

February 12, 2019

To
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001
Scrip Code: 524558

To
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 001
Scrip Code: NEULANLAB
Series: EQ

Dear Sirs,

Outcome of Board Meeting

We wish to inform you that the Board of Directors at its meeting held today approved Un-Audited Financial Results for the quarter ended December 31, 2018.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, please find enclosed the statement of Un-Audited Financial Results for the quarter ended December 31, 2018 along with Limited Review Report on the Un-Audited Financial Results.

Further the Board of Directors at their meeting approved the following:

- a) Re-appointment of Dr. Davuluri Rama Mohan Rao, as Chairman & Managing Director of the Company, for a period of five years with effect from April 1, 2019
- b) Re-appointment of Mr. Humayun Dhanrajgir, Mr. Parampally Vasudeva Maiya and Dr. William Gordon Mitchell as Independent Directors for a term of five years with effect from April 1, 2019
- c) Re-appointment of Mrs. Bharati Rao as Independent Director for a term of five years with effect from May 9, 2019
- d) Appointment of Mr. Homi Rustum Khusrokhhan as an Independent Director for a term of five years with effect from April 1, 2019

The meeting of Board of Directors of the Company commenced at 2.30 P.M. and concluded at 05.40 P.M.

This is for your information and records.

Yours faithfully,

For Neuland Laboratories Limited



Sarada Bhamidipati
Company Secretary

Encl: as above

Walker Chandiook & Co LLP
7th Floor, Block III,
White House, Kundan Bagh,
Begumpet,
Hyderabad - 500 016
India

T +91 40 6630 8200
F +91 40 6630 8230

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


To the Board of Directors of Neuland Laboratories Limited

1. We have reviewed the accompanying statement of unaudited financial results ('Statement') of Neuland Laboratories Limited ('the Company') for the quarter ended 31 December 2018 and the year to date results for the period 1 April 2018 to 31 December 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement 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 Statement is 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. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013


Sanjay Kumar Jain
Partner
Membership No. 207660



Place: Hyderabad
Date: 12 February 2019

NEULAND LABORATORIES LIMITED

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

(Amount in lakhs of ₹, unless otherwise stated)

| Sl. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---------|---|---------------------------|---------------------------|---|---------------------------|---------------------------|-------------------------|
| | | 31.12.2018 (Unaudited) | 30.09.2018 (Unaudited) | 31.12.2017 (Unaudited) [Refer note 4 (i)] | 31.12.2018 (Unaudited) | 31.12.2017 (Unaudited) | 31.03.2018 (Audited) |
| 1 | Revenue | | | | | | |
| | (a) Revenue from operations | 17,146.95 | 16,874.08 | 12,186.40 | 49,416.78 | 36,893.53 | 52,916.15 |
| | (b) Other income | 40.53 | 63.85 | 126.94 | 215.75 | 424.40 | 453.45 |
| | Total Income | 17,187.48 | 16,937.93 | 12,313.34 | 49,632.53 | 37,317.93 | 53,369.60 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 8,609.38 | 9,351.40 | 7,034.32 | 27,146.28 | 20,157.97 | 28,109.42 |
| | (b) Excise duty | - | - | - | - | 175.47 | 175.47 |
| | (c) Changes in inventories of finished goods and work-in-progress | 712.48 | 171.51 | (1,630.68) | 371.15 | (4,346.23) | (4,272.41) |
| | (d) Employee benefits expense | 2,680.80 | 2,475.62 | 2,477.55 | 7,713.19 | 7,323.20 | 9,572.79 |
| | (e) Finance costs | 299.90 | 407.26 | 455.58 | 1,095.22 | 1,404.33 | 1,892.13 |
| | (f) Depreciation and amortisation expense | 735.24 | 591.64 | 569.68 | 1,892.95 | 1,649.38 | 2,210.35 |
| | (g) Manufacturing expenses | 1,953.21 | 1,889.46 | 1,880.59 | 5,663.34 | 6,136.00 | 8,149.10 |
| | (h) Other expenses | 1,606.90 | 1,521.17 | 1,507.64 | 4,575.95 | 4,322.97 | 6,178.72 |
| | Total expenses | 16,597.91 | 16,408.06 | 12,294.68 | 48,458.08 | 36,823.09 | 52,015.57 |
| 3 | Profit before tax (1-2) | 589.57 | 529.87 | 18.66 | 1,174.45 | 494.84 | 1,354.03 |
| 4 | Tax expense | | | | | | |
| | (a) Current tax | 156.47 | 144.72 | (42.89) | 339.27 | 336.69 | 422.91 |
| | (b) Deferred tax benefit | (26.90) | (54.98) | (12.07) | (106.21) | (217.37) | (249.70) |
| 5 | Profit for the period / year (3-4) | 460.00 | 440.13 | 73.62 | 941.39 | 375.52 | 1,180.82 |
| 6 | Other comprehensive income (net of taxes) | | | | | | |
| | (a) Items that will not be reclassified to profit or loss | | | | | | |
| | (i) Re-measurement gains/(losses) on defined benefit plans | 36.04 | 65.25 | (8.49) | 108.11 | (25.47) | 27.28 |
| | (ii) Equity instruments through other comprehensive income | 0.58 | (0.85) | - | (1.05) | - | 1.70 |
| | Tax on items that will not be reclassified to profit or loss | (12.47) | (22.58) | 2.94 | (37.41) | 8.82 | (9.44) |
| | Total comprehensive income | 484.15 | 481.95 | 68.07 | 1,011.04 | 358.87 | 1,200.36 |
| 7 | Paid-up Equity Share Capital (Face value - ₹10 each) | 1,290.05 | 1,290.05 | 895.49 | 1,290.05 | 895.49 | 895.49 |
| 8 | Other equity | | | | | | 23,497.51 |
| 9 | Equity suspense account | | | | | | 31,084.99 |
| 10 | Earnings Per Share (of ₹10 each) (In absolute ₹ terms) | | | | | | |
| | (a) Basic (refer note 4(ii)) | 3.59 | 3.43 | 0.66 | 7.53 | 3.37 | 10.59 |
| | (b) Diluted (refer note 4(ii)) | 3.59 | 3.43 | 0.66 | 7.53 | 3.37 | 10.59 |
| | See accompanying notes to the financial results | | | | | | |



NOTES:

- 1 The financial results for the quarter and nine months ended 31 December 2018, have been reviewed by the Audit Committee, approved by the Board of Directors at their meeting held on 12 February 2019.
- 2 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".
- 3 The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using modified retrospective application method with effect from 1 April 2018 and accordingly these financial results are prepared in accordance with the recognition and measurement principles laid down in Ind AS 115. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company.
- 4 (i) In view of the amalgamation of erstwhile Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") (collectively referred as "Transferor Companies") with Neuland Laboratories Limited ("the Company" or "NLL"), pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") duly approved by the Hon'ble National Company Law Tribunal ("NCLT"), Hyderabad Bench vide their order dated 21 March 2018 with the appointed date of 1 April 2016, for the purpose of these financial results, the figures disclosed for the quarter and nine months ended 31 December 2017 have been arrived on the basis of an aggregation of separate results of the Company and the unaudited financial results of the transferor companies for quarter and nine months ended 31 December 2017.

(ii) During the period ended 30 June 2018, 68,61,243 equity shares of ₹10 each have been allotted to the shareholders of the Transferor Companies pursuant to the Scheme after cancellation of cross holding of 45,90,608 equity shares and 4,99,965 equity shares in NLL and NPRPL respectively held by NHSPL. Net increase in the paid-up share capital on this account (i.e., 22,70,635 equity shares of ₹10 each) has been considered for the purpose of computation of basic and diluted earnings per equity share for all the presented period(s).
- 5 EPS for the quarters are not annualized.
- 6 Post implementation of Goods and Services Tax ("GST") in India with effect from 1 July 2017, revenues are disclosed net of GST. Revenues for the period prior to 1 July 2017 included excise duty which is now subsumed in the GST. Accordingly, revenues for the nine months ended 31 December 2018 is not comparable with those for the nine months ended 31 December 2017.

By Order of the Board
For Neuland Laboratories Limited



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



Place: Hyderabad
Date: 12 February 2019