



Innovating for  
affordable healthcare

# Shilpa Medicare Limited

**Manufacturers and Exporters of Bulk Drugs**

10/80, Rajendra Gunj, RAICHUR - 584 102. (INDIA)

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

CIN No. L85110KA1987PLC008739

SML/891/2015-16

Dated 12<sup>th</sup> February, 2016

To,  
The Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
**Mumbai - 400 051**

Dear Sir/Madam,

**Sub: SUBMISSION OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD  
ENDED 31<sup>st</sup> DECEMBER, 2015.**

**Ref: Scrip Symbol: SHILPAMED**

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Please find attached the stand-alone and consolidated Un-audited Financial Results for the quarter and period ended 31<sup>st</sup> December, 2015 along with the Limited Review Report of the Statutory Auditors.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For **SHILPA MEDICARE LIMITED**

**VISHNUKANT C BHUTADA  
MANAGING DIRECTOR**

Encl:a.a



# SHILPA MEDICARE LIMITED

CIN:L85110KA1987PLC008739

Regd. Office: # 10/80, First Floor, Rajendra Gunj, Raichur-584102(Karnataka)

UNAUDITED FINANCIAL RESULTS FOR THIRD QUARTER AND NINE MONTHS ENDED 31ST DECEMBER-2015

(Rs in Lacs)

|       | Particulars                                                                                                       | Quarter Ended- Unaudited |                 |                 |                 |                 |                 | Nine Months Ended - Unaudited |                 |                 |                 | Year Ended - Audited |                 |
|-------|-------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|       |                                                                                                                   | Standalone               |                 |                 | Consolidated    |                 |                 | Standalone                    |                 | Consolidated    |                 | Standalone           | Consolidated    |
|       |                                                                                                                   | 31.12.15                 | 30.09.15        | 31.12.14        | 31.12.15        | 30.09.15        | 31.12.14        | 31.12.15                      | 31.12.14        | 31.12.15        | 31.12.14        |                      |                 |
| 1     | <b>Income from operations</b>                                                                                     |                          |                 |                 |                 |                 |                 |                               |                 |                 |                 |                      |                 |
|       | (a) Net sales/income from operations (Net of Excise Duty)                                                         | 18895.91                 | 16342.18        | 14521.81        | 19824.03        | 17324.80        | 15450.21        | 49623.76                      | 41529.90        | 51999.30        | 44706.65        | 56540.21             | 61379.91        |
|       | <b>Total income from operations (net)</b>                                                                         | <b>18895.91</b>          | <b>16342.18</b> | <b>14521.81</b> | <b>19824.03</b> | <b>17324.80</b> | <b>15450.21</b> | <b>49623.76</b>               | <b>41529.90</b> | <b>51999.30</b> | <b>44706.65</b> | <b>56540.21</b>      | <b>61379.91</b> |
| 2     | <b>Expenses</b>                                                                                                   |                          |                 |                 |                 |                 |                 |                               |                 |                 |                 |                      |                 |
|       | (a) Cost of materials consumed                                                                                    | 9530.05                  | 8069.46         | 9857.46         | 9681.02         | 8282.81         | 10052.30        | 27809.30                      | 24261.30        | 28288.48        | 25084.72        | 30786.61             | 31902.43        |
|       | (b) Purchases of stock-in-trade                                                                                   | 242.19                   | 42.38           | 101.53          | 242.19          | 42.38           | 101.53          | 313.31                        | 397.26          | 313.31          | 397.26          | 606.83               | 606.83          |
|       | (c) Changes in inventories of finished goods, WIP, Stock in Trade                                                 | 929.05                   | 516.91          | -1930.28        | 993.35          | 425.93          | -1988.35        | - 844.84                      | -967.98         | -931.20         | -1006.89        | (311.15)             | (39.38)         |
|       | (d) Employee benefits expense                                                                                     | 1878.28                  | 1604.52         | 1345.10         | 2522.26         | 2184.88         | 1952.40         | 4989.29                       | 3779.08         | 6776.02         | 5750.71         | 5648.85              | 8230.11         |
|       | (e) Depreciation and amortisation expense                                                                         | 550.06                   | 542.65          | 480.69          | 844.54          | 647.64          | 537.10          | 1577.18                       | 1425.01         | 2024.71         | 1600.72         | 1908.50              | 2141.17         |
|       | (f) Other expenses                                                                                                | 1996.67                  | 2071.57         | 1567.51         | 2496.50         | 2643.15         | 1966.63         | 5729.01                       | 4259.36         | 7095.04         | 5394.65         | 6156.29              | 7816.38         |
|       | <b>Total Expense</b>                                                                                              | <b>15126.31</b>          | <b>12847.48</b> | <b>11422.01</b> | <b>16779.87</b> | <b>14226.78</b> | <b>12621.61</b> | <b>39573.24</b>               | <b>33154.03</b> | <b>43566.36</b> | <b>37221.17</b> | <b>44795.93</b>      | <b>50657.54</b> |
| 3     | <b>Profit/(Loss) from Operations before Other Income, Finance Costs &amp; exceptional items (1-2)</b>             | <b>3769.61</b>           | <b>3494.70</b>  | <b>3099.80</b>  | <b>3044.16</b>  | <b>3098.01</b>  | <b>2828.60</b>  | <b>10050.51</b>               | <b>8375.87</b>  | <b>8432.94</b>  | <b>7485.48</b>  | <b>11744.28</b>      | <b>10722.37</b> |
| 4     | <b>Other Income</b>                                                                                               | 225.07                   | 219.39          | 80.59           | 251.16          | 178.58          | 81.10           | 520.18                        | 435.94          | 448.23          | 399.55          | 545.34               | 479.89          |
| 5     | <b>Profit/(Loss) from Ordinary activities before finance cost &amp; exceptional items (3+/-4)</b>                 | <b>3994.68</b>           | <b>3714.10</b>  | <b>3180.39</b>  | <b>3295.32</b>  | <b>3276.59</b>  | <b>2909.70</b>  | <b>10570.69</b>               | <b>8811.81</b>  | <b>8881.17</b>  | <b>7885.03</b>  | <b>12289.62</b>      | <b>11202.26</b> |
| 6     | <b>Finance costs</b>                                                                                              | 82.62                    | 93.10           | 96.37           | 233.00          | 150.01          | 103.25          | 256.46                        | 296.37          | 465.02          | 309.57          | 387.98               | 405.02          |
| 7     | <b>Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5 +/- 6)</b>           | <b>3912.05</b>           | <b>3621.00</b>  | <b>3084.02</b>  | <b>3062.32</b>  | <b>3126.58</b>  | <b>2806.45</b>  | <b>10314.23</b>               | <b>8515.44</b>  | <b>8416.15</b>  | <b>7575.46</b>  | <b>11901.64</b>      | <b>10797.24</b> |
| 8     | <b>Exceptional items*</b>                                                                                         | 0.00                     | 241.96          | 0.00            | 0.00            | 241.96          | 0.00            | 241.96                        | 0.00            | 241.96          | 0.00            | 0.00                 | 0.00            |
| 9     | <b>Profit/(Loss) from Ordinary Activities before tax (7 +/- 8)</b>                                                | <b>3912.05</b>           | <b>3379.04</b>  | <b>3084.02</b>  | <b>3062.32</b>  | <b>2884.63</b>  | <b>2806.45</b>  | <b>10072.27</b>               | <b>8515.44</b>  | <b>8174.19</b>  | <b>7575.46</b>  | <b>11901.64</b>      | <b>10797.24</b> |
| 10    | <b>Tax expense</b>                                                                                                | 699.93                   | 966.23          | 1132.37         | 574.82          | 882.07          | 1125.42         | 2319.36                       | 2451.58         | 2107.92         | 2494.95         | 3483.53              | 3521.58         |
| 11    | <b>Net Profit/(Loss) from ordinary activities after tax (9 +/-10 )</b>                                            | <b>3212.12</b>           | <b>2412.81</b>  | <b>1951.65</b>  | <b>2487.50</b>  | <b>2002.56</b>  | <b>1681.03</b>  | <b>7752.91</b>                | <b>6063.86</b>  | <b>6066.28</b>  | <b>5080.51</b>  | <b>8418.11</b>       | <b>7275.66</b>  |
| 12    | <b>Extraordinary Items Income / (Expenses )</b>                                                                   | 0.00                     | 0.00            | 0.00            | 0.00            | 0.10            | 0.04            | 0.00                          | 0.00            | 0.10            | -4.92           | 0.00                 | (4.83)          |
| 13    | <b>Net Profit/(Loss) for the period (11+12)</b>                                                                   | <b>3212.12</b>           | <b>2412.81</b>  | <b>1951.65</b>  | <b>2487.50</b>  | <b>2002.66</b>  | <b>1681.07</b>  | <b>7752.91</b>                | <b>6063.86</b>  | <b>6066.38</b>  | <b>5075.59</b>  | <b>8418.11</b>       | <b>7270.82</b>  |
| 14    | <b>Share of Profit / (Loss) of associates</b>                                                                     | -                        | -               | -               | 0.00            | 0.00            | 0.00            | 0.00                          | 0.00            | 0.00            | 0.00            | -                    | -               |
| 15    | <b>Add:(Gain)/ loss pertaining to Minority Interest</b>                                                           | -                        | -               | -               | 313.27          | 219.79          | 11.99           | 0.00                          | 0.00            | 562.77          | 54.27           | -                    | 106.65          |
| 16    | <b>Net Profit / (loss) after taxes, minority interest and share of profit/(loss) of associates (13+/-14+/-15)</b> | <b>3212.12</b>           | <b>2412.81</b>  | <b>1951.65</b>  | <b>2800.77</b>  | <b>2222.45</b>  | <b>1693.06</b>  | <b>7752.91</b>                | <b>6063.86</b>  | <b>6629.15</b>  | <b>5129.86</b>  | <b>8418.11</b>       | <b>7377.47</b>  |
| 17    | <b>Paid-up equity share capital (Face value of Rs 1/-)(Refer Note No:10)</b>                                      | 771.02                   | 771.02          | 771.02          | 771.02          | 771.02          | 771.02          | 771.02                        | 771.02          | 771.02          | 771.02          | 771.02               | 771.02          |
| 18    | <b>Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>                   | -                        | -               | -               | -               | -               | -               | -                             | -               | -               | -               | 55538.56             | 53923.10        |
| 19.i  | <b>Earnings Per Share (EPS) (before extraordinary items) (of Rs.1/-each) (not annualized):(Refer Note No:10)</b>  |                          |                 |                 |                 |                 |                 |                               |                 |                 |                 |                      |                 |
|       | a) Basic                                                                                                          | 4.17                     | 3.13            | 2.55            | 3.63            | 2.88            | 2.21            | 10.06                         | 7.93            | 8.60            | 6.71            | 10.97                | 9.62            |
|       | b) Diluted                                                                                                        | 4.17                     | 3.13            | 2.55            | 3.63            | 2.88            | 2.21            | 10.06                         | 7.93            | 8.60            | 6.71            | 10.97                | 9.62            |
| 19.ii | <b>Earnings Per Share (EPS) (after extraordinary items) (of Rs.1/- each) (not annualized): (Refer Note No:10)</b> |                          |                 |                 |                 |                 |                 |                               |                 |                 |                 |                      |                 |
|       | a) Basic                                                                                                          | 4.17                     | 3.13            | 2.55            | 3.63            | 2.88            | 2.21            | 10.06                         | 7.93            | 8.60            | 6.71            | 10.97                | 9.61            |
|       | b) Diluted                                                                                                        | 4.17                     | 3.13            | 2.55            | 3.63            | 2.88            | 2.21            | 10.06                         | 7.93            | 8.60            | 6.71            | 10.97                | 9.61            |

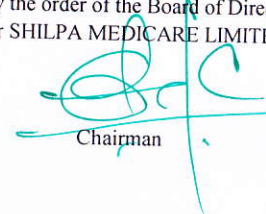
**Notes:**

- 1 Exceptional items comprise the impact of reduction of Shilpa Medicare Ltd's shareholding in its US Subsidiary Makindus Inc from 70% to 55.78%
- 2 The Unaudited Financial Results have been reviewed by the Audit Committee and approved at the board meeting and have undergone limited review by the Statutory Auditors.
- 3 Figures of the previous year/quarter have been regrouped/rearranged wherever necessary.
- 4 Tax Expenses includes Current and Deferred Tax .
- 5 As per As-17 reporting segment is only one i.e. Bulk Drug & API. Therefore segment reporting is not applicable.
- 6 Q3 - Consolidated Results include sales figure of Rs.Nil(Nil) and net loss of Rs.296.93 Lakhs (Profit of Rs.17.96) Lakhs respectively of Raichem Medicare Pvt Ltd (subsidiary Co) which has started its operations on 25.08.2015
- 7 Nine Months Ended - Consolidated Results include sales figure of Rs.25.88 Lakhs (Nil) and net loss of Rs.351.21 Lakhs (Profit of Rs.38.03 Lakhs) respectively of Raichem Medicare Pvt Ltd (subsidiary Co) which has started its operations on 25.08.2015
- 8 Q3 - Consolidated Results include a figure of Rs.Nil(Nil) sales and net loss of Rs.118.29 Lakhs (Loss of Rs.141.59 Lakhs) in respect of Maia, Makindus and INM Technologies Pvt Ltd taken together which are subsidiaries/ JV Co's of Shilpa Medicare Ltd and which are in the investment phase of their R&D activities and are yet to start generating operational revenues.
- 9 Nine Months Ended- Consolidated Results include a figure of Rs.Nil (Nil) sales and net loss of Rs.492.75 Lakhs (Loss of Rs.398.87 Lakhs) in respect of Maia, Makindus and INM Technologies Pvt Ltd taken together which are subsidiaries/ JV Co's of Shilpa Medicare Ltd and which are in the investment phase of their R&D activities and are yet to start generating operational revenues.
- 10 The face value of Equity Share of the Company has been reduced from Rs.2/- per share to Rs.1/- due to sub-division of shares as approved by the shareholders in the AGM held on 28th Sep,2015.Hence, EPS calculated for the all periods considering face value of Rs.1/- per share.

\* Figures in brackets represents amount for period and Quarter ended as at 31.12.2014.

Place:Hyderabad  
Date: 12.02.2016

By the order of the Board of Directors  
for SHILPA MEDICARE LIMITED



Chairman

# Bohara Bhandari Bung And Associates LLP

Chartered Accountants

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#12-10-89/1, 2<sup>nd</sup> Floor, Anagha Complex,

Above Canara Bank, Saath Kacheri Road, Raichur - 584101

## **Auditor's Report on Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To

Board of Directors of

**Shilpa Medicare Limited**

1. We have reviewed the quarterly Unaudited Standalone Financial Results of Shilpa Medicare Limited ('the Company') for the quarter ended 31<sup>st</sup> December, 2015 being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS25), prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statements 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 the 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 of material misstatement.
3. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Matter of Emphasis**  
Without qualifying our report on the audited financial results, we state that the Company has filed a lawsuit for recovering its amount of Rs.322.44 Lakhs which is paid as capital advance to its vendor for supply of Capital Asset, along with punitive damages. The Preliminary hearings of the case are in progress. The ultimate outcome of the matter cannot presently be determined, and hence no provision for the outstanding balance receivable from the party has been made in the financial statements. Our Report is not qualified on this matter.
5. Based on our review conducted and subject to Matter of emphasis mentioned at Point No.04 above, nothing has come to our attention that causes us to believe that the accompanying unaudited statement, prepared in all material respects in accordance with applicable accounting standards and other recognised accounting principles, practices and policies generally accepted 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Bohara Bhandari Bung & Associates LLP

Chartered Accountants

(Firm Regn No. 008127S/S200013)



CA.Pankajkumar Bohara

Partner

M.No: 215471

Place / Camp: Hyderabad

Date: 12.02.2016

# Bohara Bhandari Bung And Associates LLP

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## Auditor's Report on Unaudited Quarterly Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To

Board of Directors of

Shilpa Medicare Limited

1. We have reviewed the accompanying statement of Unaudited quarterly consolidated financial results of **Shilpa Medicare Limited** ("the Holding Company"), its Subsidiaries and Joint Ventures ("Collectively known as Group") for the quarter ended 31<sup>st</sup> December, 2015, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these statements 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 the 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 of material misstatement.
3. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Matter of Emphasis**  
Without qualifying our report on the audited financial results, we state that the Company has filed a lawsuit for recovering its amount of Rs.322.44 Lakhs which is paid as capital advance to its vendor for supply of Capital Asset, along with punitive damages. The Preliminary hearings of the case are in progress. The ultimate outcome of the matter cannot presently be determined, and hence no provision for the outstanding balance receivable from the party has been made in the financial statements. Our Report is not qualified on this matter.
5. The Consolidated unaudited financial results includes interim financial results of Zatortia Holdings Ltd, Loba Feinchemie GmbH (Subsidiary of Zatortia Holdings Ltd), Nu Therapeutics Private Limited, Makindus Pharmaceuticals Inc, and MAIA Pharmaceuticals Inc which have not been reviewed by their auditors, whose financial results reflect total revenues of Rs.1,212.24 Lakhs (Before elimination) and net loss of Rs.408.38 Lakhs (before elimination) to the extent of the Company share for the quarter ended 31<sup>st</sup> December, 2015 respectively. These unaudited financial statements and other financial information have been consolidated on the basis of unaudited Interim financial results prepared by the Management of each of these subsidiary companies and jointly controlled entity to facilitate the preparation of the statement and that our opinion is based solely on these unaudited financial statements.
6. The Consolidated Unaudited financial results does not include the financial result of Koanaa Healthcare Ltd, which has become a wholly owned subsidiary of the Company during this quarter. Further, in case of a subsidiary the financial statements as at December 31<sup>st</sup>, 2015 is not available. The consolidated financial statement includes the total revenue of Nil and loss of Rs.1.35 Lakhs as on September 30, 2015 which have been considered for the purpose of consolidation.



## Bohara Bhandari Bung And Associates LLP

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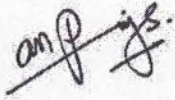
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7. Based on our review conducted and subject to Matter of emphasis mentioned at Point No.04 above, and and except for the possible effects of the matter described in paragraph 05 & 06 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in all material respects in accordance with applicable accounting standards and other recognised accounting principles, practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including, the manner in which it is to be disclosed, or that it contains any material misstatement.

For Bohara Bhandari Bung & Associates LLP

Chartered Accountants

(Firm Regn No. 008127S/S200013)



CA.Pankajkumar Bohara

Partner

M.No. 215471

Place / Camp: Hyderabad

Date: 12.02.2016