

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

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www.neulandlabs.com

November 22, 2017

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

This is to inform you that the Board of Directors at their meeting held today i.e. November 22, 2017:

1. Approved the Unaudited Financial Results for the quarter ended September 30, 2017 and the limited review thereon by the auditors. The said financial results and limited review report by the auditors for the quarter ended September 30, 2017, are attached herewith
2. Approved the appointment of Mr. Amit Agarwal as the Chief Financial officer ("CFO") of the Company in place of Mr. D. Saharsh Rao w.e.f. November 22, 2017. Mr.D.Saharsh Rao shall continue in his role as the Joint Managing Director of the Company.

This is for your information and records.

Yours faithfully,

For Neuland Laboratories Limited



Sarada Bhamidipati
Company Secretary



Encl: as above

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on 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

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 30 September 2017 and the year to date results for the period 1 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2016 and the corresponding year to date from 1 April 2016 to 30 September 2016, including the reconciliation of net profit under Ind AS of the aforementioned periods with net profit reported under previous GAAP, as included in the Statement have been approved by the Company's Board of Directors but have not been subject to limited review or audit. 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.



Walker Chandiook & Co LLP

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 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.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Sanjay Kumar Jain

per Sanjay Kumar Jain

Partner

Membership No. 207660



Place: Hyderabad

Date: 22 November 2017

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Road No. 2, Banjara Hills, Hyderabad - 500034

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2017

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Half Year	
		30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
1	Revenue					
	(a) Revenue from operations	12,585.49	11,748.07	15,192.40	24,333.56	30,344.63
	(b) Other income	33.63	265.90	(1.42)	299.53	51.40
	Total Income	12,619.12	12,013.97	15,190.98	24,633.09	30,396.03
2	Expenses					
	(a) Cost of materials consumed	7,151.48	6,003.02	6,871.67	13,154.50	13,842.39
	(b) Excise duty	-	172.79	233.53	172.79	409.16
	(c) Changes in inventories of finished goods and work-in-progress	(1,640.22)	(1,075.34)	633.99	(2,715.56)	713.13
	(d) Employee benefits expense	1,986.96	1,912.24	1,563.70	3,899.20	3,234.34
	(e) Finance costs	523.19	476.57	548.92	999.76	1,185.16
	(f) Depreciation and amortisation expense	538.34	510.22	454.42	1,048.56	890.49
	(g) Manufacturing expenses	1,914.71	1,937.95	1,584.83	3,852.66	3,046.93
	(h) Other expenses	1,736.38	1,733.67	1,788.46	3,470.05	4,131.36
	Total Expenses	12,210.84	11,671.12	13,679.52	23,881.96	27,452.96
3	Profit before tax (1-2)	408.28	342.85	1,511.46	751.13	2,943.07
4	Tax expense					
	(a) Current tax	194.83	184.75	478.29	379.58	989.88
	(b) Deferred tax benefit	(45.99)	(71.68)	10.04	(117.67)	(20.79)
5	Profit for the period (3-4)	259.44	229.78	1,023.13	489.22	1,973.98
6	Other comprehensive income (net of taxes)					
	(a) Items that will not be reclassified to profit or loss					
	(i) Re-measurement losses on defined benefit plans	(5.55)	(5.56)	(5.55)	(11.11)	(11.11)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total comprehensive income	253.89	224.22	1,017.58	478.11	1,962.87
7	Paid-up Equity Share Capital (Face value of ₹10 per share)	895.49	895.49	895.39	895.49	895.39
8	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)					
	(a) Basic (refer note 6)	2.92	2.59	11.52	5.51	22.22
	(b) Diluted (refer note 6)	2.92	2.59	11.52	5.51	22.22
	See accompanying notes to the financial results					



NOTES:

- The above unaudited financial results have been reviewed by the Audit Committee in their meeting held on 21 November 2017, approved and taken on record by the Board of Directors at their meeting held on 22 November 2017. The results for the quarter and half year ended 30 September 2017 presented were subjected to a "Limited Review" by the Statutory Auditor's of the Company. An unqualified report was issued by them thereon. The financial results and other information for the quarter and half year ended 30 September 2016 has neither been subjected to a limited review nor audit by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the unaudited financial results provide a true and fair view of the Company's affairs.
- The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2017 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for corresponding period presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- The operations of the Company are predominantly related to the manufacture of Active Pharmaceutical Ingredients (API). As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".
- Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the quarter and half year ended 30 September 2016:

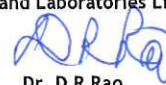
Amount (₹ in lakhs)

Particulars	Quarter Ended 30.09.2016	Half Year Ended 30.09.2016
Net profit under previous GAAP	1,038.87	2,010.00
Interest on borrowings from related parties	(21.07)	(42.14)
Recognition of rental income at fair value	3.48	6.95
Remeasurement of employee benefits	(4.48)	(8.96)
Others	(5.44)	(10.93)
Deferred tax benefit	11.77	19.06
Total net profit for the period under Ind AS	1,023.13	1,973.98
Other comprehensive income	(5.55)	(11.11)
Total comprehensive income	1,017.58	1,962.87

- In November 2016, the Board of Directors of the Company approved a Scheme for amalgamation of its parent company Neuland Health Sciences Private Limited (NHSPL) and a fellow subsidiary Neuland Pharma Research Private Limited (NPRPL) with the Company. The Scheme of amalgamation has been drawn in accordance with the provisions of the Companies Act, 2013 pursuant to which and subject to requisite regulatory approvals, the entire business undertakings of NHSPL and NPRPL will be transferred to the Company with effect from 1 April 2016. Further, pursuant to the terms of the scheme, the Company shall cancel 4,590,608 equity shares presently held by its parent company NHSPL, and it shall allot the fresh equity share capital to the shareholders of NHSPL and NPRPL in the following ratio duly determined by independent valuation experts:
 - 552 equity shares of the Company of ₹10 each, fully paid-up for every 1,000 equity shares of NHSPL of ₹10 each, fully paid up and;
 - 410 equity shares of the Company of ₹10 each, fully paid-up for 100 equity shares of NPRPL of ₹10 each, fully paid up.
 As at the date of approval of this statement, the Scheme of amalgamation has been duly approved by the Securities and Exchange Board of India, shareholders, creditors of the Company and is subject to and pending for the requisite approvals from the National Company Law Tribunal. Although the scheme, on obtaining the requisite approvals, shall be effective from 1 April 2016, however, pending final approval from National Company Law Tribunal and to comply with the Listing (Obligations and Disclosures) Regulations, 2015, the accompanying statement for the quarter and half year ended 30 September 2017 have been prepared without giving any effect of the proposed amalgamation.
- EPS for the quarters is not annualized.
- Revenue from operations for the quarter and half year ended 30 September 2017 is not comparable with revenue from operations of the previous quarter of the current year, corresponding quarter of the previous year and half year ended 30 September 2016 as these periods include amount of excise duty which is not included for the quarter ended 30 September 2017 after implementation of Goods and Service Tax.



By Order of the Board
For Neuland Laboratories Limited



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

Place: Hyderabad

Date: 22 November 2017

Neuland Laboratories Limited	
Statement of Assets and Liabilities	
(All amounts in lakhs of ₹)	
Particulars	As at 30.09.2017 (Unaudited)
ASSETS	
Non-current assets	
Property, plant and equipment	15,199.41
Capital work-in-progress	815.30
Investment properties	2,981.39
Intangible assets	145.95
Financial assets	
Investments	50.54
Loans	302.23
Other non-current assets	1,106.94
Total non-current assets	20,601.76
Current assets	
Inventories	16,663.57
Financial assets	
Investments	704.04
Trade receivables	17,415.13
Cash and cash equivalents	466.89
Other bank balances	1,004.45
Other financial assets	237.56
Other current assets	4,453.65
Total current assets	40,945.29
Total assets	61,547.05
EQUITY AND LIABILITIES	
Equity	
Equity share capital	895.49
Other equity	21,261.57
Total equity	22,157.06
Non-current liabilities	
Financial liabilities	
Borrowings	3,672.95
Other financial liabilities	242.33
Net employee defined benefit liabilities	880.95
Deferred tax liabilities (net)	845.78
Other non-current liabilities	912.30
Total non-current liabilities	6,554.31
Current liabilities	
Financial liabilities	
Borrowings	17,893.07
Trade payables	11,605.48
Other financial liabilities	2,616.39
Other current liabilities	334.13
Provisions	165.26
Current tax liabilities (net)	221.35
Total current liabilities	32,835.68
Total equity and liabilities	61,547.05

