

**Neuland Laboratories Limited**  
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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

**STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018**

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	STANDALONE				CONSOLIDATED	
		Quarter Ended		Year Ended		Year Ended	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)
		Refer note: 7					
1	<b>Revenue</b>						
	(a) Revenue from operations	16,022.62	12,186.40	14,154.79	52,916.15	58,772.51	52,916.15
	(b) Other income	29.05	126.94	14.72	453.45	116.81	453.48
	<b>Total Income</b>	<b>16,051.67</b>	<b>12,313.34</b>	<b>14,169.51</b>	<b>53,369.60</b>	<b>58,889.32</b>	<b>53,369.63</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	7,951.45	7,034.32	6,667.84	28,109.42	27,020.70	28,109.42
	(b) Excise duty	-	-	238.99	175.47	883.97	175.47
	(c) Changes in inventories of finished goods and work-in-progress	73.82	(1,630.68)	(1,544.00)	(4,272.41)	(730.81)	(4,272.41)
	(d) Employee benefits expense	2,249.59	2,477.55	2,457.60	9,572.79	8,491.71	10,298.62
	(e) Finance costs	487.80	455.58	485.84	1,892.13	2,107.77	1,892.84
	(f) Depreciation and amortisation expense	560.97	569.68	507.14	2,210.35	1,922.81	2,210.35
	(g) Manufacturing expenses	2,013.10	1,880.59	2,035.03	8,149.10	7,067.90	8,149.10
	(h) Other expenses	1,855.75	1,507.64	1,453.77	6,178.72	5,470.10	5,412.80
	<b>Total Expenses</b>	<b>15,192.48</b>	<b>12,294.68</b>	<b>12,302.21</b>	<b>52,015.57</b>	<b>52,234.15</b>	<b>51,976.19</b>
3	<b>Profit before tax (1-2)</b>	<b>859.19</b>	<b>18.66</b>	<b>1,867.30</b>	<b>1,354.03</b>	<b>6,655.17</b>	<b>1,393.44</b>
4	<b>Tax expense</b>						
	(a) Current tax	86.22	(42.89)	(188.54)	422.91	1,012.15	427.00
	(b) Deferred tax expense / (benefit)	(32.32)	(12.07)	587.00	(249.70)	1,004.62	(239.85)
5	<b>Profit for the period / year (3-4)</b>	<b>805.29</b>	<b>73.62</b>	<b>1,468.84</b>	<b>1,180.81</b>	<b>4,638.40</b>	<b>1,206.28</b>
6	<b>Other comprehensive income (net of taxes)</b>						
	(a) Items that will not be reclassified to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	52.77	(8.49)	(22.92)	27.28	(37.88)	27.28
	Equity instruments through other comprehensive income	1.70	-	48.13	1.70	48.13	1.70
	Tax on items that will not be reclassified to profit or loss	(18.26)	2.94	7.93	(9.44)	6.22	(9.44)
	(b) Items that will be reclassified to profit or loss						
	Exchange differences in translating the financial statements of a foreign operations					16.77	(10.33)
	<b>Total comprehensive income</b>	<b>841.50</b>	<b>68.07</b>	<b>1,501.97</b>	<b>1,200.35</b>	<b>4,654.86</b>	<b>1,242.59</b>
7	<b>Paid-up Equity Share Capital (Face value - ₹10 each)</b>	<b>895.49</b>	<b>895.49</b>	<b>895.49</b>	<b>895.49</b>	<b>895.49</b>	<b>895.49</b>
8	<b>Other equity</b>				<b>23,497.52</b>	<b>22,297.17</b>	<b>23,823.80</b>
9	<b>Equity suspense account [Refer note 6]</b>				<b>31,084.99</b>	<b>31,084.99</b>	<b>31,084.99</b>
10	<b>Earnings Per Share (of ₹10 each) (In absolute ₹ terms)</b>						
	(a) Basic (refer note 6 & 8)	7.22	0.66	13.17	10.59	41.58	10.81
	(b) Diluted (refer note 6 & 8)	7.22	0.66	13.17	10.59	41.58	10.81
	See accompanying notes to the financial results						



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**NOTES:**

- The financial results for the quarter and year ended 31 March 2018, have been reviewed by the Audit Committee in their meeting held on 10 May 2018 and by the Board of Directors at their meeting held on 11 May 2018.
- The Company has adopted Indian Accounting Standards ("Ind AS") from 1 April 2017 and accordingly these results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. The date of transition to Ind AS is 1 April 2016 and the impact of transition has been accounted in the opening reserves and the comparative period figures have been reinstated accordingly.

3 Reconciliation between financial results as per Indian GAAP and Ind AS for the quarter and year ended 31 March 2017: Amount (₹ in lakhs)

Particulars	Standalone Quarter ended 31 March 2017	Standalone Year ended 31 March 2017	Consolidated Year ended 31 March 2017
Net profit under previous GAAP	851.31	3,242.56	3,280.30
Adjusted for the effect of merger of NHSPL and NPRPL	169.75	(751.34)	(751.34)
	1,021.06	2,491.22	2,528.96
<i>Add / (less) : Adjustments for GAAP differences</i>			
Reversal of amortization of goodwill acquired in a Business Combination	698.65	2,794.60	2,794.60
Deferred tax due to Ind AS adjustments	(241.79)	(618.99)	(618.99)
Others	(9.09)	(28.43)	(18.10)
<b>Net profit under Ind AS</b>	<b>1,468.83</b>	<b>4,638.40</b>	<b>4,686.47</b>

4 Reconciliation of equity as per Indian GAAP and Ind AS for the year ended 31 March 2017: Amount (₹ in lakhs)

Particulars	Standalone Year ended 31 March 2017	Consolidated Year ended 31 March 2017
Equity reported under previous GAAP	21,663.52	21,947.56
Adjusted for the effect of merger of NHSPL and NPRPL	30,425.45	30,425.45
	52,088.97	52,373.01
<i>Add / (less) : Adjustments for GAAP differences</i>		
Change in fair value of investments	49.56	49.56
Reversal of amortization of goodwill acquired in a Business Combination	2,794.60	2,794.60
Deferred tax due to Ind AS adjustments	(625.89)	(625.89)
Others	(29.60)	(29.60)
<b>Equity reported under Ind AS</b>	<b>54,277.65</b>	<b>54,561.68</b>

- The operations of the Company are predominantly related to the manufacture of active pharmaceutical ingredients and allied services. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".
- Pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 duly approved by the Hon'ble National Company Law Tribunal ("NCLT"), Hyderabad Bench vide their order dated 21 March 2018, Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL"), (collectively referred as "Transferor Companies") have merged with Neuland Laboratory Limited. Accordingly, all the assets, liabilities of Transferor Companies were transferred to and vested in the Company, on a going concern basis with effect from 1 April 2016 being the appointed date ("Appointed Date") as per the Scheme.

The purchase consideration of ₹31,084.99 lakhs has been fulfilled by way of allotment of 6,861,243 equity shares of ₹10 each on 30 April 2018 to the shareholders of NHSPL and NPRPL, after cancellation of cross holding of 4,590,608 equity shares and 4,99,965 equity shares in NLL and NPRPL respectively by NHSPL. Net increase in the paid-up share capital on account of amalgamation (i.e., 2,270,635 equity shares of ₹10 each) has been considered for the purpose of computation of basic and diluted earnings per equity share for all the presented period(s).

The scheme of amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations and the assets and liabilities of NHSPL and NPRPL duly transferred under the aforesaid scheme have been recorded at their respective fair values as on the Appointed Date and the resulting goodwill amounting to ₹27,946.10 lakhs, representing excess of the consideration paid over the assets taken-over has been recorded. Further, all amounts owed to / owed by the Company to Transferor Companies and vice versa has been adjusted.

- In view of the aforesaid Scheme being effective from 1 April 2016, management has carried out necessary adjustments to all the unaudited and reviewed financial results of the Company published in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarters and year to date periods commencing from 1 April 2016 to 31 December 2017. Adjustment to such published financial results have been made on the basis of separate results of the Company and the management prepared unaudited / unreviewed financial results of the erstwhile transferor companies for the relevant periods. Accordingly, the figures for the quarter ended 31 March 2018 and 31 March 2017 being the balancing figures between the audited figures in respect of the full financial year ended 31 March 2018 and 31 March 2017 and the unaudited year to date figures up to the nine months ended 31 December 2017 and 31 December 2016 is arrived on the basis as explained above. Thus, the comparative financial information presented in the financial results are not comparable with the previously published unaudited financial results for the quarter ended 31 December 2017 and audited financial results for the year ended 31 March 2017.

- EPS for the quarters is not annualized.
- The Consolidated Financial Results include results for the year ended 31 March 2018 of the following subsidiaries:
  - Neuland Laboratories Inc., USA;
  - Neuland Laboratories KK., Japan
- Revenue from operations for the quarter and year ended 31 March 2018 is not comparable with revenue from operations of the corresponding quarter of the previous year and year ended 31 March 2017 as these periods include amount of excise duty which is not included for the quarter ended 31 March 2018 and for the period from 1 July 2017 till 31 March 2018 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)



(Amount in lakhs of ₹, unless otherwise stated)

	Standalone		Consolidated	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(Audited)		(Audited)	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	16,376.23	15,495.51	16,376.23	15,495.51
Capital work in progress	12,609.45	1,960.06	12,609.45	1,960.06
Investment property	2,981.39	2,981.39	2,981.39	2,981.39
Goodwill [Refer Note: 6]	27,946.10	27,946.10	27,946.10	27,946.10
Other intangible assets	178.44	131.92	178.44	131.92
<b>Financial assets</b>				
(i) Investments	55.84	54.14	40.02	38.32
(ii) Loans	302.26	304.71	304.94	306.35
Non-current tax assets	931.56	1,009.99	943.29	1,018.06
Other non-current assets	1,040.23	1,176.67	1,040.23	1,176.67
<b>Total non-current assets</b>	<b>62,421.50</b>	<b>51,060.49</b>	<b>62,420.09</b>	<b>51,054.38</b>
<b>Current assets</b>				
Inventories	17,508.79	13,511.27	17,508.79	13,511.27
<b>Financial Assets</b>				
(i) Investments	750.00	750.00	750.00	750.00
(ii) Trade receivables	19,392.27	18,111.15	19,392.27	18,111.15
(iii) Cash and cash equivalents	308.43	299.58	328.79	344.29
(iii) Other bank balances	1,396.81	904.81	1,396.81	904.81
(v) Other financial assets	395.64	297.28	395.64	297.28
Other current assets	4,920.98	3,550.31	4,946.99	3,585.47
<b>Total current assets</b>	<b>44,672.92</b>	<b>37,424.40</b>	<b>44,719.29</b>	<b>37,504.27</b>
<b>Total assets</b>	<b>107,094.42</b>	<b>88,484.89</b>	<b>107,139.38</b>	<b>88,558.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	895.49	895.49	895.49	895.49
Other equity	23,497.52	22,297.17	23,823.80	22,581.20
Equity suspense account [Refer Note: 6]	31,084.99	31,084.99	31,084.99	31,084.99
<b>Total equity</b>	<b>55,478.00</b>	<b>54,277.65</b>	<b>55,804.28</b>	<b>54,561.68</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	10,348.82	2,980.72	10,348.82	2,980.72
(ii) Other financial liabilities	-	20.00	-	20.00
Provisions	987.00	927.60	987.00	927.60
Deferred tax liabilities	1,214.43	1,454.69	1,278.77	1,509.01
Other non-current liabilities	2,028.00	-	2,028.00	-
<b>Total non-current liabilities</b>	<b>14,578.25</b>	<b>5,383.01</b>	<b>14,642.59</b>	<b>5,437.33</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	19,920.26	15,107.90	19,920.26	15,107.90
(ii) Trade payables	12,901.23	8,864.43	12,429.49	8,592.34
(iii) Other financial liabilities	2,950.65	2,269.69	3,013.64	2,269.69
Other current liabilities	1,106.57	2,441.15	1,169.66	2,448.65
Provisions	159.46	141.06	159.46	141.06
<b>Total current liabilities</b>	<b>37,038.17</b>	<b>28,824.23</b>	<b>36,692.51</b>	<b>28,559.64</b>
<b>Total equity and liabilities</b>	<b>107,094.42</b>	<b>88,484.89</b>	<b>107,139.38</b>	<b>88,558.65</b>


