

November 3, 2020

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai - 400 001

**Scrip Code: 524558**

To  
**The National Stock Exchange of India Ltd**  
Exchange Plaza,  
Bandra Kurla Complex  
Bandra (E), Mumbai - 400 001

**Scrip Code: NEULANLAB; Series: EQ**

Dear Sirs,

**Sub: Outcome of Board Meeting- Un-audited Standalone & Consolidated Financial Results and Interim Dividend for F.Y.2020-21.**

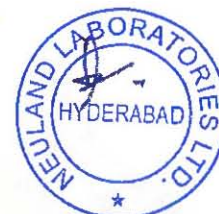
Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), we wish to inform you that the Board of Directors at their meeting held on even date, i.e. November 3, 2020, has inter alia:

- i. approved the Un-audited Standalone & Consolidated Financial Results for the quarter and half year ended September 30, 2020, which have been reviewed by the Audit Committee.
- ii. declared and approved payment of Interim Dividend @ Rs.2.00/- (20%) per equity share of Rs. 10/- each for the Financial Year 2020-21.

Please find enclosed herewith a copy of the Un-audited Standalone & Consolidated Financial Results of the Company along with the Limited Review Reports by the Statutory Auditors of the Company on the Financial Results.

Further, as earlier intimated, the Record date for the said Interim Dividend is Wednesday, November 11, 2020 and the said Interim Dividend shall be paid/dispatched on Friday, November 27, 2020, to those shareholders whose names appear:

- a) as beneficial owners in the statement(s) furnished by the Depository(ies) as on the close of business hours on Wednesday, November 11, 2020 in respect of shares held in electronic form; and



b) as Members in the Register of Members on Wednesday, November 11, 2020 in respect of physical shares.

The meeting of Board of Directors of the Company commenced at 11:55 a.m. and concluded at 1:45 p.m.

This is for your information and records.

Yours faithfully,  
For Neuland Laboratories Limited

A handwritten signature in blue ink, appearing to read "Sarada Bhamidipati".

**Sarada Bhamidipati**  
**Company Secretary**

*Encl: As above*

**Independent Auditor's Review Report on the quarterly unaudited standalone financial results of Neuland Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To

**The Board of Directors  
Neuland Laboratories Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Neuland Laboratories Limited** ('the Company') for the quarter ended September 30, 2020 and the year to-date results for the period April 01, 2020 to September 30, 2020 ('the Statement') 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 as amended ('the Regulation').
2. 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 Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized 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 the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

**AMIT KUMAR** Digitally signed by AMIT  
KUMAR AGARWAL  
Date: 2020.11.03 13:25:07  
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**Amit Kumar Agarwal**

Partner

Membership No. 214198

Date: November 03, 2020

Place: Hyderabad, INDIA

UDIN: 20214198AAAADY2517



**NEULAND LABORATORIES LIMITED**  
Sanali Info Park, 'A' Block, Ground Floor, 8-2-120/113,  
Road No. 2, Banjara Hills, Hyderabad - 500034

**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020**

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1	Revenue						
	(a) Revenue from operations	24,139.28	20,542.38	18,621.77	44,681.66	36,722.52	76,271.08
	(b) Other income	60.57	69.74	56.96	130.31	108.73	388.57
	<b>Total Income</b>	<b>24,199.85</b>	<b>20,612.12</b>	<b>18,678.73</b>	<b>44,811.97</b>	<b>36,831.25</b>	<b>76,659.65</b>
2	Expenses						
	(a) Cost of materials consumed	10,829.98	10,207.78	11,119.53	21,037.76	19,692.01	39,135.59
	(b) Changes in inventories of finished goods and work-in-progress	769.74	(66.64)	(2,055.48)	703.10	(642.02)	(1,115.75)
	(c) Employee benefits expense	3,245.02	3,307.02	2,861.51	6,552.04	5,694.63	11,848.19
	(d) Finance costs	351.19	536.87	478.25	808.06	881.01	2,157.14
	(e) Depreciation and amortisation expense	926.86	886.14	828.09	1,813.00	1,583.40	3,127.63
	(f) Manufacturing expenses	3,190.21	2,315.63	2,334.04	5,505.84	4,327.10	9,759.63
	(g) Other expenses	2,028.45	1,404.92	1,878.88	3,433.37	3,310.68	6,497.64
	<b>Total expenses</b>	<b>21,341.45</b>	<b>18,591.72</b>	<b>17,444.82</b>	<b>39,933.17</b>	<b>34,846.81</b>	<b>71,410.07</b>
3	<b>Profit before tax (1-2)</b>	<b>2,858.40</b>	<b>2,020.40</b>	<b>1,233.91</b>	<b>4,878.80</b>	<b>1,984.44</b>	<b>5,249.58</b>
4	Tax expense						
	(a) Current tax	347.92	-	329.12	347.92	526.86	-
	(b) Deferred tax	376.64	514.72	47.43	891.36	38.83	3,661.57
5	<b>Profit for the period / year (3-4)</b>	<b>2,133.84</b>	<b>1,505.68</b>	<b>857.36</b>	<b>3,639.52</b>	<b>1,418.75</b>	<b>1,588.01</b>
6	Other comprehensive income (net of taxes)						
	(a) Items that will not be reclassified to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	17.88	(24.94)	(97.83)	(7.06)	(92.06)	(99.76)
	Equity instruments through other comprehensive income	0.77	2.51	(0.74)	3.28	0.17	(4.09)
	Tax on items that will not be reclassified to profit or loss	(4.50)	6.28	34.19	1.78	32.17	25.11
	<b>Total comprehensive income</b>	<b>2,147.99</b>	<b>1,489.53</b>	<b>792.98</b>	<b>3,637.52</b>	<b>1,359.03</b>	<b>1,509.27</b>
7	Paid-up Equity Share Capital (Face value - ₹10 each)	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05
8	Other equity (excluding revaluation reserve)						69,180.58
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 5)	16.63	11.74	6.68	28.37	11.06	12.38
	(b) Diluted (refer note 5)	16.63	11.71	6.68	28.37	11.06	12.38
	See accompanying notes to the financial results						



**NOTES:**

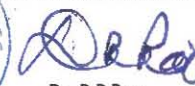
- 1 The financial results for the quarter and half year ended 30 September 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 3 November 2020.
- 2 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The operations of the Company are predominantly related to the manufacture and sale of active pharmaceutical ingredients and allied services. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".
- 4 The Company has evaluated the impact of the pandemic on all aspects of its business, including impact on customers, employees, vendors and business partners. The Company has taken several business continuity measures including transport for factory employees, work from home, following the social distancing norms. The Company has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, inventory, based on the information available to date, both internal and external, while preparing the its financial results for the quarter ended 30 September 2020. Based on the assessment done by the management of the Company, there is no significant/material impact of COVID-19 on the results for the quarter ended 30 September 2020. The Company has been closely monitor any material changes to future economic conditions.
- 5 The EPS for quarters has not been annualised.
- 6 The board of directors at their meeting held on 3 November 2020, approved for the payment of interim dividend of Rs. 2/- per equity shares of Rs. 10/- each
- 7 The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.
- 8 The previous period figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.



Place: Hyderabad  
Date: 3 November 2020



For Neuland Laboratories Limited



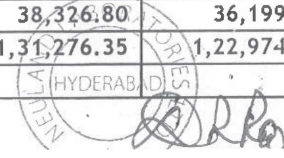
Dr. D R Rao  
Executive Chairman  
(DIN 00107737)

**NEULAND LABORATORIES LIMITED**  
**STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS ON 30 SEPTEMBER 2020**



(Amount in lakhs of ₹, unless otherwise stated)

Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33,975.00	33,748.77
Capital work in progress	5,353.54	2,375.12
Right of Use Assets	1,406.34	384.39
Investment property	2,981.39	2,981.39
Goodwill	27,946.10	27,946.10
Other intangible assets	237.79	195.76
Financial assets		
i) Investments	54.92	51.65
ii) Other financial assets	555.09	907.85
Non-current tax assets	1,265.33	1,352.76
Other non-current assets	2,014.62	1,647.16
<b>Total non-current assets</b>	<b>75,790.12</b>	<b>71,590.95</b>
<b>Current assets</b>		
Inventories	23,500.32	21,954.74
Financial assets		
i) Investments	750.00	750.00
ii) Trade Receivables	22,687.19	18,988.99
iii) Cash and cash equivalents	721.83	991.53
iv) Other bank balances	2,877.81	3,577.71
v) Other financial assets	348.01	356.68
Other current assets	4,601.07	4,763.78
<b>Total current assets</b>	<b>55,486.23</b>	<b>51,383.43</b>
<b>Total assets</b>	<b>1,31,276.35</b>	<b>1,22,974.38</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity Share Capital	1,290.05	1,290.05
Other equity	72,897.68	69,264.47
<b>Total Equity</b>	<b>74,187.73</b>	<b>70,554.52</b>
<b>Liabilities</b>		
<b>Non current-liabilities</b>		
Financial liability		
i) Borrowings	8,505.67	7,737.26
ii) Lease liability	1,080.87	257.79
Provisions	1,278.52	1,218.46
Deferred tax liabilities	5,585.28	4,695.70
Other non-current liabilities	2,311.48	2,311.48
<b>Total non-current liabilities</b>	<b>18,761.82</b>	<b>16,220.69</b>
<b>Current liabilities</b>		
Financial liability		
i) Borrowings	12,488.48	16,817.26
ii) Lease liability	289.73	156.63
iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises and	1,385.66	130.56
total outstanding dues of creditors other than micro enterprises and small enterprises	13,075.95	11,869.28
iv) Other financial liabilities	5,706.95	4,600.16
Other current liabilities	5,207.75	2,397.97
Provisions	172.28	227.31
<b>Total current liabilities</b>	<b>38,326.80</b>	<b>36,199.17</b>
<b>Total equity and liabilities</b>	<b>1,31,276.35</b>	<b>1,22,974.38</b>



NEULAND LABORATORIES LIMITED  
 STANDALONE STATEMENT OF CASH FLOWS

(Amount in lakhs of ₹, unless otherwise stated)

Particulars	Half Year Ended	
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)
<b>Cash flow from operating activities</b>		
Profit before tax	4,878.80	1,984.44
<b>Adjustments:</b>		
Depreciation and amortisation expense	1,813.00	1,583.40
Interest income	(117.57)	(106.41)
(Gain)/Loss on sale of fixed assets, net	4.41	(0.17)
Finance costs	888.06	881.01
Unrealised foreign exchange (gain)/loss, net	(24.85)	95.86
Unrealised (gain) / loss on forward contracts	5.65	-
Provision towards doubtful trade receivables	233.06	478.02
Provision for employee benefits	5.03	131.08
<b>Operating cash flows before working capital changes</b>	<b>7,685.59</b>	<b>5,047.23</b>
Changes in non current financial assets		
Changes in other non-current assets		
Changes in inventories	(1,545.58)	(2,144.44)
Changes in trade receivables	(3,932.39)	(1,844.40)
Changes in other current assets	145.27	(158.73)
Changes in trade payables	2,492.00	3,556.35
Changes in other financial assets	67.19	35.34
Changes in other financial liabilities	588.66	360.17
Changes in other liabilities	2,803.48	372.41
<b>Cash generated from operating activities</b>	<b>8,304.23</b>	<b>5,223.93</b>
Income-taxes paid, net	(262.27)	(380.35)
<b>Net cash generated from operating activities (A)</b>	<b>8,041.96</b>	<b>4,843.58</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(5,471.46)	(2,435.13)
Proceeds from sale of property, plant and equipment	8.59	17.38
Movement in other bank balances	1,029.80	(96.01)
Interest income received	78.64	63.29
<b>Net cash used in investing activities (B)</b>	<b>(4,354.43)</b>	<b>(2,450.47)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	-
Proceeds from short-term borrowings, net	(4,338.68)	(290.32)
Proceeds from long-term borrowings	2,100.38	-
Repayment of long-term borrowings	(715.90)	(1,197.70)
Repayment of lease liability	(94.72)	(80.19)
Dividend paid	-	(185.61)
Interest on lease liability	(35.20)	(17.97)
Interest paid	(873.09)	(1,123.32)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>(3,957.21)</b>	<b>(2,895.11)</b>
<b>Net (decrease)/ increase in cash and cash equivalents during the period (A + B + C)</b>	<b>(269.68)</b>	<b>(502.00)</b>
Cash and cash equivalents at the beginning of the period	991.53	744.22
Cash and cash equivalents at the end of the period	721.85	242.22



**Independent Auditor’s Review Report on the quarterly unaudited consolidated financial results of Neuland Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To

**The Board of Directors**

**Neuland Laboratories Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Neuland Laboratories Limited** (‘the Holding Company’), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the ‘Group’) for the quarter ended September 30 2020 and the year to-date results for the period from April 01, 2020 to September 30, 2020 (‘the Statement’), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (‘the Regulation’).
2. This Statement, which is the responsibility of the Holding Company’s Management and approved by the Holding Company’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’ (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized 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 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 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 results of the following entities:



Sr. No.	Name of the Company	Relationship with the Holding Company
1	Neuland Laboratories K.K., Japan	Wholly Owned Subsidiary
2	Neuland Laboratories Inc., USA	Wholly Owned Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above , 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 Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The consolidated unaudited financial results includes the interim financial information of two subsidiaries (mentioned in paragraph 4 above) which have not been reviewed or audited by their auditors, whose financial information reflects Group's share of total assets (before consolidation adjustments) of Rs. 669.78 lakhs as at September 30, 2020, Group's share of total revenue (before consolidation adjustments) of Rs. 211.02 lakhs and Group's share of total net profit after tax (before consolidation adjustments) of Rs. 10.07 lakhs for the quarter ended September 30, 2020, respectively, as considered in the statement. 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 our reliance on the interim financial information certified by the Management.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

AMIT KUMAR AGARWAL  
 Digitally signed by AMIT KUMAR AGARWAL  
 Date: 2020.11.03 13:26:09 +05'30'



**Amit Kumar Agarwal**

Partner

Membership No. 214198

Date: November 03, 2020

Place: Hyderabad, INDIA

UDIN: 20214198AAAADZ1233

**NEULAND LABORATORIES LIMITED**

Sanali Info Park, 'A' Block, Ground Floor, 8-2-120/113,  
Road No. 2, Banjara Hills, Hyderabad - 500034

**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER, 2020**

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1	Revenue						
	(a) Revenue from operations	24,139.28	20,542.38	18,621.77	44,681.66	36,722.52	76,271.08
	(b) Other income	60.59	69.74	56.96	130.33	108.73	388.59
	<b>Total Income</b>	<b>24,199.87</b>	<b>20,612.12</b>	<b>18,678.73</b>	<b>44,811.99</b>	<b>36,831.25</b>	<b>76,659.67</b>
2	Expenses						
	(a) Cost of materials consumed	10,829.99	10,207.78	11,119.53	21,037.77	19,692.01	39,135.59
	(b) Changes in inventories of finished goods and work-in-progress	769.74	(66.64)	(2,055.48)	703.10	(642.02)	(1,115.75)
	(c) Employee benefits expense	3,377.92	3,463.15	2,990.48	6,841.07	5,952.74	12,355.52
	(d) Finance costs	351.23	536.88	478.28	888.11	881.15	2,157.35
	(e) Depreciation and amortisation expense	926.96	886.24	828.19	1,813.20	1,583.59	3,128.01
	(f) Manufacturing expenses	3,190.21	2,315.63	2,334.04	5,505.84	4,327.09	9,759.63
	(g) Other expenses	1,885.26	1,238.06	1,738.27	3,123.32	3,031.42	5,947.07
	<b>Total expenses</b>	<b>21,331.31</b>	<b>18,581.10</b>	<b>17,433.31</b>	<b>39,912.41</b>	<b>34,825.98</b>	<b>71,367.42</b>
3	Profit before tax (1-2)	2,868.56	2,031.02	1,245.42	4,899.58	2,005.27	5,292.25
4	Tax expense						
	(a) Current tax	347.92	-	329.12	347.92	526.86	9.63
	(b) Deferred tax	376.64	514.72	47.43	891.36	38.83	3,661.57
5	Profit for the period / year (3-4)	2,144.00	1,516.30	868.87	3,660.30	1,439.58	1,621.05
6	Other comprehensive income (net of taxes)						
	(a) Items that will not be reclassified to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	17.88	(24.94)	(97.83)	(7.06)	(92.06)	(99.76)
	Equity instruments through other comprehensive income	0.77	2.51	(0.74)	3.28	0.17	(4.09)
	Tax on items that will not be reclassified to profit or loss	(4.50)	6.28	34.18	1.78	32.17	25.11
	(b) Items to be reclassified to profit or loss						
	Exchange differences in translating the financial statements of a foreign operations	(39.72)	21.01	1.08	(18.71)	7.02	35.34
	<b>Total comprehensive income</b>	<b>2,118.43</b>	<b>1,521.16</b>	<b>805.56</b>	<b>3,639.59</b>	<b>1,386.88</b>	<b>1,577.65</b>
7	Paid-up Equity Share Capital (Face value - ₹10 each)	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05
8	Other equity (excluding revaluation reserve)						69,621.83
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 6)	16.71	11.82	6.77	28.53	11.22	12.63
	(b) Diluted (refer note 6)	16.71	11.82	6.77	28.53	11.22	12.63
	<b>See accompanying notes to the financial results</b>						

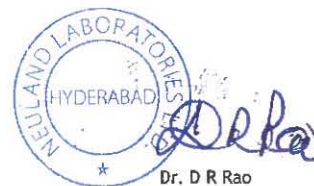


NOTES:

- 1 The financial results for the quarter and half year ended 30 September 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 3 November 2020.
- 2 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The Consolidated Financial Results include results of the following wholly owned subsidiaries:  
(a) Neuland Laboratories Inc., USA;  
(b) Neuland Laboratories KK., Japan.
- 4 The operations of the Company and its subsidiaries are predominantly related to the manufacture and sale of active pharmaceutical ingredients and allied services. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".
- 5 The Group has evaluated the impact of the pandemic on all aspects of its business, including impact on customers, employees, vendors and business partners. The Group has taken several business continuity measures including transport for factory employees, work from home, following the social distancing norms. The Group has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, inventory, based on the information available to date, both internal and external, while preparing the its financial results for the quarter ended 30 September 2020. Based on the assessment done by the management, there is no significant/material impact of COVID-19 on the results for the quarter ended 30 September 2020. The Group has been closely monitoring any material changes to future economic conditions.
- 6 The EPS for quarters has not been annualised.
- 7 The board of directors at their meeting held on 3 November 2020, approved for the payment of interim dividend of Rs. 2/- per equity shares of Rs. 10/- each
- 8 The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.
- 9 The previous quarter's/year's figures have been regrouped/rearranged wherever necessary to make it comparable with the current quarter/period.



Place: Hyderabad  
Date: 03 November 2020



Dr. D R Rao  
Executive Chairman  
(DIN 00107737)

**NEULAND LABORATORIES LIMITED**  
**STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS ON 30 SEPTEMBER 2020**

(Amount in lakhs of ₹, unless otherwise stated)

Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33,975.51	33,749.59
Capital work in progress	5,353.54	2,375.12
Right of Use Assets	1,406.34	384.39
Investment property	2,981.39	2,981.39
Goodwill	27,946.10	27,946.10
Other intangible assets	237.79	195.76
Financial assets		
i) Investments	39.11	35.83
ii) Other financial assets	560.14	912.98
Non-current tax assets	1,262.39	1,350.93
Other non-current assets	2,014.63	1,647.16
<b>Total non-current assets</b>	<b>75,776.94</b>	<b>71,579.25</b>
<b>Current assets</b>		
Inventories	23,500.32	21,954.74
Financial assets		
i) Investments	750.00	750.00
ii) Trade Receivables	22,687.19	18,988.99
iii) Cash and cash equivalents	823.45	1,120.35
iv) Other bank balances	2,877.81	3,577.71
v) Other financial assets	348.01	356.68
Other current assets	4,605.29	4,770.17
<b>Total current assets</b>	<b>55,592.07</b>	<b>51,518.64</b>
<b>Total assets</b>	<b>1,31,369.01</b>	<b>1,23,097.89</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity Share Capital	1,290.05	1,290.05
Other equity	73,351.47	69,705.72
<b>Total Equity</b>	<b>74,641.52</b>	<b>70,995.77</b>
<b>Liabilities</b>		
<b>Non current-liabilities</b>		
Financial liability		
i) Borrowings	8,505.67	7,737.26
ii) Lease liability	1,080.87	257.79
Provisions	1,307.92	1,248.98
Deferred tax liabilities	5,665.84	4,778.11
Other non-current liabilities	2,311.48	2,316.61
<b>Total non-current liabilities</b>	<b>18,871.78</b>	<b>16,338.75</b>
<b>Current liabilities</b>		
Financial liability		
i) Borrowings	12,488.48	16,817.26
ii) Lease liability	289.73	156.63
iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises and	1,385.66	130.56
total outstanding dues of creditors other than micro enterprises and small enterprises	12,588.46	11,425.74
iv) Other financial liabilities	5,706.95	4,601.23
Other current liabilities	5,224.15	2,404.64
Provisions	172.28	227.31
<b>Total current liabilities</b>	<b>37,855.71</b>	<b>35,763.37</b>
<b>Total equity and liabilities</b>	<b>1,31,369.01</b>	<b>1,23,097.89</b>



**NEULAND LABORATORIES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amount in lakhs of ₹, unless otherwise stated)

Particulars	Half Year Ended	
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)
<b>Cash flow from operating activities</b>		
Profit before tax	4,899.58	2,005.27
<b>Adjustments:</b>		
Depreciation and amortisation expense	1,813.20	1,583.59
Interest income	(117.59)	(106.41)
(Gain)/Loss on sale of fixed assets, net	4.41	(0.17)
Finance costs	888.11	881.15
Unrealised foreign exchange (gain)/loss, net	(24.85)	93.11
Unrealised (gain) / loss on forward contracts	5.65	-
Provision towards doubtful trade receivables	233.06	478.02
Provision for employee benefits	3.91	138.09
<b>Operating cash flows before working capital changes</b>	<b>7,705.48</b>	<b>5,072.65</b>
Changes in inventories	(1,545.58)	(2,144.44)
Changes in trade receivables	(3,932.39)	(1,844.41)
Changes in other current assets	147.44	(161.74)
Changes in trade payables	2,432.47	3,555.87
Changes in other financial assets	67.26	19.74
Changes in other financial liabilities	582.47	355.12
Changes in other liabilities	2,819.51	395.64
<b>Cash generated from operating activities</b>	<b>8,276.66</b>	<b>5,248.43</b>
Income-taxes paid, net	(263.02)	(374.40)
<b>Net cash generated from operating activities (A)</b>	<b>8,013.64</b>	<b>4,874.03</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(5,471.36)	(2,435.21)
Proceeds from sale of property, plant and equipment	8.59	17.38
Movement in other bank balances	1,029.80	(96.01)
Interest income received	78.66	63.28
<b>Net cash used in investing activities (B)</b>	<b>(4,354.31)</b>	<b>(2,450.56)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings, net	(4,338.68)	(290.32)
Proceeds from long-term borrowings	2,100.38	-
Repayment of long-term borrowings	(715.90)	(1,197.69)
Repayment of lease liability	(94.72)	(80.19)
Dividend paid	-	(185.61)
Interest on lease liability	(35.20)	(17.97)
Interest paid	(873.13)	(1,123.47)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>(3,957.25)</b>	<b>(2,895.25)</b>
<b>Net (decrease)/ increase in cash and cash equivalents during the period (A + B + C)</b>	<b>(297.92)</b>	<b>(471.78)</b>
Cash and cash equivalents at the beginning of the period	1,120.35	793.77
Effect of exchange rate changes on cash and cash equivalents	1.02	2.75
<b>Cash and cash equivalents at the end of the period</b>	<b>823.45</b>	<b>324.74</b>

