

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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May 15, 2017

To
B S E Limited
Phiroze Jeejeebhoy Towers,
25th 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: Compliance with Regulation 47 (1) (b) of the SEBI Listing Regulations, 2015

Please find attached herewith copies of the newspaper publication of Audited financial results for the year ended March 31, 2017, published in Financial Express and Andhra Prabha on May 13, 2017 for your reference.

Thanking you,

Yours faithfully,
For Neuland Laboratories Limited



**Sarada Bhamidipati
Company Secretary**



Encl : as above

NEULAND LABORATORIES LIMITED

(CIN : L85195TG1984PLC004393)

Regd. office: Sanali Info park, 'A' Block, Ground floor
8-2-120/113, Road No.2, Banjara Hills, Hyderabad-500034

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017 (Amount in lakhs of ₹ unless otherwise stated)

Sl. No.	Particulars	STANDALONE				CONSOLIDATED	
		Quarter Ended 31.03.2017 (Audited) Refer note 7	Quarter Ended 31-12-2016 (Unaudited)	Quarter Ended 31.03.2016 (Audited) Refer note 7	Year Ended 31-03-2017 (Audited)	Year Ended 31-03-2016 (Audited)	Year Ended 31-03-2017 (Audited)
1	Revenue						
	(a) Revenue from operations (gross)	14,331.99	13,460.10	13,699.53	58,136.72	51,748.79	58,136.72
	Less: Excise duty	236.63	216.72	195.77	862.51	751.78	862.51
	Revenue from operations (net)	14,095.36	13,243.38	13,503.76	57,274.21	50,997.01	57,274.21
	(b) Other income	25.28	24.66	73.10	93.10	161.91	93.11
	Total Revenue	14,120.64	13,268.04	13,576.86	57,367.31	51,158.92	57,367.32
2	Expenses						
	(a) Cost of Materials consumed	6,752.79	6,503.21	6,577.83	27,098.39	25,956.67	27,098.39
	(b) Changes in inventories of finished goods and work-in-progress	(1,543.99)	100.05	(526.65)	(730.81)	(611.18)	(730.81)
	(c) Employee benefits expense	2,070.41	1,624.44	1,497.15	6,920.23	5,989.23	7,702.81
	(d) Finance costs	473.41	479.63	528.29	2,085.14	2,446.60	2,086.04
	(e) Depreciation and amortisation expense	492.32	481.85	411.16	1,864.66	1,574.26	1,864.66
	(f) Manufacturing expenses	1,741.08	1,437.74	1,608.90	6,225.75	5,284.20	6,225.75
	(g) Sales promotion expenses including sales commission	1,546.16	887.02	1,353.31	4,659.70	2,039.90	3,448.91
	(h) Other expenses	1,286.99	1,164.96	974.13	4,355.49	4,351.22	4,729.73
	Total Expenses	12,819.17	12,678.90	12,424.12	52,478.55	47,030.90	52,425.48
3	Profit before tax (1-2)	1,301.47	589.14	1,152.74	4,888.76	4,128.02	4,941.84
4	Tax expense						
	(a) Current tax	281.94	321.01	310.40	1,592.83	1,554.86	1,593.16
	(b) Deferred tax expense/(benefit)	38.22	(121.16)	70.61	(84.67)	(162.69)	(69.66)
	(c) Current and deferred taxes of earlier years	130.00	8.04	108.37	138.04	94.37	138.04
5	Profit for the period (3-4)	851.31	381.25	663.36	3,242.56	2,641.48	3,280.30
6	Minority Interest	-	-	-	-	-	(24.51)
7	Net Profit after taxes and minority interest (5-6)	851.31	381.25	663.36	3,242.56	2,641.48	2,732.45
8	Paid-up Equity Share Capital (Face value of ₹10 per share)	895.49	895.49	895.39	895.49	895.39	895.39
9	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	17,437.92	17,684.22
10	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 2)	9.58	4.30	7.46	36.50	29.73	36.92
	(b) Diluted (refer note 2)	9.58	4.30	7.46	36.50	29.73	36.92

NOTES:

1 The above financial results have been reviewed by the Audit Committee at their meeting held on 11 May 2017, and approved and taken on record by the Board of Directors at their meeting held on 12 May 2017.

2 EPS for quarters are not annualized.

3 The operations of Neuland Laboratories Limited ("The Company") are predominantly related to the manufacture of Active Pharmaceutical Ingredients (API). As such there is only one primary reportable segment as per Accounting Standard - AS 17 "Segment Reporting".

4 In November 2016, the Board of Directors of the Company approved a Scheme of 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 Act, 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 these financial results, the Company has received Observation / No Objection Letters from BSE Limited and National Stock Exchange of India Limited for the Scheme of Amalgamation and Arrangement between the Company and Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") and their respective shareholders and creditors ("The Scheme") and is subject to and pending for the requisite approvals, sanctions, consents, observations, clearances from shareholders, creditors of the Company and the National Company Law Tribunal. The process of obtaining pending approvals is currently under progress.

The Scheme, on obtaining the requisite approvals, shall be effective from 1 April 2016. However, pending approvals as mentioned above, and to comply with the SEBI Listing (Obligations and Disclosures) Regulations, 2015, the accompanying financial results for the year ended 31 March 2017 have been prepared without giving any effect to the proposed scheme of amalgamation of NHSPL and NPRPL with the Company.

5 The statement of audited assets and liabilities is as follows:

Sl. No.	Particulars	STANDALONE		CONSOLIDATED	
		As on 31-03-2017	As on 31-03-2016	As on 31-03-2017	As on 31-03-2016
A	EQUITY AND LIABILITIES				
1	Shareholders' Funds				
	(a) Share Capital	895.49	895.39	895.49	895.39
	(b) Reserves and Surplus	20,768.03	17,521.81	21,052.07	17,768.11
		21,663.52	18,417.20	21,947.56	18,663.50
2	Non-current Liabilities				
	(a) Long-term Borrowings	4,193.54	4,540.00	4,193.54	4,540.00
	(b) Deferred Tax Liability (Net)	1,456.41	1,422.82	1,510.73	1,463.58
	(c) Other Long-term Liabilities	253.00	253.00	253.00	253.00
	(d) Long-term Provisions	746.94	684.92	746.94	684.92
		6,649.89	6,900.74	6,704.21	6,941.50
3	Current Liabilities				
	(a) Short-term Borrowings	15,107.90	12,362.90	15,107.90	12,362.90
	(b) Trade Payables	10,928.96	8,616.56	10,656.85	8,385.54
	(c) Other Current Liabilities	3,598.71	5,490.01	3,606.21	5,501.93
	(d) Short-term Provisions	392.92	546.72	384.85	549.73
		30,028.49	27,016.19	29,755.81	26,800.10
	TOTAL	58,341.90	52,334.13	58,407.58	52,405.10
B	ASSETS				
1	Non-current Assets				
	(a) Fixed Assets	16,498.15	17,925.09	16,498.15	17,925.09
	(b) Non-current Investments	3,031.93	754.58	3,016.11	738.76
	(c) Long-term Loans and Advances	1,945.28	2,320.67	1,947.06	2,322.67
		21,475.36	21,000.34	21,461.32	20,986.52
2	Current Assets				
	(a) Current Investments	704.04	-	704.04	-
	(b) Inventories	13,450.07	12,666.29	13,450.07	12,666.29
	(c) Trade Receivables	17,787.72	11,910.83	17,787.72	11,910.83
	(d) Cash and Bank Balances	1,163.65	904.02	1,208.36	971.40
	(e) Short-term Loans and Advances	2,874.07	4,959.00	2,909.08	4,976.41
	(f) Other Current Assets	886.99	893.65	886.99	893.65
		36,866.54	31,333.79	36,946.26	31,418.58
	TOTAL	58,341.90	52,334.13	58,407.58	52,405.10

6 The balances of land and capital work-in-progress as at 31 March 2016 included amounts capitalised to the tune of ₹189.38 lakhs and ₹ 2,792.01 lakhs, respectively, representing the cost incurred towards development and construction activities at the Company's land situated at Nanakramguda, Hyderabad, duly allotted by Telangana State Industrial Infrastructure Corporation Limited (TSIIC) (erstwhile Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)). However, owing to certain unavoidable reasons, the construction work had been temporarily suspended in the prior years.

During the year ended 31 March 2017, the Company, on the basis of an approval received from TSIIC, has entered into a Joint Development Agreement (JDA) with a developer for development of IT Park at the Company's land. Pursuant to the terms of the development agreement, the Company is entitled to a share of the total saleable area of the proposed project, the actual entitlements would be finalised on receipt of necessary approvals from the local authorities concerned. The developer is in the process of seeking necessary approvals and clearances from the concerned authorities for resumption of the construction work. The Management, on the basis of its assessment of the end use of the proposed project being developed has reclassified the entire value of land and balance of capital work-in-progress pertaining to this IT park as an Investment Property under the head Non-current Investments in the Balance Sheet as at 31 March 2017.

7 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subject to audit.

8 The Consolidated financial results include results for the year ended 31 March 2017 of the following subsidiaries:

- Neuland Laboratories Inc., USA
- Neuland Laboratories KK., Japan

9 Previous period figures have been re-grouped/reclassified wherever necessary, to conform to the current period's classification.

By Order of the Board
For Neuland Laboratories Limited
Sd/-
Dr. D.R. Rao
Chairman and Managing Director

NEULAND LABORATORIES LIMITED

(CIN : L85195TG1984PLC004393)

Regd. office: Sanali Info park, 'A' Block, Ground floor
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1	Revenue						
	(a) Revenue from operations (gross)	14,331.99	13,460.10	13,699.53	58,136.72	51,748.79	58,136.72
	Less: Excise duty	236.63	216.72	195.77	862.51	751.78	862.51
	Revenue from operations (net)	14,095.36	13,243.38	13,503.76	57,274.21	50,997.01	57,274.21
	(b) Other income	25.28	24.66	73.10	93.10	161.91	93.11
	Total Revenue	14,120.64	13,268.04	13,576.86	57,367.31	51,158.92	57,367.32
2	Expenses						
	(a) Cost of Materials consumed	6,752.79	6,503.21	6,577.83	27,098.39	25,956.67	27,098.39
	(b) Changes in inventories of finished goods and work-in-progress	(1,543.99)	100.05	(526.65)	(730.81)	(611.18)	(730.81)
	(c) Employee benefits expense	2,070.41	1,624.44	1,497.15	6,920.23	5,989.23	7,702.81
	(d) Finance costs	473.41	479.63	528.29	2,085.14	2,446.60	2,086.04
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5	Profit for the period (3-4)	851.31	381.25	663.36	3,242.56	2,641.48	3,280.30
6	Minority Interest	-	-	-	-	-	2,707.94
7	Net Profit after taxes and minority interest (5-6)	851.31	381.25	663.36	3,242.56	2,641.48	2,732.45
8	Paid-up Equity Share Capital (Face value of ₹10 per share)	895.49	895.49	895.39	895.49	895.39	895.39
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10	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
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	See accompanying notes to the financial results						

NOTES:

- The above financial results have been reviewed by the Audit Committee at their meeting held on 11 May 2017, and approved and taken on record by the Board of Directors at their meeting held on 12 May 2017.
- EPS for quarters are not annualized.
- The operations of Neuland Laboratories Limited ("The Company") are predominantly related to the manufacture of Active Pharmaceutical Ingredients (API). As such there is only one primary reportable segment as per Accounting Standard - AS 17 "Segment Reporting".
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	Total	21,663.52	18,417.20	21,947.56	18,663.50
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	(a) Long-term Borrowings	4,193.54	4,540.00	4,193.54	4,540.00
	(b) Deferred Tax Liability (Net)	1,456.41	1,422.82	1,510.73	1,463.58
	(c) Other Long-term Liabilities	253.00	253.00	253.00	253.00
	(d) Long-term Provisions	746.94	684.92	746.94	684.92
	Total	6,649.89	6,900.74	6,704.21	6,941.50
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By Order of the Board
For Neuland Laboratories Limited
Sd/-
Dr. D. R. Rao
Chairman and Managing Director
(DIN 00107737)