

**Press Release****Granules India's Revenue from operation increases by 8% to INR 393 Cr.**

Hyderabad, November 9<sup>th</sup>, 2017: Granules India Ltd., a growing pharmaceutical manufacturing company, announced today financial results for its second quarter ended 30<sup>th</sup> September, 2017.

<b><u>Quarterly Financial Highlights of Q2FY18</u></b>		
	<b><u>Consolidated</u></b>	<b><u>Margins (%)</u></b>
<b>Revenue:</b>	INR 393 Cr.	
<b>EBITDA:</b>	INR 84 Cr.	21.3%
<b>Net Profit:</b>	INR 40 Cr.	10.3%

The Company's standalone sales during the quarter were INR 374 Cr. In this quarter the Company recorded EBITDA and PAT of INR 82 Cr. and INR 36 Cr. respectively.

The Company's Board of Directors has approved second interim dividend of 25 paise per share of face value of Rs. 1 each.

"We are pleased to report a moderate topline growth for the current quarter compared with same quarter of the previous financial year. This comes at the backdrop of increased sales from formulation business and higher revenue generated from the North American market. As our emerging business is taking shape to drive future business growth, our core business continues to deliver sustainable revenues. During the quarter, we raised INR 300 Cr. through Qualified Institutional Placements (QIP). This not only validates the trust of our shareholders in the future prospects of the company but also helped us to fund our expansion plans." said Mr. Krishna Prasad Chigurupati, Chairman & Managing Director.

**About Granules India Ltd. (BSE: 532482, NSE: GRANULES)**

Granules India is a growing pharmaceutical manufacturing company with best in class facilities and is committed to operational excellence, quality and customer service. The Company produces Finished Dosages (FDs), Pharmaceutical Formulation Intermediates (PFIs) and Active Pharmaceutical Ingredients (APIs) which gives the customers flexibility and choice. Granules support customers with unique value, extensive product range, and proactive solutions. The Company's global presence extends to over 250 customers in 60 countries through offices in India, U.S., and U.K.

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Rs in lakhs

**Statement of Consolidated Un-Audited Results for the quarter and half year ended September 30, 2017**

SI No.	Particulars	Quarter ended			Half-Year ended		Year ended
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Revenue from operations (Refer note 4)	39,255.97	38,473.73	36,380.61	77,729.70	71,360.65	1,43,525.34
	Other income	683.24	132.48	388.29	815.72	691.77	992.53
<b>1</b>	<b>Total income</b>	<b>39,939.21</b>	<b>38,606.21</b>	<b>36,768.90</b>	<b>78,545.42</b>	<b>72,052.42</b>	<b>1,44,517.87</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	21,789.19	19,225.38	16,376.58	41,014.57	33,961.30	67,996.46
	(b) Changes in inventories of work in progress and finished goods	(2,019.80)	(1,228.49)	1,825.16	(3,248.29)	1,702.00	(33.28)
	(c) Excise duty on sales	-	722.60	540.23	722.60	1,147.06	2,468.81
	(d) Employee benefits expense	4,225.31	3,904.31	3,397.82	8,129.62	6,787.83	14,018.97
	(e) Finance costs	1,041.00	820.84	828.71	1,861.84	1,623.19	3,225.63
	(f) Depreciation/ amortisation expense	1,859.36	1,760.23	1,846.99	3,619.59	3,481.28	7,151.27
	(g) Other expenses	7,570.19	8,250.04	6,820.40	15,820.23	13,491.96	29,190.58
	<b>Total expenses</b>	<b>34,465.25</b>	<b>33,454.91</b>	<b>31,635.89</b>	<b>67,920.16</b>	<b>62,194.62</b>	<b>1,24,018.44</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>5,473.96</b>	<b>5,151.30</b>	<b>5,133.01</b>	<b>10,625.26</b>	<b>9,857.80</b>	<b>20,499.43</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-	-	-
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>5,473.96</b>	<b>5,151.30</b>	<b>5,133.01</b>	<b>10,625.26</b>	<b>9,857.80</b>	<b>20,499.43</b>
<b>6</b>	<b>Tax expense</b>						
	Current tax	1,908.65	1,728.83	1,641.04	3,637.48	3,502.62	6,607.20
	Deferred tax	17.68	44.73	(80.40)	62.41	(404.50)	(87.07)
<b>7</b>	<b>Net Profit after Tax (5-6)</b>	<b>3,547.63</b>	<b>3,377.74</b>	<b>3,572.37</b>	<b>6,925.37</b>	<b>6,759.68</b>	<b>13,979.30</b>
<b>8</b>	<b>Share in Profit of joint ventures</b>	<b>486.02</b>	<b>302.42</b>	<b>510.05</b>	<b>788.44</b>	<b>1,218.75</b>	<b>2,472.61</b>
<b>9</b>	<b>Net Profit for the period (7+8)</b>	<b>4,033.65</b>	<b>3,680.16</b>	<b>4,082.42</b>	<b>7,713.81</b>	<b>7,978.43</b>	<b>16,451.91</b>
	Other Comprehensive income						
	(i) items that will not be reclassified to profit or loss	-	-	-	-	-	155.79
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(53.92)
	(iii) items that will be reclassified to profit or loss	(79.81)	5.36	(14.49)	(74.45)	86.39	45.05
<b>10</b>	<b>Other Comprehensive income, net of tax</b>	<b>(79.81)</b>	<b>5.36</b>	<b>(14.49)</b>	<b>(74.45)</b>	<b>86.39</b>	<b>146.92</b>
<b>11</b>	<b>Total Comprehensive income for the period (9+10)</b>	<b>3,953.84</b>	<b>3,685.52</b>	<b>4,067.93</b>	<b>7,639.36</b>	<b>8,064.82</b>	<b>16,598.83</b>
<b>12</b>	<b>Paid-up equity Share Capital (Face Value of Re.1/- per share)</b>	<b>2,537.68</b>	<b>2,288.03</b>	<b>2,171.62</b>	<b>2,537.68</b>	<b>2,171.62</b>	<b>2,287.03</b>
<b>13</b>	<b>Earnings per Share (Face value Re. 1/- each) (not Annualised)</b>						
	(a) Basic (in Rs.)	1.76	1.61	1.88	3.36	3.68	7.52
	(b) Diluted (in Rs)	1.75	1.60	1.85	3.35	3.62	7.48

- 1 The above unaudited financial results for the quarter and half year ended September 30, 2017 have been reviewed by the Audit Committee on November 08, 2017 of the Board and approved by the Board of Directors at their meeting held on November 09, 2017.
- 2 The Auditors of the Company have carried out Limited Review of the financial results for the quarter and half year ended September 30, 2017.
- 3 The subsidiaries and joint venture companies considered for the consolidated financial statements as on September 30, 2017 are Granules USA Inc., Granules Pharmaceuticals Inc., Granules Europe Limited (together known as "Subsidiaries") and Hubei Granules Biocause Pharmaceutical Co. Ltd. and Granules Omnichem Pvt Ltd (together known as "joint ventures").
- 4 Post implementation of Goods and Service Tax ("GST") with effect from 1 July 2017, revenue from operations is disclosed net of GST. For the periods prior to July 01, 2017, the excise duty amount was recorded as part of revenue with a corresponding amount recorded in cost of revenue. Accordingly, revenue from operations for the quarter and half year ended September 30, 2017 are not comparable with those of the previous period presented.
- 5 The Company has adopted the option under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has continued the policy adopted for adjustment of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets 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 had opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.
  - During the quarter, foreign currency loss of Rs.45.23 lakhs (foreign currency gain of Rs.203.24 lakhs for the quarter ended September 30, 2016) was transferred to fixed assets.
- 6 As per regulation 33 of the Listing Regulations, the Company has opted to publish only consolidated financial results. The standalone financial results are available for perusal at Company's website viz., [www.granulesindia.com](http://www.granulesindia.com) and websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- 7 The Company operates only in the segment of Pharmaceuticals.
- 8 During the quarter, the Company has allotted 2,10,000 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).
- 9 In accordance with the provisions of Chapter VIII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the SEBI ICDR Regulations") and pursuant to the approval accorded by the shareholders in the Extra-Ordinary General Meeting held on June 12, 2017, the Company has raised a sum of Rs. 30,015.19 lakhs during the current quarter by allotment of 2,47,54,792 equity shares of Re.1/- each at a premium of Rs.120.25 per share through Qualified Institutions Placement.
- 10 The Board of Directors at their meeting held on November 09, 2017 has declared second interim dividend of 25 paise per equity share of Re.1/- each.
- 11 The financial results include the Company's share of profits (net) aggregating of Rs. 486.02 lakhs for quarter ended September 30, 2017 and half-year ended Rs. 788.44 lakhs from joint ventures in which the Company is Co-venturer. These financial results are based on the management certified financial information of the joint ventures. As the joint ventures do not present reviewed financial results on a quarterly basis, amount included therein have not been subject to review by the Statutory Auditors of the respective joint ventures.
- 12 Standalone Results for the quarter and half year ended are as under -

Particulars	Rs in lakhs					
	Quarter ended			Half Year ended		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
Revenue from Operations	37,352.75	39,436.21	34,146.30	76,788.96	68,502.23	1,37,416.90
Profit Before Tax	5,357.09	5,289.38	4,793.30	10,646.47	9,988.75	20,680.32
Profit After Tax	3,563.63	3,550.76	3,349.71	7,114.39	6,909.17	14,282.67

## 13 Consolidated Balance sheet

Rs in lakhs

Sl.No.	Particulars	As at	
		September 30, 2017 (Unaudited)	March 31, 2017 (Audited)
<b>A</b>	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	Property, plant and equipment	60,291.79	56,872.54
	Capital work-in-progress	29,142.52	13,025.96
	Other Intangible assets	7,519.67	7,561.30
	Intangible assets under development	19,187.22	13,716.78
	<b>Financial assets</b>		
	Investments	12,929.21	10,822.94
	Loans	1,307.10	-
	Income tax assets(net)	-	237.46
	Other non-current assets	4,134.03	2,589.15
		<b>1,34,511.54</b>	<b>1,04,826.13</b>
	<b>Current assets</b>		
	Inventories	28,897.35	26,917.84
	<b>Financial assets</b>		
	Trade receivables	51,046.93	41,770.02
	Cash and cash equivalents	13,980.29	4,270.15
	Bank balances other than Cash and cash equivalents above	714.77	709.78
	Loans	147.00	158.82
	Others	35.12	247.46
	Other current assets	12,630.42	8,742.34
		<b>1,07,451.88</b>	<b>82,816.41</b>
	<b>Total Assets</b>	<b>2,41,963.42</b>	<b>1,87,642.54</b>
<b>B</b>	<b>Equity and Liabilities</b>		
	<b>Equity</b>		
	Equity share capital	2,537.68	2,287.03
	Other equity	1,23,555.08	88,072.51
	<b>Total equity</b>	<b>1,26,092.76</b>	<b>90,359.54</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	25,211.08	12,424.23
	Non-current provisions	926.68	724.95
	Deferred tax liabilities (net)	5,712.11	5,649.86
		<b>31,849.87</b>	<b>18,799.04</b>
	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	51,093.31	47,383.30
	Trade payables	23,456.29	21,597.56
	Other financial liabilities	6,648.47	8,376.40
	Other current liabilities	853.46	966.26
	Current tax liabilities (net)	1,119.74	-
	Short term provisions	849.52	160.44
		<b>84,020.79</b>	<b>78,483.96</b>
	<b>Total Equity and Liabilities</b>	<b>2,41,963.42</b>	<b>1,87,642.54</b>

for and on behalf of the Board

Place : Hyderabad

Date : November 09, 2017

 Krishna Prasad Chigurupati  
 Chairman and Managing Director

Statement of Standalone Un-Audited Results for the quarter and half year ended September 30, 2017							Rs in lakhs
SI No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Revenue from operations (Refer note 4)	37,352.75	39,436.21	34,146.30	76,788.96	68,502.23	1,37,416.90
	Other income	1,010.95	394.87	348.29	1,405.82	872.61	1,452.02
<b>1</b>	<b>Total income</b>	<b>38,363.70</b>	<b>39,831.08</b>	<b>34,494.59</b>	<b>78,194.78</b>	<b>69,374.84</b>	<b>1,38,868.92</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	20,510.60	19,030.02	16,261.84	39,540.62	33,448.64	67,077.83
	(b) Changes in inventories of work in progress and finished goods	(1,156.58)	1,241.98	817.41	85.40	1,116.30	(1,220.03)
	(c) Excise duty on sales	-	722.60	540.23	722.60	1,147.06	2,468.81
	(d) Employee benefits expense	3,743.39	3,430.09	3,047.08	7,173.48	6,080.11	12,581.00
	(e) Finance costs	1,039.86	818.23	821.46	1,858.09	1,618.90	3,216.41
	(f) Depreciation/ amortisation expense	1,851.46	1,752.41	1,842.97	3,603.87	3,473.50	7,135.16
	(g) Other expenses	7,017.88	7,546.37	6,370.30	14,564.25	12,501.58	26,929.42
	<b>Total expenses</b>	<b>33,006.61</b>	<b>34,541.70</b>	<b>29,701.29</b>	<b>67,548.31</b>	<b>59,386.09</b>	<b>1,18,188.60</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>5,357.09</b>	<b>5,289.38</b>	<b>4,793.30</b>	<b>10,646.47</b>	<b>9,988.75</b>	<b>20,680.32</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-	-	-
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>5,357.09</b>	<b>5,289.38</b>	<b>4,793.30</b>	<b>10,646.47</b>	<b>9,988.75</b>	<b>20,680.32</b>
<b>6</b>	<b>Tax expense</b>						
	Current tax	1,729.42	1,680.44	1,578.22	3,409.86	3,347.28	6,362.95
	Deferred tax	64.04	58.18	(134.63)	122.22	(267.70)	34.70
<b>7</b>	<b>Net Profit after Tax (5-6)</b>	<b>3,563.63</b>	<b>3,550.76</b>	<b>3,349.71</b>	<b>7,114.39</b>	<b>6,909.17</b>	<b>14,282.67</b>
	Other Comprehensive income						
	(i) items that will not be reclassified to profit or loss	-	-	-	-	-	155.79
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(53.92)
<b>8</b>	<b>Other Comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.87</b>
<b>9</b>	<b>Total Comprehensive income for the period (7+8)</b>	<b>3,563.63</b>	<b>3,550.76</b>	<b>3,349.71</b>	<b>7,114.39</b>	<b>6,909.17</b>	<b>14,384.54</b>
<b>10</b>	<b>Paid-up equity Share Capital (Face Value of Re.1/- per share)</b>	<b>2,537.68</b>	<b>2,288.03</b>	<b>2,171.62</b>	<b>2,537.68</b>	<b>2,171.62</b>	<b>2,287.03</b>
<b>11</b>	<b>Earnings per Share (Face value Re. 1/- each) (not Annualised)</b>						
	(a) Basic (in Rs.)	1.55	1.55	1.54	3.10	3.18	6.53
	(b) Diluted (in Rs.)	1.55	1.55	1.52	3.09	3.12	6.49

- The above unaudited financial results for the quarter and half year ended September 30, 2017 have been reviewed by the Audit Committee on November 08, 2017 of the Board and approved by the Board of Directors at their meeting held on November 09, 2017.
- The Auditors of the Company have carried out Limited Review of the financial results for the quarter and half year ended September 30, 2017.
- The Company has adopted the option under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has continued the policy adopted for adjustment of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets 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 had opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.
  - During the quarter, foreign currency loss of Rs.45.23 lakhs (foreign currency gain of Rs.203.24 lakhs for the quarter ended September 30, 2016) was transferred to fixed assets.
- Post implementation of Goods and Service Tax ("GST") with effect from 1 July 2017, revenue from operations is disclosed net of GST. For the periods prior to July 01, 2017, the excise duty amount was recorded as part of revenue with a corresponding amount recorded in cost of revenue. Accordingly, revenue from operations for the quarter and half year ended September 30, 2017 are not comparable with those of the previous period presented.
- As per regulation 33 of the Listing Regulations, the Company has opted to publish only consolidated financial results. The standalone financial results are available for perusal at Company's website viz., [www.granulesindia.com](http://www.granulesindia.com) and websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- The Company operates only in the segment of Pharmaceuticals.
- During the quarter, the Company has allotted 2,10,000 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).
- In accordance with the provisions of Chapter VIII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the SEBI ICDR Regulations) and pursuant to the approval accorded by the shareholders in the Extra-Ordinary General Meeting held on June 12, 2017, the Company has raised a sum of Rs. 30,015.19 lakhs during the current quarter by allotment of 2,47,54,792 equity shares of Re.1/- each at a premium of Rs.120.25 per share through Qualified Institutions Placement.
- The Board of Directors at their meeting held on November 09, 2017 has declared second interim dividend of 25 paise per equity share of Re.1/- each.

## 10 Standalone Balance sheet

Rs in lakhs

SL.No.	Particulars	As at	As at
		September 30, 2017	March 31, 2017
		(Unaudited)	(Audited)
<b>A</b>	<b>Assets</b>		
	<b>Non-current assets</b>		
	Property, plant and equipment	56,842.50	53,057.37
	Capital work-in-progress	20,735.12	12,001.58
	Other Intangible assets	7,456.20	7,500.61
	Intangible assets under development	1,521.78	1,229.31
	<b>Financial assets</b>		
	Investments	7,511.58	7,511.50
	Loans	34,428.07	17,985.29
	Income tax assets(net)	-	466.78
	Other non-current assets	3,916.98	2,394.63
		<b>1,32,412.23</b>	<b>1,02,147.07</b>
	<b>Current assets</b>		
	Inventories	22,184.25	23,758.77
	<b>Financial assets</b>		
	Trade receivables	58,104.15	46,831.27
	Cash and cash equivalents	13,338.93	3,226.70
	Bank balances other than Cash and cash equivalents above	714.77	709.78
	Loans	137.95	139.21
	Others	3.35	25.13
	Other current assets	12,555.24	8,658.95
		<b>1,07,038.64</b>	<b>83,349.81</b>
	<b>Total Assets</b>	<b>2,39,450.87</b>	<b>1,85,496.88</b>
<b>B</b>	<b>Equity and Liabilities</b>		
	<b>Equity</b>		
	Equity share capital	2,537.68	2,287.03
	Other equity	1,21,106.22	86,148.58
	<b>Total equity</b>	<b>1,23,643.90</b>	<b>88,435.61</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	25,211.08	12,424.24
	Non-current provisions	926.68	724.95
	Deferred tax liabilities (net)	6,524.91	6,402.69
		<b>32,662.67</b>	<b>19,551.88</b>
	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	51,093.31	47,383.30
	Trade payables	22,757.48	20,989.67
	Other financial liabilities	6,573.21	8,042.20
	Other current liabilities	853.47	933.78
	Current tax liabilities (net)	1,017.31	-
	Short term provisions	849.52	160.44
		<b>83,144.30</b>	<b>77,509.39</b>
	<b>Total Equity and Liabilities</b>	<b>2,39,450.87</b>	<b>1,85,496.88</b>

for and on behalf of the Board

 Place : Hyderabad  
 Date : November 09, 2017

 Krishna Prasad Chigurupati  
 Chairman and Managing Director