

February 11, 2020

To
BSE Limited
Phiroze Jeejeebhoy Towers,
25th 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: NEULANDLAB; Series: EQ

Dear Sirs,

Sub: Outcome of Board Meeting- Un-audited Standalone & Consolidated Financial Results and Interim Dividend for F.Y.2019-20.

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. February 11, 2020, has inter alia:

- i. approved the Un-audited Standalone & Consolidated Financial Results for the quarter and nine months ended December 31, 2019, 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 2019-20.
- iii. approved the re-appointment of Dr. Nirmala Murthy as Independent Director for a term of five years with effect from May 8, 2020, subject to the approval of the Members of the Company.

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 Thursday, February 20, 2020 and the said Interim Dividend shall be paid/dispatched on Thursday, February 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 Thursday, February 20, 2020 in respect of shares held in electronic form; and



b) as Members in the Register of Members on Thursday, February 20, 2020 in respect of physical shares.

The meeting of Board of Directors of the Company commenced at 02.00 p.m. and concluded at 04:30 p.m.

This is for your information and records.

Yours faithfully,
For **Neuland Laboratories Limited**



Sarada Bhamidipati
Company Secretary



Encl: As above



Independent Auditor's Review Report on unaudited standalone 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

The Board of Directors

Neuland Laboratories Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Neuland Laboratories Limited** ('the Company') for the quarter ended and nine month period ended December 31, 2019 ('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 Ind AS 34 'Interim Financial Reporting', 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.

5. The comparative standalone financial results of the company for the quarter and nine month period ended December 31, 2018 was reviewed on February 12, 2019 and for the year ended March 31, 2019 was audited on May 16, 2019 by another auditor, who had expressed an unmodified opinion on those statements.

Our conclusion is not modified in respect of this matter.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Amit Kumar Agarwal

Partner

Membership No: 214198

UDIN: 20214198AAAABA3354

Date: February 11, 2020

Place: Hyderabad, INDIA

Neuland Laboratories Limited
Sanali Info Park, 'A' Block,
Ground Floor, 8-2-120/113
Road No. 2, Banjara Hills
Hyderabad - 500 034.
Telangana, India.

Tel: 040 30211600 / 23551081
Fax: 040 30211602
Email: neuland@neulandlabs.com
www.neulandlabs.com

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 NINE MONTHS ENDED 31 DECEMBER 2019

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1	Revenue						
	(a) Revenue from operations	20,361.97	18,621.77	17,146.95	57,084.49	49,416.78	66,682.95
	(b) Other income	102.24	56.96	40.53	210.97	215.75	349.16
	Total Income	20,464.21	18,678.73	17,187.48	57,295.46	49,632.53	67,032.11
2	Expenses						
	(a) Cost of materials consumed	10,545.00	11,119.53	8,609.38	30,237.01	27,146.28	36,044.19
	(b) Changes in inventories of finished goods and work-in-progress	(183.01)	(2,055.48)	712.48	(825.03)	371.15	580.08
	(c) Employee benefits expense	2,971.97	2,861.51	2,680.80	8,666.60	7,713.19	10,447.48
	(d) Finance costs	569.23	478.25	299.90	1,450.25	1,095.22	1,566.31
	(e) Depreciation and amortisation expense	781.72	828.09	735.24	2,365.12	1,892.95	2,586.02
	(f) Manufacturing expenses	2,597.91	2,334.04	1,953.21	6,925.00	5,663.34	7,691.36
	(g) Other expenses	1,623.93	1,878.88	1,606.90	4,934.61	4,575.95	6,133.17
	Total expenses	18,906.75	17,444.82	16,597.91	53,753.56	48,458.08	65,048.61
3	Profit before tax (1-2)	1,557.46	1,233.91	989.57	3,541.90	1,174.45	1,983.50
4	Tax expense						
	(a) Current tax	313.07	329.12	156.47	839.93	339.27	544.35
	(b) Deferred tax benefit	140.13	47.43	(26.90)	178.96	(106.21)	(175.19)
5	Profit for the period / year (3-4)	1,104.26	857.36	460.00	2,523.01	941.39	1,614.34
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	(46.03)	(97.83)	36.04	(138.09)	108.11	23.08
	Equity instruments through other comprehensive income	0.66	(0.74)	0.58	0.49	(1.05)	(0.10)
	Tax on items that will not be reclassified to profit or loss	16.08	34.19	(12.47)	48.25	(37.41)	(7.99)
	Total comprehensive income	1,074.97	792.98	484.15	2,433.66	1,011.04	1,629.33
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)						68,183.97
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 7)	8.61	6.68	3.59	19.67	7.53	12.83
	(b) Diluted (refer note 7)	8.61	6.68	3.59	19.67	7.53	12.83
	See accompanying notes to the financial results						



NOTES:

- 1 The financial results for the quarter and nine months ended 31 December 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11 February 2020.
- 2 The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.
- 3 The operations of the Company are predominantly related to the manufacture 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 adopted IND AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019 using the modified retrospective method. The transition resulted in recognition of Right-of-Use asset & lease liability. The effect of this adoption is insignificant on the profit for the period.
- 5 The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is in the process of evaluating its position with respect to the aforesaid option.
- 6 The Board of Directors had at the meeting held on 11 February 2020, declared interim dividend of Rs.2/- per equity share of face value Rs.10/- each
- 7 The EPS for quarters and nine month has not been annualised.
- 8 Previous period figures have been regrouped/rearranged wherever considered necessary to confirm to the current year presentation.

Place: Hyderabad
Date: 11 February 2020



For Neuland Laboratories Limited



Dr. D R Rao
Chairman and Managing Director
(DIN 00107737)



Independent Auditor's Review Report on unaudited consolidated quarterly and year to date financial results of the Group, pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Neuland Laboratories Limited**

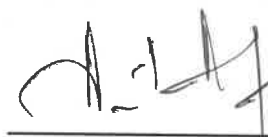
1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Neuland Laboratories Limited** ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended and nine month period ended December 31, 2019 ('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'). Attention is drawn to the fact that the figures for the corresponding quarter ended and nine month period ended December 31, 2018 as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.
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.
4. 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.
5. 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

6. 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.
7. The consolidated unaudited financial results includes the interim financial statements of two subsidiaries (mentioned in paragraph 5 above) which have not been reviewed/audited by their auditors, whose results reflect total revenues of Rs. 204.42 lakhs and Rs. 641 lakhs, total net profit after tax of Rs. 6.76 lakhs and Rs. 27.59 lakhs and total comprehensive income is Rs. Nil for the quarter ended and nine month period ended December 31, 2019 respectively, as considered in the consolidated unaudited financial statements. According to the information and explanations given to us by the Management, these interim financial statements are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Amit Kumar Agarwal
Partner
Membership No: 214198



UDIN: 20214198AAAABB8849
Date: February 11, 2020
Place: Hyderabad, INDIA

Neuland Laboratories Limited
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Ground Floor, 8-2-120/113
Road No. 2, Banjara Hills
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Telangana, India.

Tel: 040 30211600 / 23551081
Fax: 040 30211602
Email: neuland@neulandlabs.com
www.neulandlabs.com

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 NINE MONTHS ENDED 31 DECEMBER 2019

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1	Revenue						
	(a) Revenue from operations	20,384.37	18,621.77	17,147.95	57,106.89	49,417.78	66,682.95
	(b) Other income	102.24	56.96	40.53	210.97	215.75	349.20
	Total Income	20,486.61	18,678.73	17,188.48	57,317.86	49,633.53	67,032.15
2	Expenses						
	(a) Cost of materials consumed	10,544.99	11,119.53	8,609.38	30,237.00	27,146.28	36,044.19
	(b) Changes in inventories of finished goods and work-in-progress	(183.01)	(2,055.48)	712.48	(825.03)	371.15	580.08
	(c) Employee benefits expense	3,102.83	2,990.48	2,859.80	9,055.57	8,197.42	11,045.60
	(d) Finance costs	569.25	478.28	299.99	1,450.40	1,095.72	1,566.31
	(e) Depreciation and amortisation expense	781.82	828.19	735.33	2,365.41	1,893.10	2,586.26
	(f) Manufacturing expenses	2,597.91	2,334.04	1,953.21	6,925.00	5,663.34	7,691.36
	(g) Other expenses	1,505.64	1,738.27	1,417.04	4,537.06	4,049.84	5,484.62
	Total expenses	18,919.43	17,433.31	16,587.23	53,745.41	48,416.85	64,998.42
3	Profit before tax (1-2)	1,567.18	1,245.42	601.25	3,572.45	1,216.68	2,033.73
4	Tax expense						
	(a) Current tax	316.01	329.12	158.99	842.87	341.79	556.96
	(b) Deferred tax benefit	140.13	47.43	(26.90)	178.96	(106.21)	(167.39)
5	Profit for the period / year (3-4)	1,111.04	868.87	469.16	2,550.62	981.10	1,644.16
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	(46.03)	(97.83)	36.04	(138.09)	108.11	23.08
	Equity Instruments through other comprehensive income	0.32	(0.74)	0.58	0.49	(1.05)	(0.09)
	Tax on items that will not be reclassified to profit or loss	16.08	34.18	(12.47)	48.25	(37.41)	(7.99)
	(b) Items to be reclassified to profit or loss						
	Exchange differences in translating the financial statements of a foreign operations	3.86	1.08	(12.45)	10.88	18.19	16.77
	Total comprehensive income	1,085.27	805.56	480.86	2,472.15	1,068.94	1,675.93
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)						
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 9)	8.66	6.77	3.66	19.88	7.84	13.06
	(b) Diluted (refer note 9)	8.66	6.77	3.66	19.88	7.84	13.06
	See accompanying notes to the financial results						



NOTES:

- 1 The financial results for the quarter and nine months ended 31 December 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11 February 2020.
- 2 The above consolidated financial results have been prepared in accordance with principles and procedures as set out in IND AS 110 on "Consolidated financial statements" notified under Section 133 of Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 3 The operations of the Company are predominantly related to the manufacture 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 adopted IND AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2109 using the modified retrospective method. The transition resulted in recognition of Right-of-Use asset & lease liability. The effect of this adoption is insignificant on the profit for the period.
- 5 The Consolidated Financial Results include results of the following subsidiaries:
(a) Neuland Laboratories Inc., USA;
(b) Neuland Laboratories KK., Japan.
- 6 In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 dated May 09, 2018 the company has prepared and published the quarterly consolidated financial results for the quarter and nine months ended 31 December, 2019. Thus, the quarterly financial results reported above for the quarter and nine months ended 31 December, 2018 were not subjected to limited review.
- 7 The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is in the process of evaluating its position with respect to the aforesaid option.
- 8 The Board of Directors had at the meeting held on 11 February 2020, declared interim dividend of Rs.2/- per equity share of face value Rs.10/- each
- 9 The EPS for quarters and nine months has not been annualised.
- 10 Previous period figures have been regrouped/rearranged wherever considered necessary to confirm to the current year presentation.

Place: Hyderabad
Date: 11 February 2020



For Neuland Laboratories Limited


Dr. D R Rao
Chairman and Managing Director
(DIN 00107737)

