



Press Release

Granules India's FY12 Revenue increases 37% to Rs. 653 Cr.; Net Profit increases 43% to Rs. 30 Cr

Hyderabad, April 24, 2012: Granules India Ltd., a fast growing pharmaceutical manufacturing company, announced financial results for its fiscal year 2012 ended March 31, 2012. Granules consolidated net revenue increased 37% to Rs. 653 Cr. while consolidated net profit increased 43% to Rs. 30 Cr.

Fiscal Year ended March 31, 2012

Financial Highlights

- Net Revenue: Rs. 653 Cr., an increase of 37% compared to Rs. 475 Cr. in FY11
- PBT: Rs. 43 Cr., an increase of 61% compared to Rs. 27 Cr. in FY11
- Net Profit: Rs. 30 Cr., an increase of 43% compared to Rs. 21 Cr. in FY11

Standalone Sales Breakout

- Finished Dosage (FD) – Rs. 185 Cr., an increase of 83% compared to Rs. 101 Cr. in FY12
- Pharmaceutical Formulation Intermediate (PFI) – Rs. 197 Cr., an increase of 27% compared to Rs. 155 Cr. in FY12
- Active Pharmaceutical Ingredient (API) – Rs. 181 Cr., an increase of 20% compared to Rs. 151 Cr. in FY12

Sales grew on a sequential quarterly basis throughout the year with the fourth quarter being the highest in Granules' history. Finished Dosage sales grew due to customers ramping up existing multi-year contracts. PFI and API sales were driven by Granules' ability to garner larger wallet share from existing customers.

Granules is currently tripling Finished Dosage capacity to 18 billion units and more than doubling PFI capacity to 18,000 tons. The expansions are scheduled to finish in June. The Company will start generating revenue from the new capacities starting in the second quarter of FY13. The expansions are being completed within existing facilities so Granules will be able to immediately commercialize the new capacity for the regulated and semi-regulated markets. The Company has substantial backorders on hand which will lead to an increase in sales growth at its standalone operations once capacity expansions are completed.

Profit before Taxes (PBT) increased 61% to Rs. 43 Cr in the fiscal year. Profitability increased faster than revenue due to the PBT margin expanding 17% to 6.4% and shows an improvement in the Company's efficiency. The PAT margin also increased despite the fact that Granules did not have EOU tax credits in FY12 as it did in prior years.

“While the past fiscal year was rewarding, we have continued to take the necessary steps to ensure we can accelerate our growth rate and build sustainable revenue. Granules has established a business model that will continue to accelerate in growth while simultaneously increasing profit margins. In FY12, we achieved top-line growth of 38%, which helped us achieve a 5-Year CAGR of 28%, far ahead of the industry average of 14%. We believe FY13 will be one of our most exciting years; our top-line growth will further accelerate and our margins will improve due to higher capacity utilization at the Company's production facilities and a favorable product mix. We are committed to being one of India's fastest growing pharmaceutical manufacturing companies.” said Krishna Prasad, Managing Director of Granules India.

Adding to this, Dr. Bhaskar Krishna, CEO of Granules India, said, “Granules has spent tremendous energy improving our operations and we believe our facilities are among the most productive ones in the world. In the past year, we completed several operational excellence (OE) projects that enabled us to increase API capacities. Our Paracetamol API facility produced 1,000 tons in March which is a tremendous accomplishment considering the facility was intended to produce 600 tons/month at its inauguration and only recently produced 800 tons/month. We also made improvements that increased our Metformin API capacity by 35% Guaifenesin API capacity by 55%.”

Appendix

AUDITED FINANCIAL RESULTS - CONSOLIDATED FOR THE YEAR ENDED 31st MARCH, 2012

SI No.	Particulars	Rs. Lakhs				
		3 Months ended 31st March, 2012	3 Months ended 31st Dec, 2011	3 Months ended 31st March, 2011	Present accounting year ended 31st March, 2012	Previous accounting year ended 31st March, 2011
		Audited	Unaudited	Audited	Audited	Audited
1	Net sales / Income from Operations	18,809.05	18,572.27	11,989.04	65,396.59	47,517.98
2	Expenditure					
	a) (Increase)/decrease in finished goods and work in progress	(308.77)	172.80	(194.27)	(573.69)	(169.68)
	b) Consumption of Raw Materials	12,077.68	11,296.05	7,298.13	42,010.22	29,725.09
	c) Employee cost	1,098.37	1,121.33	733.11	4,203.83	3,146.95
	d) Depreciation	578.74	522.45	473.01	2,069.54	1,831.47
	e) Manufacturing Expenses	1,293.62	1,249.38	822.63	4,432.05	3,584.39
	f) Freight outward & Clearing Charges	1,122.90	907.30	627.01	3,497.28	2,255.37
	g) R & D Expenses	82.79	135.96	215.56	480.98	340.91
	h) Other expenditure	829.01	1,134.88	714.98	3,372.72	2,913.85
	Total	16,805.76	16,572.14	10,698.20	59,625.41	43,723.61
	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	2,003.29	2,000.13	1,290.83	5,771.18	3,794.36
3	Other Income	(52.42)	(36.79)	(29.79)	(135.42)	(80.25)
5	Profit before Interest and Exceptional Items	2,055.71	2,036.92	1,320.62	5,906.60	3,874.61
6	Interest and Finance charges	486.26	519.47	332.82	1,698.87	1,258.69
7	Profit after Interest but before exceptional	1,569.45	1,517.45	987.80	4,207.73	2,615.92
8	Foreign Exchange Fluctuations (gain)/loss	(785.41)	413.17	(48.08)	(89.91)	(59.62)
9	Profit before taxation	2,354.86	1,104.28	1,035.88	4,297.63	2,675.54
10	Tax expense					
	Current Tax Expense	518.54	261.00	73.23	985.51	303.24
	Deferred Tax Expense	198.51	44.70	80.75	316.86	282.72
	Fringe Benefit Tax	-	-	-	-	-
11	Net Profit for the period	1,637.83	798.59	881.92	2,995.28	2,089.59
12	Paid-up share capital (Face Value of Rs.10/- each)	2,006.17	2,006.17	2,005.72	2,006.17	2,005.72
13	Reserves excluding Revaluation Reserve	22,969.08	21,331.27	19,972.24	22,969.08	19,972.24
14	Basic Earnings per share (Rs.)*	8.16	3.98	4.40	14.93	10.42
14	Diluted Earnings per share (Rs.)*	8.13	3.96	4.38	14.87	10.37
15	Public Shareholding					
	- No. of shares	11,216,674	11898022	12,152,162	11,216,674	12,152,162
	- Percentage of shareholding	55.91%	59.31%	60.59%	55.91%	60.59%
16	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	Number of shares	5,007,500	5,088,500	1,759,375	5,007,500	1,759,375
	Percentage of shares to promoter group	56.61%	62.33%	22.26%	56.61%	22.26%
	Percentage of shares to total capital	24.96%	25.36%	8.77%	24.96%	8.77%
	b) Non-encumbered					
	Number of shares	3,837,480	3,075,132	6,145,617	3,837,480	6,145,617
	Percentage of shares to promoter group	43.38%	37.69%	77.74%	43.38%	77.74%
	Percentage of shares to total capital	19.13%	15.33%	30.64%	19.13%	30.64%

* Not Annualised

* Not Annualised for Quarter ending

1) The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on 24 April, 2012

2) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

3) 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. As a result of change in policy, an amount of Rs.813.59 lakhs accounted as revenue loss during the period April,11 - December,11 is included as part of fixed assets during the quarter ended 31 March 2012.

4) The company has received 07 complaints from investors during the quarter 1st January, 2012 to 31st March, 2012 and all were resolved. No complaints were pending from previous quarter.

5) The Company operates only in the segment of Pharmaceuticals.

6) Figures are regrouped wherever necessary.

AUDITED FINANCIAL RESULTS - STANDALONE FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. Lakhs)						
SI No.	Particulars	3 Months ended 31st March, 2012	3 Months ended 31st Dec, 2011	3 Months ended 31st March, 2011	Present accounting year ended 31st March, 2012	Previous accounting year ended 31st March, 2011
		Audited	Unaudited	Audited	Audited	Audited
1	Net sales / Income from Operations	16,542.33	15,556.09	10,477.76	56,267.77	40,567.70
2	Expenditure					
	a) (Increase)/decrease in finished goods and work in progress	(434.97)	259.79	(727.85)	(592.24)	(142.84)
	b) Consumption of Raw Materials	10,978.59	9,271.05	7,059.15	36,139.93	25,270.02
	c) Employee cost	994.68	976.74	679.13	3,795.72	2,834.42
	d) Depreciation	485.63	448.30	409.74	1,797.60	1,588.13
	e) Manufacturing Expenses	940.34	873.49	653.45	3,191.89	2,582.08
	g) Freight outward & clearing charges	931.58	828.59	622.20	3,219.73	2,083.71
	h) R & D Expenses	66.57	67.99	11.27	194.80	138.40
	i) Other expenditure	809.15	1,013.19	581.24	3,046.29	2,447.02
	Total	14,771.57	13,739.14	9,288.34	50,793.71	36,800.94
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	1,770.76	1,816.94	1,189.42	5,474.05	3,766.76
4	Other Income	(62.24)	(10.02)	(40.89)	(109.08)	(71.17)
5	Profit before Interest and Exceptional Items	1,833.00	1,826.96	1,230.31	5,583.13	3,837.93
6	Interest and Finance charges	450.93	477.04	304.84	1,549.41	1,136.20
7	Profit after Interest but before exceptional items	1,382.07	1,349.92	925.47	4,033.72	2,701.73
8	Foreign Exchange Fluctuations (gain)/loss	(813.59)	455.42	(44.90)	-	(38.10)
9	Profit before taxation	2,195.66	894.50	970.37	4,033.72	2,739.83
10	Tax expense					
	- Current Tax Expense	517.92	253.99	66.50	985.29	285.49
	- Deferred Tax Expense	199.45	44.70	80.75	317.80	282.51
11	Net Profit for the period	1,478.28	595.81	823.13	2,730.64	2,171.83
12	Paid-up share capital (Face Value of Rs. 10/- each)	2,006.17	2,006.17	2,005.72	2,006.17	2,005.72
13	Reserves excluding Revaluation Reserve	22,933.84	21,287.03	20,201.63	22,933.84	20,201.63
14	Basic Earnings per share (Rs.)*	7.37	2.97	10.83	13.61	10.83
15	Diluted Earning per share (Rs) *	7.34	2.96	10.78	13.56	10.78
16	Public Shareholding					
	- No. of shares	11,216,674	11,898,022	12,152,162	11,216,674	12,152,162
	- Percentage of shareholding	55.91%	59.31%	60.59%	55.91%	60.59%
17	Promoters and promoter group					
	Shareholding					
	a) Pledged/Encumbered					
	Number of shares	5,007,500	5,088,500	1,759,375	5,007,500	1,759,375
	Percentage of shares to promoter group	56.61%	62.33%	22.26%	56.61%	22.26%
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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 50 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.

Granules has the largest PFI facility in the world with an industry leading 6 ton batch size. 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.

Granules has strengthened its advantages through its Operational Excellence (OE) department which looks at every step of the manufacturing process in order to gain efficiencies and has also implemented systems that have standardized quality and reduced variation. The Company's OE program is regularly cited by MNCs as a "best in class" program and is the comparative advantage that lets Granules provide world-class quality products at a lower cost than its competitors. The adoption of the OE philosophy by Granules has earned it several recognitions including The Economic Times Manufacturing Excellence Awards 2011.

Caution Statement:

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

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