

Press Release

Granules India's Q2FY20 Adjusted Net Profit up 103%

Hyderabad, 22nd Oct 2019: Granules India Ltd., a growing pharmaceutical manufacturing company, announced its result for second quarter of financial year 2020 today.

CONSOLIDATED FINANCIALS	Q2FY'20	Q2FY'19	Growth (Y-o-Y)
Income from Operations	INR 700 Crs.	INR 581 Crs.	20.4%
Operating Profit	INR 144 Crs.	INR 101 Crs.	42.8%
Operating Profit Margin	20.5%	17.3%	322bps
Net Profit	INR 96 Crs.	INR 60 Crs.	59.0%
Net Profit Margin	13.7%	10.4%	332bps
Share of Profit of JVs	NA	INR 13 Crs.	
Net Profit excluding JV profit	INR 96 Crs.	INR 47 Crs.	102.8%

STANDALONE FINANCIALS	Q2FY'20	Q2FY'19	Growth (Y-o-Y)
Income from Operations	INR 639 Crs.	INR 516 Crs.	23.8%
Operating Profit	INR 140 Crs.	INR 88 Crs.	58.7%
Operating Profit Margin	22.0%	17.1%	483bps
Net Profit	INR 94 Crs.	INR 41 Crs.	131.1%
Net Profit Margin	14.8%	7.9%	685bps

The Company's Board of Directors have recommended a second interim dividend of 25 paise per share of face value of Re. 1 each.

The Board has approved the divestment of the company's stake in Granules Omnichem Private Limited, a Joint Venture Company located in India and an approval to divestment of its stake in Granules Biocause Pharmaceutical Co. Limited, a Joint Venture Company located in China. Both the actions will allow us to focus on our core strengths while allowing us to enhance our free cash flow and reduce net debt.



*"I am happy to share with you that our growth momentum has continued in the second quarter and we reported an adjusted **profit growth of 103% over the corresponding quarter of the previous year**. This is the result of operational excellence and a vigilant watch over our margins via optimal product mix, capacity utilization and minimization of our expenses. Our unwavering focus on the **regulated market at a contribution of 73% (North America and Europe)** and a shift towards **PFIs and FDs at 69% of the total revenue** has enabled us to achieve this growth during the quarter. **During the quarter, we have filed 2 ANDAs and received approval for 1 ANDA by the USFDA**. We have also **filed two dossiers in Europe and the UK** to expand our global presence of our core molecules and to reduce our concentration risk. We are well on track to fulfil our commitment of higher return on investments and improve the leverage position of our Company. With improved cash flow our net debt position is now at a comfortable level of 1.6x of EBITDA." said Mr. Krishna Prasad Chigurupati, Chairman & Managing Director of Granules India Limited.*

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 6 manufacturing facilities out of which 5 are located in India 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
Head - Corporate Finance, Treasury & Investor Relations
040-30663572
sumanta.bajpayee@granulesindia.com

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

Ms. Priyanka Chigurupati
pchigurupati@granulesindia.com

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