

November 4, 2016

To
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001
Scrip Code: 524558

To
The National Stock Exchange Limited
Exchange Plaza, BandraKurla Complex
Bandra (E) Mumbai - 400 001
Scrip Code: NEULANLAB
Series: EQ

Neuland Laboratories Limited

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

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www.neulandlabs.com

Dear Sirs,

Sub: Outcome of the Board Meeting held on November 4, 2016

Ref: Disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby inform you that, the Board of Directors of our Company had at its meeting held on November 4, 2016, accorded approval to the following businesses:

- a. Unaudited Financial Results of the Company for the quarter ended September 30, 2016 and the Limited Review thereon by the auditors. The said financial results and limited review report by the auditors for the quarter ended September 30, 2016 are attached herewith.
- b. Scheme of Amalgamation and Arrangement amongst the Company, Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") and their respective shareholders and creditors. As a part of the proposed merger, both NHSPL and NPRPL will be amalgamating into NLL and consequently, equity shares of NLL would be issued to the shareholders of NHSPL and NPRPL.
- c. Took on record Independent Valuation Report dated November 4, 2016 submitted by Deloitte Haskins & Sells, Chartered Accountants and Fairness Opinion issued by M/s SBI Capital Markets Limited, SEBI registered Category I Merchant Bankers.

The Board of Directors of NHSPL and NPRPL, have at the meeting held on even date, also approved the aforementioned Scheme, subject to necessary approvals.

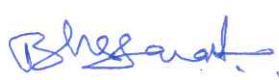
The information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Scheme of Arrangement and Amalgamation is enclosed as Annexure to this outcome.

Also, please find enclosed a Press Release being issued on the above.

This for your information and records.

Thanking you,

Yours faithfully,
For Neuland Laboratories Limited


Sarada Bhamidipati
Company Secretary



Walker Chandiok & Co LLP

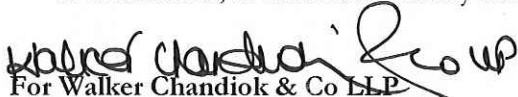
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Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Neuland Laboratories Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Neuland Laboratories Limited ("the Company") for the quarter ended 30 September 2016 and the year to date results for the period 1 April 2016 to 30 September 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.


For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

per 
Sanjay Kumar Jain
Partner

Membership No. 207660



Place : Hyderabad

Date : 4 November 2016

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2016

(Amount in lakhs of ₹ unless otherwise stated)

Sl. No.	Particulars	Quarter Ended 30.09.2016 (Unaudited)	Quarter Ended 30.06.2016 (Unaudited)	Quarter Ended 30.09.2015 (Unaudited)	Half Year Ended 30.09.2016 (Unaudited)	Half Year Ended 30.09.2015 (Unaudited)	Year Ended 31.03.2016 (Audited)
1	Income from operations						
	(a) Net Sales / Income from Operations (net of excise duty)	14,442.89	14,558.44	12,404.40	29,001.33	24,316.88	48,576.71
	(b) Other Operating Income	515.98	418.16	413.89	934.14	873.39	2,420.30
	Total Income from Operations (Net)	14,958.87	14,976.60	12,818.29	29,935.47	25,190.27	50,997.01
2	Expenses						
	(a) Cost of Materials consumed	6,871.67	6,970.72	6,697.14	13,842.39	13,397.53	25,956.67
	(b) Changes in inventories of finished goods and work-in-progress	633.99	79.14	108.75	713.13	(266.60)	(611.18)
	(c) Employee benefits expense	1,559.22	1,666.16	1,454.95	3,225.38	2,982.59	5,989.23
	(d) Depreciation and amortisation expense	454.42	436.07	389.59	890.49	769.79	1,574.26
	(e) Manufacturing expenses	1,584.83	1,462.10	1,177.99	3,046.93	2,403.69	5,284.20
	(f) Sales promotion expenses including sales commission	714.32	1,512.20	262.70	2,226.52	413.87	2,039.90
	(g) Other expenses	1,073.49	830.05	1,164.85	1,903.54	2,196.69	4,351.22
	Total expenses	12,891.94	12,956.44	11,255.97	25,848.38	21,897.56	44,584.30
3	Profit from operations before other income, finance costs and exceptional items (1-2)	2,066.93	2,020.16	1,562.32	4,087.09	3,292.71	6,412.71
4	Other Income	(5.54)	48.70	(2.29)	43.16	50.57	161.91
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	2,061.39	2,068.86	1,560.03	4,130.25	3,343.28	6,574.62
6	Finance Costs	522.42	609.68	627.79	1,132.10	1,281.89	2,446.60
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,538.97	1,459.18	932.24	2,998.15	2,061.39	4,128.02
8	Exceptional Items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7-8)	1,538.97	1,459.18	932.24	2,998.15	2,061.39	4,128.02
10	Tax expense	500.10	488.05	311.83	988.15	710.92	1,486.54
11	Net profit from ordinary activities after tax (9-10)	1,038.87	971.13	620.41	2,010.00	1,350.47	2,641.48
12	Extraordinary items	-	-	-	-	-	-
13	Net profit for the period (11-12)	1,038.87	971.13	620.41	2,010.00	1,350.47	2,641.48
14	Paid-up Equity Share Capital (Face value of ₹10 per share)	895.39	895.39	895.39	895.39	895.39	895.39
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	17,437.92
16.i	Earnings per share (before extraordinary items) (of ₹10 each) (In absolute ₹)						
	(a) Basic (not annualized)	11.69	10.93	6.98	22.62	15.20	29.73
	(b) Diluted (not annualized)	11.69	10.93	6.98	22.62	15.20	29.73
16.ii	Earnings per share (after extraordinary items) (of ₹10 each) (In absolute ₹)						
	(a) Basic (not annualized)	11.69	10.93	6.98	22.62	15.20	29.73
	(b) Diluted (not annualized)	11.69	10.93	6.98	22.62	15.20	29.73
	See accompanying notes to the financial results						



NOTES:

- 1 The above unaudited financial results have been reviewed by the Audit Committee at their meeting held on November 3, 2016, and approved and taken on record at the Board of Directors meeting held on November 4, 2016.
- 2 EPS for quarters are not annualized.
- 3 The Company's operations 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".
- 4 The above unaudited financial results have been reviewed by the statutory auditors of the Company pursuant to regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- 5 The board has accorded its approval for the Scheme of Amalgamation and Arrangement amongst the Company, Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") and their respective shareholders and creditors. As a part of the proposed transaction, both NHSPL and NPRPL will be amalgamating into the Company and consequently, new equity shares of the Company would be issued to the shareholders of NHSPL and NPRPL.
- 6 The Company has entered into a Joint Development Agreement(JDA) with Phoenix Embassy techno Zone Private Limited for development of the land owned by the Company at Nanakramguda, Hyderabad. In terms of the said JDA, the Company would be entitled to receive approximately 23% share of the saleable area of the proposed project, which would be duly determined on the basis of an approval of the building plans by the authorities concerned.
- 7 The statement of assets and liabilities is as follows:

(Amount in lakhs of ₹)

Sl No	Particulars	As on 30.09.2016 (Unaudited)	As on 31.03.2016 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	895.39	895.39
	(b) Reserves and Surplus	19,531.81	17,521.81
		20,427.20	18,417.20
2	Share Application Money Pending Allotment	-	-
3	Non-current Liabilities		
	(a) Long-term Borrowings	4,769.43	4,540.00
	(b) Deferred Tax Liability (Net)	1,421.10	1,422.82
	(c) Other Long-term Liabilities	253.00	253.00
	(d) Long-term Provisions	714.44	684.92
		7,157.97	6,900.74
4	Current Liabilities		
	(a) Short-term Borrowings	11,938.90	12,362.90
	(b) Trade Payables	10,127.39	8,332.28
	(c) Other Current Liabilities	5,511.26	5,774.29
	(d) Short-term Provisions	510.83	546.72
		28,088.38	27,016.19
	TOTAL	55,673.55	52,334.13
B	ASSETS		
1	Non-current Assets		
	(a) Fixed Assets	18,903.36	17,925.09
	(b) Non-current Investments	754.58	754.58
	(c) Long-term Loans and Advances	2,309.94	2,320.67
		21,967.88	21,000.34
2	Current Assets		
	(a) Inventories	12,081.80	12,666.29
	(b) Trade Receivables	15,528.10	11,910.83
	(c) Cash and Bank Balances	1,355.63	904.02
	(d) Short-term Loans and Advances	3,692.87	4,959.00
	(e) Other Current Assets	1,047.27	893.65
		33,705.67	31,333.79
	TOTAL	55,673.55	52,334.13

- 8 Previous period figures have been re-grouped/reclassified wherever necessary, to confirm to the current period's classification.



By Order of the Board
For Neuland Laboratories Limited



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

Place: Hyderabad
Date: November 4, 2016

Annexure

Details in terms of Para A of Part A of Schedule III of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015

a) Name of the entities 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
As on March 31, 2016 (Audited)			
Neuland Laboratories Limited ("NLL")	523.34	511.59	26.41
Neuland Health Sciences Pvt. Ltd. ("NHSPL")	41.34	2.39	(1.44)
Neuland Pharma Research Pvt. Ltd. ("NPRPL")	37.73	49.66	4.93
As on June 30, 2016 (Audited)			
Neuland Laboratories Limited*	556.82	150.25	9.71
Neuland Health Sciences Pvt. Ltd.	41.24	0.37	(1.05)
Neuland Pharma Research Pvt. Ltd.	35.55	18.58	5.67

*** Note: Limited Review by the Auditors**

b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"

Yes. NHSPL and NPRPL are related parties to Neuland Laboratories Limited ("the Company"). NHSPL is the Holding Company of NLL and NPRPL is a subsidiary of the Holding Company of NLL.

The transaction is being undertaken based on independent Fair Valuation Report issued by Deloitte Haskins & Sells, Chartered Accountants, supported by a Fairness Opinion Report issued by SBI Capital Markets Limited, and shall be subject to the prior approval of shareholders and creditors of all the Companies, the stock exchanges where the shares of the Company are listed, Securities and Exchange Board of India, and The High Court of Judicature of Andhra Pradesh & Telangana / National Companies Law Tribunal, Hyderabad, and / or such other competent statutory/ regulatory authorities as may be required under applicable law.

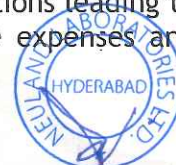
c) Area of business of the entities

Name of the Entity	Area of business
Neuland Laboratories Limited	Manufacturing of active pharmaceutical ingredients (APIs) and advanced intermediates
Neuland Health Sciences Pvt. Ltd.	Research and Development on synthesis of Peptides and Peptide building blocks and marketing of Peptides
Neuland Pharma Research Pvt. Ltd	Contract Research and Marketing Services company providing Custom Manufacturing Solutions ("CMS") to its customers with a focus on regulated markets



d) Rationale for amalgamation/ merger

- NLL is a manufacturer of active pharmaceutical ingredients (APIs) and advanced intermediates and is a solution provider for the pharmaceutical industry for chemistry related services.
- NHSPL is in the business of conducting research and development on synthesis of Peptides and Peptide building blocks and marketing of Peptides. NLL is the exclusive peptide manufacturer for NHSPL.
- NPRPL is a contract research and marketing services company providing Custom Manufacturing Solutions ("CMS") to its customers with a focus on regulated markets. The Research and Development facility of NPRPL has been successfully inspected and classified acceptable by the USFDA in February 2016. NPRPL is an exclusive research service provider for NLL and NLL is the exclusive CMS manufacturer for NPRPL.
- NHSPL, NPRPL and the Company, as a Group, provide end-to-end solutions for chemistry related services from synthesis of early stage clinical molecules to supply of API and intermediates at various clinical phases up to commercial scale.
- The businesses being carried on by all these three companies are synergistic and are complementary to each other. Given the nature of consolidation in the pharmaceutical industry, there is a huge opportunity for cross-selling of the products and services of NHSPL and NPRPL along with that of the Company which is expected to further enhance the value for the stakeholders of all the companies.
- The combined entity (i.e. the Company), with its strong financials, will have greater access to sources of funds, a better credit rating, improved cash flows, increased net worth, thereby expected to strengthen the value of all the stakeholders of the companies involved.
- Therefore, the proposed Amalgamation is expected to:
 - ✓ Facilitate seamless coordination between the R&D facilities and manufacturing activities leading to greater leverage in operations, planning, process, product life cycle management, new product development and product optimization and enhanced flexibility in operations in the combined entity.
 - ✓ Lead to the benefits of synergetic advantages particularly in view of the fact that the companies involved in the amalgamation are engaged in the businesses, which are akin and can be conveniently merged for mutual benefit further leading to improved organizational capability and leadership, arising from the pooling of resources and expertise that has the diverse skills talent and vast experience to compete successfully in an increasingly competitive industry.
 - ✓ Result in consolidation of intellectual properties, R&D capabilities and physical infrastructure into one combined entity including an opportunity to avail additional tax benefits for in house R&D.
 - ✓ Result in cost savings from utilizing the combined facilities of all the three entities with more focus on operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, elimination of intercompany transactions costs, usage of common resource pool like human resource, administration, accounts, legal and other related functions leading to elimination of duplication and rationalization of administrative expenses and reduction of compliance costs.



- ✓ Result in operational convenience in terms of execution of contracts and provision of related services.
- ✓ Improve relationship with customers, as the combined post amalgamation entity would become an end-to-end API solution provider.
- In order to achieve the objectives as mentioned in the abovementioned clauses, the Board of Directors of all the three companies have proposed to consolidate NHSPL, NPRPL and the Company into a single company by amalgamating NHSPL, NPRPL into the Company.
- The amalgamation will build a stronger and sustainable business and enhance the potential for future growth and the Scheme of Amalgamation would be beneficial and in the best interests of the shareholders, creditors, customers, suppliers, employees and other stakeholders of all the companies.

e) Share Exchange Ratio

- Without giving effect of the proposed Scheme
 - (a) 552 (Five hundred and fifty only) equity shares of NLL of Rs.10/- each fully paid-up for every 100 (One Hundred Only) equity shares of NHSPL of Rs.100/- each fully paid-up based on the Existing Share Capital of NHSPL of Rs.12.43 crores consisting of 12,42,952 equity shares of face value of Rs.100/- each fully paid up;
 - (b) 410 (Four hundred and ten only) equity shares of NLL of Rs.10/- each fully paid-up for every 100 (One Hundred Only) equity shares of NPRPL of Rs.10/- each fully paid-up.
- After giving effect of the proposed Scheme -
 - (a) 552 (Five hundred and fifty only) equity shares of NLL of Rs.10/- each fully paid-up for every 1000 (One Thousand Only) equity shares of NHSPL of Rs.10/- each fully paid-up based on the subdivision of Share Capital of NHSPL (as envisaged in the Scheme) of Rs.12.43 crores consisting of 1,24,29,520 equity shares of face value of Rs.10/- each fully paid up.
 - (b) 410 (Four hundred and ten only) equity shares of NLL of Rs.10/- each fully paid-up for every 100 (One Hundred Only) equity shares of NPRPL of Rs.10/- each fully paid-up.
- NHSPL holds shares in its subsidiaries, NLL and NPRPL, and the intercompany shareholding will be cancelled and new shares of NLL will be allotted to shareholders of NHSPL and balance shareholders of NPRPL as on the Record Date.

f) Brief details of change in shareholding pattern (if any) of listed entity

Particulars	Pre-merger		Post-merger	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoters & Promoter Group	45,91,748	51.68	46,05,466	41.29
Public	42,92,506	48.32	65,49,423*	58.71*
Total	88,84,254	100.00	1,11,54,889	100.00

* Note: includes non-promoter shareholding of NHSPL & NPRPL of 20.23% (22,56,917 equity shares)





Neuland H1FY17 income at ₹2,993.5 mn, up 19%, PAT at ₹201.0 mn up by 49%

Board of Directors approves draft scheme of arrangement on business restructuring

Hyderabad, India, November 4, 2016 - Neuland Laboratories Limited(NLL) (NSE: NEULANDLAB; BSE-Scrip Code:524558), a pharmaceutical manufacturer providing active pharmaceutical ingredients (APIs), complex intermediates and custom manufacturing solutions services to customers located in around 80 countries, today announced financial results for the second quarter(Q2FY17) and half year ended(H1FY17) ended September 30th, 2016. The Board of Directors of the Company also approved draft Scheme of Amalgamation and Arrangement between Neuland Laboratories Limited, Neuland Health Sciences Private Limited(NHSPL) and Neuland Pharma Research Private Limited(NPRPL), subject to all necessary approvals.

Financial Highlights

Standalone H1FY17 (Y/Y%)

- Total Operating income was ₹2,993.5 mn for H1FY17 as compared to ₹2,519.0 mn in the H1FY16, an increase of 19%
- EBITDA stood at ₹502.1 mn as compared to ₹411.3 mn during the same period in the previous year(H1FY16), up by 22%
- EBITDA Margin at 16.8% for H1FY17 as against 16.3% in H1FY16
- Net profit stood at ₹201.0 mn for H1FY17 as compared to ₹135.0 mn in H1FY16, an increase of 49%
- Basic EPS stood at ₹22.6 as against ₹15.2 in H1FY16, an increase of 49%

Standalone Q2FY17 (Y/Y%)

- Total Operating income was ₹1,495.9 mn for Q2FY17 as compared to ₹1,281.8 mn in the corresponding period of the previous year reflecting an increase of 17%
- EBITDA stood at ₹251.6 mn as compared to ₹195.0 mn during the corresponding period of previous year, an increase of 29%
- EBITDA Margin at 16.8% for Q2FY17 as against 15.2% in Q2FY16
- Net profit stood at ₹103.9 mn for Q2FY17 as compared to ₹62.0 mn in the corresponding period of the previous year, an increase of 67%
- Basic EPS stood at ₹11.7 as against ₹7.0 in the corresponding quarter of last fiscal

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and CEO of the Company said *“We are pleased to announce good set of numbers in Q2FY17 following the trajectory that we set for ourselves in the last couple of quarters. The business shaped up well during this quarter and we also had success across each of our business verticals leading to better profitability and margins. We remain cautiously optimistic of the business going ahead.”*

In addition, **Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added** *“We are also happy to announce that the Board of Directors of NLL along with its holding company(NHSPL) and research entity(NPRPL) have approved a draft scheme of amalgamation among the three entities. We believe the transaction would help us create a stronger and more sustainable entity that not only reduces some redundant costs, but also unlocks value by way of consolidation of businesses, optimization of operations and improved overall capabilities. We certainly feel that the transaction will be value accretive and in the best interest of our shareholders”*

Business Performance

Operational Highlights

- Strong pick up in Brinzolamide as the molecule gets launched in the US
- Launch quantities initiated for Voriconazole in Europe
- Ramp up in CMS business as we achieve significant progress across key projects

Business Saliency

- The total operating revenues for the Q2FY17 account for 53% (53% for Q2FY16 and 47% for Q1FY17) from prime products, 29% (29% for Q1FY17 and 25% for Q2FY16) from niche APIs and the remaining 19% (22% for Q2FY16 and 23% from Q1FY17) from CMS business.
- From a project perspective, the Company derived CMS revenues from 8 projects (10 in Q1FY17 and 5 in Q2FY16) of which 5 are in commercial stage and remaining 3 being in the clinical stage

Corporate Action

The Board of Directors of the Company at their meeting held on **August 27, 2016** in-principle approved a proposal to merge Neuland Health Sciences Private Limited (NHSPL) and Neuland Pharma Research Private Limited (NPRPL) with Neuland Laboratories Limited (the Company / NLL) subject to all necessary approvals.

The Board of Directors of all the three companies today announced that they have approved the draft Scheme of Amalgamation and Arrangement among the three entities.

Proposed Transaction

- Consolidation of NHSPL, NPRPL and NLL into a single company by amalgamating NHSPL, NPRPL into NLL through a Scheme of Amalgamation and Arrangement between NLL, NHSPL and NPRPL and the respective shareholders and creditors.
- The transaction is subject to various approvals including shareholders and creditors, SEBI, Stock Exchanges on which the Company's shares are listed and the High Court of Judicature of Andhra Pradesh & Telangana / National Companies Law Tribunal. The appointed date of the Scheme is April 1, 2016.
- **Scheme to involve share exchange :**
 - Without giving effect of the proposed Scheme:
 - (a) 552 (Five hundred and fifty only) equity shares of NLL of Rs.10/- each fully paid-up for every 100 (One Hundred Only) equity shares of NHSPL of Rs.100/- each fully paid-up based on the Existing Share Capital of NHSPL of Rs.12.43 crores consisting of 12,42,952 equity shares of face value of Rs.100/- each fully paid up;
 - (b) 410 (Four hundred and ten only) equity shares of NLL of Rs.10/- each fully paid-up for every 100 (One Hundred Only) equity shares of NPRPL of Rs.10/- each fully paid-up.
 - After giving effect of the proposed Scheme:
 - (a) 552 (Five hundred and fifty only) equity shares of NLL of Rs.10/- each fully paid-up for every 1000 (One Thousand Only) equity shares of NHSPL of Rs.10/- each fully paid-up based on the subdivision of Share Capital of NHSPL (as envisaged in the Scheme) of Rs.12.43 crores consisting of 1,24,29,520 equity shares of face value of Rs.10/- each fully paid up.
 - (b) 410 (Four hundred and ten only) equity shares of NLL of Rs.10/- each fully paid-up for every 100 (One Hundred Only) equity shares of NPRPL of Rs.10/- each fully paid-up.
 - NHSPL holds shares in its subsidiaries, NLL and NPRPL, and the intercompany shareholding will be cancelled and new shares of NLL will be allotted to shareholders of NHSPL and balance shareholders of NPRPL as on the Record Date.

Rationale of the Transaction

- The amalgamation will build a stronger and sustainable business and enhance the potential for future growth and the Scheme of Amalgamation would be beneficial and in the best interests of all stakeholders including shareholders, creditors, customers, suppliers, employees amongst others
- Consolidation of intellectual property, R&D capabilities and physical infrastructure into one combined entity including an opportunity to avail additional tax benefits for in house R&D
- Cost savings from utilizing the combined facilities of all the three entities with more focus on operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, elimination of intercompany transactions costs, usage of common resource pool like human resource, administration, accounts, legal and other related functions
- Operational convenience in terms of execution of contracts and provision of related services
- Improved relationship with customers, as the combined post amalgamation entity would become an end-to-end API solution provider

Q2FY17 Earnings Call

The company will conduct a one hour Earnings call at **09:30 AM IST on Monday, November 7th, 2016** where the management will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in number for this call is **+91 22 3960 0644/91 22 6746 4144**. Other numbers are listed in the conference call invite which is posted on our website. Please note that the transcript of the conference call will be uploaded on the company website in due course.

About Neuland Laboratories Limited

For 32+ years, Neuland Labs has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in around 80 countries. Neuland Labs has developed more than 300 processes and 75 APIs, and it has filed around 48 U.S. drug master files (DMFs) and a total of around 400 DMFs in the European Union (EU) and other countries. Its manufacturing facilities are inspected and approved by the U.S. FDA and other leading regulatory agencies. Its record of quality manufacturing and reliability is highlighted by cGMP certifications that include the U.S. FDA, TGA (Australia), EDQM (EU), German Health Authority, Anvisa (Brazil), EMA (EU), Cofepris (Mexico), KFDA (Korea), PMDA (Japan), ISO 9001, ISO14001, OHSAS18001 and ISO 27001. For more information, visit www.NeulandLabs.com.

If you have any questions or require further information, please feel free to contact

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