

Neuland Laboratories Limited  
Sanali Info Park, 'A' Block,  
Ground Floor, 8-2-120/113  
Road No. 2, Banjara Hills  
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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

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2017**

*(Amount in lakhs of ₹, unless otherwise stated)*

Sl. No.	Particulars	Quarter Ended			Half Year	
		30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
1	<b>Revenue</b>					
	(a) Revenue from operations	12,585.49	11,748.07	15,192.40	24,333.56	30,344.63
	(b) Other income	33.63	265.90	(1.42)	299.53	51.40
	<b>Total Income</b>	<b>12,619.12</b>	<b>12,013.97</b>	<b>15,190.98</b>	<b>24,633.09</b>	<b>30,396.03</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	7,151.48	6,003.02	6,871.67	13,154.50	13,842.39
	(b) Excise duty	-	172.79	233.53	172.79	409.16
	(c) Changes in inventories of finished goods and work-in-progress	(1,640.22)	(1,075.34)	633.99	(2,715.56)	713.13
	(d) Employee benefits expense	1,986.96	1,912.24	1,563.70	3,899.20	3,234.34
	(e) Finance costs	523.19	476.57	548.92	999.76	1,185.16
	(f) Depreciation and amortisation expense	538.34	510.22	454.42	1,048.56	890.49
	(g) Manufacturing expenses	1,914.71	1,937.95	1,584.83	3,852.66	3,046.93
	(h) Other expenses	1,736.38	1,733.67	1,788.46	3,470.05	4,131.36
	<b>Total Expenses</b>	<b>12,210.84</b>	<b>11,671.12</b>	<b>13,679.52</b>	<b>23,881.96</b>	<b>27,452.96</b>
3	<b>Profit before tax (1-2)</b>	<b>408.28</b>	<b>342.85</b>	<b>1,511.46</b>	<b>751.13</b>	<b>2,943.07</b>
4	<b>Tax expense</b>					
	(a) Current tax	194.83	184.75	478.29	379.58	989.88
	(b) Deferred tax benefit	(45.99)	(71.68)	10.04	(117.67)	(20.79)
5	<b>Profit for the period (3-4)</b>	<b>259.44</b>	<b>229.78</b>	<b>1,023.13</b>	<b>489.22</b>	<b>1,973.98</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	(5.55)	(5.56)	(5.55)	(11.11)	(11.11)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Total comprehensive income</b>	<b>253.89</b>	<b>224.22</b>	<b>1,017.58</b>	<b>478.11</b>	<b>1,962.87</b>
7	<b>Paid-up Equity Share Capital</b> (Face value of ₹10 per share)	<b>895.49</b>	<b>895.49</b>	<b>895.39</b>	<b>895.49</b>	<b>895.39</b>
8	<b>Earnings Per Share</b> (of ₹10 each) (In absolute ₹ terms)					
	(a) Basic (refer note 6)	2.92	2.59	11.52	5.51	22.22
	(b) Diluted (refer note 6)	2.92	2.59	11.52	5.51	22.22
	<b>See accompanying notes to the financial results</b>					



**NOTES:**

- The above unaudited financial results have been reviewed by the Audit Committee in their meeting held on 21 November 2017, approved and taken on record by the Board of Directors at their meeting held on 22 November 2017. The results for the quarter and half year ended 30 September 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 and half year ended 30 September 2016 has neither been subjected to a limited review nor audit by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the unaudited financial results provide a true and fair view of the Company's affairs.
- 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.
- 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".
- Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the quarter and half year ended 30 September 2016:

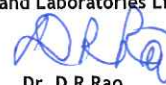
Amount (₹ in lakhs)

Particulars	Quarter Ended 30.09.2016	Half Year Ended 30.09.2016
Net profit under previous GAAP	1,038.87	2,010.00
Interest on borrowings from related parties	(21.07)	(42.14)
Recognition of rental income at fair value	3.48	6.95
Remeasurement of employee benefits	(4.48)	(8.96)
Others	(5.44)	(10.93)
Deferred tax benefit	11.77	19.06
<b>Total net profit for the period under Ind AS</b>	<b>1,023.13</b>	<b>1,973.98</b>
Other comprehensive income	(5.55)	(11.11)
<b>Total comprehensive income</b>	<b>1,017.58</b>	<b>1,962.87</b>

- 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 half year ended 30 September 2017 have been prepared without giving any effect of the proposed amalgamation.
- EPS for the quarters is not annualized.
- Revenue from operations for the quarter and half year ended 30 September 2017 is not comparable with revenue from operations of the previous quarter of the current year, corresponding quarter of the previous year and half year ended 30 September 2016 as these periods include amount of excise duty which is not included for the quarter ended 30 September 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: 22 November 2017

Neuland Laboratories Limited	
Statement of Assets and Liabilities	
(All amounts in lakhs of ₹)	
Particulars	As at 30.09.2017 (Unaudited)
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	15,199.41
Capital work-in-progress	815.30
Investment properties	2,981.39
Intangible assets	145.95
<b>Financial assets</b>	
Investments	50.54
Loans	302.23
Other non-current assets	1,106.94
<b>Total non-current assets</b>	<b>20,601.76</b>
<b>Current assets</b>	
Inventories	16,663.57
<b>Financial assets</b>	
Investments	704.04
Trade receivables	17,415.13
Cash and cash equivalents	466.89
Other bank balances	1,004.45
Other financial assets	237.56
Other current assets	4,453.65
<b>Total current assets</b>	<b>40,945.29</b>
<b>Total assets</b>	<b>61,547.05</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Equity share capital	895.49
Other equity	21,261.57
<b>Total equity</b>	<b>22,157.06</b>
<b>Non-current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	3,672.95
Other financial liabilities	242.33
Net employee defined benefit liabilities	880.95
Deferred tax liabilities (net)	845.78
Other non-current liabilities	912.30
<b>Total non-current liabilities</b>	<b>6,554.31</b>
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	17,893.07
Trade payables	11,605.48
Other financial liabilities	2,616.39
Other current liabilities	334.13
Provisions	165.26
Current tax liabilities (net)	221.35
<b>Total current liabilities</b>	<b>32,835.68</b>
<b>Total equity and liabilities</b>	<b>61,547.05</b>

