

Press Release

Granules India's Revenue increases 4% to Rs. 1,435 Cr.; Net Profit surges 34% to Rs. 165 Cr.

Hyderabad, May 11, 2017: Granules India Ltd., a growing pharmaceutical manufacturing company, announced today results for its fourth quarter and financial year ended 31st March, 2017.

Financial Highlights of FY17 (Consolidated):-

- **Revenue: Rs. 1,435 Cr.**, an increase of **4%** compared to **Rs.1,383 Cr.** in FY16
- **EBITDA: Rs. 309 Cr.**, an increase of **10%** compared to **Rs. 282 Cr.** in FY16
- **Operating Margin** improved by **116** basis points from FY16
- **Net Profit: Rs.165 Cr.**, an increase of **34%** compared to **Rs. 123Cr.** in FY16
- **Net Profit Margin** improved by **257** basis points from FY16

Quarterly Financial Highlights (Consolidated):-

	<u>Q4 FY17</u>	<u>Q4 FY16</u>
➤ Revenue:	Rs. 362 Cr.	Rs. 376 Cr.
➤ EBITDA:	Rs. 79 Cr.	Rs. 80 Cr.
➤ Net Profit:	Rs. 46 Cr.	Rs. 33 Cr.

The Company's standalone Revenue for the year was **Rs. 1,374 Cr.**, an increase of **2%** from previous year. EBITDA and PAT increased by **12%** and **18%** to **Rs. 310 Cr.** and **Rs. 143 Cr.** compared to last year.

The Company's Board of Directors has proposed a final dividend of 25 paise /share of face value of Rs. 1 each.

“It was an eventful year, where we made several strides to strengthen our Core Business as well as progressed further with our Emerging Business initiatives. The work on API expansion at Bonthapally and PFI expansions at Gagillapur are on schedule and will contribute positively to our top line in the current financial year. We also initiated the construction of state of the art green field facility in Vizag, India for venturing into Oncology and Speciality business. Granules Ominchem JV completed first full year of operations with a net profit of Rs. 24.9 Crs. Granules Ominchem JV completed US FDA inspection for the facility and EIR is awaited. During the year we filed three ANDAs from Gagillapur facility, India and one from Virginia facility, USA. Post approvals we expect this will boost our product offerings both on OTC and Rx space. We are driving towards the future with confidence, passion and commitment to emerge stronger and better in the coming year” said Mr. Krishna Prasad Chigurupati, Chairman & Managing Director, Granules India Limited.

**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 60 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.

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.

Caution Statement:

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

Contacts:

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 Regd Office : 2nd Floor, 3rd Block, My Home Hub
 Madhapur, Hyderabad 500 081
 CIN:L24110TG1991PLC012471

Rs in lakhs						
Statement of Consolidated Audited Results for the quarter and year ended March 31, 2017						
Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		Audited	Un-Audited	Audited	Audited	Audited
	Revenue from operations (gross)	36,217.36	35,947.33	37,579.35	1,43,525.34	1,38,293.02
	Other income	118.04	190.20	149.38	992.53	523.89
1	Total income	36,335.40	36,137.53	37,728.73	1,44,517.87	1,38,816.91
2	Expenses					
	(a) Cost of materials consumed	15,672.30	18,306.03	19,423.77	67,996.46	76,195.80
	(b) (Increase)/Decrease in work in progress and finished goods	(54.60)	(1,680.68)	370.26	(33.28)	(3,692.95)
	(c) Excise duty on sales	692.02	686.56	503.06	2,468.81	2,575.51
	(d) Employee benefits expense	3,620.90	3,610.24	3,081.01	14,018.97	11,757.40
	(e) Other expenses	8,551.09	7,155.02	6,304.86	29,190.58	23,830.73
	(f) Depreciation/ amortisation expense	1,799.95	1,870.04	1,541.36	7,151.27	5,840.15
	(g) Finance costs	766.13	836.31	893.62	3,225.63	3,706.79
	Total expenses	31,047.79	30,783.52	32,117.94	1,24,018.44	1,20,213.43
3	Profit before exceptional items and tax (1-2)	5,287.61	5,354.01	5,610.79	20,499.43	18,603.48
4	Exceptional items	-	-	-	-	-
5	Profit before tax (3-4)	5,287.61	5,354.01	5,610.79	20,499.43	18,603.48
6	Tax expense					
	Current tax	1,336.11	1,768.47	1,413.50	6,607.20	5,252.02
	Deferred tax charge	323.00	(5.57)	644.13	(87.07)	862.95
7	Net Profit after Tax (5-6)	3,628.50	3,591.11	3,553.16	13,979.30	12,488.51
8	Share in Profit/(Loss) of Joint Ventures	938.87	314.99	(254.56)	2,472.61	(188.45)
9	Net Profit for the period (7+8)	4,567.37	3,906.10	3,298.60	16,451.91	12,300.06
	Other Comprehensive income					
	(i) items that will not be reclassified to profit or loss	155.79	-	28.27	155.79	28.27
	(ii) income tax relating to items that will not be reclassified to profit or loss	(53.92)	-	(9.78)	(53.92)	(9.78)
	(iii) items that will be reclassified to profit or loss	(79.05)	37.72	92.72	45.05	(268.32)
10	Other Comprehensive income, net of tax	22.82	37.72	111.21	146.92	(249.83)
11	Total Comprehensive income for the period (9+10)	4,590.19	3,943.82	3,409.81	16,598.83	12,050.23
12	Paid-up equity Share Capital (Face Value of Re.1/- per share)				2,287.03	2,167.12
13	Earnings per Share (Face value Re. 1/- each) (not Annualised)					
	(a) Basic (in Rs.)	2.09	1.79	1.60	7.52	5.95
	(b) Diluted (in Rs)	2.08	1.77	1.56	7.48	5.83

- 1 The company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles stated there in, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. The date of transition to Ind AS is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative periods have been restated accordingly.
- 2 The Ind AS compliant Consolidated Financial Results for the corresponding quarter ended and year ended March 31, 2016 have been stated in terms of SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 3 Reconciliation of net profit for the corresponding quarter and year ended March 31, 2016 between previous Indian GAAP and Ind AS is as under:

Nature of Adjustments	Rs. In lakhs	
	Quarter ended Mar 31, 2016	Year ended Mar 31, 2016
Profit as per erstwhile Indian GAAP	3,318.57	11,846.76
Difference in measurement of employee share based payments	(19.84)	(79.33)
Unamortised expense adjusted against opening retained earnings	30.18	121.93
Exchange differences on translation of foreign operations recognised in Other Comprehensive Income.	10.76	371.74
Re-measurement gains / (losses) on employee defined benefit plans recognised in Other Comprehensive Income.	(18.49)	(18.49)
JV's share of profit on transition to Ind AS	121.87	121.87
Deferred tax adjustments	(144.44)	(64.42)
Net Profit Under Ind AS	3,298.61	12,300.06
Other Comprehensive income, net of tax	111.20	(249.83)
Total Comprehensive Income	3,409.81	12,050.23

- 4 The above audited financial results for the quarter and year ended March 31, 2017 have been reviewed by the Audit Committee on May 10, 2017 of the Board and approved by the Board of Directors at its meeting held on May 11, 2017.
- 5 The subsidiaries and Joint Venture companies considered for the consolidated financial statements as on March 31, 2017 are Granules USA Inc., Granules Pharmaceuticals Inc.,(Subsidiaries) and Granules Biocause Pharmaceutical Co., Ltd., Granules Omnicem Pvt Ltd (50% Joint Venture Companies).
- 6 The company has adopted the option under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has continued the policy adopted for accounting of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets are adjusted 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 has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.
- During the year, foreign currency loss of Rs.307.37 lakhs (foreign currency loss of Rs.782.70 lakhs for the year ended March 31, 2016) was transferred to fixed assets.
- 7 As per regulation 33 of the Listing Regulations, the Company has opted to publish only consolidated financial results. The stand-alone 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 only in the segment of Pharmaceuticals.
- 9 During the quarter, the Company has allotted 74,83,546 equity shares of Re.1/- each, fully paid up against conversion of warrants to Tyche Technologies private limited.
- 10 Funds received against issue of share warrants are being utilised for capital expenditure, working capital requirements and for investment in subsidiary Companies.
- 11 The Board of Directors at their meeting held on May 11, 2017 have recommended a final dividend of 25 paise per equity share of Re.1/- each in addition to interim dividend of 65 paise per equity share of Re.1/- each paid during the year.
- 12 Standalone Results as on March 31, 2017 are as under -

Particulars	Rs in lakhs				
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
	Audited	Un-Audited	Audited	Audited	Audited
Revenue from Operations (Inclusive of Excise Duty)	35,177.08	33,737.59	35,759.91	1,37,416.90	1,35,349.02
Profit Before Tax	5,484.39	5,207.16	5,170.23	20,680.33	18,095.86
Profit After Tax	3,844.80	3,528.68	3,321.82	14,282.68	12,078.35

- 13 Previous periods figures have been regrouped/reclassified wherever necessary.

for and on behalf of the Board

Place : Hyderabad
Date : May 11, 2017

Krishna Prasad Chigurupati
Chairman and Managing Director



Granules India Limited
Consolidated Statement of Assets and Liabilities

Rs in lakhs

Sr.No.		March 31, 2017	March 31, 2016	April 01, 2015
A	ASSETS			
	Non-current assets			
	Property, plant and equipment	56,872.54	47,708.34	43,898.95
	Capital work-in-progress	26,053.24	7,655.53	3,130.76
	Intangible assets	7,561.30	8,285.45	8,689.29
	Financial assets			
	Investments	10,822.94	7,010.76	6,684.22
	Others	745.28	594.41	665.06
	Income tax assets (net)	237.46	891.38	1,389.73
	Other non-current assets	1,843.87	2,351.20	147.76
		1,04,136.63	74,497.07	64,605.77
	Current assets			
	Inventories	27,607.34	25,371.81	20,867.82
	Financial assets			
	Trade receivables	41,770.02	37,534.58	35,724.75
	Cash and cash equivalents	4,979.93	13,028.97	5,484.53
	Loans	158.82	73.56	30.33
	Others	247.46	321.83	41.86
	Other current assets	8,742.34	5,469.40	4,463.17
		83,505.91	81,800.15	66,612.46
	Total Assets	1,87,642.54	1,56,297.22	1,31,218.23
B	Equity and Liabilities			
	Equity			
	Equity share capital	2,287.03	2,167.12	2,042.52
	Other equity	88,072.51	63,992.88	41,036.32
	Total equity	90,359.54	66,160.00	43,078.84
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	Borrowings	12,424.23	18,421.27	24,267.41
	Net employee defined benefit liability	724.95	557.99	426.74
	Deferred tax liabilities (net)	5,649.86	5,683.01	4,810.28
		18,799.04	24,662.27	29,504.43
	Current liabilities			
	Financial liabilities			
	Borrowings	47,383.30	39,285.42	33,137.40
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	334.83	247.51	242.18
	Total outstanding dues of creditors other than micro enterprises and small enterprises	21,262.73	17,862.35	18,061.85
	Other financial liabilities	8,345.34	7,277.21	5,894.58
	Other current liabilities	997.32	644.00	1,183.19
	Net employee defined benefit liability	160.44	158.46	115.76
		78,483.96	65,474.95	58,634.96
	Total Equity and Liabilities	1,87,642.54	1,56,297.22	1,31,218.23

Note:

- 1 The reconciliation of Equity as previously reported (referred to as 'Indian GAAP') and as per Ind AS is as per the table below:

Particulars	31.03.2016	01.04.2015
Equity as per previous Indian GAAP	66,603.87	43,116.35
Add/(Less):		
Proposed dividend and tax thereon	521.66	1,229.16
VRS	(68.09)	(190.03)
Deferred Tax on adjustments	1.41	56.05
Fair valuation of investments	43.92	43.92
Foreign Currency Translation Reserve	(1,139.92)	(1,139.92)
Exchange difference on translation of foreign operations	106.25	2.05
JV's share of profit on transition to Ind AS	121.87	-
Others	(30.97)	(38.74)
Equity as per Ind AS	66,160.00	43,078.84

for and on behalf of the Board

Place : Hyderabad
Date : May 11, 2017

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 Audited Results for the quarter and year ended March 31, 2017						
Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		Audited	Un-Audited	Audited	Audited	Audited
	Revenue from operations (gross)	35,177.08	33,737.59	35,759.91	1,37,416.90	1,35,349.02
	Other income	256.02	330.87	199.26	1,452.02	628.70
1	Total income	35,433.10	34,068.46	35,959.17	1,38,868.92	1,35,977.72
2	Expenses					
	(a) Cost of materials consumed	15,934.95	17,637.40	18,781.05	67,077.83	75,145.14
	(b) (Increase)/Decrease in work in progress and finished goods	(291.34)	(2,044.99)	341.52	(1,220.03)	(2,180.21)
	(c) Excise duty on sales	692.02	686.56	503.06	2,468.81	2,575.51
	(d) Employee benefits expense	3,222.50	3,278.38	2,758.50	12,581.00	10,634.31
	(e) Other expenses	7,830.52	6,604.82	5,973.96	26,929.41	22,177.83
	(f) Depreciation/amortisation expense	1,795.65	1,866.02	1,537.40	7,135.16	5,824.71
	(g) Finance costs	764.41	833.11	893.45	3,216.41	3,704.57
	Total expenses	29,948.71	28,861.30	30,788.94	1,18,188.59	1,17,881.86
3	Profit before exceptional items and tax (1-2)	5,484.39	5,207.16	5,170.23	20,680.33	18,095.86
4	Exceptional items	-	-	-	-	-
5	Profit before tax (3-4)	5,484.39	5,207.16	5,170.23	20,680.33	18,095.86
6	Tax expense					
	Current tax	1,295.61	1,720.06	1,358.77	6,362.95	5,197.28
	Deferred tax charge	343.98	(41.58)	489.64	34.70	820.23
7	Net Profit after Tax (5-6)	3,844.80	3,528.68	3,321.82	14,282.68	12,078.35
	Other Comprehensive income					
	(i) items that will not be reclassified to profit or loss	155.79	-	28.27	155.79	28.27
	(ii) income tax relating to items that will not be reclassified to profit or loss	(53.92)	-	(9.78)	(53.92)	(9.78)
8	Other Comprehensive income, net of tax	101.87	-	18.49	101.87	18.49
9	Total Comprehensive income for the period (7+8)	3,946.67	3,528.68	3,340.31	14,384.55	12,096.84
10	Paid-up equity Share Capital (Face Value of Re.1/- per share)				2,287.03	2,167.12
11	Earnings per Share (Face value Re. 1/- each) (not Annualised)					
	(a) Basic (in Rs.)	1.76	1.62	1.61	6.53	5.84
	(b) Diluted (in Rs.)	1.75	1.60	1.58	6.49	5.73

- 1 The company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles stated there in, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. The date of transition to Ind AS is April 01, 2015. The impact of transition has been accounted for in opening reserves and the comparative periods have been restated accordingly.
- 2 The Ind AS compliant Standalone Financial Results for the corresponding quarter ended and year ended March 31, 2016 have been stated in terms of SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 3 Reconciliation of net profit for the corresponding quarter and year ended March 31, 2016 between previous Indian GAAP and Ind AS is as under:

Nature of Adjustments	Rs. In lakhs	
	Quarter ended Mar 31, 2016	Year ended Mar 31, 2016
Profit as per erstwhile Indian GAAP	3,340.44	12,096.44
Difference in measurement of employee share based payments	(19.82)	(79.34)
Re-measurement gains/(losses) on employee defined benefit plans	(28.27)	(28.27)
Unamortised expense adjusted against opening retained earnings	30.16	121.94
Deferred tax adjustments	(0.69)	(32.42)
Net Profit Under Ind AS	3,321.82	12,078.35
Other Comprehensive income, net of tax	18.49	18.49
Total Comprehensive Income	3,340.31	12,096.84

- 4 The above audited financial results for the quarter and year ended March 31, 2017 have been reviewed by the Audit Committee on May 10, 2017 of the Board and approved by the Board of Directors at its meeting held on May 11, 2017.
- 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 accounting of exchange differences arising from translation of long term foreign currency monetary items in so far as it relates to acquisition of depreciable assets are adjusted 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 has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.
 - During the year, foreign currency loss of Rs.307.37 lakhs (foreign currency loss of Rs.782.70 lakhs for the year ended March 31, 2016) was transferred to fixed assets.
- 6 During the year, the Hon'ble High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh has approved the scheme of amalgamation ("Scheme") of GIL Lifesciences Private Limited, a wholly owned subsidiary of the Company and the Company by its order dated September 01, 2016 and the same has been filed with Registrar of Companies ("ROC") on October 26, 2016. In terms of the scheme, with effect from April 01, 2016 ("Appointed date"), inter alia, the following effect has been given;
 - a) The Company has recorded assets and liabilities of GIL Lifesciences Private Limited at their respective fair values.
 - b) Intercompany investments, balances and transactions have been eliminated.
 - c) There is no impact on the profit before tax for the quarter or year to date on account of the above scheme.
- 7 As per regulation 33 of the Listing Regulations, the Company has opted to publish only consolidated financial results. The stand-alone 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 only in the segment of Pharmaceuticals.
- 9 During the quarter, the Company has allotted 74,83,546 equity shares of Re.1/- each, fully paid up against conversion of warrants to Tyche Technologies private limited.
- 10 Funds received against issue of share warrants are being utilised for capital expenditure, working capital requirements and for investment in subsidiary Companies.
- 11 The Board of Directors at their meeting held on May 11, 2017 have recommended a final dividend of 25 paise per equity share of Re.1/- each in addition to interim dividend of 65 paise per equity share of Re.1/- each paid during the year.
- 12 Previous periods figures have been regrouped/reclassified wherever necessary.

for and on behalf of the Board

Place : Hyderabad
Date : May 11, 2017

Krishna Prasad Chigurupati
Chairman and Managing Director

Granules India Limited
Standalone Statement of Assets and Liabilities

Rs in lakhs

Sr.No.	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
A	Assets			
	Non-current assets			
	Property, plant and equipment	53,057.37	44,046.61	43,527.56
	Capital work-in-progress	13,230.89	3,527.77	1,849.97
	Intangible assets	7,500.61	8,282.24	8,689.28
	Financial assets			
	Investments	7,511.50	8,894.57	7,291.13
	Loans	17,985.29	6,137.78	10.20
	Others	745.28	594.41	475.30
	Income tax assets(net)	466.78	946.16	1,384.15
	Other non-current assets	1,649.35	2,351.64	147.76
		1,02,147.07	74,781.18	63,375.35
	Current assets			
	Inventories	23,758.77	21,012.78	17,939.61
	Financial assets			
	Trade receivables	46,831.27	44,416.29	41,059.12
	Cash and cash equivalents	3,936.48	11,070.06	5,223.09
	Loans	139.21	72.90	30.33
	Others	25.13	29.42	18.66
	Other current assets	8,658.95	5,406.87	4,414.69
		83,349.81	82,008.32	68,685.50
	Total Assets	1,85,496.88	1,56,789.50	1,32,060.85
B	Equity and Liabilities			
	Equity			
	Equity share capital	2,287.03	2,167.12	2,042.52
	Other equity	86,148.57	64,283.25	41,280.07
	Total equity	88,435.60	66,450.37	43,322.59
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	Borrowings	12,424.24	18,421.27	24,267.41
	Net employee defined benefit liability	724.95	557.99	426.74
	Deferred tax liabilities (net)	6,402.69	6,314.07	5,484.06
		19,551.88	25,293.33	30,178.21
	Current liabilities			
	Financial liabilities			
	Borrowings	47,383.30	39,285.42	33,137.40
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	334.83	247.51	242.18
	Total outstanding dues of creditors other than micro enterprises and small enterprises	20,654.84	17,467.77	18,081.03
	Other financial liabilities	8,011.16	7,277.22	6,264.66
	Other current liabilities	964.83	609.42	719.02
	Net employee defined benefit liability	160.44	158.46	115.76
		77,509.40	65,045.80	58,560.05
	Total Equity and Liabilities	1,85,496.88	1,56,789.50	1,32,060.85

Note:

1 The reconciliation of Equity as previously reported (referred to as 'Indian GAAP') and as per Ind AS is as per the table below:

Particulars	31.03.2016	01.04.2015
Equity as per previous Indian GAAP	66,296.48	42,540.93
Add/(Less):		
Proposed dividend and tax thereon	521.66	1,229.16
VRS	(68.09)	(190.02)
Deferred Tax on adjustments	(309.14)	(266.94)
Fair valuation of investments	43.92	43.92
Others	(34.46)	(34.46)
Equity as per Ind AS	66,450.37	43,322.59

for and on behalf of the Board

Place : Hyderabad
Date : May 11, 2017

Krishna Prasad Chigurupati
Chairman and Managing Director