



**NEULAND**

WHERE OPPORTUNITY BECOMES REALITY

August 30, 2016

To  
The National Stock Exchange of India Ltd.  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 001  
Scrip Code: NEULANLAB  
Series: EQ

Neuland Laboratories Limited  
Sanali Info Park, 'A' Block,  
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Dear Sirs,

**Sub: Clarification on in-principle approval for Merger of Neuland Health Sciences Private Limited (Holding Company) and Neuland Pharma Research Private Limited (subsidiary of the Holding Company) with Neuland Laboratories Limited**

We refer to your email dated August 29, 2016 on the above subject and would like to clarify the following:

Particulars	Details			
a) name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.;	(Rs. crores)			
	Name of Entity	Balance Sheet Size	Turnover FY 16	Profit/ (Loss) FY 16
	<b>As on Mar 31, 2016 (Audited)</b>			
	Neuland Health Sciences Pvt. Ltd. ("NHSPL")	41.34	2.39	(1.44)
	Neuland Pharma Research Pvt. Ltd. ("NPRPL")	37.73	49.66	4.93
	<b>As on June 30, 2016 (Unaudited)</b>			
	Neuland Health Sciences Pvt. Ltd. ("NHSPL")	41.24	0.36	(1.04)
Neuland Pharma Research Pvt. Ltd. ("NPRPL")	35.36	18.37	5.59	
b) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	NHSPL is the Holding Company of Neuland Laboratories Ltd. and NPRPL is a subsidiary of the Holding Company (i.e., NHSPL), hence the companies are related parties.  The transaction would be at arms's length and the Companies have appointed an independent valuer for valuation of the Companies.			
c) Area of business of the entity(ies)	NHSPL - Research and marketing of Peptides NPRPL - Providing research services to pharmaceutical companies and marketing and delivery of contract manufacturing services			
d) Rationale for amalgamation/ merger	Consolidation of business of Custom Manufacturing Solutions (CMS) and Peptides and provide one-stop solution to customers enhancing overall value. The growth of the CMS business will			



Particulars	Details
	enhance value to its stakeholders. Innovation and R&D will drive future and it is important to have R&D within NLL.
e) In case of cash consideration - amount or otherwise share exchange ratio	Details would be disclosed upon finalisation and subsequent approval of the Scheme of Amalgamation.
f) Brief details of change in shareholding pattern (if any) of listed entity	Details would be shared upon finalisation and subsequent approval of the Scheme of Amalgamation

This is for your Information and records.

Yours faithfully,  
For Neuland Laboratories Limited



Sarada Bhamidipati  
Company Secretary



CC: BSE Ltd., Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai - 400 001  
Scrip Code: 524558