GRANULES

REGISTERED OFFICE

GRANULES INDIA LTD., 2nd Floor, 3rd Block, My Home Hub,
Madhapur, Hyderabad - 500 081, Telangana, INDIA.
Tel: +91 40 30660000, Fax: +91 40 23115145, mail@granulesindia.com, www.granulesindia.com
CIN: L24110TG1991PLC012471

Date: 28th January 2017

To
National Stock Exchange of India Limited &
Bombay Stock Exchange Limited.
Scrip Code: NSE- GRANULES; BSE-532482.

Sub: Outcome of 176th Board meeting dated 28th January, 2017.
Ref: Regulation 30 and 33 of the Listing Regulations.

Dear Sir,

The Board of Directors at their meeting has -

1. Approved the Un-Audited financial results (Standalone & Consolidated) for the third quarter ended 31st December, 2016 prepared under Indian Accounting Standards (Ind - AS);
2. Declared third interim dividend of 25 paise per share of face value of Re. 1/- each representing 25% of paid-up capital for the financial year 2016-17;
3. Fixed the record date as 8th February 2017 for the purpose of payment of third interim dividend for the financial year 2016-17.
4. Approved the further investment of USD 20 mn in Granules Pharmaceuticals Inc., a wholly owned subsidiary of the Company.

Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we are enclosing the Un-Audited financial results (Standalone and Consolidated) of the Company for the third quarter ended 31st December, 2016.

We also enclose a copy of the Limited Review Report of the Statutory Auditors of the Company, as required under Regulation 33 of the Listing Regulations and press release.

The meeting of the Board of Directors of the Company commenced at 4.00 P.M and concluded at 5.30 P.M.

Request you to take the above information on record.

Thanking You.

Yours faithfully,

For GRANULES INDIA LIMITED

GRANULES INDIA LIMITED Hyderabad

CHAITANYA TUMMALA
(COMPANY SECRETARY &
COMPLIANCE OFFICER)

Encl: As above

LIMITED REVIEW REPORT

Review Report to
The Board of Directors of Granules India Limited

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Granules India Limited ("the Holding Company") and its subsidiaries and Joint Ventures (collectively referred to as the "the Group") for the quarter and Nine months ended December 31, 2016 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on *Review Engagements (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 Holding Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Statement includes the results of the following entities:

Sl. No.	Name of the Entity	Relationship
1.	Granules USA, Inc.	Wholly owned Subsidiary
2	Granules Pharmaceutical, Inc.	Wholly owned Subsidiary
3	Granules-Biocause Pharmaceutical Co. Ltd	Joint Venture
4	Granules Omnichem Private Limited	Joint Venture

We did not review the interim financial information of subsidiaries whose interim financial statements / interim financial information reflect total assets of Rs. 32,430.58 lakhs as at December 31, 2016, total revenues of Rs.10,705.72 lakhs and Rs.28,668.38 lakhs for the Quarter and Nine Months ended December 31, 2016, respectively, and total profit/(loss) after tax of Rs. (5.67) lakhs and Rs.103.35 lakhs for the Quarter and Nine Months ended December 31, 2016, respectively, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of profit after tax of Rs. 314.99 lakhs and Rs. 1,533.74 lakhs for the Quarter and Nine Months ended December 31, 2016, respectively, as considered in the unaudited consolidated financial results in respect of two Joint Ventures whose interim financial

information have not been reviewed by us. These financial results have been furnished to us by the Management and our report on the statement, in so far as it relates to the amounts and disclosures included in respect of the above subsidiaries and joint ventures, is based solely on the Management's Statement.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited Consolidated Financial Results, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KUMAR & GIRI
Chartered Accountants
FRN: 001584S

M/s. KUMAR & GIRI Hyderabad. Chartered Accountants

J. BHADRA KUMAR
Partner
Membership No. 025480.

Place: Hyderabad.
Date: January 28, 2017

GRANULES

GRANULES INDIA LIMITED
Regd Office : 2nd Floor, 3rd Block, My Home Hub
Madhapur, Hyderabad 500 081
CIN:L24110TG1991PLC012471

Rs in Lakhs

Statement of Consolidated Un-Audited Results for the quarter and nine months ended December 31, 2016

Sl No.	Particulars	Quarter ended			Nine Months Ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited
1	Income from Operations					
	(a) Net sales / Income from Operations (Inclusive of Excise Duty)	35,923.77	36,356.56	32,472.89	1,07,237.60	1,00,645.02
	(b) Other operating income	23.56	24.05	26.52	70.38	68.64
	Total Income from operations (net)	35,947.33	36,380.61	32,499.41	1,07,307.98	1,00,713.66
2	Expenses					
	(a) Cost of material Consumed	18,992.59	16,916.81	19,056.62	54,100.95	58,844.49
	(b) Changes in Inventories of Finished goods, Work in process and Stock-in-trade	(1,680.68)	1,825.16	(1,984.74)	21.32	(4,063.21)
	(c) Employee Benefits Expense	3,610.24	3,397.82	2,960.82	10,398.07	8,676.39
	(d) Depreciation and Amortisation expense	1,870.04	1,846.99	1,463.62	5,351.32	4,298.79
	(e) Manufacturing Expenses	2,439.04	2,559.51	2,072.14	7,267.15	6,409.87
	(f) Freight outward & clearing charges	1,719.02	1,207.04	1,019.64	4,029.74	3,390.69
	(g) R & D Expenses	526.52	650.78	310.17	1,881.44	1,036.02
	(h) Other expenses	2,707.36	2,403.07	2,529.79	7,705.56	6,770.84
	Total expenses	**30,184.13**	**30,807.18**	**27,428.06**	**90,755.55**	**85,363.90**
3	**Profit from operations before other Income, finance costs and exceptional Items (1- 2)**	**5,763.20**	**5,573.43**	**5,071.35**	**16,552.43**	**15,349.76**
4	Other Income	427.12	388.29	139.21	1,118.89	374.51
5	**Profit from ordinary activities before finance costs and exceptional items (3 + 4)**	**6,190.32**	**5,961.72**	**5,210.56**	**17,671.32**	**15,724.27**
6	Finance Costs	836.31	828.71	1,043.53	2,459.50	2,731.61
7	**Profit from ordinary activities after finance costs but before exceptional items (5 - 6)**	**5,354.01**	**5,133.01**	**4,167.03**	**15,211.82**	**12,992.66**
8	Exceptional items		-	-	-	-
9	**Profit from ordinary activities before Tax (7 + 8)**	**5,354.01**	**5,133.01**	**4,167.03**	**15,211.82**	**12,992.66**
10	Tax expense	1,762.90	1,560.64	1,291.77	4,861.02	4,057.33
11	**Net Profit from ordinary activities after tax (9 - 10)**	**3,591.11**	**3,572.37**	**2,875.26**	**10,350.80**	**8,935.33**
12	Extraordinary items (net of tax expense)		-	-	-	-
13	**Net Profit for the period (11 + 12)**	**3,591.11**	**3,572.37**	**2,875.26**	**10,350.80**	**8,935.33**
14	Share of Profit of equity accounted investees, net of tax	314.99	510.05	45.15	1,533.74	66.11
15	**Net Profit / (Loss) after taxes and share of profit / (loss) of associates (13 + 14)**	**3,906.10**	**4,082.42**	**2,920.41**	**11,884.54**	**9,001.44**
16	Other Comprehensive Income	37.72	(14.49)	(55.04)	124.10	(361.04)
17	**Total Comprehensive income/(loss) for the period (15+16)**	**3,943.82**	**4,067.93**	**2,865.37**	**12,008.64**	**8,640.40**
18	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,212.19	2,171.62	2,093.57	2,212.19	2,093.57
19	Earnings per Share (face value of Re. 1/- each) (not annualised)					
	(a) Basic (in Rs.)	1.79	1.88	1.42	5.45	4.38
	(b) Diluted (in Rs)	1.77	1.85	1.35	5.40	4.17

1 The company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. The date of transition to Ind AS is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative periods have been restated accordingly.

2 The Ind AS compliant Consolidated Financial Results for the corresponding quarter ended December 31, 2015 have been stated in terms of SEBI Circuclar CIR/CFD/FAC/62/2016 dated July 5, 2016.

3 Reconciliation of net profit for the corresponding quarter ended December 31, 2015 between previous Indian GAAP and Ind AS is as under:

Rs. Lakhs

Nature of Adjustmets	Quarter ended Dec 31, 2015
Profit as per erstwhile Indian GAAP	**2,715.45**
Difference in measurement of employee share based payments	(19.84)
Unamortised expense adjusted against opening retained earnings	30.59
Exchange differences on translation of foreign operations recognised in Other Comprehensive Income.	55.04
Deferred tax adjustments	139.17
Net Profit Under Ind AS	**2,920.41**
Other comprehensive income as stated above	(55.04)
Total Comprehensive Income	**2,865.37**

4 The above unaudited financial results for the quarter ended December 31, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 28, 2017.

5 The Auditors of the Company carried out limited review of the financial results for the quarter ended December 31, 2016.

6 The subsidiaries and Joint Venture companies considered for the consolidated financial statements as on December 31, 2016 are Granules USA Inc., Granules Pharmaceuticals Inc., (Subsidiaries) and Granules Biocause Pharmaceutical Co., Ltd., Granules Omnichem Pvt Ltd (50% Joint Venture Companies).

7 The company has adopted the option under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has continued the policy adopted for accounting of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Corporate Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.

- During the quarter, foreign currency loss of Rs.180.77 lakhs (foreign currency loss of Rs.102.52 lakhs for the Quarter ended December 31, 2015) was transferred to fixed assets.

8 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.nseindia.com).

9 The Company operates only in the segment of Pharmaceuticals.

10 During the quarter, the Company has allotted 1,40,000 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).

11 During the quarter, the Company has allotted 39,17,454 equity shares of Re.1/- each, fully paid up against conversion of warrants to Tyche Technologies private limited.

12 Funds received against issue of share warrants are being utilised for capital expenditure, working capital requirements and for investment in subsidiary Companies.

13 The Board of Directors at their meeting held on January 28, 2017 has declared an interim dividend of 25 paise per equity share of Re.1/- each

14 Standalone Results as on December 31, 2016 are as under -

Rs in lakhs

Particulars	Quarter ended			Nine Months Ended	
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited
Net sales / Income from Operations (Inclusive of Excise Duty)	33,714.03	34,122.25	32,407.63	1,02,169.44	99,520.47
Profit Before Tax	5,207.15	4,793.30	4,484.14	15,195.93	12,925.62
Profit After Tax	3,528.67	3,349.71	3,042.63	10,437.87	8,756.52

15 Previous periods figures have been regrouped/reclassified wherever necessary.

For and on behalf of the Board

GRANULES INDIA LIMITED Hyderabad

Krishna Prasad Chigurupati
Chairman & Managing Director

Place : Hyderabad
Date : January 28, 2017

LIMITED REVIEW REPORT

Review Report to
The Board of Directors of Granules India Limited

We have reviewed the accompanying Statement of unaudited Standalone Financial Results of Granules India Limited ("the Company") for the quarter and Nine months ended December 31, 2016 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on *Review Engagements (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 provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited Standalone Financial Results, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KUMAR & GIRI
Chartered Accountants
FRN: 001584S

M/s. KUMAR & GIRI Hyderabad. Chartered Accountants

J. BHADRA KUMAR
Partner
Membership No. 025480.

Place: Hyderabad.
Date: January 28, 2017

GRANULES INDIA LIMITED
Regd Office : 2nd Floor, 3rd Block, My Home Hub
Madhapur, Hyderabad 500 081
CIN:L24110TG1991PLC012471

Rs in lakhs

Statement of Standalone Un-Audited Results for the quarter and nine months ended December 31, 2016

Sl No.	Particulars	Quarter ended			Nine Months ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited
1	**Income from Operations**					
	(a) Net sales / Income from Operations (Inclusive of Excise Duty)	33,714.03	34,122.25	32,407.63	1,02,169.44	99,520.47
	(b) Other operating income	23.56	24.05	26.52	70.38	68.64
	Total Income from operations (net)	**33,737.59**	**34,146.30**	**32,434.15**	**1,02,239.82**	**99,589.11**
2	**Expenses**					
	(a) Cost of material Consumed	18,323.97	16,802.07	19,033.52	52,919.67	58,436.55
	(b) Changes in Inventories of Finished goods, Work in process and Stock-in-trade	(2,044.99)	817.41	(1,330.44)	(928.69)	(2,521.73)
	(c) Employee Benefits Expense	3,278.38	3,047.08	2,693.43	9,358.50	7,875.81
	(d) Depreciation and Amortisation expense	1,866.02	1,842.97	1,459.13	5,339.51	4,287.31
	(e) Manufacturing Expenses	2,434.74	2,538.74	2,067.67	7,242.07	6,383.92
	(f) Freight outward & clearing charges	1,614.26	1,115.96	896.73	3,754.46	3,158.87
	(g) R & D Expenses	520.88	642.60	310.17	1,867.62	1,036.02
	(h) Other expenses	2,271.86	2,073.00	1,951.30	6,479.15	5,706.62
	Total expenses	**28,265.12**	**28,879.83**	**27,081.51**	**86,032.29**	**84,363.37**
3	**Profit from operations before other income, finance costs and exceptional Items (1- 2)**	**5,472.47**	**5,266.47**	**5,352.64**	**16,207.53**	**15,225.74**
4	Other Income	567.79	348.29	173.89	1,440.40	429.44
5	**Profit from ordinary activities before finance costs and exceptional Items (3 + 4)**	**6,040.26**	**5,614.76**	**5,526.53**	**17,647.93**	**15,655.18**
6	Finance Costs	833.11	821.46	1,042.39	2,452.00	2,729.56
7	**Profit from ordinary activities after finance costs but before exceptional Items (5 - 6)**	**5,207.15**	**4,793.30**	**4,484.14**	**15,195.93**	**12,925.62**
8	Exceptional Items	-	-	-	-	-
9	**Profit from ordinary activities before Tax (7 + 8)**	**5,207.15**	**4,793.30**	**4,484.14**	**15,195.93**	**12,925.62**
10	Tax expense	1,678.48	1,443.59	1,441.51	4,758.06	4,169.10
11	**Net Profit from ordinary activities after tax (9 - 10)**	**3,528.67**	**3,349.71**	**3,042.63**	**10,437.87**	**8,756.52**
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	**Net Profit for the period (11 + 12)**	**3,528.67**	**3,349.71**	**3,042.63**	**10,437.87**	**8,756.52**
14	**Other Comprehensive Income**	-	-	-	-	-
15	**Total Comprehensive Income/(loss) for the period (13+14)**	**3,528.67**	**3,349.71**	**3,042.63**	**10,437.87**	**8,756.52**
16	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,212.19	2,171.62	2,093.57	2,212.19	2,093.57
17	Earnings per Share (Face value Re. 1/- each) (not Annualised)					
	(a) Basic (in Rs.)	1.62	1.54	1.48	4.79	4.26
	(b) Diluted (in Rs)	1.60	1.52	1.41	4.74	4.06

1. The company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. The date of transition to Ind AS is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative periods have been restated accordingly.
2. The Ind AS compliant Standalone Financial Results for the corresponding quarter ended December 31, 2015 have been stated in terms of SEBI Circuclar CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. Reconciliation of net profit for the corresponding quarter ended December 31, 2015 between previous Indian GAAP and Ind AS is as under:

Rs. Lakhs

Nature of Adjustmets	Quarter ended Dec 31, 2015
Profit as per erstwhile Indian GAAP	**3,042.47**
Difference in measurement of employee share based payments	(19.84)
Unamortised expense adjusted against opening retained earnings	30.59
Deferred tax adjustments	(10.58)
Net Profit Under Ind AS	**3,042.63**

4. The above unaudited financial results for the quarter ended December 31, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 28, 2017.
5. The Auditors of the Company carried out limited review of the financial results for the quarter ended December 31, 2016.
6. The company has adopted the option under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has continued the policy adopted for accounting of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Corporate Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.

   - During the quarter, foreign currency loss of Rs.180.77 lakhs (foreign currency loss of Rs.102.52 lakhs for the Quarter ended December 31, 2015) was transferred to fixed assets.
7. During the quarter, the Hon'ble High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh has approved the scheme of amalgamation ("Scheme") of GIL Lifesciences Private Limited, a wholly owned subsidiary of the Company and the Company by its order dated September 01, 2016 and the same has been filed with Registrar of Companies ("ROC") on October 26, 2016. In terms of the scheme, with effect from April 01, 2016 ("Appointed date"), interalia, the following effect has been given;
   a) The Company has recorded assets and liabilities of GIL Lifesciences Private Limited at their respective fair values.
   b) Intercompany investments, balances and transactions have been eliminated.
   c) There is no impact on the profit before tax for the quarter or year to date on account of the above scheme.
8. 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.nseindia.com).
9. The Company operates only in the segment of Pharmaceuticals.
10. During the quarter, the Company has allotted 1,40,000 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).
11. During the quarter, the Company has allotted 39,17,454 equity shares of Re.1/- each, fully paid up against conversion of warrants to Tyche Technologies private limited.
12. Funds received against issue of share warrants are being utilised for capital expenditure, working capital requirements and for investment in subsidiary Companies.
13. The Board of Directors at their meeting held on January 28, 2017 has declared an interim dividend of 25 paise per equity share of Re.1/- each
14. Previous periods figures have been regrouped/reclassified wherever necessary.

for and on behalf of the Board

Krishna Prasad Chigurupati
Chairman and Managing Director

Place : Hyderabad
Date : January 28, 2017

Press Release

Granules India's Net Profit rises by 34% to Rs. 39 Cr.

Hyderabad, January 28, 2017: Granules India Ltd., a growing pharmaceutical company, announced today financial results for its third quarter ended 31st December, 2016.

Consolidated Q3FY17 Financial Results Highlights:-

- **Revenue:** Rs. 359 Cr., an increase of 11% compared to Rs. 325 Cr. in Q3FY16
- **EBITDA:** Rs. 81 Cr., an increase of 21% compared to Rs. 67 Cr. in Q3FY16
- **Operating Margin** improved by 189 basis point to 22.4% from 20.5% in Q3FY16
- **Net Profit:** Rs. 39 Cr., an increase of 34% compared to Rs. 29 Cr. in Q3FY16
- **Net Profit Margin** improved by 188 basis point to 10.9% from 9.0% in Q3FY16

The Company's standalone sales during the quarter were Rs. 337 Cr. In this quarter the Company recorded EBITDA and PAT of Rs. 79 Cr. and Rs. 35 Cr. respectively.

The Company's Board of Directors has approved third interim dividend of 25 paise per share of face value of Rs. 1 each for the financial year 2016-17.

"We are happy with the continued bottom-line growth in the third quarter of the current fiscal, thanks to our 'efficiency ecosystem' and growing profitability from our joint venture companies. To reinforce top-line growth momentum for the future, we are aggressively pursuing completion of our API and PFI expansion plans and introduction of new products following appropriate fillings strategy. During the quarter, we had two inspections in our Gagillapur facility from US FDA and INFARMED and one in our joint venture facility at Vizag from US FDA. The Gagillapur facility completed the US FDA inspection with no observations. For the observations issued by INFARMED for Gagillapur and US FDA for Vizag, we have submitted our response to the respective regulatory authorities within stipulated time and are hopeful of getting positive response soon. We remain committed towards adhering to regulations and standards benchmarked globally and produce quality drugs for our marquee clients." said Mr. Krishna Prasad Chigurupati, Chairman & Managing Director.

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.

Contacts:

Sumanta Bajpayee
Granules India Ltd.
040-30663572
sumanta.bajpayee@granulesindia.com

GRANULES

GRANULES INDIA LIMITED
Regd Office : 2nd Floor, 3rd Block, My Home Hub
Madhapur, Hyderabad 500 081
CIN:L24110TG1991PLC012471

Rs in Lakhs

Statement of Consolidated Un-Audited Results for the quarter and nine months ended December 31, 2016

Sl No.	Particulars	Quarter ended			Nine Months Ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited
1	Income from Operations					
	(a) Net sales / Income from Operations (Inclusive of Excise Duty)	**35,923.77**	**36,356.56**	**32,472.89**	**1,07,237.60**	**1,00,645.02**
	(b) Other operating income	23.56	24.05	26.52	70.38	68.64
	Total Income from operations (net)	**35,947.33**	**36,380.61**	**32,499.41**	**1,07,307.98**	**1,00,713.66**
2	**Expenses**					
	(a) Cost of material Consumed	18,992.59	16,916.81	19,056.62	54,100.95	58,844.49
	(b) Changes in inventories of Finished goods, Work in process and Stock-in-trade	(1,680.68)	1,825.16	(1,984.74)	21.32	(4,063.21)
	(c) Employee Benefits Expense	3,610.24	3,397.82	2,960.82	10,398.07	8,676.39
	(d) Depreciation and Amortisation expense	1,870.04	1,846.99	1,463.62	5,351.32	4,298.79
	(e) Manufacturing Expenses	2,439.04	2,559.51	2,072.14	7,267.15	6,409.87
	(f) Freight outward & clearing charges	1,719.02	1,207.04	1,019.64	4,029.74	3,390.69
	(g) R & D Expenses	526.52	650.78	310.17	1,881.44	1,036.02
	(h) Other expenses	2,707.36	2,403.07	2,529.79	7,705.56	6,770.84
	Total expenses	**30,184.13**	**30,807.18**	**27,428.06**	**90,755.55**	**85,363.90**
3	**Profit from operations before other Income, finance costs and exceptional Items (1- 2)**	**5,763.20**	**5,573.43**	**5,071.35**	**16,552.43**	**15,349.76**
4	Other Income	427.12	388.29	139.21	1,118.89	374.51
5	**Profit from ordinary activities before finance costs and exceptional items (3 + 4)**	**6,190.32**	**5,961.72**	**5,210.56**	**17,671.32**	**15,724.27**
6	Finance Costs	836.31	828.71	1,043.53	2,459.50	2,731.61
7	**Profit from ordinary activities after finance costs but before exceptional items (5 - 6)**	**5,354.01**	**5,133.01**	**4,167.03**	**15,211.82**	**12,992.66**
8	Exceptional items		-	-	-	-
9	**Profit from ordinary activities before Tax (7 + 8)**	**5,354.01**	**5,133.01**	**4,167.03**	**15,211.82**	**12,992.66**
10	Tax expense	1,762.90	1,560.64	1,291.77	4,861.02	4,057.33
11	**Net Profit from ordinary activities after tax (9 - 10)**	**3,591.11**	**3,572.37**	**2,875.26**	**10,350.80**	**8,935.33**
12	Extraordinary items (net of tax expense)		-	-	-	-
13	**Net Profit for the period (11 + 12)**	**3,591.11**	**3,572.37**	**2,875.26**	**10,350.80**	**8,935.33**
14	Share of Profit of equity accounted investees, net of tax	314.99	510.05	45.15	1,533.74	66.11
15	**Net Profit / (Loss) after taxes and share of profit / (loss) of associates (13 + 14)**	**3,906.10**	**4,082.42**	**2,920.41**	**11,884.54**	**9,001.44**
16	Other Comprehensive Income	37.72	(14.49)	(55.04)	124.10	(361.04)
17	**Total Comprehensive income/(loss) for the period (15+16)**	**3,943.82**	**4,067.93**	**2,865.37**	**12,008.64**	**8,640.40**
18	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,212.19	2,171.62	2,093.57	2,212.19	2,093.57
19	Earnings per Share (face value of Re. 1/- each) (not annualised)					
	(a) Basic (in Rs.)	1.79	1.88	1.42	5.45	4.38
	(b) Diluted (in Rs)	1.77	1.85	1.35	5.40	4.17

GRANULES

1 The company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. The date of transition to Ind AS is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative periods have been restated accordingly.

2 The Ind AS compliant Consolidated Financial Results for the corresponding quarter ended December 31, 2015 have been stated in terms of SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

3 Reconciliation of net profit for the corresponding quarter ended December 31, 2015 between previous Indian GAAP and Ind AS is as under:

Rs. Lakhs

Nature of Adjustmets	Quarter ended Dec 31, 2015
Profit as per erstwhile Indian GAAP	2,715.45
Difference in measurement of employee share based payments	(19.84)
Unamortised expense adjusted against opening retained earnings	30.59
Exchange differences on translation of foreign operations recognised in Other Comprehensive Income.	55.04
Deferred tax adjustments	139.17
Net Profit Under Ind AS	**2,920.41**
Other comprehensive income as stated above	(55.04)
Total Comprehensive Income	**2,865.37**

4 The above unaudited financial results for the quarter ended December 31, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 28, 2017.

5 The Auditors of the Company carried out limited review of the financial results for the quarter ended December 31, 2016.

6 The subsidiaries and Joint Venture companies considered for the consolidated financial statements as on December 31, 2016 are Granules USA Inc., Granules Pharmaceuticals Inc., (Subsidiaries) and Granules Biocause Pharmaceutical Co., Ltd., Granules Omnichem Pvt Ltd (50% Joint Venture Companies).

7 The company has adopted the option under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has continued the policy adopted for accounting of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Corporate Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.
- During the quarter, foreign currency loss of Rs.180.77 lakhs (foreign currency loss of Rs.102.52 lakhs for the Quarter ended December 31, 2015) was transferred to fixed assets.

8 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.nseindia.com).

9 The Company operates only in the segment of Pharmaceuticals.

10 During the quarter, the Company has allotted 1,40,000 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).

11 During the quarter, the Company has allotted 39,17,454 equity shares of Re.1/- each, fully paid up against conversion of warrants to Tyche Technologies private limited.

12 Funds received against issue of share warrants are being utilised for capital expenditure, working capital requirements and for investment in subsidiary Companies.

13 The Board of Directors at their meeting held on January 28, 2017 has declared an interim dividend of 25 paise per equity share of Re.1/- each

14 Standalone Results as on December 31, 2016 are as under -

Rs in lakhs

Particulars	Quarter ended			Nine Months Ended	
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited
Net sales / Income from Operations (Inclusive of Excise Duty)	33,714.03	34,122.25	32,407.63	1,02,169.44	99,520.47
Profit Before Tax	5,207.15	4,793.30	4,484.14	15,195.93	12,925.62
Profit After Tax	3,528.67	3,349.71	3,042.63	10,437.87	8,756.52

15 Previous periods figures have been regrouped/reclassified wherever necessary.

For and on behalf of the Board

Place : Hyderabad
Date : January 28, 2017

Krishna Prasad Chigurupati
Chairman & Managing Director

GRANULES

GRANULES INDIA LIMITED
Regd Office : 2nd Floor, 3rd Block, My Home Hub
Madhapur, Hyderabad 500 081
CIN:L24110TG1991PLC012471

Rs in lakhs

Statement of Standalone Un-Audited Results for the quarter and nine months ended December 31, 2016

Sl No.	Particulars	Quarter ended			Nine Months ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited
1	Income from Operations					
	(a) Net sales / Income from Operations (Inclusive of Excise Duty)	33,714.03	34,122.25	32,407.63	1,02,169.44	99,520.47
	(b) Other operating Income	23.56	24.05	26.52	70.38	68.64
	Total Income from operations (net)	33,737.59	34,146.30	32,434.15	1,02,239.82	99,589.11
2	Expenses					
	(a) Cost of material Consumed	18,323.97	16,802.07	19,033.52	52,919.67	58,436.55
	(b) Changes in Inventories of Finished goods, Work in process and Stock-in-trade	(2,044.99)	817.41	(1,330.44)	(928.69)	(2,521.73)
	(c) Employee Benefits Expense	3,278.38	3,047.08	2,693.43	9,358.50	7,875.81
	(d) Depreciation and Amortisation expense	1,866.02	1,842.97	1,459.13	5,339.51	4,287.31
	(e) Manufacturing Expenses	2,434.74	2,538.74	2,067.67	7,242.07	6,383.92
	(f) Freight outward & clearing charges	1,614.26	1,115.96	896.73	3,754.46	3,158.87
	(g) R & D Expenses	920.88	642.60	310.17	1,867.62	1,036.02
	(h) Other expenses	2,271.86	2,073.00	1,951.30	6,479.15	5,706.62
	Total expenses	28,265.12	28,879.83	27,081.51	86,032.29	84,363.37
3	Profit from operations before other income, finance costs and exceptional items (1- 2)	5,472.47	5,266.47	5,352.64	16,207.53	15,225.74
4	Other Income	567.79	348.29	173.89	1,440.40	429.44
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	6,040.26	5,614.76	5,526.53	17,647.93	15,655.18
6	Finance Costs	833.11	821.46	1,042.39	2,452.00	2,729.56
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	5,207.15	4,793.30	4,484.14	15,195.93	12,925.62
8	Exceptional Items	-	-	-	-	-
9	Profit from ordinary activities before Tax (7 + 8)	5,207.15	4,793.30	4,484.14	15,195.93	12,925.62
10	Tax expense	1,678.48	1,443.59	1,441.51	4,758.06	4,169.10
11	Net Profit from ordinary activities after tax (9 - 10)	3,528.67	3,349.71	3,042.63	10,437.87	8,756.52
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net Profit for the period (11 + 12)	3,528.67	3,349.71	3,042.63	10,437.87	8,756.52
14	Other Comprehensive Income	-	-	-	-	-
15	Total Comprehensive Income/(loss) for the period (13+14)	3,528.67	3,349.71	3,042.63	10,437.87	8,756.52
16	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,212.19	2,171.62	2,093.57	2,212.19	2,093.57
17	Earnings per Share (Face value Re. 1/- each) (not Annualised)					
	(a) Basic (in Rs.)	1.62	1.54	1.48	4.79	4.26
	(b) Diluted (in Rs)	1.60	1.52	1.41	4.74	4.06

1 The company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. The date of transition to Ind AS is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative periods have been restated accordingly.

2 The Ind AS compliant Standalone Financial Results for the corresponding quarter ended December 31, 2015 have been stated in terms of SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

3 Reconcillation of net profit for the corresponding quarter ended December 31, 2015 between previous Indian GAAP and Ind AS is as under:

Rs. Lakhs

Nature of Adjustmets	Quarter ended Dec 31, 2015
Profit as per erstwhile Indian GAAP	3,042.47
Difference in measurement of employee share based payments	(19.84)
Unamortised expense adjusted against opening retained earnings	30.59
Deferred tax adjustments	(10.58)
Net Profit Under Ind AS	3,042.63

4 The above unaudited financial results for the quarter ended December 31, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 28, 2017.

5 The Auditors of the Company carried out limited review of the financial results for the quarter ended December 31, 2016.

6 The company has adopted the option under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has continued the policy adopted for accounting of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Corporate Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.
- During the quarter, foreign currency loss of Rs.180.77 lakhs (foreign currency loss of Rs.102.52 lakhs for the Quarter ended December 31, 2015) was transferred to fixed assets.

7 During the quarter, the Hon'ble High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh has approved the scheme of amalgamation ("Scheme") of GIL Lifesciences Private Limited, a wholly owned subsidiary of the Company and the Company by its order dated September 01, 2016 and the same has been filed with Registrar of Companies ("ROC") on October 26, 2016. In terms of the scheme, with effect from April 01, 2016 ("Appointed date"), interalia, the following effect has been given;
a) The Company has recorded assets and liabilities of GIL Lifesciences Private Limited at their respective fair values.
b) Intercompany investments, balances and transactions have been eliminated.
c) There is no impact on the profit before tax for the quarter or year to date on account of the above scheme.

8 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.nseindia.com).

9 The Company operates only in the segment of Pharmaceuticals.

10 During the quarter, the Company has allotted 1,40,000 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).

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13 The Board of Directors at their meeting held on January 28, 2017 has declared an interim dividend of 25 paise per equity share of Re.1/- each

14 Previous periods figures have been regrouped/reclassified wherever necessary.

for and on behalf of the Board

Place : Hyderabad
Date : January 28, 2017

Krishna Prasad Chigurupati
Chairman and Managing Director