents (A+B+C)	1,038.05	(3,932.45)
Effect of exchange rate changes on cash and cash equivalents	(17.87)	(14.22)
Cash and cash equivalents at the beginning of the period/year	3,436.11	7,382.79
Cash and cash equivalents at the end of the year	4,456.29	3,436.11
Component of Cash and Cash Equivalent	4,456.29	3,436.11
Cash in Hand	24.79	18.55
In current Account	4,406.64	3,408.60
Unpaid dividend account	24.85	23.09
Books Over draft	-	(14.13)





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

To
Board of Directors of **SHILPA MEDICARE LIMITED.**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **SHILPA MEDICARE LIMITED** (the "Company") for the quarter and the year ended March 31, 2020 ("Statement"), attached herewith, 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").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive loss and other financial information for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement that give a true and fair view of the net profit and other comprehensive loss and





CHARTERED ACCOUNTANTS

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

other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Place : Hyderabad
Date : 15.06.2020

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



K. Shrawan
(K.SHRAVAN)
Partner

Membership No. 215798

UDIN: 20215798AAAACA5309



CHARTERED ACCOUNTANTS

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

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

To
Board of Directors of **SHILPA MEDICARE LIMITED**.

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of **SHILPA MEDICARE LIMITED** ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, 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 ("Listing Regulations").

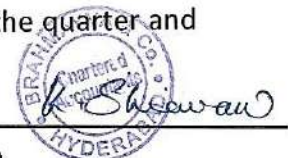
In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, associates and joint ventures, the Statement:

a. include the annual financial results of the following entities:

1. Koanaa Healthcare Limited, UK (Wholly owned subsidiary Company)
2. Koanaa Healthcare Limited, Austria (Wholly owned subsidiary Company)
3. Zatortia Holdings Limited (Wholly Owned Subsidiary Company)
4. Shilpa Therapeutics Private Limited (Wholly Owned Subsidiary Company)
5. INM Technologies Private Limited (Subsidiary Company)
6. INM Nuvent Paints Private Limited (Step down Subsidiary Company)
7. Loba Feinchemie, GmbH (Step down Subsidiary Company)
8. Makindus, Inc (Subsidiary Company)
9. MAIA Pharmaceuticals, Inc (Associate Company)
10. Reva Medicare Private Limited (Joint Venture Company)
11. Reva Pharmachem Private Limited (Associate Company)
12. Shilpa Pharma Inc (Wholly owned subsidiary Company)
13. Sravathi Advance Process Technologies Private Limited (Joint Venture Company)
14. Shilpa Biologicals Private Limited (Wholly Owned Subsidiary Company)
15. Shilpa Albumin Private Limited (Wholly Owned Subsidiary Company)

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2020.





Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, its associates and joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group including its associates and joint ventures in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group, its associates and joint ventures are responsible for assessing the ability of the Group, its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group, its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group, its associates and joint ventures.





Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the



Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) and (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CTR/CFD/CMD 1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

- a) The Statement includes the audited financial results of Six subsidiaries, whose financial statements /results reflect Group's share of total assets of Rs. 47533.43 lakhs as at 31 March 2020, Group's share of total revenue of Rs. 625.63 lakhs and Rs. 1336.59 lakhs, Group's share of total net (loss) after tax of Rs. 711.66 lakhs and Rs. (422.04) lakhs for the quarter and year ended on that date respectively, and Group's share of net cash inflows of Rs. 633.49 lakhs for the year ended on that date, as considered in the Statement, which have been audited by their respective independent auditors. The Statement also include the Group's share of net profit after tax of Rs. 12.29 lakhs for the year ended 31 March 2020, in respect of one associate and two joint ventures, whose financial statements/financial information have been audited by their respective independent auditors. The independent auditors' reports on financial statements and on the financial information of these entities have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- b) The Statement include the unaudited financial results of Four subsidiaries, whose financial statements/results reflect Group's share of total assets of Rs. 8266.96 lakhs as at 31 March 2020, Group's share of total revenue of Rs. 2564.47 lakhs and Rs. 6839.20 lakhs, Group's share of total net (loss) after tax of Rs. 296.85 lakhs and Rs. (213.86) lakhs for the quarter and year ended on that date respectively, and Group's share of net cash inflows of Rs 655.60 lakhs for the year ended on that date, as considered in the Statement. The Statement also include the Group's share of net loss after tax of Rs. (47.37) lakhs for the



Brahmayya & Co.,

CHARTERED ACCOUNTANTS

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

year ended March 31, 2020, in respect of one associate, whose financial statements and other financial information have not been audited by us. These unaudited financial statements and other financial information have been furnished to us by the Board of Directors and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, is based solely on such unaudited financial statements and financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements and financial information are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results / financial information certified by the Board of Directors.

c) The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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



K. Shrawan
(K.SHRAVAN)

Partner

Membership No. 215798

Place : Hyderabad
Date : 15.06.2020

UDIN: 20215798AAAACB5354