Press Release

Granules India's Revenue increases 8% to Rs. 345 Cr.; Net Profit surges 15% to Rs. 27 Cr.

Hyderabad, January 28, 2016: Granules India Ltd., a growing pharmaceutical manufacturing company, announced today financial results for its third quarter ended 31st December, 2015.

Consolidated Q3 FY16 Financial Results Highlights:-

- **Revenue:** Rs. 345 Cr., an increase of 8% compared to Rs. 320 Cr. in Q3FY15
- **EBITDA:** Rs. 70 Cr., an increase of 27% compared to Rs. 55 Cr. in Q3FY15
- **Operating Margin** improved by 307 basis point to 20.4% form 17.3% in Q3FY16
- **Net Profit:** Rs. 27 Cr., an increase of 15% compared to Rs. 24 Cr. in Q3FY15
- **Net Profit Margin** improved by 50 basis point to 7.9% form 7.4% in Q3FY16

The Company's standalone sales during the quarter were Rs. 317 Cr. EBITDA and PAT are recorded at Rs. 70 Cr. and Rs. 30 Cr. in this quarter, an increase by 23% and 25% from Q3FY15.

The Board of Directors has approved payment of third interim dividend of 15 paisa per share of face value of Rs. 1 each for the financial year 2015-16.

"During this phase of growth we are not only streamlining our strategies but also solidifying fundamental strengths of our business for attaining sustainable future growth. Though, we have achieved a moderate top line growth in this quarter, the margin profiles have expanded through manufacturing efficiencies and optimisation of product mix. We expect our margins to further improve as our sales shift more to formulations, better capacity utilization and enhanced product basket with higher value products. While our growth as a consolidated business might be slower than anticipated in the past, it is a part of a well thought out strategy, the results of which will be seen gradually increasing over the next few years," said Mr. C Krishna Prasad, Chairman & Managing Director of Granules India.

About Granules India Ltd.

(BSE: 532482, NSE: GRANULES)

Granules is a fast growing pharmaceutical manufacturing company with world class facilities and is committed to manufacturing excellence, quality and customer service. The Company produces Finished Dosages (FDs), Pharmaceutical Formulation Intermediates (PFIs) and Active Pharmaceutical Ingredients (APIs) for quality conscious customers in the regulated and semi-regulated markets. Granules support customers with unique value, extensive product range, proactive solutions and a global network of associates. The Company's global presence extends to over 300 customers in 60 countries through offices in India, U.S., U.K., China and Colombia. Granules offer all three components of the pharmaceutical value chain which gives the customers flexibility and choice.

The Company has its own ANDAs and dossiers which enable customers to quickly enter a market instead of filing their own applications. Granules has a highly skilled regulatory affairs department that can offer customers support and can help them navigate through regulatory issues.

Caution Statement:

Certain statements made above may be "forward looking statements" within the meaning of applicable laws and regulations.

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GRANULES

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Madhapur, Hyderabad 500 081
CIN:L24110TG1991PLC012471

(Rs in Lakhs)

Statement of Consolidated Un-Audited Results for the Quarter and nine months ended December 31, 2015

Sl No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	**Income from Operations**						
	(a) Net sales / Income from Operations (Net of Excise duty)	34,488.52	36,643.69	31,967.13	1,05,726.11	93,832.08	1,29,292.24
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations (net)	34,488.52	36,643.69	31,967.13	1,05,726.11	93,832.08	1,29,292.24
2	**Expenses**						
	(a) Cost of material Consumed	20,275.94	21,498.82	18,487.04	61,668.86	54,912.15	76,942.80
	(b) Changes in Inventories of Finished goods, Work in progress and Stock-in-trade	(2,728.34)	(1,461.44)	(862.58)	(5,433.60)	(2,229.48)	(2,247.68)
	(c) Employee Benefits Expense	3,252.60	3,122.48	2,941.62	9,448.02	8,124.54	10,695.78
	(d) Depreciation and Amortisation expense	1,666.60	1,557.25	1,358.54	4,694.29	3,833.19	5,265.10
	(e) Manufacturing Expenses	2,721.52	2,531.21	2,461.59	7,910.35	6,709.14	8,873.31
	(f) Freight outward & clearing charges	1,056.80	1,215.44	1,263.55	3,490.96	3,793.38	5,098.29
	(g) R & D Expenses	337.98	325.60	64.28	1,121.58	209.99	960.96
	(h) Other expenses	2,801.61	2,521.29	2,166.77	7,678.48	6,351.88	8,107.36
	Total expenses	29,384.71	31,310.65	27,880.81	90,578.94	81,704.79	1,13,695.91
3	**Profit from Operations before Other Income, Finance costs & Exceptional Items (1- 2)**	5,103.81	5,333.04	4,086.32	15,147.17	12,127.29	15,596.33
4	Other Income	256.44	156.24	87.05	625.37	183.02	434.31
5	**Profit from Ordinary activities before Finance costs and exceptional items (3 + 4)**	5,360.25	5,489.28	4,173.37	15,772.54	12,310.31	16,030.63
6	Finance Costs	1,137.73	1,035.43	892.50	3,004.26	2,437.92	3,234.60
7	**Profit from Ordinary activities after Finance costs but before exceptional items (5 - 6)**	4,222.52	4,453.85	3,280.87	12,768.28	9,872.39	12,796.04
8	Exceptional items	-	-	-	-	-	-
9	**Profit from Ordinary activities before Tax (7 + 8)**	4,222.52	4,453.85	3,280.87	12,768.28	9,872.39	12,796.04
10	Tax expense	1,507.07	1,356.13	924.46	4,240.10	3,021.32	3,705.25
11	**Net Profit from ordinary activities after tax (9 - 10)**	2,715.45	3,097.72	2,356.41	8,528.18	6,851.07	9,090.78
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net Profit for the period (11 + 12)**	2,715.45	3,097.72	2,356.41	8,528.18	6,851.07	9,090.78
14	Paid-up equity share capital	2,093.57	2,051.74	2,042.52	2,093.57	2,042.52	2,042.52
	(Face Value of Re.1/- per share)						
15	Reserves excluding Revaluation Reserve as per balance sheet of previous Accounting Year						41,073.83
16	Earnings per Share (face value of Re. 1/- each) (not annualised)						
	(a) Basic (in Rs.)	1.32	1.51	1.16	4.15	3.37	4.46
	(b) Diluted (in Rs)	1.26	1.50	1.14	3.95	3.33	4.41

1) The Un-Audited financial results for the quarter ended December 31, 2015 have been reviewed by the Audit Committee of the Board at its meeting held on January 27, 2016 and approved by the Board of Directors at its meeting held on January 28, 2016.
2) The Auditors of the Company carried out Limited Review of the financial results for the quarter ended December 31, 2015.
3) The subsidiaries and Joint Venture companies considered for the consolidated financial statement as on December 31, 2015 are Granules USA Inc., GIL Life Sciences Pvt Ltd, Granules Pharmaceuticals Inc., (Subsidiaries) and Granules Biocause Pharmaceutical Co., Ltd., Granules Omnichem Pvt Ltd (50% Joint Venture Companies).
4) Pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Company Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets. During the quarter, loss of Rs.102.52 lakhs (Loss of Rs.367.96 lakhs for the Quarter ended December 31, 2014) was transferred to fixed assets.
5) The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 27 notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
6) As per regulation 33 of the Listing Regulations, the Company has opted to publish only consolidated financial results. The stand-alone financial results are available for perusal at Company's website viz., www.granulesindia.com and websites of BSE (www.bseindia.com) and NSE (www.nse-india.com).
7) The Company operates only in the segment of Pharmaceuticals.
8) During the quarter, the Company has allotted 87,768 equity shares of Re. 1/- each, fully paid up on exercise of options by employees in accordance with the Company's Employee Stock Option Scheme(s).
9) During the quarter, the Company has allotted 40,95,230 equity shares of Re. 1/- each fully paid up against conversion of warrants to Chairman & Managing Director, C. Krishna Prasad.
10) Funds received against issue of share warrants are being utilized for capital expenditure, working capital requirements and for investment in Subsidiary
11) The Board of Directors at their meeting held on January 28, 2016 has declared third interim dividend of 15 paise per equity share of Re 1/- each
12) Standalone Results as on December 31, 2015 are as under -

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
Net Sales/Income from Operations	31,726.55	33,257.58	31,954.44	97,516.17	89,609.54	1,21,331.13
Profit Before Tax	4,473.39	4,034.36	3,450.65	12,893.36	9,655.21	13,225.94
Profit After Tax	3,042.47	2,678.90	2,439.03	8,756.02	6,670.96	9,522.64

13) Previous periods / year figures have been regrouped, wherever necessary.

For and on behalf of the Board

Place : Hyderabad
Date : January 28, 2016

Krishna Prasad Chigurupati
Chairman & Managing Director

GRANULES

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Regd Office : 2nd Floor, 3rd Block, My Home Hub
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CIN:L24110TG1991PLC012471

(Rs.in lakhs)

Statement of Standalone Un-Audited Results for the quarter and nine months ended December 31, 2015

Sl No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	**Income from Operations**						
	(a) Net sales / Income from Operations (Net of Excise duty)	31,726.55	33,257.58	31,954.44	97,516.17	89,609.54	1,21,331.13
	(b) Other operating income	-	-	-	-	-	-
	Total Income from operations (net)	**31,726.55**	**33,257.58**	**31,954.44**	**97,516.17**	**89,609.54**	**1,21,331.13**
2	**Expenses**						
	(a) Cost of material Consumed	18,346.95	19,598.10	18,047.40	56,364.10	54,018.15	71,777.12
	(b) Changes in Inventories of Finished goods, Work in progress and Stock-in-trade	(1,330.44)	(587.55)	561.13	(2,521.74)	(1,997.47)	(1,056.18)
	(c) Employee Benefits Expense	2,673.59	2,567.25	2,458.40	7,816.32	6,796.39	8,923.21
	(d) Depreciation and Amortisation expense	1,459.13	1,437.12	1,374.30	4,287.31	3,618.57	4,955.87
	(e) Manufacturing Expenses	2,067.67	2,136.69	2,014.38	6,383.92	5,689.91	7,526.40
	(f) Freight outward & clearing charges	896.73	1,099.99	1,245.25	3,158.87	3,709.89	4,993.25
	(g) R & D Expenses	310.17	302.72	39.22	1,036.02	124.58	840.39
	(h) Other expenses	1,987.38	1,924.17	1,979.83	5,866.53	5,790.03	7,348.50
	Total expenses	**26,411.18**	**28,478.49**	**27,719.91**	**82,391.33**	**77,750.05**	**1,05,308.67**
3	**Profit from Operations before Other Income, Finance costs & Exceptional Items (1- 2)**	**5,315.37**	**4,779.10**	**4,234.53**	**15,124.84**	**11,859.49**	**16,022.56**
4	Other Income	200.41	135.09	77.20	498.08	154.66	296.32
5	**Profit from Ordinary activities before Finance costs and exceptional items (3 + 4)**	**5,515.78**	**4,914.19**	**4,311.73**	**15,622.92**	**12,014.15**	**16,318.88**
6	Finance Costs	1,042.39	879.83	861.08	2,729.56	2,358.94	3,092.94
7	**Profit from Ordinary activities after Finance costs but before exceptional items (5 - 6)**	**4,473.39**	**4,034.36**	**3,450.65**	**12,893.36**	**9,655.21**	**13,225.94**
8	Exceptional items	-	-	-	-	-	-
9	**Profit from Ordinary activities before Tax (7 + 8)**	**4,473.39**	**4,034.36**	**3,450.65**	**12,893.36**	**9,655.21**	**13,225.94**
10	Tax expense	1,430.92	1,355.46	1,011.62	4,137.34	2,984.25	3,703.30
11	**Net Profit from ordinary activities after tax (9 - 10)**	**3,042.47**	**2,678.90**	**2,439.03**	**8,756.02**	**6,670.96**	**9,522.64**
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	**Net Profit for the period (11 + 12)**	**3,042.47**	**2,678.90**	**2,439.03**	**8,756.02**	**6,670.96**	**9,522.64**
14	Paid-up equity share capital	2,093.57	2,051.74	2,042.52	2,093.57	2,042.52	2,042.52
	(Face Value of Re.1/- per share)						
15	Reserves excluding Revaluation Reserve as per balance sheet of previous Accounting Year						40,498.41
16	Earnings per Share (Face value Re. 1/- each) (not Annualised)						
	(a) Basic (in Rs.)	1.48	1.31	1.20	4.26	3.28	4.67
	(b) Diluted (in Rs)	1.41	1.30	1.18	4.06	3.24	4.62

1) The Un-Audited financial results for the quarter ended December 31, 2015 have been reviewed by the Audit Committee of the Board at its meeting held on January 27, 2016 and approved by the Board of Directors at its meeting held on January 28, 2016.
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10) Previous periods / years figures have been regrouped, wherever necessary.

For and on behalf of the Board

Place : Hydorabad
Date : January 28, 2016

Krishna Prasad Chigurupati
Chairman & Managing Director