



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

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

CIN No. L85110KA1987PLC008739

SML/172/2016-17

Dated 25th November, 2016

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, this is to inform you that that the Board of Directors in their meeting held on this day i.e. 25th November, 2016 have considered and transacted the following business:

1. Approved Un-Audited Financial Results for the Second Quarter and Half year ended 30th September, 2016.
2. Appointed Mr. Rajendra Dugar, a member of ICAI and Cost Accountant as Chief Financial Officer.

Further please find enclosed herewith the following documents in terms of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015:

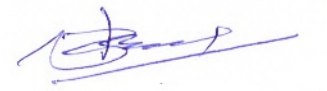
- Un-Audited Standalone Financial Results for the Second quarter and half year ended 30th September, 2016.
- Statement of Assets and Liabilities for the Half Year ended on 30th September, 2016.
- A certified copy of the Limited Review Report issued by the Statutory Auditors of the company on the Financials for the Second Quarter and the Half Year ended on 30th September, 2016.

It is further intimated that meeting was commenced at 11.00 A.M. and ended at 2.15 P.M.

This is for your information and necessary records.

Yours faithfully,

For SHILPA MEDICARE LIMITED


VISHNUKANT C. BHUTADA
MANAGING DIRECTOR
DIN: 01243391



Encl:a.a



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affordable healthcare

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 HALF YEAR ENDED 30th SEPTEMBER, 2016

Particulars	Quarter ended 30th Sept, 2016 as per Ind AS	Quarter ended 30th June, 2016 as per Ind AS	Quarter ended 30th Sept, 2015 as per Ind AS	For current Half year ended 30 Sept 2016 as per Ind AS	For the previous half year ended 30th Sept, 2015 as per Ind AS	For the year ended 31st March 2016 as per Ind AS
	(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 03 below)	(Unaudited)	(Unaudited) (Refer Note 03 below)	(Unaudited) (Refer Note 03 below)
Revenue from operations (Gross)	19,558.68	15,937.88	16,481.90	35,496.55	30,727.84	68,137.36
Total Income	19,558.68	15,937.88	16,481.90	35,496.55	30,727.84	68,137.36
Expenses						
Cost of material consumed	8,506.14	9,555.95	8,069.46	18,062.09	18,021.91	36,046.75
Purchase of stock in trade	61.29	25.57	42.38	86.85	71.12	381.00
Changes in inventories of finished goods, WIP, Stock in Trade	1,966.46	(1,075.07)	516.91	891.39	(1,516.55)	(254.74)
Employee benefit expense	2,166.52	1,928.88	1,611.95	4,095.40	3,125.87	6,727.21
Depreciation and amortization expenses	645.77	604.76	518.58	1,250.53	1,003.04	2,098.64
Excise duty recovered	147.38	108.59	139.72	255.98	277.77	558.30
Other expenses	1,821.92	1,805.26	2,076.64	3,627.18	3,741.31	8,236.92
Total Expenses	15,315.49	12,953.93	12,975.64	28,269.42	24,724.47	53,794.07
Profit before tax and exceptional items	4,243.19	2,983.95	3,506.26	7,227.14	6,003.37	14,343.29
Other Income	377.88	251.06	373.63	628.94	583.49	1,113.72
Profit from ordinary activities before finance cost, exceptional item & taxes	4,621.07	3,235.01	3,879.89	7,856.08	6,586.86	15,457.01
Finance cost	58.76	69.52	93.10	128.28	173.84	327.19
Profit from ordinary activities before exceptional item & taxes	4,562.32	3,165.48	3,786.80	7,727.80	6,413.02	15,129.83
Exceptional Loss	-	-	241.96	-	241.96	241.96
Profit Before Tax and after exceptional items	4,562.32	3,165.48	3,544.84	7,727.80	6,171.06	14,887.87
Tax Expense:	1,243.35	756.51	1,015.87	1,999.86	1,711.85	3,584.66
Profit for the Period	3,318.97	2,408.97	2,528.97	5,727.94	4,459.22	11,303.21
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of the net defined benefit liability/asset	5.27	5.65	5.14	10.92	10.27	20.55
Equity instruments through other comprehensive income	-	-	-	-	-	-
Items that will be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Other comprehensive income, net of tax	5.27	5.65	5.14	10.92	10.27	20.55
Total comprehensive income for the period	3,324.24	2,414.62	2,534.11	5,738.86	4,469.49	11,323.76
Paid up Share Capital (par Value Rs.1/- each, fully paid)	771.02	771.02	771.02	771.02	771.02	771.02
Earnings per equity share (par value Rs.1/- each)						
Basic (Rs.)	4.31	3.13	3.29	7.44	5.80	14.69
Diluted (Rs.)	4.31	3.13	3.29	7.44	5.80	14.69



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 of 30th September 2015 and for the year ended 31st March 2016 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 30th Sept 2015	Half year ended 30th Sept 2015	for the year ended 31st March 2016
Profit / Loss as per Indian GAAP	2,412.43	4,539.89	11,035.00
Add / (Less) Adjustments			
Capital Subsidy accounted using Income Approach	2.76	5.53	11.06
Recognition of MTM Gain/loss on Interest rate swaps	6.17	14.89	32.59
Investment recognised at fair value	136.73	252.81	357.35
Leasehold land amortisation being treated as operating lease	(4.18)	(8.07)	(16.43)
Impact of amortisation of fair value of corporate guarantee	8.57	15.15	32.20
Deferred tax impact on Ind AS Adjustments	(51.93)	(97.01)	(144.24)
Prior period errors	24.07	24.07	18.31
Profit / Loss as per Ind AS	2,534.63	4,747.26	11,325.85

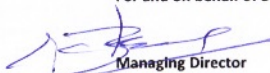
- 3 The unaudited standalone financial results for the quarter months and half year ended 30-Sept-2016 of Shilpa Medicare Ltd (the company) have been reviewed by the Audit Committee and approved Board of Directors of the Company and that the same were also subject to limited review by the statutory auditors of the Company. Further the Ind-AS compliant financial results for the corresponding quarter and for the Half year ended as at 30-Sept-2015 and for the previous year ended 31-March-2016 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 5th July
- 5 The exceptional item for the quarter and half year ended 30th Sept 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 Prior period / year figures have been reclassified where ever required to confirm to the classification of current period / year.

Date: 25.11.2016

Place: Hyderabad



For and on behalf of Board of Directors


Managing Director



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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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2016

Particulars	Quarter ended 30th Sept, 2016 as per Ind AS	Quarter ended 30th June, 2016 as per Ind AS	Quarter ended 30th Sept, 2015 as per Ind AS	For current Half year ended 30 Sept 2016 as per Ind AS	for the previous half year ended 30th Sept, 2015 as per Ind AS	for the year ended 31st March 2016 as per Ind AS
	(Unaudited)	(Unaudited)	(Unaudited) (Refer Note 03 below)	(Unaudited)	(Unaudited) (Refer Note 03 below)	(Unaudited) (Refer Note 03 below)
Revenue from operations (Gross)	21,127.26	16,721.54	17,453.48	37,848.81	32,444.53	72,217.29
Total Income	21,127.26	16,721.54	17,453.48	37,848.81	32,444.53	72,217.29
Expenses						
Cost of material consumed	8,642.10	9,787.35	8,258.17	18,429.45	18,325.48	36,764.01
Purchase of stock in trade	61.29	25.57	42.38	86.85	71.12	381.00
Changes in inventories of finished goods, WIP, Stock in Trade	2,099.81	(1,301.99)	425.56	797.82	(1,667.58)	(222.04)
Employee benefit expense	3,019.48	2,679.59	2,171.91	5,699.07	4,242.28	9,008.82
Depreciation and amortization expenses	745.16	696.17	565.92	1,441.33	1,098.40	2,313.88
Excise duty recovered	160.08	116.46	141.99	276.54	282.56	573.80
Other expenses	2,252.51	2,082.13	2,518.90	4,334.64	4,416.15	9,714.75
Total Expenses	16,980.43	14,085.27	14,124.82	31,065.69	26,768.40	58,534.22
Profit before before tax and exceptional items	4,146.84	2,636.28	3,328.66	6,783.12	5,676.12	13,683.08
Other Income	369.31	237.41	365.76	606.72	566.83	1,074.19
Profit from ordinary activities before finance cost, exceptional item & taxes	4,516.15	2,873.68	3,694.42	7,389.83	6,242.96	14,757.26
Finance cost	59.44	70.52	94.52	129.96	176.54	331.90
Profit from ordinary activities before exceptional item & taxes	4,456.71	2,803.16	3,599.90	7,259.87	6,066.42	14,425.37
Exceptional Loss	-	-	241.96	-	241.96	241.96
Profit Before Tax and after exceptional items	4,456.71	2,803.16	3,357.94	7,259.87	5,824.46	14,183.41
Tax Expense:	1,237.15	795.52	1,001.74	2,032.67	1,690.17	3,547.42
-Current tax	857.82	536.50	822.11	1,394.32	1,346.29	2,543.51
-Deferred tax	379.32	259.02	179.64	638.34	343.88	1,003.91
Profit for the Period	3,219.57	2,007.64	2,356.20	5,227.20	4,134.29	10,635.99
Add : Share of Profit /(Loss) of joint venture	543.03	(622.55)	(197.69)	(79.52)	(165.35)	(257.03)
Add :Minority Interest (loss) / Profit	(61.70)	(86.78)	(174.20)	(148.48)	(174.20)	(357.35)
Net Profit after tax, minority interest, & share of Joint venture	3,824.30	1,471.87	2,332.71	5,296.17	4,143.14	10,736.31
Other comprehensive income						
Remeasurement of the net defined benefit liability/asset	5.27	5.65	65.37	10.92	10.27	20.55
Total comprehensive income for the period	3,829.57	1,477.52	2,398.08	5,307.09	4,153.41	10,756.86
Paid up Share Capital (par Value Rs.1/- each, fully paid)	771.02	771.02	771.02	771.02	771.02	771.02
Earnings per equity share (par value Rs.1/- each)						
Basic (Rs.)	4.97	1.92	3.11	6.88	5.39	13.95
Diluted (Rs.)	4.97	1.92	3.11	6.88	5.39	13.95



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 of 30th September 2015 and for the year ended 31st March 2016 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 30th Sept 2015	Half year ended 30th Sept 2015	for the year ended 31st March 2016
Profit / Loss as per Indian GAAP	2,222.45	3,828.37	10,380.43
Add / (Less) Adjustments			
Capital Subsidy accounted using Income Approach	3.10	6.20	12.39
Recognition of MTM Gain/loss on Interest rate swaps	6.17	14.89	32.59
Investment recognised at fair value	136.73	252.81	357.35
Leasehold land amortisation being treated as operating lease	(4.18)	(8.07)	(16.43)
Impact of amortisation of fair value of corporate guarantee	8.57	15.15	32.20
Prior Period Errors	34.13	25.16	34.52
Deferred tax impact on Ind AS Adjustments	(57.08)	(97.64)	(134.00)
Other IND AS Adjustment	38.79	111.75	80.28
Profit / Loss as per Ind AS	2,389	4,149	10,779

- 3 The unaudited standalone financial results for the quarter months and half year ended 30-Sept-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 subject to limited review by the statutory auditors of the Company. Further the Ind-AS compliant financial results for the corresponding quarter and for the Half year ended as at 30-Sept-2015 and for the previous year ended 31-March-2016 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 5th July 2016.
- 5 The exceptional item for the Half year ended 30th Sept 2015 represents the loss on buy back of shares by its foreign subsidiary Makindus Pharmaceuticals Inc.
- 6 Q2 - Consolidated Results include a figure of net profit of Rs.417.01 Lakhs (net Loss - Rs.168.31 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.
- 7 Six Months - Consolidated Results include a net profit of Rs.47.64 Lakhs (Loss-298.30 Lakhs) in respect of Maia, Makindus and INM Technologies Pvt Ltd taken together which are subsidiaries / JV cos of Shilpa Medicare Ltd and which are in the investment phase of their R&D activities and are yet to start generating operational revenues.
- 8 Q2 - Consolidated Results include net loss of Rs.44.13 Lakhs (Loss – Rs.75.30) Lakhs respectively of Raichem Medicare Pvt Ltd (subsidiary Co) which has started its operations w.e.f 25.08.2015
- 9 Six Months - net loss of Rs.463.47 Lakhs (Loss – Rs.75.30) Lakhs respectively of Raichem Medicare Pvt Ltd (subsidiary Co) which has started its operations w.e.f 25.08.2015



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
10 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.

- 11 As the Company is operating in only one segment "Pharmaceuticals Products", segment reporting is not applicable.
- 12 Prior period / year figures have been reclassified where ever required to confirm to the classification of current period / year.

Date: 25.11.2016

Place: Hyderabad



For and on behalf of Board of Directors


Managing Director

Shilpa Medicare Limited**Statement of Assets and Liabilities as at 30.09.2016****(Rs in Lakhs)**

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	Unaudited	Unaudited and Refer Note 03	Unaudited	Unaudited and Refer Note 03
ASSETS				
NON-CURRENT ASSETS				
Goodwill on consolidation			1,408.91	1,057.06
Property, Plant & Equipment	37931.81	34253.67	41,150.71	37,543.52
Capital work in progress	6384.16	8937.85	6,856.69	9,190.77
Other Intangible Assets	991.12	723.33	1,013.72	733.63
Financial Assets				
Investments	10369.60	9405.47	3,371.03	3,408.83
Loans	7176.10	6416.82	6,466.81	5,738.00
Other Financial Assets			0.78	0.60
Sub-total Non Current Assets	62,852.80	59,737.15	60,268.67	57,672.41
CURRENT ASSETS				
Inventories	16934.32	12465.87	18,025.97	13,422.76
Financial Assets				
Investments	7058.35	5963.07	7,058.46	5,963.07
Trade Receivables	15921.37	11197.52	16,822.51	12,542.95
Cash and Cash Equivalents	316.28	583.91	947.00	1,120.62
Loans	1895.69	1895.20	2,187.18	2,018.36
Other Financial Assets	1505.17	1097.69	637.37	285.36
Sub-total Current Assets	43,631.18	33,203.27	45,678.48	35,353.12
TOTAL	106,483.98	92,940.42	105,947.15	93,025.53
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	771.02	771.02	771.02	771.02
Other Equity	71462.38	65708.07	68,723.97	63,198.28
Non-controlling interest	-	-	(97.69)	251.41
Sub-Total Shareholder's Funds	72,233.40	66,479.09	69,397.30	64,220.71
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	0.00	0.00	2.60	3.04
Deferred Tax Liabilities (net)	5880.26	5289.51	5,723.62	5,053.28
Long Term Provisions	390.00	390.00	1,413.41	1,354.09
Other Non- Current Liabilities	204.00	207.95	218.74	218.57
Sub-Total Non Current Liabilities	6,474.25	5,887.47	7,358.38	6,628.98
Current Liabilities				
Financial Liabilities				
Borrowings	8880.17	6959.37	9,328.67	7,409.94
Trade Payables	15693.80	9965.91	16,329.29	10,880.81
Other financial Liabilities	3154.01	3602.43	3,431.57	3,813.85
Short Term Provisions	48.35	46.15	101.95	71.25
Sub-Total Current Liabilities	27,776.33	20,573.86	29,191.47	22,175.84
TOTAL	106,483.98	92,940.42	105,947.15	93,025.53



For and on behalf of Board of Directors

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 30th September 2016 and year to date result for the period 1 April 2016 to 30 September 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 30 September 2015, the corresponding year to date figures from 01 April 2015 to 30 September 2015 and for the previous year ended 31 March 2016, 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 and have been approved by the Board of Directors on 25 November 2016. 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.343.14 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.



Bohara Bhandari Bung & Associates LLP
Chartered Accountants

#12-10-89/1, 2nd Floor,
Anagha Complex, Above Canara Bank,
Sath Kacheri Road, Raichur - 584101

For Bohara Bhandari Bung And Associates LLP
Chartered Accountants

Firm Regn No.008127S/S200013



[Handwritten signature]

CA.Yogesh R Bung
Membership Number : 143932

Place / camp: Hyderabad
Date: 25.11.2016

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 30th September 2016 and year to date result for the period 1 April 2016 to 30 September 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 30 September 2015, the corresponding year to date figures from 01 April 2015 to 30 September 2015 and for the previous year ended 31 March 2016, 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 and have been approved by the Board of Directors on 25 November 2016. 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.343.14 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.771.16 Lakhs and Rs.2,323.04 Lakhs (before elimination), and net Profit of Rs.60.35 Lakhs and net loss of Rs.159.70 Lakhs (before elimination) for the quarter ended 30 September, 2016 and for the six months period ended 30 September 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 Profit of Rs.543.30 Lakhs for the quarter ended 30 September, 2016 and Net loss of Rs.79.52 Lakhs for the six months period ended 30 September 2016 respectively.



The above consolidated unaudited financial statements have been consolidated on the basis of unaudited Interim financial results prepared 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



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CA.Yogesh R Bung
Membership Number : 143932

Place / camp: Hyderabad
Date: 25.11.2016

Schedule of Total Revenues

Name of the Entity	Type of entity	As at 30.06.2016	As at 30.09.2016	For Q2
Shilpa Therapeutics Pvt Ltd	Subsidiary	6,193,773	14,855,569	8,661,796
Koanaa Healthcare UK	WOS	371	642	271
Koanaa Healthcare Gmbh	WOS	0	190	190
Makindus Inc	Subsidiary	31,009	43,135	12,126
Zatortia Holdings Ltd	Subsidiary	0	0	0
Loba Feinchemie Gmbh	Step down	70,890,519	217,404,449	146,513,930
		77,115,672	232,303,985	155,188,313

Schedule of Profits / Losses

Name of the Entity	As at 30.06.2016	As at 30.09.2016	For Q2
Shilpa Therapeutics Pvt Ltd	(2,509,728)	(5,538,673)	(3,028,945)
Koanaa Healthcare UK	(15,962)	(89,117)	(73,155)
Koanaa Healthcare Gmbh	0	(12,005,576)	(12,005,576)
Makindus Inc	(7,078,961)	(13,087,802)	(6,008,841)
Zatortia Holdings Ltd	(153,375)	(157,555)	(4,180)
Loba Feinchemie Gmbh	(12,246,674)	14,908,913	27,155,587
	(22,004,700)	(15,969,810)	6,034,890

Schedule of Assets

Name of the Entity	As at 30.09.2016
Shilpa Therapeutics Pvt Ltd	122,487,416
Koanaa Healthcare UK	10,837,768
Koanaa Healthcare Gmbh	11,523,179
Makindus Inc	6,724,311
Zatortia Holdings Ltd	247,937,465
Loba Feinchemie Gmbh	322,651,873

