

Neuland Laboratories Limited  
Sanali Info Park, 'A' Block,  
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Road No. 2, Banjara Hills  
Hyderabad - 500 034.  
Telangana, India.

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September 11, 2017

To  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> 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  
Compliance with Regulation 33 of the SEBI Listing Regulations, 2015**

This is to inform you that the Board of Directors, at its meeting held on even date, had approved the Unaudited Financial Results for the quarter ended June 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 June 30, 2017, are attached herewith.

This is for your information and records.

Yours faithfully,  
For Neuland Laboratories Limited

  
Sarada Bhamidipati  
Company Secretary



Encl: as above

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
7th Floor, Block III, White House  
Kundan Bagh, Begumpet  
Hyderabad 500016  
India

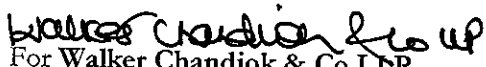
## Limited Review Report –Financial Results

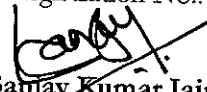
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### Review Report

#### 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 June 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 June 2016, including the reconciliation of net profit under Ind AS of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have been approved by the 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.
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.

  
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

  
per Sanjay Kumar Jain  
Partner  
Membership No.: 207660

Place : Hyderabad  
Date : 11 September 2017



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2017**

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended	
		30.06.2017 (Unaudited)	30.06.2016 (Unaudited)
1	<b>Revenue</b>		
	(a) Revenue from operations	11,748.07	15,152.23
	(b) Other income	265.90	52.82
	<b>Total Revenue</b>	<b>12,013.97</b>	<b>15,205.05</b>
2	<b>Expenses</b>		
	(a) Cost of materials consumed	6,003.02	6,970.72
	(b) Excise duty	172.79	175.63
	(c) Changes in inventories of finished goods and work-in-progress	(1,075.34)	79.14
	(d) Employee benefits expense	1,912.24	1,670.64
	(e) Finance costs	476.57	636.24
	(f) Depreciation and amortisation expense	510.22	436.07
	(g) Manufacturing expenses	1,937.95	1,462.10
	(h) Sales promotion expenses including sales commission	644.33	1,512.20
	(i) Other expenses	1,089.34	830.70
	<b>Total Expenses</b>	<b>11,671.12</b>	<b>13,773.44</b>
3	<b>Profit before tax (1-2)</b>	<b>342.85</b>	<b>1,431.61</b>
4	<b>Tax expense</b>		
	(a) Current tax	184.75	511.59
	(b) Deferred tax benefit	(71.68)	(30.83)
5	<b>Profit for the period (3-4)</b>	<b>229.78</b>	<b>950.85</b>
6	<b>Other comprehensive income (net of taxes)</b>		
	(a) Items that will not be reclassified to profit or loss		
	(i) Re-measurement losses on defined benefit plans	(5.56)	(5.56)
	(b) Items that will be reclassified to profit or loss	-	-
	<b>Total comprehensive income</b>	<b>224.22</b>	<b>945.29</b>
7	<b>Paid-up Equity Share Capital</b> (Face value of ₹10 per share)	895.49	895.39
8	<b>Earnings Per Share</b> (of ₹10 each) (In absolute ₹ terms)		
	(a) Basic (refer note 6)	2.59	10.70
	(b) Diluted (refer note 6)	2.59	10.70
	<b>See accompanying notes to the financial results</b>		





**NOTES:**

- 1 The above unaudited financial results have been reviewed by the Audit Committee, approved and taken on record by the Board of Directors at their meeting held on September 11, 2017. The results for the quarter ended 30 June 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 ended 30 June 2016 has neither been subjected to a limited review nor audit by the statutory auditors.
- 2 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.
- 3 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".
- 4 Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the quarter ended 30 June 2016:

Particulars	Amount (₹ in lakhs)
Net profit under previous GAAP	971.13
Interest on borrowings from related parties	(21.07)
Recognition of rental income at fair value	3.48
Remeasurement of employee benefits	(4.48)
Others	(5.49)
Deferred tax benefit	7.29
<b>Total net profit for the period under Ind AS</b>	<b>950.85</b>
Other comprehensive income	(5.56)
<b>Total comprehensive income</b>	<b>945.29</b>

- 5 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, sanctions, consents, observations, clearances from the National Company Law Tribunal. The process of obtaining pending approvals is currently under progress. Although the scheme, on obtaining the requisite approvals, shall be effective from 1 April 2016, however, pending final regulatory approvals and clearances and to comply with the Listing (Obligations and Disclosures) Regulations, 2015 the accompanying statement for the three months period ended 30 June 2017 have been prepared without giving any effect of the proposed transfer of business undertakings of NPRPL and NHSPL.
- 6 EPS for the quarters is not annualized.

By Order of the Board  
For Neuland Laboratories Limited



  
Dr. D R Rao

Chairman and Managing Director  
(DIN 00107737)

Place: Hyderabad  
Date: 11 September 2017