

May 11, 2021

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

Scrip Code: 524558

To
The National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla 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.

Tel: 040 67611600 / 67611700
Email: neuland@neulandlabs.com
www.neulandlabs.com

Dear Sirs,

Sub: Outcome of Board Meeting

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), we wish to inform you that the Board of Directors at their meeting held on even date, have considered and approved the following:

- a. **Financial Results:** Upon recommendation of the Audit Committee, the Board of Directors have approved the Audited Financial Results (Standalone & Consolidated) as per Indian Accounting Standards (IND AS) for the year ended March 31, 2021 along with Statement of Assets and Liabilities as on March 31, 2021 (enclosed). The Board of Directors took note of the Statutory Auditors' Report on the Audited Financial Results (Standalone & Consolidated) for the year ended March 31, 2021 with unmodified opinion (enclosed).

We would like to state that the Statutory Auditors of the Company, M/s. MSKA & Associates, Chartered Accountants, have issued audit reports with unmodified opinion on the Statement.

Also enclosed is a copy of the Press Release along with presentation to the Investors/ Analysts, on the Unaudited Financial Results of the Company for the quarter ended March 31, 2021.

- b. **Final Dividend:** Have recommended payment of final dividend of Rs.3/- (30%) per equity share on a face value of Rs.10 each, subject to the approval of members of the Company.

The above information will also be available on the website of the Company at www.neulandlabs.com.

The meeting of Board of Directors of the Company commenced at 12:15 P.M. and concluded at 02:35 P.M.

This is for your information and records.

Yours faithfully,

For Neuland Laboratories Limited



Sarada Bhamidipati
Company Secretary

Encl: as above

Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Neuland Laboratories Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying standalone financial results of **Neuland Laboratories Limited** (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2021 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles

generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

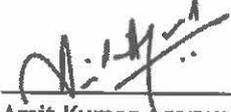
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement include the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our Opinion is not modified in respect of the above matters.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W


Amit Kumar Agarwal
Partner
Membership No. 214198



UDIN: 21214198AAAABW4027
Place: Hyderabad, INDIA
Date: May 11, 2021

NEULAND LABORATORIES LIMITED
Sanali Info Park, 'A' Block, Ground Floor, 8-2-120/113,
Road No. 2, Banjara Hills, Hyderabad - 500034
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2020 (Unaudited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Revenue					
	(a) Revenue from operations	24,470.47	24,539.18	19,186.59	93,691.31	76,271.08
	(b) Other income	1,459.65	19.53	177.60	1,609.49	388.57
	Total income	25,930.12	24,558.71	19,364.19	95,300.80	76,659.65
2	Expenses					
	(a) Cost of materials consumed	11,918.63	11,009.31	8,898.58	43,965.70	39,135.59
	(b) Changes in inventories of finished goods and work-in-progress	(1,040.23)	212.68	(290.72)	(124.45)	(1,115.75)
	(c) Employee benefits expense	4,228.42	3,621.74	3,181.59	14,402.20	11,848.19
	(d) Finance costs	457.77	443.92	706.89	1,789.75	2,157.14
	(e) Depreciation and amortisation expense	1,114.11	1,040.74	762.51	3,967.85	3,127.63
	(f) Manufacturing expenses	3,479.03	3,043.71	2,834.63	12,028.58	9,759.63
	(g) Other expenses	3,340.80	2,000.79	1,563.03	8,774.96	6,497.64
	Total expenses	23,498.53	21,372.89	17,656.51	84,804.59	71,410.07
3	Profit before tax (1-2)	2,431.59	3,185.82	1,707.68	10,496.21	5,249.58
4	Tax expense					
	(a) Current tax	470.06	430.31	(839.93)	1,248.29	-
	(b) Deferred tax	238.73	88.34	3,482.61	1,218.43	3,661.57
5	Profit for the period / year (3-4)	1,722.80	2,667.17	(935.00)	8,029.49	1,588.01
6	Other comprehensive income (net of taxes)					
	(a) Items that will not be reclassified to profit or loss					
	Re-measurement gains/(losses) on defined benefit plans	(46.89)	(3.50)	38.33	(57.45)	(99.76)
	Equity instruments through other comprehensive income	(102.54)	3.00	(4.58)	(96.26)	(4.09)
	Tax on items that will not be reclassified to profit or loss	11.80	0.88	(23.14)	14.46	25.11
	Total comprehensive income	1,585.17	2,667.55	(924.40)	7,890.24	1,509.27
7	Paid-up Equity Share Capital (Face value - ₹10 each)	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05
8	Other equity (excluding revaluation reserve)				76,814.22	69,180.58
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)					
	(a) Basic (refer note 7)	13.43	20.79	(7.29)	62.58	12.38
	(b) Diluted (refer note 7)	13.43	20.79	(7.29)	62.58	12.38
	See accompanying notes to the financial results					



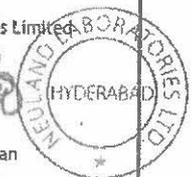
NOTES:

- 1 The financial results for the quarter and year ended 31 March 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11 May 2021.
- 2 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The operations of the Company are predominantly related to the manufacture and sale of active pharmaceutical ingredients and allied services. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".
- 4 Other Income includes an amount of Rs. 1309 lacs towards profit on sale of 120,000 Sq. ft. of investment property situated at Nanakramguda, Hyderabad as per the Joint Development Agreement (JDA) and Supplementary Development Agreement ("SDA") and Addendum to the SDA (collectively referred as "Arrangement") entered with the Developer and its nominees for development of IT Park.
- 5 Other expenses for the quarter and year ended March 31, 2021 include an amount of Rs. 955 lacs towards settlement of income tax litigation under Vivad Se Vishwas Scheme
- 6 The Company continues to evaluate the impact of the pandemic on all aspects of its business, including impact on customers, employees, vendors and business partners. The Company has taken several business continuity measures including transport for factory employees, work from home, following the social distancing norms. The Company has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, inventory, based on the information available to date, both internal and external, while preparing the financial results for the quarter and year ended 31 March 2021. Based on the assessment done by the management of the Company, there is no significant/material impact of COVID-19 on the results for the quarter and year ended 31 March 2021. The Company has been closely monitoring any material changes to future economic conditions.
- 7 The EPS for quarters has not been annualised.
- 8 The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the published figures upto nine months of the relevant financial year.
- 9 The Board has recommended payment of final dividend of Rs.3/- (30%) per equity share on a face value of Rs.10 each, subject to the approval of members of the Company.
- 10 The previous period figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.

Place: Hyderabad
Date: 11 May 2021

For Neuland Laboratories Limited


Dr. D R Rao
Executive Chairman
(DIN 00107737)



NEULAND LABORATORIES LIMITED
STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS ON 31 MARCH 2021

(Amount in lakhs of ₹, unless otherwise stated)

Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	40172.16	33,748.77
Capital work in progress	1725.02	2,375.12
Right of Use Assets	1224.37	384.39
Investment property	1890.64	2,981.39
Goodwill	27946.10	27,946.10
Other intangible assets	349.75	195.76
Financial assets		
i) Investments	59.81	51.65
ii) Other financial assets	580.05	907.85
Non-current tax assets	609.25	1,352.76
Other non-current assets	2,977.16	1,647.16
Total non-current assets	77,534.31	71,590.95
Current assets		
Inventories	24,760.77	21,954.74
Financial assets		
i) Investments	645.57	750.00
ii) Trade Receivables	21,773.31	18,988.99
iii) Cash and cash equivalents	111.59	991.53
iv) Other bank balances	1,696.37	3,577.71
v) Other financial assets	309.31	356.68
Other current assets	5,520.81	4,763.78
Total current assets	54,817.73	51,383.43
Total assets	1,32,352.04	1,22,974.38
Equity and Liabilities		
Equity		
Equity Share Capital	1,290.05	1,290.05
Other equity	76,898.11	69,264.47
Total Equity	78,188.16	70,554.52
Liabilities		
Non current-liabilities		
Financial liability		
i) Borrowings	8,813.26	7,737.26
ii) Lease liability	958.60	257.79
Provisions	909.65	1,218.46
Deferred tax liabilities	5,899.66	4,695.70
Other non-current liabilities	286.48	2,311.48
Total non-current liabilities	16,867.65	16,220.69
Current liabilities		
Financial liability		
i) Borrowings	5,698.44	16,817.26
ii) Lease liability	253.19	156.63
iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises and	856.79	130.56
total outstanding dues of creditors other than micro enterprises and small enterprises	14,817.84	11,869.28
iv) Other financial liabilities	8,967.85	4,600.16
Other current liabilities	6,637.86	2,397.97
Provisions	64.26	227.31
Total current liabilities	37,296.23	36,199.17
Total equity and liabilities	1,32,352.04	1,22,974.38





NEULAND LABORATORIES LIMITED
STANDALONE STATEMENT OF CASH FLOWS

(Amount in lakhs of ₹, unless otherwise stated)

Particulars	Year Ended	
	31.03.2021 (Audited)	31.03.2020 (Audited)
Cash flow from operating activities		
Profit before tax	10,496.21	5,249.58
Adjustments:		
Depreciation and amortisation expense	3,967.85	3,127.63
Interest income	(166.73)	(216.19)
(Gain)/Loss on sale of fixed assets, net	-	(39.06)
Loss/(Gain) on sale of investment properties, net	(1,309.25)	-
Finance costs	1,789.75	2,157.14
Unrealised foreign exchange (gain)/loss, net	(135.12)	39.55
Unrealised (gain) / loss on forward contracts	-	(80.33)
Provision towards doubtful trade receivables	385.33	707.94
Provision for employee benefits	(514.88)	117.10
Operating cash flows before working capital changes	14,513.16	11,063.36
Changes in inventories	(2,806.03)	(2,689.32)
Changes in trade receivables	(3,007.49)	(2,949.58)
Changes in other assets	(895.03)	(237.06)
Changes in trade payables	3,682.18	(488.83)
Changes in other financial assets	326.78	(627.04)
Changes in other financial liabilities	3,018.32	1,126.00
Changes in other liabilities	4,614.89	935.47
Cash generated from operating activities	19,446.78	6,133.00
Income-taxes paid, net	(519.25)	(469.86)
Net cash generated from operating activities (A)	18,927.53	5,663.14
Cash flows from investing activities		
Purchase of property, plant and equipment and other Intangible assets	(10,538.82)	(4,879.67)
Proceeds from sale of property, plant and equipment	0.85	78.00
Movement in other bank balances	1,881.34	(587.04)
Interest income received	215.12	520.74
Net cash used in investing activities (B)	(8,441.51)	(4,867.97)
Cash flows from financing activities		
Proceeds from short-term borrowings, net	(11,143.58)	1,635.35
Proceeds from long-term borrowings	3,636.46	3,136.76
Repayment of long-term borrowings	(1,459.17)	(2,235.22)
Repayment of lease liability	(253.53)	(153.34)
Dividend paid	(256.60)	(494.95)
Interest on lease liability	(98.02)	(39.63)
Interest paid	(1,791.52)	(2,396.83)
Net cash generated from / (used in) financing activities (C)	(11,365.96)	(547.86)
Net (decrease)/ increase in cash and cash equivalents during the period (A + B + C)	(879.94)	247.31
Cash and cash equivalents at the beginning of the year	991.53	744.22
Cash and cash equivalents at the end of the year	111.59	991.53



Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Neuland Laboratories Limited [Holding Company]

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the accompanying consolidated financial results of **Neuland Laboratories Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2021, ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid Statement:

(i) include the annual financial results of the following entities :

Sr. No	Name of the Entity	Relationship with the Holding Company
1	Neuland Laboratories K.K., Japan	Wholly Owned Subsidiary
2	Neuland Laboratories Inc., USA	Wholly Owned Subsidiary

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors’ Responsibilities for the Consolidated Financial Results

These Statement, which is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, have been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial results of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent possible.

Other Matters

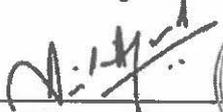
1. The Statement includes the Financial Statements of aforesaid two subsidiaries whose Financial Statements reflect Group's share of total assets (before consolidation adjustments) of Rs. 618.51 lakhs as at March 31, 2021 Group's share of total revenue (before consolidation adjustments) of Rs. 779.86 lakhs and Group's share of total net profit after tax (before consolidation adjustments) of Rs. 33.58 lakhs for the year ended March 31, 2021 as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors. Further, both these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

Our opinion on the Statement is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Board of Directors

2. The Statement include the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of this matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W


Amit Kumar Agarwal
Partner
Membership No. 214198



UDIN: 21214198AAAABX9979
Place: Hyderabad, INDIA
Date: May 11, 2021

NEULAND LABORATORIES LIMITED						
Sanali Info Park, 'A' Block, Ground Floor, 8-2-120/113, Road No. 2, Banjara Hills, Hyderabad - 500034						
STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021						
<i>(Amount in lakhs of ₹, unless otherwise stated)</i>						
Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2020 (Unaudited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Revenue					
	(a) Revenue from operations	24,470.47	24,539.18	19,164.19	93,691.31	76,271.08
	(b) Other income	1,459.65	19.53	177.62	1,609.51	388.59
	Total Income	25,930.12	24,558.71	19,341.81	95,300.82	76,659.67
2	Expenses					
	(a) Cost of materials consumed	11,918.63	11,009.30	8,898.59	43,965.70	39,135.59
	(b) Changes in inventories of finished goods and work-in-progress	(1,040.23)	212.68	(290.72)	(124.45)	(1,115.75)
	(c) Employee benefits expense	4,342.41	3,790.19	3,299.95	14,973.67	12,355.52
	(d) Finance costs	457.79	443.93	706.95	1,789.83	2,157.35
	(e) Depreciation and amortisation expense	1,114.21	1,040.84	762.60	3,968.26	3,128.01
	(f) Manufacturing expenses	3,479.03	3,043.71	2,834.63	12,028.58	9,759.63
	(g) Other expenses	3,219.27	1,823.29	1,410.01	8,165.88	5,947.07
	Total expenses	23,491.11	21,363.94	17,622.01	84,767.47	71,367.42
3	Profit before tax (1-2)	2,439.01	3,194.77	1,719.80	10,533.35	5,292.25
4	Tax expense					
	(a) Current tax	474.90	432.91	(833.24)	1,255.73	9.63
	(b) Deferred tax	234.85	80.34	3,482.61	1,214.55	3,661.57
5	Profit for the period / year (3-4)	1,729.26	2,673.52	(929.57)	8,063.07	1,621.05
6	Other comprehensive Income (net of taxes)					
	(a) Items that will not be reclassified to profit or loss					
	Re-measurement gains/(losses) on defined benefit plans	(46.89)	(3.50)	38.33	(57.45)	(99.76)
	Equity Instruments through other comprehensive income	(102.54)	3.00	(4.58)	(96.26)	(4.09)
	Tax on Items that will not be reclassified to profit or loss	11.80	0.88	(23.14)	14.46	25.11
	(b) Items to be reclassified to profit or loss					
	Exchange differences in translating the financial statements of a foreign operations	(10.70)	12.19	24.46	(17.22)	35.34
	Total comprehensive Income	1,580.93	2,686.09	(894.50)	7,906.60	1,577.65
7	Paid-up Equity Share Capital (Face value - ₹10 each)	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05
8	Other equity (excluding revaluation reserve)				77,271.83	69,621.83
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)					
	(a) Basic (refer note 8)	13.48	20.84	(7.25)	62.85	12.63
	(b) Diluted (refer note 8)	13.48	20.84	(7.25)	62.85	12.63
	See accompanying notes to the financial results					

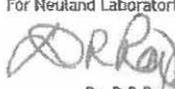


NOTES:

- 1 The financial results for the quarter and year ended 31 March 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11 May 2021.
- 2 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The Consolidated Financial Results include results of the following wholly owned subsidiaries:
(a) Neuland Laboratories Inc., USA;
(b) Neuland Laboratories KK., Japan.
- 4 The operations of the Company and its subsidiaries are predominantly related to the manufacture and sale of active pharmaceutical ingredients and allied services. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".
- 5 Other income includes an amount of Rs. 1309 lacs towards profit on sale of 120,000 Sq. ft. of investment property situated at Nanakramguda, Hyderabad as per the Joint Development Agreement (JDA) and Supplementary Development Agreement ("SDA") and Addendum to the SDA (collectively referred as 'Arrangement') entered with the Developer and its nominees for development of IT Park.
- 6 Other expenses for the quarter and year ended March 31, 2021 include an amount of Rs. 955 lacs towards settlement of income tax litigation under Vivad Se Vishwas Scheme
- 7 The Group continues to evaluate the impact of the pandemic on all aspects of its business, including impact on customers, employees, vendors and business partners. The Group has taken several business continuity measures including transport for factory employees, work from home, following the social distancing norms. The Group has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, inventory, based on the information available to date, both internal and external, while preparing the financial results for the quarter and year ended 31 March 2021. Based on the assessment done by the management, there is no significant/material impact of COVID-19 on the results for the quarter and year ended 31 March 2021. The Group has been closely monitoring any material changes to future economic conditions.
- 8 The EPS for quarters has not been annualised.
- 9 The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the published figures upto nine months of the relevant financial year.
- 10 The Board has recommended payment of final dividend of Rs.3/- (30%) per equity share on a face value of Rs.10 each, subject to the approval of members of the Company.
- 11 The previous period figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.

Place: Hyderabad
Date: 11 May 2021

For Neuland Laboratories Limited


Dr. D R Rao
Executive Chairman
(DIN 00107731)



NEULAND LABORATORIES LIMITED
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS ON 31 MARCH 2021

(Amount in lakhs of ₹, unless otherwise stated)

Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	40,173.45	33,749.59
Capital work in progress	1,725.02	2,375.12
Right of Use Assets	1,224.37	384.39
Investment property	1,890.64	2,981.39
Goodwill	27,946.10	27,946.10
Other intangible assets	349.75	195.76
Financial assets		
i) Investments	44.00	35.83
ii) Other financial assets	584.04	912.98
Non-current tax assets	605.51	1,350.93
Other non-current assets	2,977.16	1,647.16
Total non-current assets	77,520.04	71,579.25
Current assets		
Inventories	24,760.77	21,954.74
Financial assets		
i) Investments	645.57	750.00
ii) Trade Receivables	21,773.31	18,988.99
iii) Cash and cash equivalents	243.56	1,120.35
iv) Other bank balances	1,696.37	3,577.71
v) Other financial assets	309.31	356.68
Other current assets	5,529.83	4,770.17
Total current assets	54,958.72	51,518.64
Total assets	1,32,478.76	1,23,097.89
Equity and Liabilities		
Equity		
Equity Share Capital	1,290.05	1,290.05
Other equity	77,355.72	69,705.72
Total Equity	78,645.77	70,995.77
Liabilities		
Non current-liabilities		
Financial liability		
i) Borrowings	8,813.26	7,737.26
ii) Lease liability	958.60	257.79
Provisions	943.89	1,248.98
Deferred tax liabilities	5,975.68	4,778.11
Other non-current liabilities	290.47	2,316.61
Total non-current liabilities	16,981.90	16,338.75
Current liabilities		
Financial liability		
i) Borrowings	5,698.44	16,817.26
ii) Lease liability	253.19	156.63
iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises and	856.79	130.56
total outstanding dues of creditors other than micro enterprises and small enterprises	14,356.66	11,425.74
iv) Other financial liabilities	8,973.82	4,601.23
Other current liabilities	6,647.93	2,404.64
Provisions	64.26	227.31
Total current liabilities	36,851.09	35,763.37
Total equity and liabilities	1,32,478.76	1,23,097.89



NEULAND LABORATORIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS



(Amount in lakhs of ₹, unless otherwise stated)

Particulars	Year Ended	
	31.03.2021 (Audited)	31.03.2020 (Audited)
Cash flow from operating activities		
Profit before tax	10,533.35	5,292.25
Adjustments:		
Depreciation and amortisation expense	3,968.26	3,128.01
Interest income	(166.75)	(216.21)
(Gain)/Loss on sale of fixed assets, net	-	(39.06)
Loss/(Gain) on sale of investment properties, net	(1,309.25)	-
Finance costs	1,789.83	2,157.35
Unrealised foreign exchange (gain)/loss, net	(147.80)	39.55
Unrealised (gain) / loss on forward contracts	-	(80.33)
Provision towards doubtful trade receivables	385.33	707.94
Provision for employee benefits	(511.16)	130.31
Operating cash flows before working capital changes	14,541.81	11,119.81
Changes in inventories	(2,806.03)	(2,689.32)
Changes in trade receivables	(3,007.50)	(2,949.93)
Changes in other assets	(897.66)	(238.76)
Changes in trade payables	3,664.55	(472.87)
Changes in other financial assets	327.92	(629.22)
Changes in other financial liabilities	3,023.22	1,122.01
Changes in other liabilities	4,617.15	940.81
Cash generated from operating activities	19,463.46	6,202.53
Income-taxes paid, net	(527.29)	(468.41)
Net cash generated from operating activities (A)	18,936.17	5,734.12
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(10,539.70)	(4,879.68)
Proceeds from sale of property, plant and equipment	0.85	78.00
Movement in other bank balances	1,881.34	(587.04)
Interest income received	215.14	520.76
Net cash used in investing activities (B)	(8,442.37)	(4,867.96)
Cash flows from financing activities		
Proceeds from short-term borrowings, net	(11,143.58)	1,635.36
Proceeds from long-term borrowings	3,636.46	3,136.77
Repayment of long-term borrowings	(1,459.17)	(2,235.22)
Repayment of lease liability	(253.53)	(153.34)
Dividend paid	(256.60)	(494.95)
Interest on lease liability	(98.02)	(39.63)
Interest paid	(1,791.60)	(2,397.03)
Net cash generated from / (used in) financing activities (C)	(11,366.04)	(548.04)
Net (decrease)/ increase in cash and cash equivalents during the period (A + B + C)	(872.24)	318.12
Cash and cash equivalents at the beginning of the year	1,120.35	793.77
Effect of exchange rate changes on cash and cash equivalents	(4.55)	8.46
Cash and cash equivalents at the end of the year	243.56	1,120.35





Neuland FY21 income at Rs.953.0 crore; up 24.3%

EBITDA margins improve by 340 bps in FY21

Hyderabad, India, May 11, 2021 - Neuland Laboratories Limited (NLL) (NSE: NEULANLAB; BSE: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 fourth quarter (Q4FY21) and financial year ended March 31, 2021.

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer of the Company said, *“We are pleased with the performance of the Company in this fiscal which was on the back of challenging conditions in the aftermath of the onset of COVID19. The resilience and the commitment to rise to the occasion and execute our plans is a testimony to the fighting spirit of the team. While we are facing headwinds from the second wave of COVID19, we remain committed to our long-term aspirations and believe that our differentiated focus on complex APIs and the CMS business will drive sustainable growth.”*

In addition, Mr. Saharsh Davuluri, Vice Chairman and Managing Director, Neuland Labs added *“The numbers indicate the strong performance of our business and operating leverage kicking as seen by the improvement in margins. We are happy with the growth in the CMS business by about 42%, which was driven by increase in revenue from both baseline and development projects. The CMS projects in the pipeline have reached a critical mass and this would drive the medium to long term growth with the increased traction. We expect Unit 3 to achieve critical scale by the end of this fiscal and that should be another lever of growth for the Company.”*

Financial Summary

Particulars	Rs. crore							
	Q4FY21	Q3FY21	QoQ Growth (%)	Q4FY20	YoY Growth (%)	FY21	FY20	YoY Growth (%)
Total Income	259.3	245.6	5.6%	193.6	33.9%	953.0	766.6	24.3%
EBITDA	40.0	46.7	(14.3)%	31.8	26.0%	162.5	105.3	54.3%
EBITDA margin (%)	15.4%	19.0%	(360) bps	16.4%	(100) bps	17.1%	13.7%	340 bps
PAT	17.2	26.7	(35.4)%	(9.3)*	NA	80.3	15.9*	405.6%
PAT margin (%)	6.6%	10.9%	(430) bps	NA	NA	8.4%	2.1%	630 bps
EPS (Basic) Rs.	13.4	20.8	(35.4)%	(7.29)	NA	62.6	12.4	405.5%

*This was after a one-time tax charge of Rs. 23.2 cr in Q4FY20 that the Company chose to exercise under Section 115BAA of the IT act

Q4 FY21 Earnings Call

The company will conduct a one-hour Earnings call at **17:00 hrs. IST on Tuesday, May 11, 2021** 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 numbers for this call are **+91 22 6280 1107 / +91 22 7115 8008**. 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 over 37 years, Neuland Labs has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in close to 80 countries. Neuland Labs has developed more than 300 processes and 75 APIs and has filed over 898+ Regulatory filings in the US (57 active US DMFs), the European Union (EU) and other geographies. 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), CFDA (China), FSI "SID &GP" Russia, Health Canada, 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

IR Department at Neuland

Tel: +91 40 6761 1600

Email: ir@neulandlabs.com

Diwakar Pingle, Christensen

Email: dpingle@christensenir.com



Earnings Presentation

Q4 FY 21

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



Q4 & FY-21
HIGHLIGHTS



BUSINESS OVERVIEW



CAPABILITIES



FINANCIALS



OUTLOOK



Q4 & FY-21 HIGHLIGHTS



SUCHETH DAVULURI

Vice-Chairman & Chief Executive Officer

“**We** are pleased with the performance of the Company in this fiscal which was on the back of challenging conditions in the aftermath of the onset of COVID19. The resilience and the commitment to rise to the occasion and execute our plans is a testimony to the fighting spirit of the team. While we are facing headwinds from the second wave of COVID19, we remain committed to our long-term aspirations and believe that our differentiated focus on complex APIs and the CMS business will drive sustainable growth.”



SAHARSH DAVULURI

Vice-Chairman & Managing Director

“**The** numbers indicate the strong performance of our business and operating leverage kicking as seen by the improvement in margins. We are happy with the growth in the CMS business by about 42%, which was driven by increase in revenue from both baseline and development projects. The CMS projects in the pipeline have reached a critical mass and this would drive the medium to long term growth with the increased traction. We expect Unit 3 to achieve critical scale by the end of this fiscal and that should be another lever of growth for the Company.”

Q4 FY21

- ❖ Total income increased by 33.9% in Q4FY21 on account of sustained growth in GDS and CMS
 - Prime segment continues growth led by Levetiracetam, Mirtazapine & Labetalol
 - Speciality business had a stable quarter led by Dorzolamide, Deferasirox, Entacapone and Donepezil
 - CMS business driven by revenues from projects in Development
- ❖ EBITDA margin decreased by 100 bps from 16.4% to 15.4% in Q4FY21 due to
 - COVID induced logistical issues in raw material sourcing
 - One-off settlement with Income Tax Department for Rs. 9.5 cr
 - Provision for National Green Tribunal (NGT) settlement for Rs. 5.4 cr
- ❖ Increase in PBT margins by 60 bps

FY21

- ❖ Total income increased by 24.3%
- ❖ EBITDA margins increased by 340 bps from 13.7% to 17.1%
- ❖ PBT margins increased by 420 bps and PAT margins increased by 630 bps

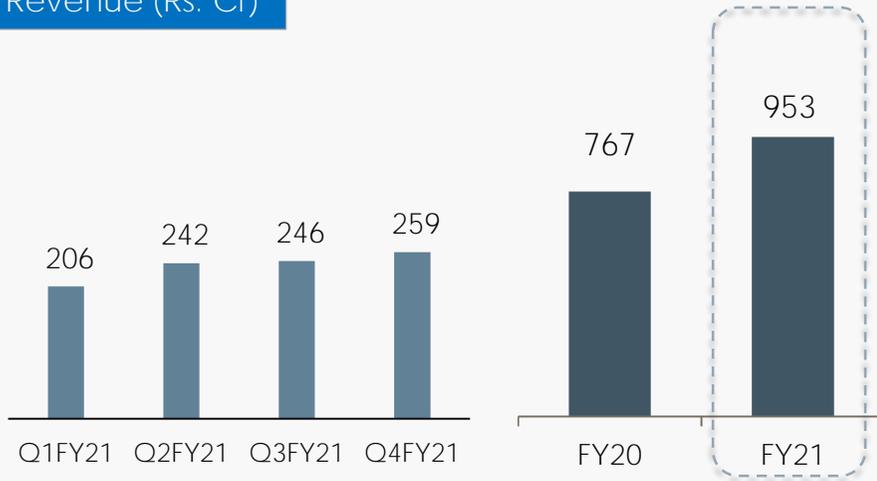
Profit & Loss Snapshot (Standalone)

Particulars (Rs. Cr)	Q4FY21	Q3FY21	QoQ (%)	Q4FY20	YoY (%)	FY21	FY20	YoY (%)
Total Income	259.3	245.6	5.6%	193.6	33.9%	953.0	766.6	24.3%
EBITDA	40.0	46.7	(14.3)%	31.8	26.0%	162.5	105.3	54.3%
<i>EBITDA Margin</i>	15.4%	19.0%	360 bps	16.4%	(100) bps	17.1%	13.7%	340 bps
Profit Before Tax	24.3	31.9	(23.7)%	17.1	42.4%	105.0	52.5	99.9%
<i>Profit Before Tax Margin</i>	9.4%	13.0%	(360) bps	8.8%	60 bps	11.0%	6.8%	420 bps
Profit After Tax	17.2	26.7	(35.4)%	(9.3)*	NA	80.3	15.9*	405.6%
<i>Profit After Tax Margin</i>	6.6%	10.9%	430 bps	NA	NA	8.4%	2.1%	630 bps
Earnings Per Share (Rs.)	13.4	20.8	(35.4)%	(7.3)*	NA	62.6	12.4*	405.5%

*This was after a one-time tax charge of Rs. 23.2 crs in Q4FY20 that the Company chose to exercise under Section 115BAA of the IT act

Financials (Standalone)

Revenue (Rs. Cr)



EBITDA (Rs. Cr) and EBITDA Margin (%)



EPS (Rs)



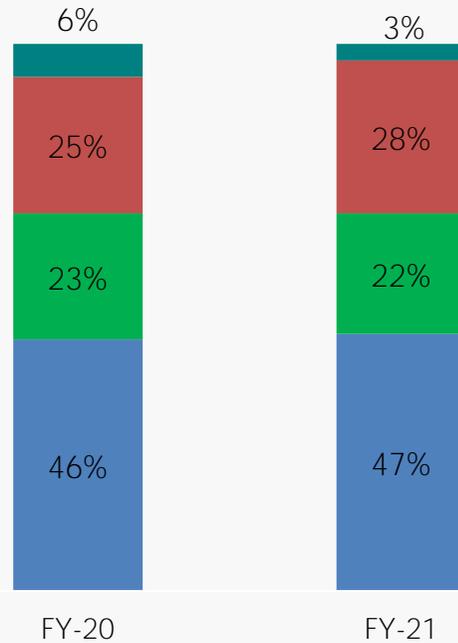
PAT (Rs. Cr)



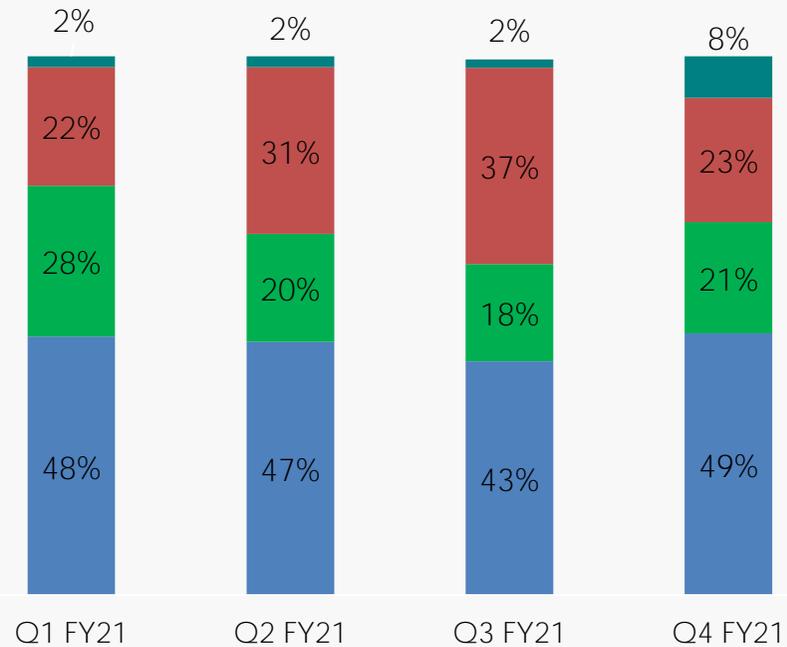
* This was after a one-time tax charge of Rs. 23.2 Cr in Q4FY20 that the Company chose to exercise under Section 115BAA of the IT act

Key Operating Metrics

YoY Analysis



Quarter on Quarter Movement



■ Prime ■ Niche/Specialty ■ CMS ■ Others

■ Prime ■ Niche/Specialty ■ CMS ■ Others

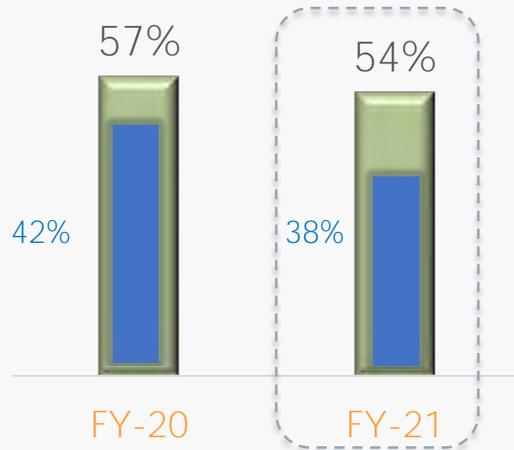
*Q1FY21 figures adjusted for rollback of government Export incentives and change in accounting policy

*FY-20 and FY-21 figures are unadjusted

Business Salience (Overall Company)

PRODUCT

YoY Analysis



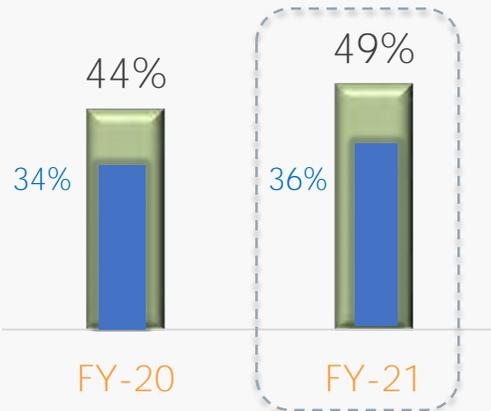
QoQ Movement



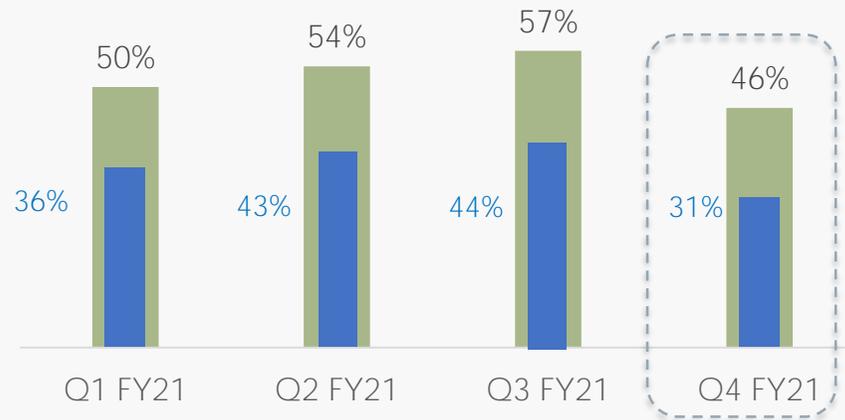
TOP 10
TOP 5
% of Total revenue

CUSTOMER

YoY Analysis

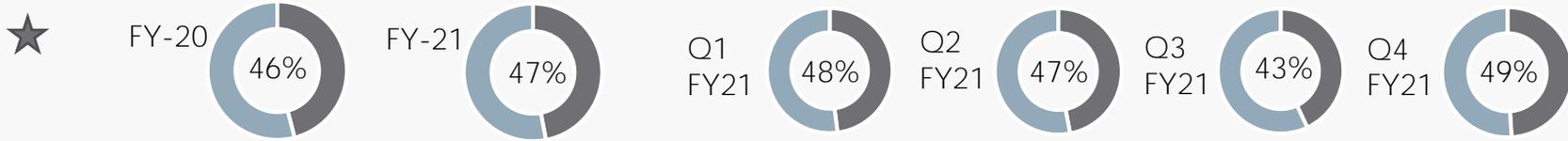


QoQ Movement



Business Salience (Prime)

TOP 10
TOP 5
(of Prime revenue)



PRODUCT

YoY Analysis

QoQ Movement



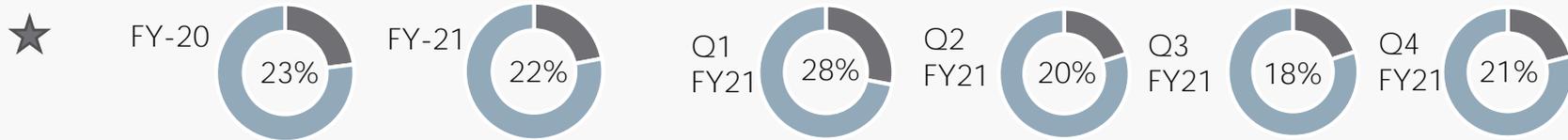
CUSTOMER

YoY Analysis

QoQ Movement

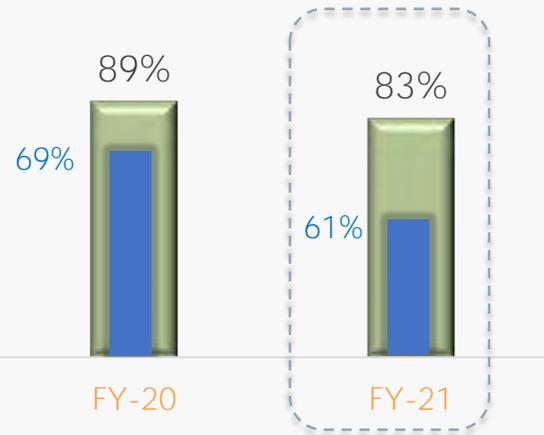


Business Salience (Niche/Speciality)



PRODUCT

YoY Analysis



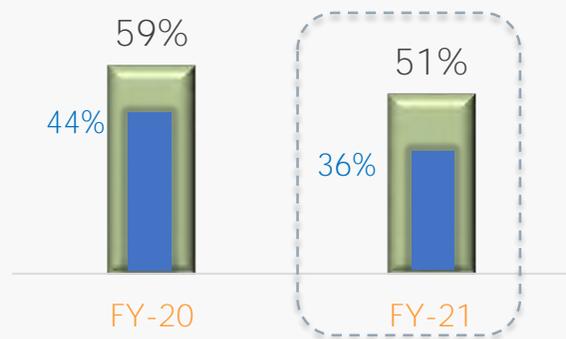
QoQ Movement



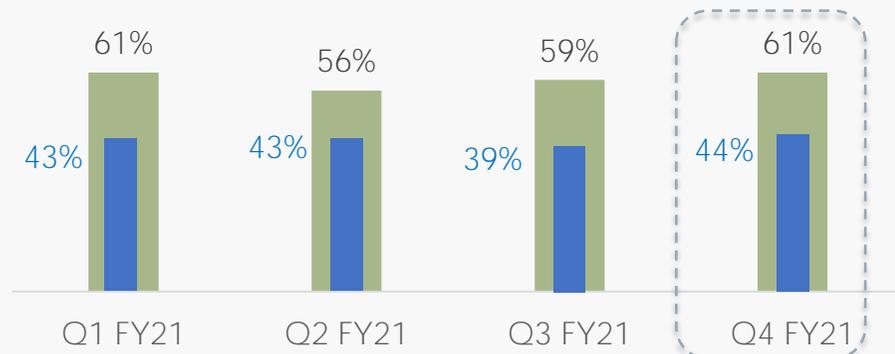
TOP 10
TOP 5
(of Niche/Speciality Revenue)

CUSTOMER

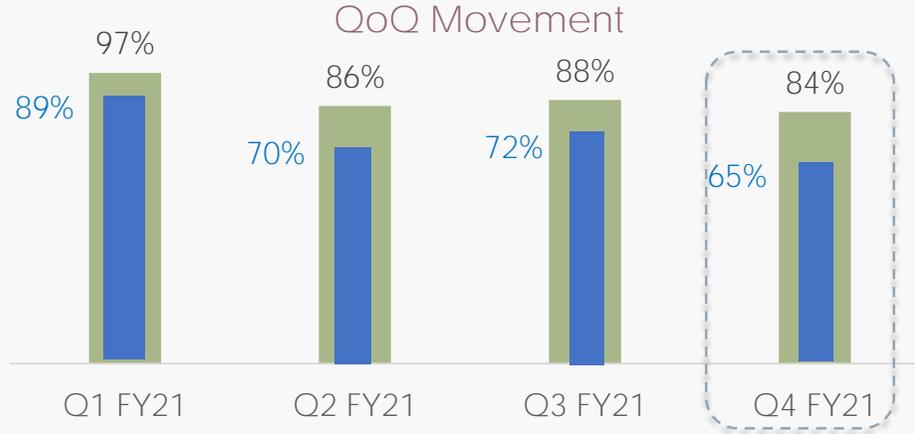
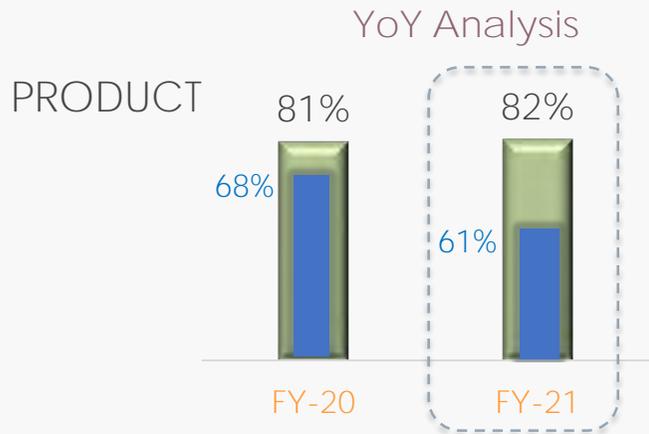
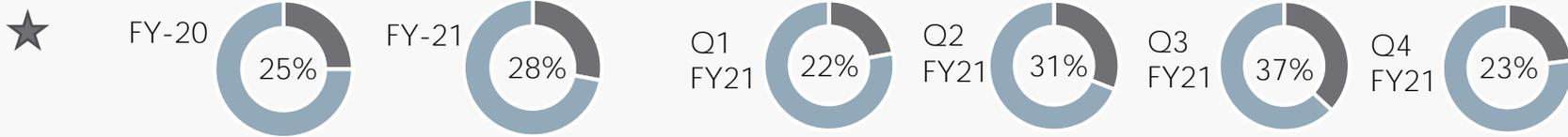
YoY Analysis



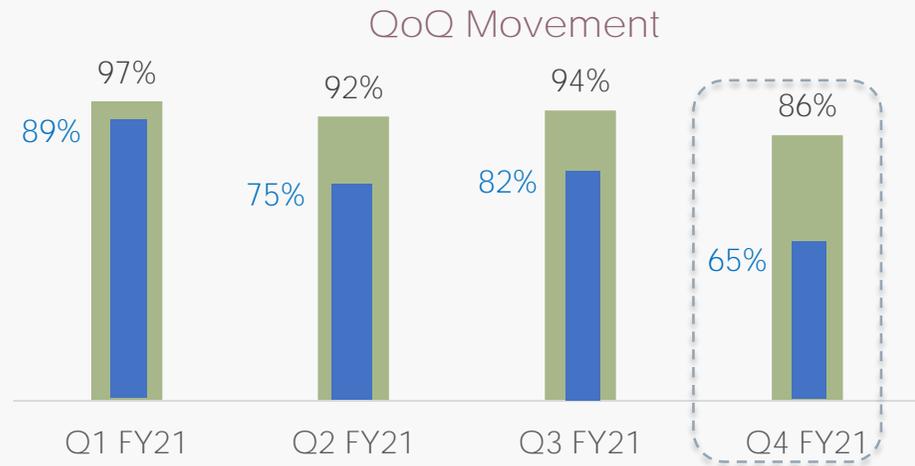
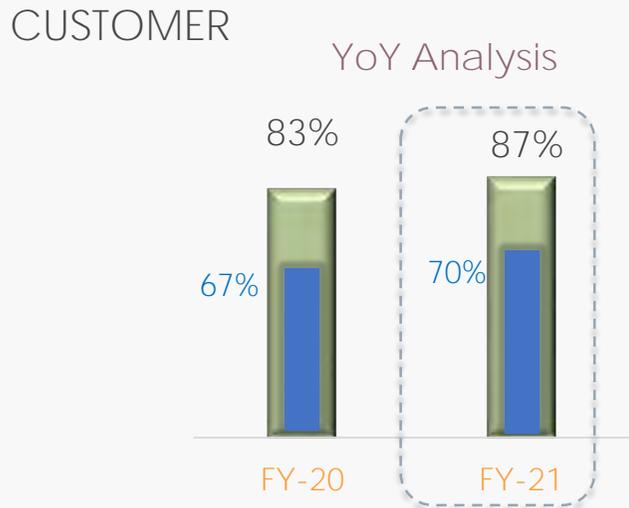
QoQ Movement



Business Salience (CMS)



TOP 10
TOP 5
(of CMS revenue)

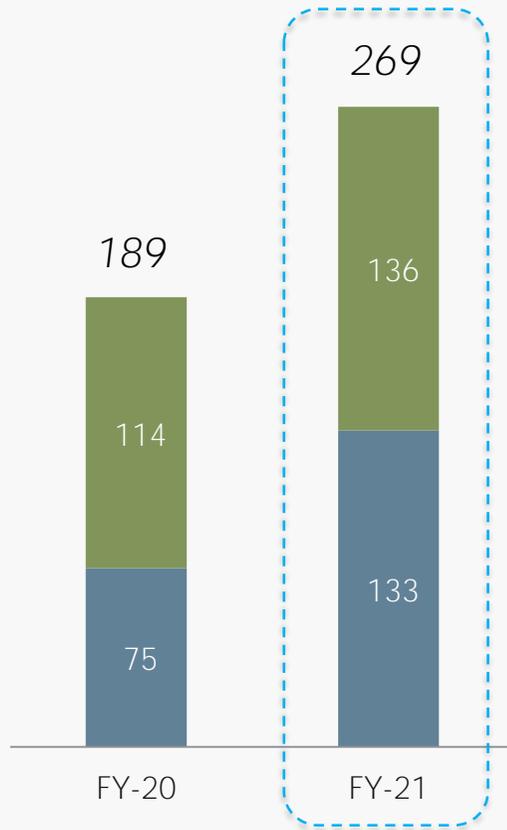


Key Operating Metrics – CMS Revenue Split

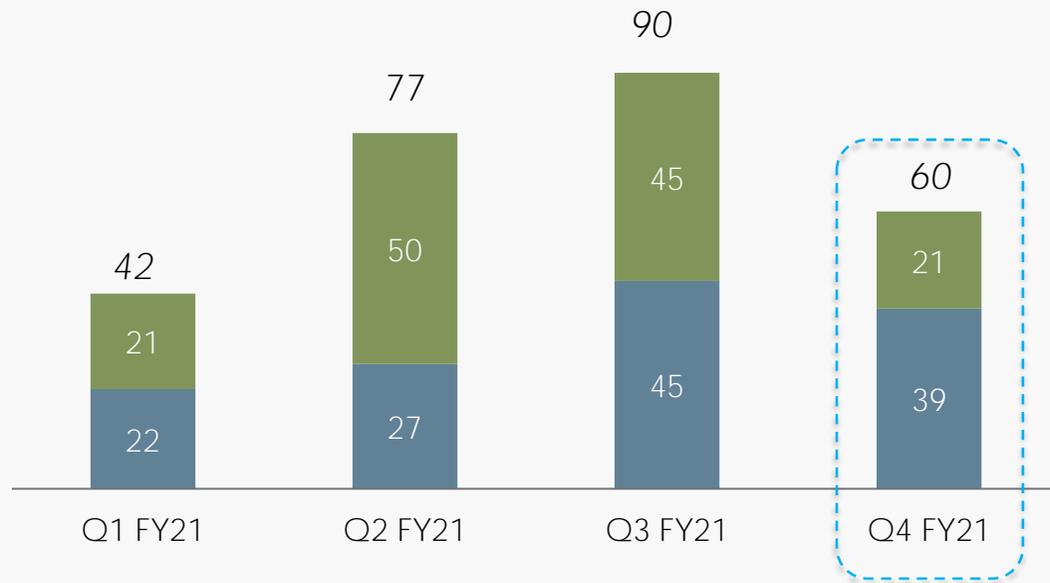
Rs. In Cr

■ Commercial ■ Development

YoY Analysis



Quarter on Quarter Movement



Number of Active CMS Projects

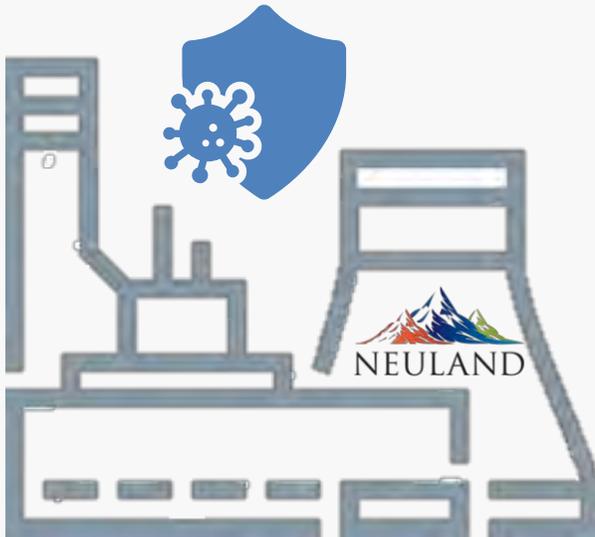
Q4 FY21	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	15	3	7	3	12	6	46
Intermediate	7	4	2	0	8	11	32
Grand Total	22	7	9	3	20	17	78

Q4 FY20	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	12	4	5	5	9	6	41
Intermediate	7	4	2	5	8	9	35
Grand Total	19	8	7	10	17	15	76

Q4 FY19	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	10	4	2	4	5	5	30
Intermediate	0	2	0	6	8	10	26
Grand Total	10	6	2	10	13	15	56

Q4 FY18	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	3	4	5	5	26
Intermediate	1	1		7	0	5	14
Grand Total	8	3	3	11	5	10	40

Well Placed for a Post- Covid World

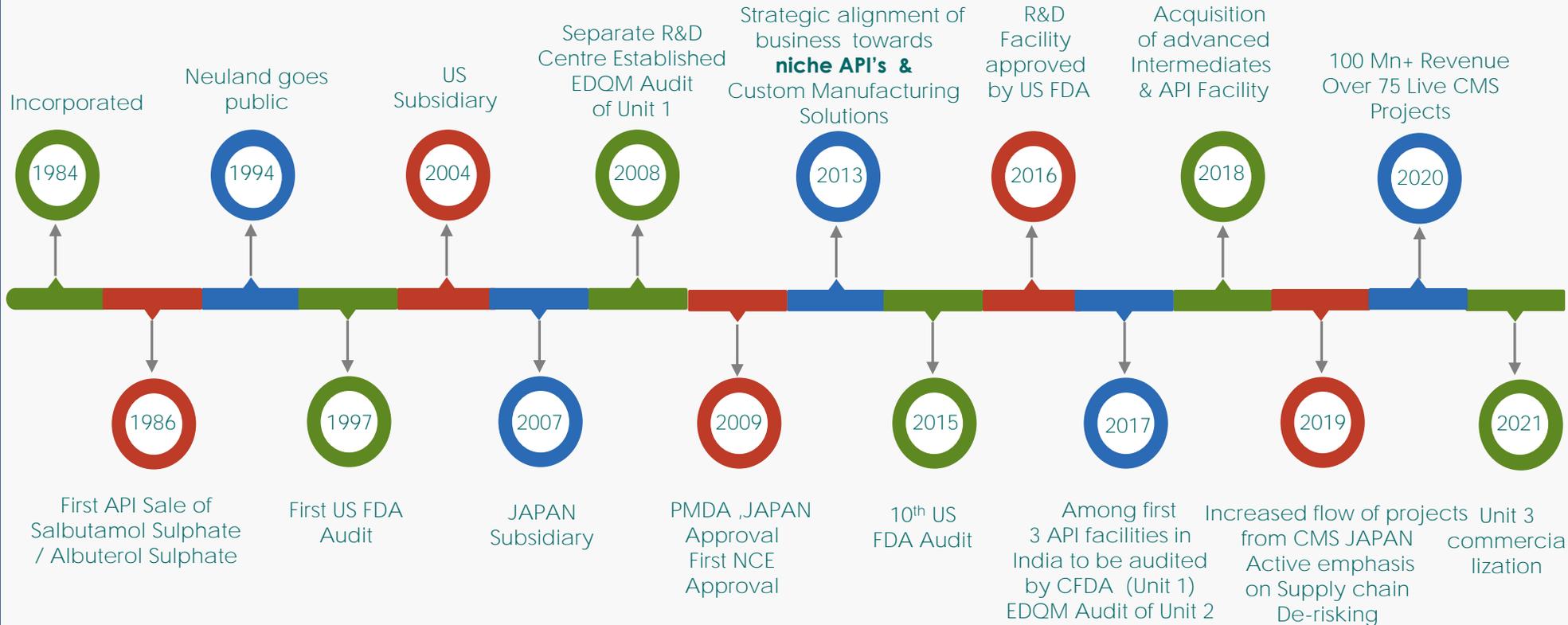


- ❖ Employee and operational repercussions proactively addressed
- ❖ Supply chain consolidation and vendor collaboration to ensure minimal disruption
- ❖ Investing in pharma engineering and innovation skills coupled with research technology
- ❖ Added contingency personnel to the Production and Quality functions in expectation of customer demands
- ❖ Continued focus on Business Development and customer engagement under increased vigilance
- ❖ Exceptional interdepartmental coordination ensured continued customer engagement and operational effectiveness



BUSINESS OVERVIEW

Our Journey – Key Milestones



Multiple audits passed with no failures

Generic Drug Substance (GDS)

We started as a Prime API manufacturer...

..Added Speciality molecules for complex products..



Capability

- ✓ 3 US FDA and EU GMP compliant manufacturing facilities
- ✓ Collective capacity: ~731KL



Business Approach

- ✓ Work on molecules either with a business leadership approach or partnership with client
- ✓ Ensure uninterrupted supply with quality commitment



Strategy Forward

- ✓ Maintain leadership position in key molecules
- ✓ Work on process optimization to improve yields, productivity and thus margins



Capability

- ✓ High end complex chemistry capabilities
- ✓ Backend support by R&D department
- ✓ Experience of hurdle free scale up



Business Approach

- ✓ Work with leading companies and help them to meet their technical requirements while being competitive



Strategy Forward

- ✓ Focus on niche APIs with complex chemistry
- ✓ File IP for non infringing processes

Robust manufacturing base placed on the foundation of quality and pureplay API commitment



Services

- ✓ Manufacturing API to customer specifications
- ✓ Designing and developing manufacturing processes
- ✓ Process optimization for competitiveness
- ✓ Complete CMC partner for the API
- ✓ Patent protection for processes



Business Approach

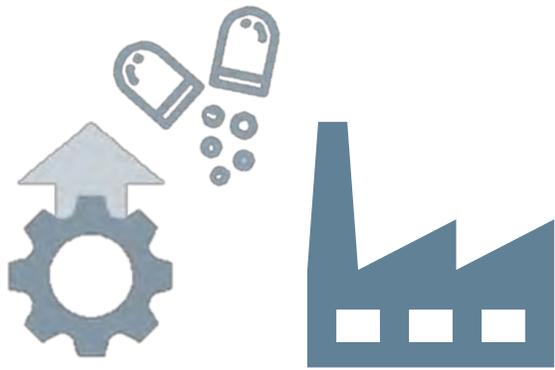
- ✓ Local presence in US and Japan with technical as well as commercial employees
- ✓ Consultative approach on customer relationships
- ✓ **Business targeted on Neuland's technology capabilities and perceived customer needs leading to increased traction**



Strategy Forward

- ✓ Add depth in technical capabilities
- ✓ Investment in QBD labs, process engineering and foray into new areas of customer solutions
- ✓ Work effectively on customer relationships and leverage on portfolio expansion
- ✓ Targeting molecules in the later stages of the clinical cycle

Create a sustainable CMS business that is driven by technology and strong customer relationships



CAPABILITIES

Scaled up Manufacturing Facilities over the years



222.5 KL

310.2 KL

197 KL


Year of Establishment


Key Products


Regulatory

	UNIT 1 BONTHAPALLY	UNIT 2 PASHAMYLARAM	UNIT 3 GADDAPOTHARAM
Year of Establishment	1986	1994	2017
Key Products	Mirtazapine, Sotalol HCL, Levetiracetam, Levofloxacin, Salmeterol, Salbutamol, NCE APIs, Peptide APIs, Vitamin D2 analogues	Ciprofloxacin HCL, Entacapone, NCE APIs, Intermediates & RSMs	Products including Key Intermediates
Regulatory	USFDA, EDQM, CFDA, PMDA	USFDA, EDQM, PMDA, ANVISA	Inspected by USFDA as an Advanced Intermediates site in 2015

Adding capacities for business growth and strategic backward integration

R&D Facility, Hyderabad



Neuland's R&D facility had been inspected by USDFA in February 2016 without any observations

Infrastructure

- 15 Development Labs with space for expansion
- 60 Fume hoods
- Analytical Labs
- Dedicated kilo Lab for Scale up
- Dedicated Labs for Peptides
- Separate facility for D2 analogues

Significant R&D Achievements

- Several NCE APIs added in NDA or commercial stage drugs
- Support for multiple APIs each year in Phase 2 and Phase 3 clinical candidates
- Generic API business -
 - ✓ 898+ DMFs filed
 - ✓ 300+ API processes developed
 - ✓ 204+ patents filed. Received USPTO patent for improved process synthesis of Paliperidone Palmitate

Regulatory Filings Across Geographies



57

DMFs with
USFDA



Health
Canada

30

Filings with
Health Canada



10

Japanese DMF filed



20

China DMF filed



19

filings with
KFDA Korea



Australian Government

Department of Health

Therapeutic Goods Administration

22

filings with TGA



220

ROW filings
including Turkey,
Mexico, Brazil etc

~495

EUDMF filings
across
Germany,
France, Poland,
Italy etc



European Directorate
for the Quality
of Medicines
& HealthCare

Direction européenne
de la qualité
du médicament
& soins de santé

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

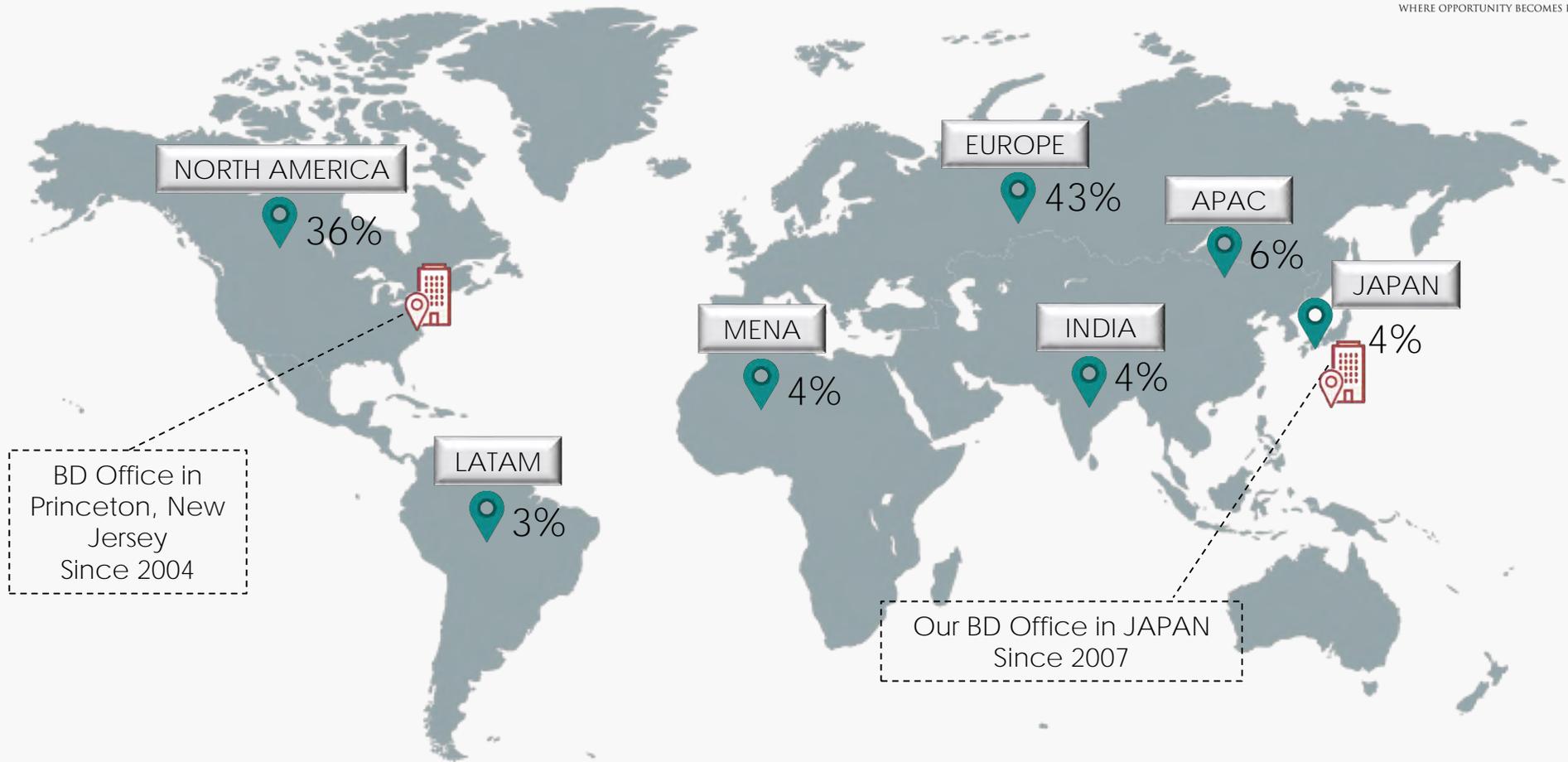
24

CEPs Received
for different
products

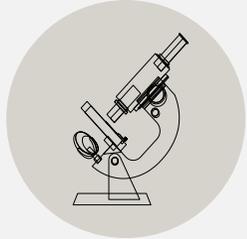
898+

Filings till date

Global Presence



% Refers to FY-21 Sales by End market



Legacy

Expertise:
37+ years backed
by robust quality
systems, regulatory
& compliance
framework

Generic Drugs
Substance(GDS) &
Custom
Manufacturing
Solutions(CMS)



Scale

Mfg. Facilities:
3 regulatory
approved with 731
KL capacity

R&D: US FDA
approved with
best in class
infrastructure



Capability

Product/ Projects
portfolio: 100+ APIs
across therapeutic
categories

Regulatory filings
898+

Team: 1200+ incl.
~282 scientists

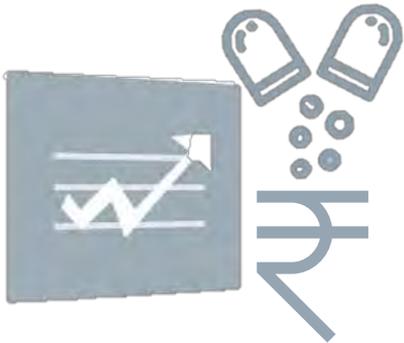


Reach

Presence
80+ countries

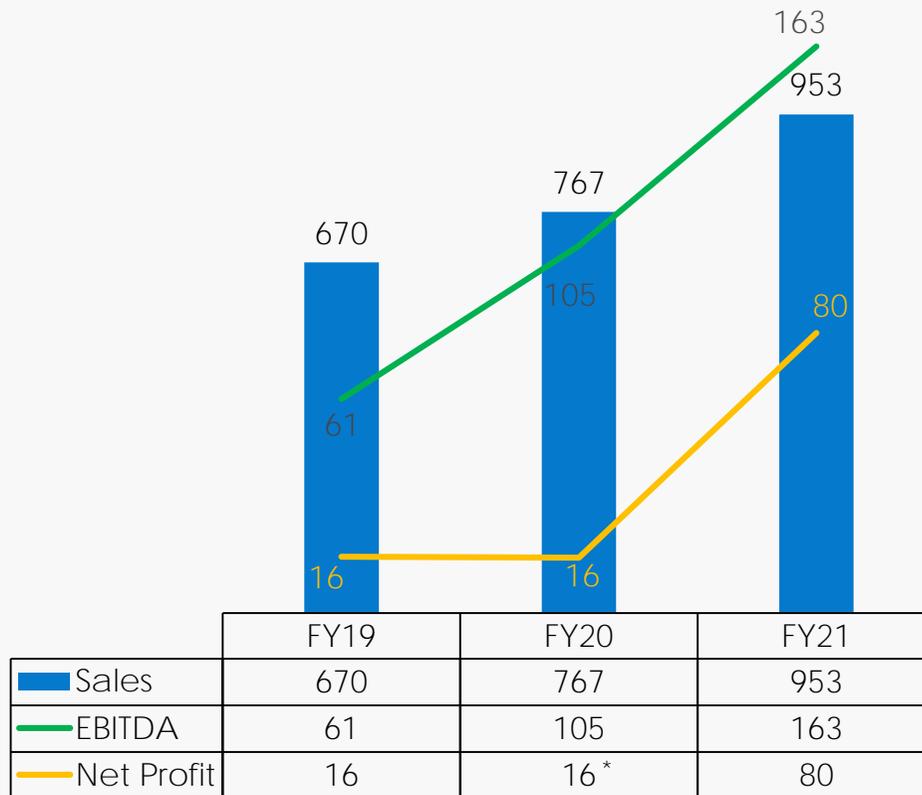
Export revenues
75%

Regulated markets
revenue 93%



FINANCIALS

Rs. In Cr



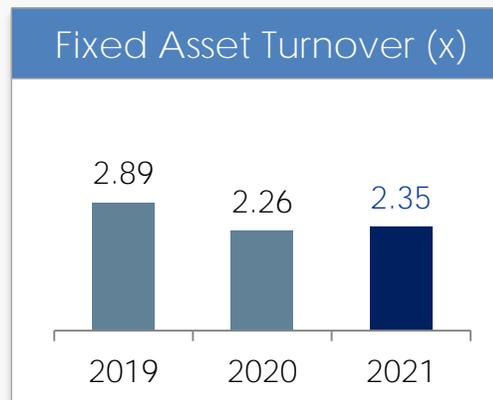
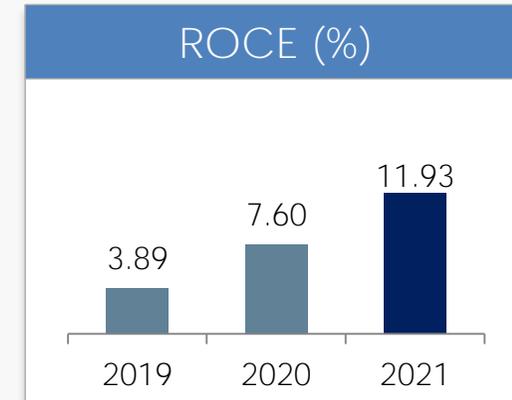
FINANCIAL PERFORMANCE HIGHLIGHTS

- Revenue CAGR of 19.2% for FY 19-21 led by growth in all 3 businesses
- EBITDA growth of 62.8% CAGR in FY 19-21 due to balanced contribution from both GDS and CMS business
- Shift to CMS and Speciality in overall revenue mix along with resource efficiency steps accelerated profitability

* This was after a one-time tax charge of Rs. 23.2 Cr in Q4FY20 that the Company chose to exercise under Section 115BAA of the IT act

Stable Balance Sheet..

Particulars (Rs. Cr)	Mar-19	Mar-20	Mar-21
Shareholders' funds	696	706	782
Net Debt	194	214	152
Investments	8	8	7
Tangible Assets	367	391	438
Intangible Assets (Excluding Goodwill)	2	2	3
Working Capital	233	289	309



Macroeconomic factors influencing Neuland

FACTORS

	IMPACT	NEULAND RESPONSE
Government regulation: approvals, audits	<ul style="list-style-type: none"> Consistent regulatory audits Increased scrutiny prior to drug approvals 	<ul style="list-style-type: none"> Successfully cleared all USFDA audits since inception Consistent record of new drug approvals
Environmental audits	Government led impact monitoring	All environmental regulations complied
Crude oil prices	Solvent price volatility	Green chemistry investing for efficient solvent use
COVID 19 impact	<ul style="list-style-type: none"> Increased logistics costs IPA availability and pricing fluctuations Employee and operational repercussions 	<ul style="list-style-type: none"> Tactical scheduling for channel mix optimization Qualifying new IPA manufacturers with increased capacity Added contingent personnel and pro-active monitoring for early warnings
China raw material dependence	<ul style="list-style-type: none"> Geopolitical issues 	<ul style="list-style-type: none"> Alternate India suppliers in place
Human Capital	Competition for talent	<ul style="list-style-type: none"> Retraining via strong L & D plan Leadership pipeline development across levels
Western Government policies on localisation	Sales reduction	<ul style="list-style-type: none"> Close partnership with customers along with focus on Specialty molecules Close monitoring of country specific government regulations

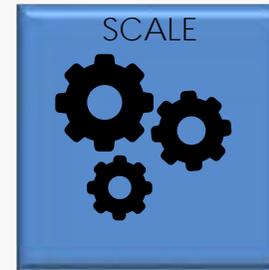


OUTLOOK

..Laying Foundation for our Growth Strategy

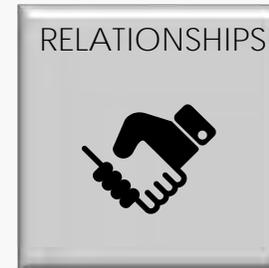
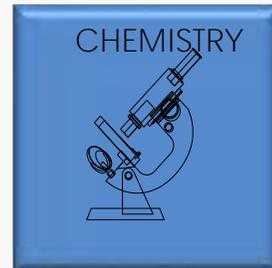
CREATE AN ORGANIZATION THAT RESULTS IN VALUE FOR ALL STAKEHOLDERS

Extend capabilities to organically build a sustainable GDS and CMS business



Invest into capacity to augment sales and accelerate business growth

Deploy advanced chemistry skills to add differentiated products to its portfolio



Leverage on Long – standing relationships with leading generic and innovator companies

Develop techniques like QBD to stay ahead of the curve & set precedents for “no quality compromise”



Re-aligning revenue portfolio for a profitable growth

Contact Us



For over 37 Years, Neuland Laboratories Ltd. (BSE:524558, NSE: NEULANLAB) has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in close to 80 countries.

Neuland Labs has developed more than 300 processes and 75 APIs and has filed over 898+ Regulatory filings in the US (57 active US DMFs), the European Union (EU) and other geographies. 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), CFDA (China), FSI "SID & GP" Russia, Health Canada, ISO 9001, ISO14001, OHSAS18001 and ISO 27001.

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Thank You