



Innovating for
affordable healthcare

Shilpa Medicare Limited

Manufacturers and Exporters of Bulk Drugs

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

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

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

GST NO : 29AADCS8788F1Z0

CIN No. L85110KA1987PLC008739

Date: 13.08.2019

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

To
National stock exchange India Limited,
Exchange Plaza,
Plot No. C/1, G block
Bandra Kurla Complex,
Mumbai - 400051

Dear Sir,

Sub: Reg 30: Outcome of Board meeting- Reg.

Reg: Financial results- Reg

Ref: Regulation 30 of SEBI (LODR) regulations, 2015:

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

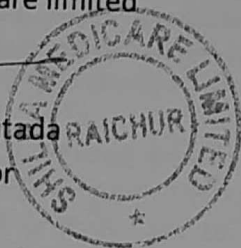
With reference to the captioned subject please be noted that the board of directors meeting of Shilpa Medicare Limited was held on 13.08.2019, which commenced at 11:00 A.M and concluded at 3 P.M to inter alia resolve the following:

1. Adopt and approve the un-audited Standalone and consolidated financial statements for the quarter ended 30th June, 2019.
2. Take note of the Limited Review report for the quarter ended 30th June, 2019.

This is for your information and necessary records.

For Shilpa Medicare limited

Vishnukant C Bhutada
Managing Director
DIN: 01243391





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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 ENDED JUNE 30, 2019

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

Sl. No.	Particulars	Quarter ended		Year Ended	
		30.06.2019 (Unaudited)	31.03.2019 (Audited)	30.06.2018 (Unaudited)	31.03.2019 (Audited)
1	Income				
	Revenue from operations	15,457.67	17,101.78	18,017.63	66,387.88
	Other Income	345.66	355.81	395.98	1,578.98
	Total Income	15,803.33	17,457.59	18,413.61	67,966.86
2	Expenses				
	a) Cost of material consumed	6,916.94	4,691.13	7,834.90	23,754.67
	b) Purchase of stock-in-trade	9.71	309.01	126.09	725.26
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(1,658.06)	1,333.92	(1,582.41)	(992.38)
	d) Employee benefits expense	3,789.65	3,564.69	3,148.21	13,622.34
	e) Finance cost	131.66	109.67	51.53	289.32
	f) Depreciation and amortisation expenses	945.70	921.45	912.11	3,716.91
	g) Other expenses	2,498.07	3,342.89	2,733.21	11,913.25
	Total Expenses	12,633.67	14,272.76	13,223.64	53,029.37
3	Profit before tax and exceptional items (1)-(2)	3,169.66	3,184.83	5,189.97	14,937.49
4	Exceptional items- (Income)/Expenses (Pl see # below)	-	797.62	-	(622.46)
5	Profit Before Tax (3+4)	3,169.66	2,387.21	5,189.97	15,559.95
6	Tax Expense	559.28	717.13	919.42	3,149.32
	-Current tax	684.59	868.40	1,229.69	3,664.82
	-Deferred tax (Net of MAT credit)	(125.31)	(151.27)	(310.27)	(515.50)
7	Profit for the Period (5)-(6)	2,610.38	1,670.08	4,270.55	12,410.63
8	Other comprehensive income (OCI)				
	A. Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of the defined benefit (liability)/asset	0.00	(4.43)	4.22	4.01
	B. Items that will be reclassified subsequently to profit or loss				
	Gain / (Loss) on derivative instrument (net)	50.45	(48.06)	118.89	41.96
	Total other comprehensive income (net of tax)(A+B)	50.45	(52.49)	123.11	45.97
9	Total comprehensive income for the period / year (7)+(8)	2,660.83	1,617.59	4,393.66	12,456.60
10	Paid up equity share capital (par Value Rs.1/- each, fully paid)	815.27	815.27	815.27	815.27
11	Reserves i.e Other equity				127,339.28
12	Earnings per equity share (par value Rs.1/- each)				
	Basic (Rs.)	3.20	2.05	5.24	15.22
	Diluted (Rs.)	3.20	2.05	5.24	15.22

The above Exceptional Item includes the followings:

- 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" - Earlier classified as "Joint Venture") for the year ended March 31, 2019. The Company has entered into sale agreement to dispose off its balance equity shares by end of Q2 of FY19-20. Accordingly the value of equity shares has been reclassified under " Asset classified as held for sale".
- 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. 862.37 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.
- Rs.559.60 Lakhs has been written-off on account of accrued dividend on Investment in preference shares of Raichem Medicare Private Limited ("RMPL" - Earlier classified as "Joint Venture") 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.

For and on behalf of the Board of Directors

Vishnukant.C. Bhutada
Managing Director

Date: 13.08.2019
Place: Hyderabad



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CIN No. - L85110KA1987PLC008739

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

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

Sl No.	Particulars	Quarter ended			Year Ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	16,099.11	19,951.82	19,816.54	73,338.77
	Other Income	198.26	309.43	435.89	1,373.74
	Total Income	16,297.37	20,261.25	20,252.43	74,712.51
2	Expenses				
	a) Cost of material consumed	7,461.42	5,014.52	8,136.01	24,911.84
	b) Purchase of stock-in-trade	9.82	302.87	123.78	723.44
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(2,091.31)	2,157.87	(1,207.74)	22.03
	d) Employee benefits expense	4,664.98	4,678.29	4,047.69	17,640.42
	e) Finance cost	146.29	140.51	57.87	367.56
	f) Depreciation and amortisation expenses	1,065.60	1,054.42	1,025.92	4,206.15
	g) Other expenses	3,174.29	4,057.80	3,244.43	14,458.88
	Total Expenses	14,431.09	17,406.28	15,427.96	62,330.33
3	Profit before share of profit of joint venture and associates, exceptional items and tax (1)- (2)	1,866.28	2,854.97	4,824.47	12,382.18
4	Share of Profit / (loss) of Joint venture and associates, net of tax	35.47	49.08	(545.81)	(801.70)
5	Profit before tax and exceptional items (3-4)	1,901.75	2,904.06	4,278.66	11,580.49
6	Exceptional items- (Income)/Expenses(pl see # # below)	-	45.70	-	(1,987.32)
7	Profit Before Tax (5+6)	1,901.75	2,858.36	4,278.66	13,567.81
8	Tax Expense	405.52	560.65	963.88	2,617.63
	-Current tax	685.22	872.77	1,232.15	3,789.51
	-Deferred tax (Net of MAT credit)	(279.70)	(312.12)	(268.27)	(1,171.88)
9	Profit for the Period / year before non-controlling interest (7)-(8)	1,496.23	2,297.71	3,314.78	10,950.18
10	Share of (loss)/profit attributable to non-controlling interest	(78.11)	(90.48)	(49.26)	(276.00)
11	Profit after taxes attributable to owners of the Parent Company for the period / year (9-10)	1,574.34	2,388.19	3,364.04	11,226.18
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)	0.00	(7.33)	4.22	1.11
	B. Items that will be reclassified subsequently to profit or loss				
	Gain / (Loss) on derivative instrument (net of tax)	50.45	(48.06)	118.89	41.96
	Total other comprehensive income(net of tax)(A+B)	50.45	(55.39)	123.11	43.07
13	Total comprehensive income for the period / year (11)+(12)	1,624.79	2,332.80	3,487.15	11,269.25
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				118,943.06
16	Earnings per equity share (par value Rs.1/- each)				
	Basic (Rs.)	1.93	2.93	4.13	13.77
	Diluted (Rs.)	1.93	2.93	4.13	13.77

The above Exceptional Item includes the followings:

- Rs.2,568.42 lakhs is recognized as gain on sale of 24% investment in Raichem Medicare Private Limited ("RMPL" – earlier classified as Joint Venture) as at 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 by end of Q2 FY19-20. Accordingly, the value of equity shares has been reclassified as " Asset classified as 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 (Rs. 862.37 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.
- Rs.559.60 Lakhs which has been written-off on account of accrued dividend on investment in preference shares in Raichem Medicare Private Limited ("RMPL" – earlier classified as Joint Venture) 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 redeemable preference shares of RMPL 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 unaudited standalone and consolidated financial results for the quarter ended June 30, 2019 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 13, 2019.
- 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 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 31 March 2019 have not been retrospectively adjusted. The effect of this adoption did not have a material impact on the results for the quarter ended June 30, 2019
- 4 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.
- 5 The results for the quarter ended June 30,2019 presented were subjected to a " Limited review" by the Statutory Auditors of the Company. An unqualified report was issued by them thereon.
- 6 The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures up to the third quarter ended December 31, 2018.
- 7 Figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.

For and on behalf of the Board of Directors

Date: 13.08.2019
Place: Hyderabad


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 ended 30th June, 2019 (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.

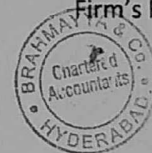
This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the 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.

Place : Hyderabad
Date : 13.08.2019

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



K. Shrawan
(K.SHRAVAN)
Partner

Membership No. 215798
UDIN: 19215798 AAAABC 9685



CHARTERED ACCOUNTANTS

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

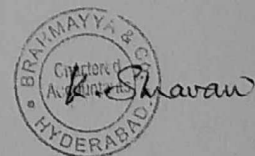
Limited Review Report – Consolidated Financial Results

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 Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as ‘the Group’), and its share of the net profit after tax and total comprehensive income of its associates and joint Venture for the quarter ended 30th June, 2019 (the “statement”), being submitted by the parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement is the responsibility of the Parent’s Management and has been approved by the Parent’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 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. A review of interim financial information consists of making inquiries, primarily of persons 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. 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)
 - 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 (Subsidiary Company)





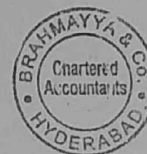
Brahmayya & Co.,

CHARTERED ACCOUNTANTS

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

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 and other accounting principles generally accepted in India, 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 amended, 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 four subsidiary included in the consolidated unaudited financial results, whose interim financial statements reflects total revenue of Rs. 88.79 lakhs, total net loss after tax of Rs (477.99) lakhs and total comprehensive loss of Rs. (477.99) lakhs for the quarter ended 30 June 2019, as considered in the consolidated unaudited financial results. The statement also include the Group's share of net profit after tax of Rs. 3.40 lakhs and total comprehensive income of Rs. 3.40 lakhs for the quarter ended 30th June 2019 as considered in the consolidated unaudited financial results, in respect of one joint venture and one associate, 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, associate and Joint venture 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 six subsidiaries which have not been reviewed, whose interim financial statements reflect total revenue of Rs. 619.10 lakhs, total net loss after tax of Rs. (626.10) lakhs and total comprehensive income of Rs. (626.10) lakhs for the quarter ended 30 June 2019, as considered in the consolidated unaudited financial results. The statement also include the Group's share of net profit after tax of Rs. 32.06 lakhs and total comprehensive income of Rs. 32.06 lakhs for the quarter ended 30 June 2019, 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. Shrawan
(K.SHRAVAN)

Partner

Membership No. 215798

UDIN: 19215798AAAABD6262

Place : Hyderabad

Date : 13.08.2019