

February 2, 2018

To
BSE 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
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 December 31, 2017 and the limited review thereon by the auditors. The said financial results and limited review report by the auditors for the quarter ended December 31, 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

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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 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, 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.



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

Walker Chandiok & 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 Chandiok & Co LLP
For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Sanjay Kumar Jain

per **Sanjay Kumar Jain**
Partner

Membership No. 207660



Place: Hyderabad

Date: 2 February 2018

Neuland Laboratories Limited
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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Nine Months	
		31.12.2017 (Unaudited)	30.09.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)
1	Revenue					
	(a) Revenue from operations	11,593.17	12,585.49	13,460.10	35,926.73	43,804.73
	(b) Other income	135.21	33.63	28.78	434.74	80.18
	Total Income	11,728.38	12,619.12	13,488.88	36,361.47	43,884.91
2	Expenses					
	(a) Cost of materials consumed	7,055.59	7,151.48	6,503.21	20,210.09	20,345.60
	(b) Excise duty	-	-	216.72	172.79	625.88
	(c) Changes in inventories of finished goods and work-in-progress	(1,630.68)	(1,640.22)	100.05	(4,346.24)	813.18
	(d) Employee benefits expense	1,963.55	1,986.96	1,628.92	5,862.75	4,863.26
	(e) Finance costs	481.22	523.19	506.14	1,480.98	1,691.30
	(f) Depreciation and amortisation expense	553.51	538.34	481.85	1,602.07	1,372.34
	(g) Manufacturing expenses	1,647.99	1,914.71	1,437.74	5,500.65	4,484.67
	(h) Other expenses	1,568.83	1,736.38	2,052.64	5,038.88	6,184.00
	Total Expenses	11,640.01	12,210.84	12,927.27	35,521.97	40,380.23
3	Profit before tax (1-2)	88.37	408.28	561.61	839.50	3,504.68
4	Tax expense					
	(a) Current tax	(42.89)	194.83	329.05	336.69	1,318.93
	(b) Deferred tax benefit	10.50	(45.99)	(130.69)	(107.17)	(151.48)
5	Profit for the period (3-4)	120.76	259.44	363.25	609.98	2,337.23
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)	(5.56)	(16.67)	(16.67)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total comprehensive income	115.21	253.88	357.69	593.31	2,320.56
7	Paid-up Equity Share Capital (Face value of ₹10 per share)	895.49	895.49	895.49	895.49	895.49
8	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)					
	(a) Basic (refer note 6)	1.36	2.92	4.09	6.87	26.31
	(b) Diluted (refer note 6)	1.36	2.92	4.09	6.87	26.31
	See accompanying notes to the financial results					



NOTES:

- 1 The unaudited standalone financial results for the quarter ended 31 December 2017 and year to date result for the period 1 April 2017 to 31 December 2017, have been reviewed by the Audit Committee in their meeting held on 1 February 2018, approved and taken on record of the Board by the Board of Directors at their meeting held on 2 February 2018. These results have been subjected to a "Limited Review" by the Statutory Auditors of the Company.
- 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 and nine months ended 31 December 2016:

Amount (₹ in lakhs)

Particulars	Quarter Ended 31.12.2016	Nine Months Ended 31.12.2016
Net profit under previous GAAP	381.25	2,391.25
Interest on borrowings from related parties	(21.07)	(63.22)
Recognition of rental income at fair value	3.48	10.43
Remeasurement of employee benefits	(4.48)	(13.44)
Others	(5.46)	(16.38)
Deferred tax benefit	9.53	28.59
Total net profit for the period under Ind AS	363.25	2,337.23
Other comprehensive income	(5.56)	(16.67)
Total comprehensive income	357.69	2,320.56

- 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 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 nine months ended 31 December 2017 have been prepared without giving any effect of the proposed amalgamation.
- 6 EPS for the quarters and nine months period is not annualized.
- 7 Revenue from operations for the quarter and nine months ended 31 December 2017 is not comparable with revenue from operations of the corresponding quarter of the previous year and nine months ended 31 December 2016 as these periods include amount of excise duty which is not included for the quarter ended 31 December 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: 2 February 2018