

**Neuland Laboratories Limited**

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

Tel: 040 30211600 / 23551081

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Email: [neuland@neulandlabs.com](mailto:neuland@neulandlabs.com)

[www.neulandlabs.com](http://www.neulandlabs.com)

May 12, 2017

To  
Bombay Stock Exchange 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**

This is to inform you that the Board of Directors at their meeting held today i.e. May 12, 2017:

1. Have approved the Standalone and Consolidated Audited Financial Results for the year ended March 31, 2017 (copy enclosed) along with the Auditor's Reports on the Standalone and the Consolidated Audited Financial Results
2. Have decided to file an application with Registrar of Companies, Hyderabad, Andhra Pradesh & Telangana, for extension of Annual General Meeting of the Company for the financial year ended March 31, 2017

This is for your information and records.

Yours faithfully,

**For Neuland Laboratories Limited**

  
**Sarada Bhamidipati**  
Company Secretary



Encl: as above

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**NEULAND LABORATORIES LIMITED**

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	<b>Revenue</b>						
	(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
	<b>Total Revenue</b>	<b>14,120.64</b>	<b>13,268.04</b>	<b>13,576.86</b>	<b>57,367.31</b>	<b>51,158.92</b>	<b>57,367.32</b>
2	<b>Expenses</b>						
	(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
	<b>Total Expenses</b>	<b>12,819.17</b>	<b>12,678.90</b>	<b>12,424.12</b>	<b>52,478.55</b>	<b>47,030.90</b>	<b>52,425.48</b>
3	<b>Profit before tax (1-2)</b>	<b>1,301.47</b>	<b>589.14</b>	<b>1,152.74</b>	<b>4,888.76</b>	<b>4,128.02</b>	<b>4,941.84</b>
4	<b>Tax expense</b>						
	(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	<b>Profit for the period (3-4)</b>	<b>851.31</b>	<b>381.25</b>	<b>663.36</b>	<b>3,242.56</b>	<b>2,641.48</b>	<b>3,280.30</b>
6	<b>Minority Interest</b>	-	-	-	-	-	(24.51)
7	<b>Net Profit after taxes and minority interest (5-6)</b>	<b>851.31</b>	<b>381.25</b>	<b>663.36</b>	<b>3,242.56</b>	<b>2,641.48</b>	<b>3,280.30</b>
8	<b>Paid-up Equity Share Capital</b> (Face value of ₹10 per share)	895.49	895.49	895.39	895.49	895.39	895.49
9	<b>Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b>					17,437.92	17,684.22
10	<b>Earnings Per Share</b> (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
	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".
- 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.

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

(Amount in lakhs of ₹)

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
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
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
	<b>TOTAL</b>	<b>58,341.90</b>	<b>52,334.13</b>	<b>58,407.58</b>	<b>52,405.10</b>
<b>B</b>	<b>ASSETS</b>				
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
	<b>TOTAL</b>	<b>58,341.90</b>	<b>52,334.13</b>	<b>58,407.58</b>	<b>52,405.10</b>

- 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:  
a) Neuland Laboratories Inc., USA  
b) 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



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

Place: Hyderabad  
Date: 12 May 2017



# Walker Chandiok & Co LLP

**Walker Chandiok & Co LLP**  
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## **Independent Auditor's Report on Standalone 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 audited the standalone financial results of Neuland Laboratories Limited ('the Company') for the year ended 31 March 2017, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 7 to the standalone financial results regarding the figures for the quarter ended 31 March 2017 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including Accounting Standards ('AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2017 and our review of standalone financial results for the nine months period ended 31 December 2016.



Chartered Accountants

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

Walker Chandiok & 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

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
  - (ii) give a true and fair view of the standalone net profit and other financial information in conformity with the accounting principles generally accepted in India for the year ended 31 March 2017.

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

  
per Sanjay Kumar Jain  
Partner  
Membership No.: 207660



Place : Hyderabad  
Date : 12 May 2017

# Walker Chandiok & Co LLP

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## **Independent Auditor's Report on Consolidated 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 audited the consolidated financial results of Neuland laboratories Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2017, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including Accounting Standards ('AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.





# Walker Chandiok & Co LLP

3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and on other financial information of the subsidiaries, the consolidated financial results:
- (i) include the financial results for the year ended 31 March 2017, of the following entities:
    - a) Neuland Laboratories Limited, India
    - b) Neuland Laboratories Inc., USA
    - c) Neuland Laboratories KK., Japan
  - (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
  - (iii) give a true and fair view of the consolidated net profit and other financial information in conformity with the accounting principles generally accepted in India for the year ended 31 March 2017.
4. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹378.22 lakhs and net assets of ₹297.96 lakhs as at 31 March 2017, and total revenue of ₹1,237.83 lakhs for the year ended on that date as considered in the financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of such other auditors.

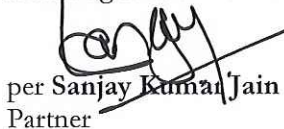
Further, the two subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the financial information of such subsidiaries located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

  
For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

  
per Sanjay Kumar Jain  
Partner

Membership No.: 207660

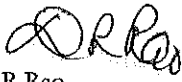

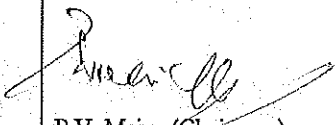


Place: Hyderabad  
Date: 12 May 2017




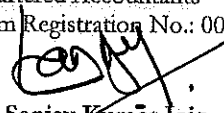
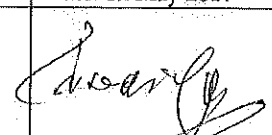
**Compliance under Regulation 33 of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

FORM A (for audit report with unmodified opinion)

1.	Name of the Company:	Neuland Laboratories Limited
2.	Annual consolidated financial statements for the year ended :	31 March 2017
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not applicable
5.	To be signed by-	
	Chairman/Managing Director	 Dr D R Rao (Chairman & Managing Director)
	Auditor of the company	For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No.: 001076N/N500013  per Sanjay Kumar Jain Partner Membership No.: 207660 Place: Hyderabad Date: 12 May 2017
	Audit Committee Chairman	 P.V. Maiya (Chairman)

**Compliance under Regulation 33 of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

FORM A (for audit report with unmodified opinion)

1.	Name of the Company:	Neuland Laboratories Limited
2.	Annual financial statements for the year ended :	31 March 2017
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not applicable
5.	To be signed by-	
	Chairman/Managing Director	 D R Rao (Chairman & Managing Director)
	Auditor of the company	For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No.: 001076N/N500013  per Sanjay Kumar Jain Partner Membership No.: 207660 Place: Hyderabad Date: 12 May 2017
	Audit Committee Chairman	 P.V. Maiya (Chairman)