



Innovating for
affordable healthcare

Shilpa Medicare Limited

Manufacturers and Exporters of Bulk Drugs

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

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

CIN No. L85110KA1987PLC008739

E-Mail : info@vbshilpa.com Web: http://www.vbshilpa.com

SML/223/2016-17

Date: 14.02.2017

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

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

Dear Sir,

Sub: Outcome of Board Meeting - Reg.

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

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

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

1. Un-Audited Standalone and Consolidated Financial Results for the quarter ended 31st December, 2016.
2. Limited Review Report on Standalone and Consolidated Financials for the quarter ended 31st December, 2016

It is further intimated that meeting was commenced at 10:30 A.M. and ended at 1.30 P.M.

This is for your information and necessary records.

With Regards,

For Shilpa Medicare Limited

Vishnukant Bhutada
Managing Director
DIN: 01243391





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Shilpa Medicare Ltd.
Registered office # 12-6-214/A-1 Hyderabad Road Raichur
Website - www.vbshilpa.com, Email - info@vbshilpa.com, Telephone - +91-8532-238494
CIN No. - L85110KA1987PLC008739

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

(Rs in Lakhs)					
Particulars	Quarter ended 31st Dec, 2016 as per Ind AS	Quarter ended 30th Sept, 2016 as per Ind AS	Quarter ended 31st Dec, 2015 as per Ind AS	For Current Nine Month ended 31st Dec 2016 as per Ind AS	For Previous Nine Month ended 31st Dec 2015 as per Ind AS
	(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 03 below)	(Unaudited)	(Unaudited) (Refer Note 03 below)
1) Revenue from operations (Gross)	17,594.64	19,558.68	19,034.47	53,091.18	50,040.09
Total Income	17,594.64	19,558.68	19,034.47	53,091.18	50,040.09
Expenses					
2) a) Cost of material consumed	9,325.05	8,506.14	9,530.05	27,387.13	27,551.96
b) Purchase of stock in trade	283.74	61.29	242.19	370.59	313.31
c) Changes in inventories of finished goods, WIP, Stock in Trade	(1,023.23)	1,966.46	929.05	(131.84)	(587.50)
d) Employee benefit expense	2,248.41	2,166.52	1,885.72	6,343.81	5,011.59
e) Depreciation and amortization expenses	680.61	645.77	541.74	1,931.14	1,544.78
f) Excise duty recovered	153.30	147.38	138.56	409.27	416.33
g) Other expenses	2,482.48	1,821.92	1,999.97	6,109.67	5,742.18
Total Expenses	14,150.36	15,315.48	15,267.28	42,419.77	39,992.65
3) Profit before tax and exceptional items	3,444.28	4,243.20	3,767.19	10,671.41	10,047.44
4) Other Income	328.61	377.88	212.19	957.56	795.68
5) Profit from ordinary activities before finance cost, exceptional item	3,772.89	4,621.08	3,979.38	11,628.97	10,843.12
6) Finance cost	71.92	58.76	82.62	200.20	256.46
7) Profit from ordinary activities before exceptional item & taxes	3,700.97	4,562.32	3,896.76	11,428.77	10,586.66
8) Exceptional Loss	-	-	-	-	241.96
9) Profit Before Tax and after exceptional items	3,700.97	4,562.32	3,896.76	11,428.77	10,344.70
10) Tax Expense:	966.28	1,243.35	683.53	2,966.14	2,403.58
11) Profit for the Period	2,734.69	3,318.97	3,213.23	8,462.63	7,941.12
12) Other comprehensive income					
13) Items that will not be reclassified to profit or loss					
a) Gain / (Loss) on Remeasurement of net defined benefit liability/asset	5.35	5.27	5.14	16.27	15.41
b) MTM Gain / (Loss) on financial instruments	(186.66)	-	-	(186.66)	-
14) Total Other comprehensive income, net of tax	(181.31)	5.27	5.14	(170.39)	15.41
15) Total comprehensive income for the period	2,553.38	3,324.24	3,218.37	8,292.24	7,956.53
16) Paid up Share Capital (par Value Rs.1/- each, fully paid)	801.27	771.02	771.02	801.27	771.02
17) Earnings per equity share (par value Rs.1/- each)					
Basic (Rs.)	3.31	4.31	4.17	10.74	10.32
Diluted (Rs.)	3.31	4.31	4.17	10.74	10.32

Notes:

1. Transition to Ind AS

The Company has transitioned to Ind AS with effect from 1st April 2015 and for that purpose comparative figures for the quarter & year ended 31st December 2015, has been restated and accordingly the impact of transition has been provided.

2. Reconciliation of results between previous Indian GAAP and Ind AS

Particulars	Quarter ended 31st Dec 2015	Nine Month ended 31st Dec 2015
Profit / Loss as per Indian GAAP	3,221.20	7,752.91
Add / (Less) Adjustments		
Capital Subsidy accounted using Income Approach	2.76	8.29
Recognition of MTM Gain/loss on Interest rate swaps	13.13	28.02
Investment recognised at fair value	(37.57)	215.25
Leasehold land amortisation being treated as operating lease	(4.18)	(12.25)
Impact of amortisation of fair value of corporate guarantee	8.79	23.95
Deferred tax impact on Ind AS Adjustments	5.90	(91.11)
Prior period errors	8.34	31.47
Profit / Loss as per Ind AS	3,218.37	7,956.53



3. The unaudited standalone financial results for the quarter and nine months ended 31-Dec-2016 of Shilpa Medicare Ltd (the company) have been reviewed by the Audit Committee and approved Board of Directors of the Company and that the same were also subjected to limited review by the statutory auditors of the Company. Further the Ind-AS compliant financial results for the corresponding quarter and for the nine month ended as at 31-Dec-2015 have not been subject to limited review by the statutory auditors in terms of SEBI circular dated 05-July-2016. However, the management has exercised necessary due diligence to ensure that the Quarterly unaudited financial results provide a true and fair view of the Company's affairs.

4. These unaudited financial results have been prepared in accordance with Indian Accounting Standard (Ind-AS) prescribed under section 133 of the Companies Act 2013 read with the relevant rules there under and in terms of Regulation 33 of SEBI (Listing Obligation and Other Disclosure Requirements) Regulations, 2015 and SEBI Circular dated

5. The exceptional item for the nine months ended 31-December-2015 represents the loss on buy back of shares by its foreign subsidiary Makindus Pharmaceuticals Inc.

6. There is a possibility that these quarterly financial results may require additional adjustment before constituting the final Ind AS financial statements as of and for the year ending 31st March 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

7. As the Company is operating in only one segment "Pharmaceuticals Products", segment reporting is not applicable.

8. Other Expenses for the quarter ended 31.12.2016 includes CSR expenditure of Rs 185.12 lakhs incurred by the Company pertaining to previous financial year.

9. Prior period / year figures have been reclassified where ever required to confirm to the classification of current period / year.

Place/Camp: Hyderabad
Date: 14.02.2017

By, The order of the Board of Director


Managing Director





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CIN No. - L85110KA1987PLC008739

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST, DECEMBER, 2016

Particulars	(Rs in Lakhs)				
	Quarter ended 31st Dec, 2016 as per Ind AS	Quarter ended 30th Sept, 2016 as per Ind AS	Quarter ended 31st Dec, 2015 as per Ind AS	For Current Nine month ended 31, Dec, 2016 as per Ind AS	Quarter ended 31st Dec, 2015 as per Ind AS
	(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 03 below)	(Unaudited)	(Unaudited) (Refer Note 03 below)
1) Revenue from operations (Gross)	18,357.73	21,127.26	20,003.79	56,173.85	52,443.53
Total Income	18,357.73	21,127.26	20,003.79	56,173.85	52,443.53
2) Expenses					
a) Cost of material consumed	9,588.43	8,642.10	9,718.31	28,017.88	28,043.79
b) Purchase of stock in trade	283.74	61.29	242.19	370.59	313.31
c) Changes in inventories of finished goods, WIP, Stock in Trade	(1,210.61)	2,099.81	993.72	(412.79)	(673.86)
d) Employee benefit expense	3,129.92	3,019.48	2,467.93	8,828.99	6,710.22
e) Depreciation and amortization expenses	776.77	745.16	586.80	2,218.10	1,685.20
f) Excise duty recovered	165.42	160.08	140.98	441.95	423.54
g) Other expenses	2,917.62	2,252.51	2,252.79	7,252.26	6,668.93
Total Expenses	15,651.29	16,980.43	16,402.73	46,716.97	43,171.13
3) Profit before tax and exceptional items	2,706.44	4,146.84	3,601.07	9,456.87	9,272.40
4) Other Income	402.90	369.31	198.68	1,009.61	765.52
5) Profit from ordinary activity before finance cost, exceptional item & taxes	3,109.33	4,516.15	3,799.75	10,466.49	10,037.92
6) Finance cost	72.57	59.44	83.88	202.53	260.42
8) Profit from ordinary activity before exceptional item & taxes	3,036.76	4,456.71	3,715.87	10,263.96	9,777.50
9) Exceptional Loss	-	-	-	-	241.86
10) Profit Before Tax and after exceptional items	3,036.76	4,456.71	3,715.87	10,263.96	9,535.64
11) Tax Expense:	964.98	1,237.15	672.95	2,997.65	2,363.12
12) Profit for the Period	2,071.78	3,219.56	3,042.92	7,266.30	7,172.52
13) Add : Share of Profit / (Loss) of joint venture	(366.98)	543.03	(333.96)	(446.50)	(499.31)
14) Add : Minority Interest (loss) / Profit	(40.08)	(61.70)	(62.76)	(188.50)	(236.96)
15) Net Profit after tax, minority interest, & share of Joint venture	1,744.88	3,824.30	2,771.72	7,008.30	6,910.17
16) Other comprehensive income					
a) Remeasurement of the net defined benefit liability/asset	5.35	5.27	5.14	16.27	15.41
b) Gain/ (Loss) on MTM Derivates instruments	(186.66)	-	-	(186.66)	-
17) Other comprehensive income, net of tax	(181.32)	5.27	5.14	(170.39)	15.41
18) Total comprehensive income for the period	1,563.56	3,829.57	2,776.86	6,837.91	6,925.58
19) Paid up Share Capital (par Value Rs.1/- each, fully paid)	801.27	771.02	771.02	801.27	771.02
20) Earnings per equity share (par value Rs.1/- each)					
Basic (Rs.)	2.03	4.97	3.60	8.86	8.98
Diluted (Rs.)	2.03	4.97	3.60	8.86	8.98



Transition to Ind AS

1) The Company has transitioned to Ind AS with effect from 1st April 2015 and for that purpose comparative figures for the quarter & year ended 31st December 2015, has been restated and accordingly the impact of transition has been provided.

2) Reconciliation of results between previous Indian GAAP and Ind AS

Particulars	Quarter ended	Nine ended
	31st Dec 2015	31st Dec 2015
Profit / Loss as per Indian GAAP	2,800.76	6,629.15
Add / (Less) Adjustments	-	-
Capital Subsidy accounted using Income Approach	3.10	9.29
Recognition of MTM Gain/(loss) on Interest rate swaps	13.13	28.02
Investment recognised at fair value	(37.57)	215.25
Leasehold land amortisation being treated as operating lease	4.18	(12.25)
Impact of amortisation of fair value of corporate guarantee	8.79	23.95
Prior Period Errors	34.13	31.48
Deferred tax impact on Ind AS Adjustments	(6.85)	(85.16)
Other	(42.81)	85.86
Profit / Loss as per Ind AS	2,776.86	6,925.58

3. The unaudited standalone financial results for the quarter and nine months ended 31-Dec-2016 of Shilpa Medicare Ltd (the company) have been reviewed by the Audit Committee and approved Board of Directors of the Company and that the same were also subjected to limited review by the statutory auditors of the Company. Further the Ind-AS compliant financial results for the corresponding quarter and for the nine month ended as at 31-Dec-2015 have not been subject to limited review by the statutory auditors in terms of SEBI circular dated 05-July-2016. However, the management has exercised necessary due diligence to ensure that the Quarterly unaudited financial results provide a true and fair view of the Company's affairs.

4. These unaudited financial results have been prepared in accordance with Indian Accounting Standard (Ind-AS) prescribed under section 133 of the Companies Act 2013 read with the relevant rules there under and in terms of Regulation 33 of SEBI (Listing Obligation and Other Disclosure Requirements) Regulations, 2015 and SEBI Circular dated

5. The exceptional item for the nine months ended 31-December-2015 represents the loss on buy back of shares by its foreign subsidiary Makindus Pharmaceuticals Inc.

6. There is a possibility that these quarterly financial results may require additional adjustment before constituting the final Ind AS financial statements as of and for the year ending 31st March 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

7 As the Company is operating in only one segment "Pharmaceuticals Products", segment reporting is not applicable.

8 Other Expenses for the quarter ended 31.12.2016 includes CSR expenditure of Rs 185.12 lakhs incurred by the Company pertaining to previous financial year.

9. The financial statements prepared for the period ended 30.09.2016 for Makindus Inc (Subsidiary) have been considered for the purpose of preparing consolidated financial statements for the quarter and nine months ended 31.12.2016.

10 Prior period / year figures have been reclassified where ever required to confirm to the classification of current period / year.

Place / Camp: Hyderabad

Date: 14.02.2017

By, The order of the Board of Director


Managing Director



Auditor's Report On Unaudited Quarterly and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report
To Board of Directors of
Shilpa Medicare Limited

1. We have reviewed the accompanying statement of Standalone Unaudited results ("the financial results") of **Shilpa Medicare Limited** ('the Company') for the quarter ended 31st December 2016 and year to date result for the period 1 April 2016 to 31st December 2016, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The figures for the corresponding quarter ended 31 December 2015 and the corresponding year to date figures from 01 April 2015 to 31 December 2015, including the reconciliation of net profit under Ind AS of the aforementioned periods with net profits reported under previous GAAP, as included in the statement have been approved by the Board of Directors but have not been subject to a limited review. Our responsibility is to issue a report on these financial 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 results are free of material misstatement. 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. **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.342.25 Lakhs which is paid as capital advance to its vendor for supply of Capital Asset, along with punitive damages. The hearing of the case is 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.
4. Based on our review conducted as above, and without qualifying our report except for the matter specified in sl.no.03 above, nothing has come to our attention that causes us to believe that the accompanying financial results prepared in accordance with applicable accounting standards i.e., Ind AS prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices 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 and SEBI circular dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Bohara Bhandari Bung And Associates LLP
Chartered Accountants

Firm Regn No.008127S/S200013



CA. Yogesh R Bung

Membership Number : 143932

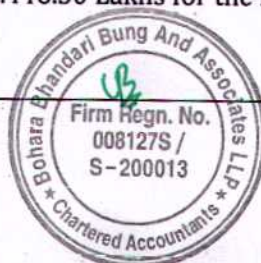
Place / camp: Hyderabad
Date: 14.02.2017

Auditor's Report On Unaudited 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

Review Report
To Board of Directors of
Shilpa Medicare Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the financial results") of **Shilpa Medicare Limited** ("the Company") its subsidiaries, Joint Venture and Associate Companies (collectively referred to as "the Group") for the quarter ended 31st December 2016 and year to date result for the period 1 April 2016 to 31 December 2016, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The figures for the corresponding quarters ended 31 December 2015, the corresponding year to date figures from 01 April 2015 to 31 December 2015 including the reconciliation of net profit under Ind AS of the aforementioned periods with net profits reported under previous GAAP, as included in the statement have been approved by the Board of Directors but have not been subject to a limited review. These financial results are the responsibility of the Company's management. Our responsibility is to issue a report on these financial 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 results are free of material misstatement. 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. **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.342.25 Lakhs which is paid as capital advance to its vendor for supply of Capital Asset, along with punitive damages. The hearing of the case is 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.
4. The consolidated unaudited financial results includes results of 06 subsidiaries which have not been reviewed by their auditors and whose financial results reflect total revenues of Rs.867.43 Lakhs and Rs.3,190.48 Lakhs (before elimination), and net loss of Rs.515.05 Lakhs and net loss of Rs.674.54 Lakhs (before elimination) for the quarter ended 31 December, 2016 and for the nine months period ended 31 December 2016 respectively.

Further, the consolidated unaudited financial results also includes 04 entities representing 03 Joint Ventures and 01 Associate Company which have not been reviewed by their auditors and whose financial results reflect company's share of Net Loss of Rs.366.98 Lakhs for the quarter ended 31 December, 2016 and Net loss of Rs.446.50 Lakhs for the nine months period ended 31 December 2016 respectively.



Further, in case of one subsidiary its financial statements as at 31st December, 2016 is not available with the Company. The total revenue of Rs.0.43 Lakhs and net loss of Rs.130.87 Lakhs which was reported by such subsidiary for the period ended September 30, 2016 have been considered by the management for the purpose of preparing the consolidated financial statements for the period ended 31 December 2016 by the Company.

The above consolidated unaudited financial statements have been consolidated on the basis of unaudited Interim financial results prepared and certified by the Management of each of these subsidiary companies, Jointly controlled entities and Associate Company to facilitate the preparation of the statements and that our opinion is based solely on these unaudited financial statements.

5. The above consolidated unaudited quarterly results as well as year to date consolidated unaudited financial results includes the results of the following entities:

- a) Shilpa Medicare Limited (Holding Company)
- b) Koanaa Healthcare Limited, UK (Wholly owned subsidiary Company)
- c) Koanaa Healthcare Limited, Gmbh (Wholly owned subsidiary Company)
- d) Zatortia Holdings Limited (Wholly Owned Subsidiary Company)
- e) Shilpa Therapeutics Pvt Ltd (formerly known as Nu Therapeutics Private Limited (Subsidiary Company)
- f) INM Technologies Private Limited (Subsidiary Company)
- g) Makindus, Inc (Subsidiary Company)
- h) Loba Feinchemie, Gmbh (Step down Subsidiary Company)
- i) Raichem Medicare Private Limited (Joint Venture Company)
- j) MAIA Pharmaceuticals, Inc (Joint Venture Company)
- k) Reva Medicare Private Limited (Joint Venture Company)
- l) Reva Pharmachem Private Limited (Associate Company)

6. Based on our review conducted and subject to Matter of emphasis mentioned at Point No.03 above, and except for the possible effects of the matter described in paragraph 04 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 i.e., Ind AS prescribed under section 133 of the Companies Act, 2013 and other recognized accounting principles, practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Bohara Bhandari Bung And Associates LLP
Chartered Accountants
Firm Regn No.008127S/S200013



Handwritten signature in green ink.

Place / camp: Hyderabad
Date: 14.02.2017

CA.Yogesh R Bung
Membership Number : 143932