

February 21, 2017

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

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

**Scrip Code: 524558**

**Scrip Code: NEULANLAB  
Series: EQ**

Dear Sirs,

**Sub: Postal Ballot Notice**

We would like to inform you that the Company is seeking approval of the shareholders for "Approval of Related Party transactions" as an Ordinary Resolution under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, ("LODR" Regulations), by way of postal ballot / e-voting, pursuant to Section 110 and other applicable provisions of the Act and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed a copy of the Postal Ballot Notice and Form dispatched to the Shareholders on even date.

This is for your information and records.

Thanking you,

Yours Sincerely,  
For Neuland Laboratories Limited

  
Sarada Bhamidipati  
Company Secretary



Encl: as above

# NEULAND LABORATORIES LIMITED

(CIN: L85195TG1984PLC004393)



**Registered Office:** Sanali Info park, 'A' Block, Ground floor, 8-2-120/113, Road No.2, Banjara Hills, Hyderabad-34.  
E-mail : [ir@neulandlabs.com](mailto:ir@neulandlabs.com), website : [www.neulandlabs.com](http://www.neulandlabs.com), Tel: +91-40-30211600.

## POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, ("**the Act**"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment there of for the time being in force that the resolution set out hereunder for approval of related party transactions is proposed to be passed as an Ordinary Resolution by way of postal ballot and electronic voting ("**e-voting**").

The Explanatory Statement, as required under section 102 of the Act, pertaining to the aforesaid resolution setting out the material facts concerning the business and the reasons thereof is annexed hereto along with a Postal Ballot Form and self-addressed postage pre-paid Business Reply Envelope for your consideration.

The Board of Directors of the Company (the "**Board**") has appointed Mr.D.Hanumanta Raju, Partner, D.Hanumanta Raju & Co., Company Secretaries, as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

Members have the option to vote either by Postal Ballot or through e-voting. Members opting to vote through Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the same, duly completed and signed, in the attached self-addressed postage pre-paid Business Reply Envelope, so as to reach the Scrutinizer on or before March 23, 2017 by (5.00 p.m. IST). Please note that any postal ballots received beyond the said date will not be valid.

Members desiring to opt for e-voting are requested to read the instructions in the Notes forming part of the Notice. References to Postal Ballot(s) in this notice include votes received electronically.

The Scrutinizer will submit his report to the Chairman & Managing Director or any person authorized by the Board after completion of the scrutiny of the postal ballots (including e-voting).The result of the Postal Ballot shall be declared on or before March 25, 2017 at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed and displayed along with the Scrutinizer's report on the Company's website viz.[www.neulandlabs.com](http://www.neulandlabs.com) and also on the website of Karvy Computershare Private Limited at <https://evoting.karvy.com>.

## SPECIAL BUSINESS

1. Approval for Related Party transactions of the Company:

To consider and, if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**the SEBI (LODR) Regulations, 2015**"), including any statutory modification(s) or re-enactment thereof for the time being in force, approval / ratification of the shareholders be and is hereby accorded to the Board of Directors for transactions entered into / to be entered with Neuland Pharma Research Private Limited a 'Related Party' as defined under the provisions of the SEBI (LODR) Regulations, 2015, on such terms and conditions as approved by the Board from time to time, for an amount not exceeding **Rs.75 crores** (Rupees seventy five crores only) for the financial year 2016-17, for the purposes as set out in the explanatory statement annexed hereto".

“RESOLVED FURTHER THAT the Board of directors (hereinafter called the “Board”, which term shall be deemed to include any person(s) authorized and / or Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) of the Company, be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things to finalise the terms and conditions with regard to any transaction with the related party and execute such agreement (including any amendment or

modification to an agreement), documents and writings and to make such filings, if any necessary or desirable for the purpose for giving effect to this resolution, in the best interest of the Company.”

By Order of the Board of Directors  
For **Neuland Laboratories Limited**

Sd/-

Place : Hyderabad  
Date : February 10, 2017

**Sarada Bhamidipati**  
Company Secretary  
M No: 27854

### Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

#### Item No.1

The Company, in the ordinary course of its business, during the current financial year, i.e., 2016-17 has transacted / would be transacting with a ‘Related Party’ within the meaning of Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations, 2015**”) and which would be ‘material’ in nature as per the provisions of Regulation 23 of SEBI (LODR) Regulations, 2015 as detailed hereunder:

Name of the Related Party	Neuland Pharma Research Private Limited (“ <b>NPRPL</b> ”)
Name of Director or Key Managerial Personnel who is related	Dr.D.Rama Mohan Rao, Mr.D.Sucheth Rao and Mr.D.Saharsh Rao are common directors
Nature of relationship	The Company and NPRPL are subsidiaries of Neuland Health Sciences Private Limited (“ <b>NHSPL</b> ”)
Nature of transactions	Sale, purchase of goods, materials, etc., and providing / availing services including but not limited to research & development / manufacturing / business support services, such as providing manufacturing services for contract manufacturing projects generated by NPRPL and availing research & development services from NPRPL for development of new generic API products, etc., sharing of costs of certain common resources and lease of movable assets, as required from time to time.
Material Terms of contracts/ arrangements/transactions	The transactions are in the ordinary course of business of the Company and wherever required are on a cost plus appropriate mark-up in adherence with the arm’s-length principle. Also, the transactions are continuous in nature and are not for a specific period.
Monetary value	Up to Rs.75 crores in aggregate for the financial year 2016-17 for all the transactions (including transactions completed till date).
Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes
Any other information relevant or important for the members to make a decision on proposed transaction	None

Pursuant to SEBI (LODR) Regulations, 2015, all material related party transactions shall require approval of the shareholders through Ordinary resolution. Accordingly, on the recommendation of the Audit Committee, the Board of Directors of the Company has in its meeting held on February 10, 2017, approved aforementioned related party transactions, and now seek approval of the shareholders by way of Ordinary Resolution under SEBI (LODR) Regulations, 2015.

Members may please note that based on the criteria laid down by SEBI (LODR) Regulations, 2015, transactions entered into / to be entered into for the financial year 2016-17 are "Material" and therefore requires approval of the shareholders by an Ordinary Resolution. The members are further informed that no member(s) of the Company being a related party or having any interest in the resolution as set out under this Item shall be entitled to vote on this Ordinary Resolution.

Members may also note that the Board of Directors of the Company have approved a Draft Scheme of Amalgamation and Arrangement between the Company and NHSPL and NPRPL and their respective Shareholders and Creditors (the "Scheme") at its meeting held on November 4, 2016. Pursuant to the Company's application to the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), both NSE and BSE have vide their letters dated January 20, 2017, provided their No Objection for the said Scheme. The Company is presently in the process of filing an application to National Company Law Tribunal, Hyderabad ("NCLT") for directions in respect of the said Scheme. Since the process of Merger would not be completed before March 31, 2017, approval of the members is being sought for transactions with NPRPL up to Rs.75crores in aggregate for the financial year 2016-17.

Relevant documents in respect of the said items are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to March 23, 2017.

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company and therefore, recommends the Resolution set out at Item No. 1 of the Notice for the approval

of the Members in terms of Regulation 23(4) of the SEBI (LODR) Regulations, 2015.

Except Dr.D.Rama Mohan Rao, Mr.D.Sucheth Rao and Mr.D.Saharsh Rao and their relatives, none of the other directors and the Key Managerial Persons of the Company or their relatives are concerned or interested financially or otherwise in the resolution as set out at Item No. 1 of the Notice.

By Order of the Board of Directors  
For **Neuland Laboratories Limited**

Sd/-

Place : Hyderabad

**Sarada Bhamidipati**

Date : February 10, 2017

Company Secretary

M No: 27854

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#### NOTES

1. The Explanatory statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposal is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on February 17, 2017. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope ("BRE").
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on February 17, 2017 will be considered for the purpose of voting.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.

5. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
6. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to [ir@neulandlabs.com](mailto:ir@neulandlabs.com). The Registrar and Transfer agent/ Company shall forward the same along with a self-addressed BRE to the member.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on February 17, 2017. The postal ballot (including e-voting) period commences on February 22, 2017 (9.00 a.m. IST) and ends on March 23, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on February 17, 2017, may cast their vote electronically.
8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made there under and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the Members to exercise their votes electronically and vote on the resolution through the e-voting service facility arranged by Karvy Computershare Private Limited. The instructions for electronic voting are annexed to this Notice.
9. A Member cannot exercise his vote by proxy on postal ballot.
10. The Scrutinizer will submit his report to the Chairman & Managing Director or any person authorized by the Board after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman & Managing Director or any person authorized by the Board, on or before March 25, 2017 and will also be displayed on the website of the Company ([www.neulandlabs.com](http://www.neulandlabs.com)), besides being communicated to the Stock Exchanges,

Depositories and Registrar and Share transfer agents of the Company on the said date.

11. The last date for the receipt of duly completed postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
12. In case of any queries, shareholders may contact the Company at [ir@neulandlabs.com](mailto:ir@neulandlabs.com) or the Registrar & Transfer Agent at [mohammed.shahnoor@karvy.com](mailto:mohammed.shahnoor@karvy.com)

## **INSTRUCTIONS FOR VOTING**

### **Voting through Postal Ballot**

Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self-addressed postage pre-paid BRE, to the Scrutinizer so as to reach the Scrutinizer on or before March 23, 2017 by (5.00 p.m. IST).

If any postal ballot form is received after (5.00 p.m. IST) on March 23, 2017, it will be considered that no reply from the Member has been received.

### **Voting through Electronic Means ("E-Voting")**

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") for the purpose of providing e-voting facility to all its Members.

- A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company / Depository Participants (s)]:
  - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.

- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., Neuland Laboratories Limited
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email [dhr300@gmail.com](mailto:dhr300@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- B. In case of Members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participants (s)]
- (i) E-Voting **Event Number** – (EVEN), User ID and Password is provided with the postal ballot notice.
  - (ii) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

# NEULAND LABORATORIES LIMITED

(CIN: L85195TG1984PLC004393)

Registered Office: Sanali Info park, 'A' Block, Ground floor, 8-2-120/113, Road No.2, Banjara Hills, Hyderabad-34.  
ir@neulandlabs.com, www.neulandlabs.com, Tel: +91-40-30211600.



## POSTAL BALLOT FORM

Serial No..

1. Name and Registered Address of the Sole/First named :  
Member

2. Name(s) of the joint member(s), if any :

3. Registered Folio No./DP ID No./ Client id No.\* :  
(\* Applicable for Members holding shares in  
Dematerialized from)

4. Number of shares held :

I / We hereby exercise my/our vote in respect of the Ordinary resolution to be passed through postal ballot for the business stated in the Notice of the Company by sending my/our assent or dissent or abstain to the said resolution by placing the tick (✓) mark at the appropriate box below:

Item No.	Business	No. of Shares	Please place the tick (✓) at the appropriate place		
			Assent	Dissent	Abstain
1.	Ordinary Resolution- Approval of Related Party transactions				

Place :

Date :

\_\_\_\_\_  
(Signature of shareholder)

The e-voting facility is available at the link <https://evoting.karvy.com>. The electronic voting particulars are set out as follows:

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### ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

Commencement of e-voting	End of E-voting
February 22, 2017 at 9.00 am (IST)	March 23, 2017 at 5.00 pm (IST)

Please follow steps for e-voting procedure as given in the Notice by logging on to - <https://evoting.karvy.com>

## INSTRUCTIONS

1. Members may fill up the ballot form printed overleaf and submit the same in a sealed envelope to the Registrar and Transfer Agent (RTA) at Karvy Computershare Private Limited (Unit: Neuland Lab), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, so as to reach by 5.00 p.m (IST) on March 23, 2017. Ballot form received thereafter will strictly be treated as if not received.
2. The right of voting by ballot form shall not be exercised by a proxy.
3. The Company will not be responsible if the envelope containing the ballot form is lost in transit.
4. Assent must be accorded by placing a (✓) mark in the column I/We assent to the Resolution (FOR)' or dissent must be accorded by placing a (✓) mark in the column I/We dissent to the Resolution(AGAINST)'. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the scrutinizer on the validity of the forms will be final.
5. In the event member casts his votes through both the processes i.e. e-voting and ballot form, the votes in the electronic system would be considered and the ballot form would be ignored.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic / demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Private Limited). Members are requested to keep the same updated.
7. There will be only one ballot form for every Folio/DP ID Client ID irrespective of the number of joint holders. In case of joint holders, the ballot form should be signed by the first named member and in his/her absence by the next named member. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such ballot form from other joint holders.
8. Where the ballot form has been signed by an authorized representative of the body corporate/trust/society, etc. a certified copy of the relevant authorization/board resolution to vote should accompany the ballot form.
9. Instructions for e-voting procedure are available in the Postal Ballot Notice and are also placed on the website of the Company, [www.neulandlabs.com](http://www.neulandlabs.com) and <https://evoting.karvy.com>. For further details members are requested to refer the same.
10. In case of any query, you may refer Help & FAQ section of <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040 6716 1606 & Toll Free No.1800 3454 001.
11. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date February 17, 2017.
12. The e-voting period commences on February 22, 2017 (9.00 a.m. IST) and ends on March 23, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on February 17, 2017, may cast their vote electronically.
13. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he / she / it shall not be allowed to change it subsequently.

**Shareholders who wish to use e-voting should follow the steps for e-voting procedures given in the Notice by logging on to – <https://evoting.karvy.com>**