

Press Release

Granules India's Net Profit grew by 49% to INR 60 Cr.

Hyderabad, October 29, 2018: Granules India Ltd., a growing pharmaceutical manufacturing company, announced today its financial results for the second quarter ended 30th September 2018.

CONSOLIDATED FINANCIALS	Q2 FY'19	Y-o-Y Growth
TOTAL INCOME	INR 585 Crs.	46%
EBITDA	INR 105 Crs.	25%
PAT	INR 60 Crs.	49%

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

The Board has appointed Mr. Arun Sawhney as an Additional Director, categorized as Independent. A brief profile of Mr. Sawhney is enclosed in the press release.

"We are pleased with the strong Revenue growth reported in this quarter combined with a significant increase in our Profit over the corresponding quarter of the previous year which reflects our relentless execution and operational excellence. The growth is attributed to increased sales from API and formulation business. The adverse impact on our gross margin owing to the spike in raw material prices continues, but we have been able to successfully pass on the incremental cost to our customers, though with a small lag. We hope to maintain this momentum of growth and fiscal prudence in subsequent quarters.

In addition, this quarter was very special for Granules in terms of achieving a key milestone. We have successfully launched the generic version of Methocarbamol and Metformin XR in the United States under our own label without any marketing partner. We would like to inform you that we have recently concluded US FDA audit at our Virginia facility with two observations. This was a five-day 'prior approval inspection' which is an integral part of the ANDA approval process for the products filed by GPI", said Mr. Krishna Prasad Chigurupati, Chairman & Managing Director, Granules India Limited.



Brief profile of Mr. Arun Sawhney

Mr. Arun Sawhney holds Bachelor Degree in commerce from the University of Mumbai and Post Graduate Diploma in Management from IMI. Mr. Sawhney has almost four decades of experience in diverse industries including Software, Rubber, Chemicals, Generic & OTC Pharmaceuticals, where he established new norms of business as well as repeatedly challenged the status quo.

In the last position as CEO and Managing Director of Ranbaxy Laboratories Limited, Mr. Sawhney successfully led one of the largest mergers in Indian Corporate history. In the past he was also associated with Max-Gb Limited and Dr. Reddy's Laboratories Ltd in various capacities.

Mr. Sawhney was also a founder member of Indian Pharmaceutical Export Promotion Council (Pharmexcil) and was Chairman of Pharmaceutical Committee of the Confederation of Indian Industries (CII) during the period 2012-2014.

Mr. Sawhney is currently engaged with leading companies in India and Europe on coaching their Senior Executives. He is also a visiting faculty at IIM-Lucknow for subjects of Leadership Behaviour.



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. The Company has 8 manufacturing facilities out of which 6 are located in India, 1 in China and 1 in USA and has regulatory approvals from US FDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, K FDA, DEA, MCC and HALAL.

Contacts:

Sumanta Bajpayee
Corporate Finance & Investor Relations
040-30663572
sumanta.bajpayee@granulesindia.com

Chaitanya Tummala
Company Secretary
040-30663614
chaitanya.tummala@granulesindia.com

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Granules India Ltd., its directors and any of the affiliates or employee is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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 half-year ended September 30, 2018

Sl No.	Particulars	Quarter ended			Half-year ended		Year ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Income						
1	Revenue from operations (Refer note 6)	58,086.68	45,323.70	39,255.97	1,03,410.38	77,729.70	1,69,184.83
2	Other income	418.14	1,474.30	683.24	1,892.44	815.72	1,084.27
3	Total income (1+2)	58,504.82	46,798.00	39,939.21	1,05,302.82	78,545.42	1,70,269.10
	Expenses						
	(a) Cost of materials consumed	34,261.66	30,105.37	21,789.19	64,367.03	41,014.57	90,290.48
	(b) Changes in inventories of work in progress and finished goods	(2,490.24)	(5,391.48)	(2,019.80)	(7,881.72)	(3,248.29)	(658.34)
	(c) Excise duty on sales	-	-	-	-	722.60	722.60
	(d) Employee benefits expense	5,459.83	5,025.47	4,225.31	10,485.30	8,129.62	16,521.21
	(e) Finance costs	759.90	654.07	1,041.00	1,413.96	1,861.84	3,305.98
	(f) Depreciation/amortisation expense	2,652.78	2,452.82	1,859.36	5,105.60	3,619.59	7,620.20
	(g) Other expenses	10,802.39	8,324.51	7,570.19	19,126.90	15,820.23	34,466.81
	Total expenses	51,446.32	41,170.76	34,465.25	92,617.07	67,920.16	1,52,268.94
5	Profit before share of profit from joint venture & associate, exceptional items and tax (3-4)	7,058.50	5,627.24	5,473.96	12,685.75	10,625.26	18,000.16
6	Share of Profit of joint venture and associate, net of tax	1,302.83	1,463.23	486.02	2,766.05	788.44	1,598.81
7	Profit before exceptional items and tax (5+6)	8,361.33	7,090.47	5,959.98	15,451.80	11,413.70	19,598.97
8	Exceptional items	-	-	-	-	-	-
9	Profit before tax (7-8)	8,361.33	7,090.47	5,959.98	15,451.80	11,413.70	19,598.97
10	Tax expense						
	a) Current tax	2,257.63	2,141.46	1,908.65	4,399.09	3,637.48	6,593.71
	b) Deferred tax	77.64	(230.55)	17.68	(152.91)	62.41	(253.86)
	Total tax expense	2,335.27	1,910.91	1,926.33	4,246.18	3,699.89	6,339.85
11	Profit for the period (9-10)	6,026.06	5,179.56	4,033.65	11,205.62	7,713.81	13,259.12
12	Other Comprehensive income (net of tax)						
	(a) (i) items that will not be reclassified to profit or loss	-	-	-	-	-	184.39
	(ii) income tax on (i) above	-	-	-	-	-	(62.74)
	(b) (i) items that will be reclassified to profit or loss	(91.96)	447.96	(79.81)	355.99	(74.45)	(741.14)
	(ii) income tax on (i) above	1,042.76	(165.62)	-	877.14	-	722.98
	Total Other Comprehensive income, net of tax	950.80	282.34	(79.81)	1,233.13	(74.45)	103.49
13	Total Comprehensive income for the period (11+12)	6,976.86	5,461.90	3,953.84	12,438.75	7,639.36	13,362.61
14	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,541.73	2,540.93	2,537.68	2,541.73	2,537.68	2,538.38
15	Other equity						1,27,879.21
16	Earnings per Share (Face value Re. 1/- each) (not Annualised)						
	(a) Basic (in Rs.)	2.37	2.04	1.76	4.41	3.36	5.49
	(b) Diluted (in Rs.)	2.36	2.03	1.75	4.40	3.35	5.47

Statement of Assets and Liabilities :		Rs in lakhs	
		As at September 30, Un-Audited	As at March 31, 2018 Audited
I	ASSETS		
	Non-current assets		
	a) Property, plant and equipment	70,610.13	70,079.04
	b) Capital work-in-progress	35,190.62	29,007.22
	c) Other Intangible assets	20,308.65	7,593.92
	d) Intangible assets under development	14,476.01	22,444.39
	e) Financial assets		
	i) Investments	19,331.55	15,655.87
	ii) Loans	1,055.59	1,300.88
	f) Deferred tax assets	655.87	695.12
	g) Current tax assets (net)	51.00	45.72
	h) Other non-current assets	3,738.70	2,243.94
	Total non-current assets	1,65,418.12	1,49,066.10
	Current assets		
	a) Inventories	38,887.47	27,994.56
	b) Financial assets		
	i) Trade receivables	67,644.85	61,707.73
	ii) Cash and cash equivalents	11,192.17	10,803.28
	iii) Bank balances other than Cash and cash equivalents above	781.54	760.34
	iv) Loans	90.94	34.67
	v) Other financial assets	83.09	143.06
	c) Other current assets	10,915.18	13,879.24
	Total current assets	1,29,595.24	1,15,322.88
	TOTAL ASSETS	2,95,013.36	2,64,388.98
II	EQUITY AND LIABILITIES		
	Equity		
	a) Equity share capital	2,541.73	2,538.38
	b) Other equity	1,38,961.73	1,27,879.21
	Total equity	1,41,503.46	1,30,417.59
	Liabilities		
	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	57,118.16	43,313.02
	ii) Other financial liabilities	208.42	-
	b) Provisions	1,086.86	770.05
	c) Deferred tax liabilities (net)	4,292.55	5,430.88
	Total non-current liabilities	62,705.99	49,513.95
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	52,664.39	52,509.95
	ii) Trade payables	29,875.28	25,218.47
	iii) Other financial liabilities	5,724.06	5,000.06
	b) Other current liabilities	1,557.34	866.64
	c) Provisions	267.13	267.13
	d) Current tax liabilities (net)	715.71	595.19
	Total current liabilities	90,803.91	84,457.44
	Total liabilities	1,53,509.90	1,33,971.39
	TOTAL EQUITY AND LIABILITIES	2,95,013.36	2,64,388.98

- 1 The above unaudited financial results for the quarter and half-year ended September 30, 2018 have been reviewed by the Audit Committee of the Board on October 29, 2018 and approved by the Board of Directors at their meeting held on October 29, 2018.
- 2 The consolidated unaudited financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- 3 The Auditors of the Company have carried out Limited Review of the financial results for the quarter and half-year ended September 30, 2018.
- 4 The subsidiaries, joint venture and associate companies considered for the consolidated financial statements as on September 30, 2018 are Granules USA Inc., Granules Pharmaceuticals Inc., Granules Europe Limited (together known as "Subsidiaries") and Hubei Granules Biocause Pharmaceutical Co. Ltd.(known as "associate") and Granules Omnicem Pvt Ltd (known as "joint venture").
- 5 Ind AS 115 "Revenue from Contract with Customers" is mandatory for reporting periods beginning on or after April 1, 2018 and replaces the existing revenue recognition requirements. Based on management assessment, the adoption of the standard did not have any material impact to the financial results of the company.
- 6 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 as expense. Accordingly, revenue from operations for the half-year ended September 30, 2018 are not comparable with those of the previous period presented. Following additional information is being provided to facilitate such comparison :

Particulars	Quarter ended			Half-year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
i) Revenue from Operations	58,086.68	45,323.70	39,255.97	1,03,410.38	77,729.70	1,69,184.83
ii) Excise duty	-	-	-	-	722.60	722.60
iii) Revenue from Operations (i-ii)	58,086.68	45,323.70	39,255.97	1,03,410.38	77,007.10	1,68,462.23

- 7 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 and websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 8 The Company operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- 9 During the quarter, the Company has allotted 80,000 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).
- 10 The Board of Directors at their meeting held on October 29, 2018 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. 1,302.83 lakhs for quarter ended September 30, 2018 and half-year ended Rs. 2,766.06 lakhs from joint venture in which the Company is Co-venturer and an associate. These financial results are based on the management certified financial information of the joint venture and an associate. As the joint venture and an associate 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 venture and an associate.
- 12 Standalone Results for the quarter ended are as under -

Particulars	Rs in lakhs					
	Quarter ended			Half-year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
Revenue from Operations	51,594.32	44,033.91	37,352.75	95,628.23	76,788.96	1,65,386.92
Profit Before Tax	6,161.60	5,927.09	5,357.09	12,088.69	10,646.47	20,845.29
Profit After Tax	4,082.04	3,956.92	3,563.63	8,038.96	7,114.39	13,916.19

for and on behalf of the Board

Place : Hyderabad
Date : October 29, 2018

Krishna Prasad Chigurupati
Chairman and Managing Director

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 half-year ended September 30, 2018

Sl No.	Particulars	Quarter ended			Half-year ended		Year ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Income						
1	Revenue from operations (Refer note 5)	51,594.32	44,033.91	37,352.75	95,628.23	76,788.96	1,65,386.92
2	Other income	345.74	1,801.81	1,010.95	2,147.55	1,405.82	2,377.13
3	Total income (1+2)	51,940.06	45,835.72	38,363.70	97,775.78	78,194.78	1,67,764.05
4	Expenses						
	(a) Cost of materials consumed	33,706.37	29,440.73	20,510.60	63,147.10	39,540.62	89,020.17
	goods	(3,675.05)	(4,098.09)	(1,156.58)	(7,773.14)	85.40	1,289.37
	(c) Excise duty on sales	-	-	-	-	722.60	722.60
	(d) Employee benefits expense	4,140.64	4,144.79	3,743.39	8,285.43	7,173.48	14,792.40
	(e) Finance costs	759.14	652.35	1,039.86	1,411.49	1,858.09	3,292.70
	(f) Depreciation/ amortisation expense	2,264.72	2,187.09	1,851.46	4,451.81	3,603.87	7,591.64
	(g) Other expenses	8,582.64	7,581.76	7,017.88	16,164.40	14,564.25	30,209.88
	Total expenses	45,778.46	39,908.63	33,006.61	85,687.09	67,548.31	1,46,918.76
5	Profit before exceptional items and tax (3-4)	6,161.60	5,927.09	5,357.09	12,088.69	10,646.47	20,845.29
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	6,161.60	5,927.09	5,357.09	12,088.69	10,646.47	20,845.29
8	Tax expense						
	a) Current tax	2,257.63	2,141.46	1,729.42	4,399.09	3,409.86	6,389.75
	b) Deferred tax	(178.07)	(171.29)	64.04	(349.36)	122.22	539.35
	Total tax expense	2,079.56	1,970.17	1,793.46	4,049.73	3,532.08	6,929.10
9	Profit for the period (7-8)	4,082.04	3,956.92	3,563.63	8,038.96	7,114.39	13,916.19
10	Other Comprehensive income (net of tax)						
	(a) (i) items that will not be reclassified to profit or loss	-	-	-	-	-	181.30
	(ii) income tax on (i) above	-	-	-	-	-	(62.74)
	(b) (i) items that will be reclassified to profit or loss	(2,984.09)	473.96	-	(2,510.13)	-	(2,068.98)
	(ii) income tax on (i) above	1,042.76	(165.62)	-	877.14	-	722.98
	Total Other Comprehensive income, net of tax	(1,941.33)	308.34	-	(1,632.99)	-	(1,227.44)
11	Total Comprehensive income for the period (9+10)	2,140.71	4,265.26	3,563.63	6,405.97	7,114.39	12,688.75
12	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,541.73	2,540.93	2,537.68	2,541.73	2,537.68	2,538.38
13	Other equity						1,25,281.43
14	Earnings per Share (Face value Re. 1/- each) (not Annualised)						
	(a) Basic (in Rs.)	1.61	1.56	1.55	3.17	3.10	5.76
	(b) Diluted (in Rs.)	1.60	1.55	1.55	3.16	3.09	5.74

Statement of Assets and Liabilities :		Rs in lakhs	
Sl. No.	Particulars	As at	As at
		September 30, 2018	March 31, 2018
		Un-Audited	Audited
I	ASSETS		
	Non-current assets		
	a) Property, plant and equipment	58,309.45	58,854.11
	b) Capital work-in-progress	33,064.12	27,103.91
	c) Other Intangible assets	6,893.98	7,161.36
	d) Intangible assets under development	1,839.54	1,498.71
	e) Financial assets		
	i) Investments	50,646.30	7,511.58
	ii) Loans	5,700.90	41,873.88
	f) Other non-current assets	2,698.86	2,026.25
	Total non-current assets	1,59,153.15	1,46,029.80
	Current assets		
	a) Inventories	33,280.79	22,735.65
	b) Financial assets		
	i) Trade receivables	70,157.52	68,173.67
	ii) Cash and cash equivalents	8,821.70	8,980.94
	iii) Bank balances other than Cash and cash equivalents above	781.54	760.34
	iv) Loans	77.32	20.36
	v) Other financial assets	33.50	36.55
	c) Other current assets	10,501.93	13,808.73
	Total current assets	1,23,654.30	1,14,516.24
	TOTAL ASSETS	2,82,807.45	2,60,546.04
II	EQUITY AND LIABILITIES		
	Equity		
	a) Equity share capital	2,541.73	2,538.38
	b) Other equity	1,30,331.19	1,25,281.43
	Total equity	1,32,872.92	1,27,819.81
	Liabilities		
	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	57,118.16	43,313.02
	b) Provisions	1,086.86	770.05
	c) Deferred tax liabilities (net)	5,055.29	6,281.80
	Total non-current liabilities	63,260.31	50,364.87
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	52,664.39	52,509.95
	ii) Trade payables	27,000.20	23,837.87
	iii) Other financial liabilities	5,290.84	4,583.84
	b) Other current liabilities	645.27	588.75
	c) Provisions	267.13	267.13
	d) Current tax liabilities (net)	806.39	573.82
	Total current liabilities	86,674.22	82,361.36
	Total liabilities	1,49,934.53	1,32,726.23
	TOTAL EQUITY AND LIABILITIES	2,82,807.45	2,60,546.04

- The above unaudited financial results for the quarter and half year ended September 30, 2018 have been reviewed by the Audit Committee of the Board on October 29, 2018 and approved by the Board of Directors at their meeting held on October 29, 2018.
- The standalone unaudited financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- The Auditors of the Company have carried out Limited Review of the financial results for the quarter and half year ended September 30, 2018.
- Ind AS 115 "Revenue from Contract with Customers" is mandatory for reporting periods beginning on or after April 1, 2018 and replaces the existing revenue recognition requirements. Based on management assessment, the adoption of the standard did not have any material impact to the financial results of the company.
- Post implementation of Goods and Service Tax ("GST") with effect from July 01, 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 as expense. Accordingly, revenue from operations for the half year ended September 30, 2018 are not comparable with those of the previous period presented. Following additional information is being provided to facilitate such comparison :

Particulars	Quarter ended			Half-year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
i) Revenue from Operations	51,594.32	44,033.91	37,352.75	95,628.23	76,788.96	1,65,386.92
ii) Excise duty	-	-	-	-	722.60	722.60
iii) Revenue from Operations (i-ii)	51,594.32	44,033.91	37,352.75	95,628.23	76,066.36	1,64,664.32

- 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 and websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- The Company operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- During the quarter, the Company has allotted 80,000 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).
- During the quarter ended September 30, 2018, the Company, based on the approval of the Board, has partially converted the loan given to Granules Pharmaceutical Inc. (Wholly-owned subsidiary) into equity shares, to the extent of Rs 43,134.72 lakhs, regulatory reporting in respect of which is initiated.
- The Board of Directors at their meeting held on October 29, 2018 has declared second interim dividend of 25 paise per equity share of Re.1/- each.

for and on behalf of the Board

Place : Hyderabad
Date : October 29, 2018

Krishna Prasad Chigurupati
Chairman and Managing Director