

Neuland Laboratories Limited
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NEULAND LABORATORIES LIMITED

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Road No. 2, Banjara Hills, Hyderabad - 500034

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited) [Refer note 4 (i)]	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
1	Revenue						
	(a) Revenue from operations	17,146.95	16,874.08	12,186.40	49,416.78	36,893.53	52,916.15
	(b) Other income	40.53	63.85	126.94	215.75	424.40	453.45
	Total Income	17,187.48	16,937.93	12,313.34	49,632.53	37,317.93	53,369.60
2	Expenses						
	(a) Cost of materials consumed	8,609.38	9,351.40	7,034.32	27,146.28	20,157.97	28,109.42
	(b) Excise duty	-	-	-	-	175.47	175.47
	(c) Changes in inventories of finished goods and work-in-progress	712.48	171.51	(1,630.68)	371.15	(4,346.23)	(4,272.41)
	(d) Employee benefits expense	2,680.80	2,475.62	2,477.55	7,713.19	7,323.20	9,572.79
	(e) Finance costs	299.90	407.26	455.58	1,095.22	1,404.33	1,892.13
	(f) Depreciation and amortisation expense	735.24	591.64	569.68	1,892.95	1,649.38	2,210.35
	(g) Manufacturing expenses	1,953.21	1,889.46	1,880.59	5,663.34	6,136.00	8,149.10
	(h) Other expenses	1,606.90	1,521.17	1,507.64	4,575.95	4,322.97	6,178.72
	Total expenses	16,597.91	16,408.06	12,294.68	48,458.08	36,823.09	52,015.57
3	Profit before tax (1-2)	589.57	529.87	18.66	1,174.45	494.84	1,354.03
4	Tax expense						
	(a) Current tax	156.47	144.72	(42.89)	339.27	336.69	422.91
	(b) Deferred tax benefit	(26.90)	(54.98)	(12.07)	(106.21)	(217.37)	(249.70)
5	Profit for the period / year (3-4)	460.00	440.13	73.62	941.39	375.52	1,180.82
6	Other comprehensive income (net of taxes)						
	(a) Items that will not be reclassified to profit or loss						
	(i) Re-measurement gains/(losses) on defined benefit plans	36.04	65.25	(8.49)	108.11	(25.47)	27.28
	(ii) Equity instruments through other comprehensive income	0.58	(0.85)	-	(1.05)	-	1.70
	Tax on items that will not be reclassified to profit or loss	(12.47)	(22.58)	2.94	(37.41)	8.82	(9.44)
	Total comprehensive income	484.15	481.95	68.07	1,011.04	358.87	1,200.36
7	Paid-up Equity Share Capital (Face value - ₹10 each)	1,290.05	1,290.05	895.49	1,290.05	895.49	895.49
8	Other equity						23,497.51
9	Equity suspense account						31,084.99
10	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 4(ii))	3.59	3.43	0.66	7.53	3.37	10.59
	(b) Diluted (refer note 4(ii))	3.59	3.43	0.66	7.53	3.37	10.59
	See accompanying notes to the financial results						



NOTES:

- 1 The financial results for the quarter and nine months ended 31 December 2018, have been reviewed by the Audit Committee, approved by the Board of Directors at their meeting held on 12 February 2019.
- 2 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".
- 3 The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using modified retrospective application method with effect from 1 April 2018 and accordingly these financial results are prepared in accordance with the recognition and measurement principles laid down in Ind AS 115. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company.
- 4 (i) In view of the amalgamation of erstwhile Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") (collectively referred as "Transferor Companies") with Neuland Laboratories Limited ("the Company" or "NLL"), pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") duly approved by the Hon'ble National Company Law Tribunal ("NCLT"), Hyderabad Bench vide their order dated 21 March 2018 with the appointed date of 1 April 2016, for the purpose of these financial results, the figures disclosed for the quarter and nine months ended 31 December 2017 have been arrived on the basis of an aggregation of separate results of the Company and the unaudited financial results of the transferor companies for quarter and nine months ended 31 December 2017.
- (ii) During the period ended 30 June 2018, 68,61,243 equity shares of ₹10 each have been allotted to the shareholders of the Transferor Companies pursuant to the Scheme after cancellation of cross holding of 45,90,608 equity shares and 4,99,965 equity shares in NLL and NPRPL respectively held by NHSPL. Net increase in the paid-up share capital on this account (i.e., 22,70,635 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).
- 5 EPS for the quarters are not annualized.
- 6 Post implementation of Goods and Services Tax ("GST") in India with effect from 1 July 2017, revenues are disclosed net of GST. Revenues for the period prior to 1 July 2017 included excise duty which is now subsumed in the GST. Accordingly, revenues for the nine months ended 31 December 2018 is not comparable with those for the nine months ended 31 December 2017.

By Order of the Board
For Neuland Laboratories Limited



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



Place: Hyderabad
Date: 12 February 2019