



NEULAND LABORATORIES LIMITED

Flat No.204, II Floor, Meridian Plaza, 6-3-853/1, Ameerpet, Hyderabad-500 016. A.P., INDIA.

Phone : +91-40-30211600, 23412934, 66518682. Fax : +91-40-23412957

E-mail : neuland@neulandlabs.com URL : www.neulandlabs.com

March 14, 2012

The National Stock Exchange Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai – 400 001

Scrip Code: NEULANLAB
Series: EQ

Dear Sirs,

Sub: Rights Issue of Neuland Laboratories (“ the Company”)

This is with reference to our earlier communication dated March 13, 2012 regarding intimation of record date, rights ratio and price for the captioned Rights Issue of the Company.

Please find below the clarification on Partly paid shares and fractional entitlement for the said Rights Issue.

Partly Paid Shares:

The Company does not have any Partly Paid Shares.

Fractional Entitlement:

If the shareholding of any Eligible Equity Shareholder is not a multiple of 12 as on the Record Date, the fractional entitlement of such Eligible Equity Shareholders arrived at after dividing the number of shares held by 2.4 shall be ignored [as 5 Equity Shares are being offered for every 12 Equity Shares held].

Eligible Equity Shareholders whose fractional entitlements are being ignored would be given preference in allotment of one additional share each if they apply for additional shares as per the Additional Rights Equity Shares mentioned in the Letter of Offer.

An illustration stating the Rights Entitlement for number of Equity Shares is set out below:



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NUMBER OF EQUITY SHARES	RIGHTS ENTITLEMENT*
1-2	0
3-4	1
5-7	2
8-9	3
10-11	4

Those Eligible Equity Shareholders holding 2 equity shares or less than 2 Equity Shares and therefore entitled to zero Rights Equity Shares under this Issue shall be sent a CAF with zero entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and they would be given preference in allotment for one additional Rights Equity Share if they apply for additional Rights Equity Shares. However, they cannot renounce the same in favour of third parties. A CAF with zero entitlement will be non-negotiable / non-renounceable.

This is for your information and records.

Thanking you,

Yours Sincerely

For **Neuland Laboratories Limited**

Sarada Bhamidipati
Company Secretary