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Granules India to invest \$20 m in US subsidiary

Profit rises 34% in third quarter

OUR BUREAU

Hyderabad, January 29

Granules India has announced its move to invest \$20 million in its wholly-owned subsidiary Granules Pharmaceuticals Inc.

The board, which met on Saturday, while approving the company third quarter results, informed the BSE about its move to invest in its US subsidiary.

The Hyderabad-based pharmaceutical company registered a net profit of ₹39 crore during the third quarter ended December 31, 2016, a growth of 34 per cent over ₹29 crore it logged during the corresponding quarter last fiscal. The company registered third quarter revenue of ₹359 crore, an increase of 11 per cent against ₹325 crore during same period last fiscal.

The company stated that its operating margin improved by 189 basis point to 22.4 per cent from 20.5 per cent in Q3FY16. On standalone basis, it logged ₹337 crore sales during the quarter and posted a profit of ₹35 crore.

The board approved third interim dividend of 25 paise per share of face value ₹1 each for the

financial year 2016-17. During the quarter, the company had two inspections at its Gagillapur facility by the US FDA and INFARMED and one in joint venture facility at Vizag from the US FDA. The Gagillapur facility completed the US FDA inspection with no observations.

“For the observations issued by INFARMED for Gagillapur and the US FDA for Vizag, we have submitted our response to the respective regulatory authorities within the 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 Krishna Prasad Chigurupati, Chairman and Managing Director.