

Press Release

Granules India's Revenue increases 11% to Rs. 1,431 Cr.; Net Profit surges 30% to Rs. 118 Cr.

Hyderabad, April 28, 2016: Granules India Ltd., a growing pharmaceutical manufacturing company, announced today results for its fourth quarter and financial year ended 31st March, 2016.

Financial Highlights of FY16 (Consolidated):-

- **Revenue: Rs. 1,431 Cr.**, an increase of **11%** compared to **Rs.1,294 Cr.** in FY15
- **EBITDA: Rs. 284 Cr.**, an increase of **34%** compared to **Rs. 213 Cr.** in FY15
- **Operating Margin** improved by **3.4%** from FY15
- **Net Profit: Rs.118 Cr.**, an increase of **30%** compared to **Rs. 91Cr.** in FY15
- **Net Profit Margin** improved by **1.3%** from FY15

Financial Highlights for Q4 FY16 (Consolidated):-

- **Revenue: Rs. 373 Cr.**, an increase of **5%** compared to **Rs. 355 Cr.** in Q4FY15
- **EBITDA: Rs. 80 Cr.**, an increase of **55%** compared to **Rs. 52 Cr.** in Q4FY15
- **Net Profit: Rs. 33 Cr.**, an increase of **48%** compared to **Rs. 22 Cr.** in Q4FY15

The Company's standalone sales during the year were **Rs. 1,328 Cr.**, an increase of **9%** from previous year. EBITDA and PAT increased by **30%** and **27%** to **Rs. 276 Cr.** and **Rs. 121 Cr.** compared to last year.

The Company's Board of Directors has proposed a final dividend of 20 paise /share of face value of Rs. 1 each.

“While we were strengthening our foundation last year, we simultaneously worked towards building a momentum for the future. We had a gentle top line growth but bottom line excelled with improved margins, validating our excellence in operational efficiency. Last year, we witnessed the commercialization of our CRAMS business, ANDA approval for Ibuprofen Rx and the construction of a new capacity in addition to augmentation of R&D initiatives. This year and the year to come, we look forward to build a strong and agile ‘Granules India’, which will emerge as an efficient pharmaceutical manufacturing partner with a key focus on Research and Development.” 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.

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Rs in Lakhs

| Statement of Consolidated Audited Results for the Quarter and year ended March 31, 2016 | | | | | | |
|---|---|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| SI No. | Particulars | Quarter ended | | | Year ended | |
| | | 31.03.2016 Audited | 31.12.2015 Un-Audited | 31.03.2015 Audited | 31.03.2016 Audited | 31.03.2015 Audited |
| 1 | Income from Operations | | | | | |
| | (a) Net sales / Income from Operations (Net of Excise duty) | 37,227.16 | 34,488.52 | 35,460.16 | 1,42,953.27 | 1,29,292.24 |
| | (b) Other operating income | 100.77 | 22.27 | 22.06 | 165.16 | 75.90 |
| | Total Income from operations (net) | 37,327.93 | 34,510.79 | 35,482.22 | 1,43,118.43 | 1,29,368.14 |
| 2 | Expenses | | | | | |
| | (a) Cost of material Consumed | 21,320.73 | 20,275.94 | 22,030.65 | 82,989.59 | 76,942.80 |
| | (b) Changes in Inventories of Finished goods, Work in progress and Stock-in-trade | (1,708.20) | (2,728.34) | (18.18) | (7,141.79) | (2,247.68) |
| | (c) Employee Benefits Expense | 3,085.09 | 3,252.60 | 2,571.24 | 12,533.11 | 10,695.78 |
| | (d) Depreciation and Amortisation expense | 1,738.70 | 1,666.60 | 1,431.90 | 6,432.99 | 5,265.10 |
| | (e) Manufacturing Expenses | 2,313.09 | 2,721.52 | 2,164.17 | 10,223.43 | 8,873.31 |
| | (f) Freight outward & clearing charges | 1,293.53 | 1,056.80 | 1,304.91 | 4,784.49 | 5,098.29 |
| | (g) R & D Expenses | 532.39 | 337.98 | 750.97 | 1,653.97 | 960.96 |
| | (h) Other expenses | 2,560.28 | 2,801.61 | 1,755.47 | 10,238.75 | 8,107.36 |
| | Total expenses | 31,153.61 | 29,384.71 | 31,991.13 | 1,21,714.54 | 1,13,695.92 |
| 3 | Profit from Operations before Other Income, Finance costs & Exceptional Items (1- 2) | 6,192.32 | 5,126.08 | 3,491.09 | 21,403.89 | 15,672.22 |
| 4 | Other Income | 41.59 | 234.18 | 229.23 | 602.56 | 358.40 |
| 5 | Profit from Ordinary activities before Finance costs and exceptional items (3 + 4) | 6,233.91 | 5,360.26 | 3,720.32 | 22,006.45 | 16,030.62 |
| 6 | Finance Costs | 987.68 | 1,137.73 | 796.68 | 3,991.94 | 3,234.60 |
| 7 | Profit from Ordinary activities after Finance costs but before exceptional items (5 - 6) | 5,246.23 | 4,222.53 | 2,923.64 | 18,014.51 | 12,796.02 |
| 8 | Exceptional items | - | - | - | - | - |
| 9 | Profit from Ordinary activities before Tax (7 + 8) | 5,246.23 | 4,222.53 | 2,923.64 | 18,014.51 | 12,796.02 |
| 10 | Tax expense | 1,927.66 | 1,507.07 | 683.93 | 6,167.75 | 3,705.25 |
| 11 | Net Profit from ordinary activities after tax (9 - 10) | 3,318.57 | 2,715.46 | 2,239.71 | 11,846.76 | 9,090.77 |
| 12 | Extraordinary items (net of tax expense) | - | - | - | - | - |
| 13 | Net Profit for the period (11 + 12) | 3,318.57 | 2,715.46 | 2,239.71 | 11,846.76 | 9,090.77 |
| 14 | Paid-up equity share capital (Face Value of Re.1/- per share) | | | | 2,167.12 | 2,042.52 |
| 15 | Reserves excluding Revaluation Reserve as per Balance sheet at year ended | | | | 61,720.46 | 41,073.83 |
| 16 | Earnings per Share (face value of Re. 1/- each) (not annualised) | | | | | |
| | (a) Basic (in Rs.) | 1.61 | 1.32 | 1.10 | 5.73 | 4.46 |
| | (b) Diluted (in Rs) | 1.57 | 1.26 | 1.09 | 5.62 | 4.41 |

- 1) The Audited financial results for the quarter and year ended March 31, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on April 28, 2016.
- 2) The subsidiaries and Joint Venture companies considered for the consolidated financial statement as on March 31, 2016 are Granules USA Inc., GIL Life Sciences Pvt Ltd, Granules Pharmaceuticals Inc., (Subsidiaries) and Granules Biocause Pharmaceutical Co., Ltd., Granules Omnichem Pvt Ltd (50% Joint Venture Companies).
- 3) 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 quarter, foreign currency loss of Rs.15.02 lakhs (foreign currency gain of Rs.129.11 lakhs for the Quarter ended March 31, 2015) was transferred to fixed assets.
 - During the financial year, foreign currency loss of Rs.782.70 lakhs (foreign currency loss of Rs.396.27 lakhs for the Year ended March 31, 2015) was transferred to fixed assets.
- 4) The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 27 notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 5) 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.nse-india.com).
- 6) The Company operates only in the segment of Pharmaceuticals.
- 7) During the quarter, the Company has allotted 1,00,000 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).
- 8) During the quarter, the Company has allotted 72,55,000 equity shares of Re. 1/- each fully paid up against conversion of warrants to Tyche Technologies Private Limited.
- 9) Funds received against issue of share warrants are being utilized for capital expenditure, working capital requirements and for investment in Subsidiary Companies.
- 10) The financial statements of each of the subsidiary and joint venture, other than Granules Biocause Pharmaceutical Co. Ltd are drawn up to the same reporting date i.e. year ended March 31, 2016, for the purpose of consolidation. The audited consolidated financial statements of Granules Biocause Pharmaceutical Co. Ltd for year ended December 31, 2015 (previous year financial statements up to 31st March 2015) have been used for the purpose of consolidation. Adjustments have been made for the effects of significant transactions or other events that occur between the date of financial statements of Granules Biocause Pharmaceutical Co. Ltd and March 31, 2016. Hence the current quarter/year numbers are not comparable with previous quarters/year numbers.
- 11) A final dividend of 20 paise per share of face value of Re.1 each has been recommended by the Board of Directors at their meeting held on April 28, 2016. This is in addition to three interim dividends of 15 paise each per share of face value of Re.1 declared and paid during the year.
- 12) Standalone Results as on March 31, 2016 are as under -

| Particulars | Quarter ended | | | Year Ended | |
|----------------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 31.03.2016 Audited | 31.12.2015 Un-Audited | 31.03.2015 Audited | 31.03.2016 Audited | 31.03.2015 Audited |
| Net Sales/Income from Operations | 35,268.82 | 31,748.82 | 31,743.66 | 1,32,849.38 | 1,21,487.25 |
| Profit Before Tax | 5,188.20 | 4,473.39 | 3,570.71 | 18,081.53 | 13,225.94 |
| Profit After Tax | 3,340.44 | 3,042.47 | 2,851.66 | 12,096.43 | 9,522.64 |

- 13) Previous periods / year figures have been regrouped, wherever necessary.

For and on behalf of the Board

Place : Hyderabad
 Date : April 28, 2016

Krishna Prasad Chigurupati
 Chairman & Managing Director

**Granules India Limited
Consolidated Balance Sheet**

(Rs. In Lakhs)

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| EQUITIES & LIABILITIES | | |
| Shareholders' Funds | | |
| Share Capital | 2,167.12 | 2,042.52 |
| Reserves and Surplus | 61,720.46 | 41,073.83 |
| Money received against share warrants | 2,716.29 | - |
| Sub-total - Shareholders' funds | 66,603.87 | 43,116.35 |
| Non-current liabilities | | |
| Long-term borrowings | 24,643.08 | 30,321.08 |
| Deferred tax Liabilities | 5,803.26 | 4,927.97 |
| Long-term provisions | 528.90 | 402.95 |
| Sub-total - Non-current liabilities | 30,975.24 | 35,652.00 |
| Current liabilities | | |
| Short-term borrowings | 15,769.05 | 12,496.99 |
| Trade Payables | 17,914.24 | 18,762.53 |
| Other current liabilities | 13,338.03 | 8,898.35 |
| Short-term provisions | 686.67 | 1,344.93 |
| Sub-total - Current liabilities | 47,707.99 | 41,502.80 |
| TOTAL - EQUITY AND LIABILITIES | 1,45,287.10 | 1,20,271.15 |
| ASSETS | | |
| Non-current assets | | |
| Fixed Assets | | |
| Tangible assets | 58,415.29 | 52,804.38 |
| Intangible assets | 8,396.63 | 8,850.73 |
| Capital Work in Progress | 7,658.08 | 6,203.37 |
| | 74,470.00 | 67,858.48 |
| Non-current investments | 19.14 | 19.14 |
| Long-term loans and advances | 1,499.48 | 2,076.00 |
| Other non-current assets | 140.62 | 281.66 |
| Sub-total - Non-current assets | 76,129.24 | 70,235.28 |
| Current assets | | |
| Inventories | 30,705.28 | 22,451.66 |
| Trade receivables | 15,255.72 | 13,690.75 |
| Cash and cash equivalents | 14,188.36 | 6,530.66 |
| Short-term loans and advances | 7,983.49 | 4,543.54 |
| Other current assets | 1,025.01 | 2,819.26 |
| Sub-total - Current assets | 69,157.86 | 50,035.87 |
| TOTAL - ASSETS | 1,45,287.10 | 1,20,271.15 |

For and on behalf of the Board

Place : Hyderabad
Date : April 28, 2016

Krishna Prasad Chigurupati
Chairman & Managing Director



GRANULES INDIA LIMITED
 Regd Office : 2nd Floor, 3rd Block, My Home Hub
 Madhapur, Hyderabad 500 081
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| (Rs.in lakhs) | | | | | | |
|---|---|------------------|------------------|------------------|--------------------|--------------------|
| Statement of Standalone Audited Results for the quarter and year ended March 31, 2016 | | | | | | |
| Sl No. | Particulars | Quarter ended | | | Year ended | |
| | | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | | Audited | Un-Audited | Audited | Audited | Audited |
| 1 | Income from Operations | | | | | |
| | (a) Net sales / Income from Operations (Net of Excise duty) | 35,246.84 | 31,726.55 | 31,721.60 | 1,32,763.01 | 1,21,411.35 |
| | (b) Other operating income | 21.98 | 22.27 | 22.06 | 86.37 | 75.90 |
| | Total Income from operations (net) | 35,268.82 | 31,748.82 | 31,743.66 | 1,32,849.38 | 1,21,487.25 |
| 2 | Expenses | | | | | |
| | (a) Cost of material Consumed | 18,781.04 | 18,346.95 | 17,758.98 | 75,145.13 | 71,777.12 |
| | (b) Changes in Inventories of Finished goods, Work in progress and Stock-in-trade | 341.53 | (1,330.44) | 941.29 | (2,180.20) | (1,056.18) |
| | (c) Employee Benefits Expense | 2,710.39 | 2,673.59 | 2,126.82 | 10,526.70 | 8,923.21 |
| | (d) Depreciation and Amortisation expense | 1,537.34 | 1,459.13 | 1,337.30 | 5,824.71 | 4,955.87 |
| | (e) Manufacturing Expenses | 2,149.84 | 2,067.67 | 1,836.49 | 8,533.76 | 7,526.40 |
| | (f) Freight outward & clearing charges | 1,116.90 | 896.73 | 1,283.36 | 4,275.77 | 4,993.25 |
| | (g) R & D Expenses | 495.10 | 310.17 | 715.82 | 1,531.11 | 840.39 |
| | (h) Other expenses | 2,206.72 | 1,987.38 | 1,558.49 | 8,073.23 | 7,348.50 |
| | Total expenses | 29,338.86 | 26,411.18 | 27,558.55 | 1,11,730.21 | 1,05,308.57 |
| 3 | Profit from Operations before Other Income, Finance costs & Exceptional Items (1- 2) | 5,929.96 | 5,337.64 | 4,185.11 | 21,119.17 | 16,178.68 |
| 4 | Other Income | 195.01 | 178.14 | 119.60 | 628.70 | 140.20 |
| 5 | Profit from Ordinary activities before Finance costs and exceptional items (3 + 4) | 6,124.97 | 5,515.78 | 4,304.71 | 21,747.87 | 16,318.88 |
| 6 | Finance Costs | 936.77 | 1,042.39 | 734.00 | 3,666.34 | 3,092.94 |
| 7 | Profit from Ordinary activities after Finance costs but before exceptional items (5 - 6) | 5,188.20 | 4,473.39 | 3,570.71 | 18,081.53 | 13,225.94 |
| 8 | Exceptional items | - | - | - | - | - |
| 9 | Profit from Ordinary activities before Tax (7 + 8) | 5,188.20 | 4,473.39 | 3,570.71 | 18,081.53 | 13,225.94 |
| 10 | Tax expense | 1,847.76 | 1,430.92 | 719.05 | 5,985.10 | 3,703.30 |
| 11 | Net Profit from ordinary activities after tax (9 - 10) | 3,340.44 | 3,042.47 | 2,851.66 | 12,096.43 | 9,522.64 |
| 12 | Extraordinary items (net of tax expense) | - | - | - | - | - |
| 13 | Net Profit for the period (11 + 12) | 3,340.44 | 3,042.47 | 2,851.66 | 12,096.43 | 9,522.64 |
| 14 | Paid-up equity share capital (Face Value of Re.1/- per share) | 2,167.12 | 2,093.57 | 2,042.52 | 2,167.12 | 2,042.52 |
| 15 | Reserves excluding Revaluation Reserve as per Balance sheet at year ended | | | | 61,413.07 | 40,498.41 |
| 16 | Earnings per Share (Face value Re. 1/- each) (not Annualised) | | | | | |
| | (a) Basic (in Rs.) | 1.62 | 1.48 | 1.40 | 5.85 | 4.67 |
| | (b) Diluted (in Rs) | 1.58 | 1.41 | 1.38 | 5.74 | 4.62 |

- 1) The Audited financial results for the quarter and year ended March 31, 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on April 28, 2016.
- 2) 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 quarter, foreign currency loss of Rs.15.02 lakhs (foreign currency gain of Rs.129.11 lakhs for the Quarter ended March 31, 2015) was transferred to fixed assets.
 - During the financial year, foreign currency loss of Rs.782.70 lakhs (foreign currency loss of Rs.396.27 lakhs for the Year ended March 31, 2015) was transferred to fixed assets.
- 3) 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.nse-india.com).
- 4) The Company operates only in the segment of Pharmaceuticals.
- 5) During the quarter, the Company has allotted 1,00,000 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).
- 6) During the quarter, the Company has allotted 72,55,000 equity shares of Re.1/- each fully paid up against conversion of warrants to Tyche Technologies Private Limited.
- 7) Funds received against issue of share warrants are being utilized for capital expenditure, working capital requirements and for investment in Subsidiary Companies.
- 8) A final dividend of 20 paise per share of face value of Re.1 each has been recommended by the Board of Directors at their meeting held on April 28, 2016. This is in addition to three interim dividends of 15 paise each per share of face value of Re.1 declared and paid during the year.
- 9) Previous periods / years figures have been regrouped, wherever necessary.

for and on behalf of the Board

Place : Hyderabad
 Date : April 28, 2016

Krishna Prasad Chigurupati
 Chairman & Managing Director

**Granules India Limited
Standalone Statement of Assets and Liabilities**

(Rs in Lakhs)

| Particulars | | As at March 31, 2016 | As at March 31, 2015 |
|-------------|--|-------------------------|-------------------------|
| A | EQUITY AND LIABILITIES | | |
| 1 | Shareholders' Funds | | |
| | (a) Share Capital | 2,167.12 | 2,042.52 |
| | (b) Reserves & Surplus | 61,413.07 | 40,498.41 |
| | (c) Money Received against share warrants | 2,716.29 | |
| | Sub-total - Shareholders' funds | 66,296.48 | 42,540.93 |
| 2 | Non-current liabilities | | |
| | (a) Long-term borrowings | 18,421.27 | 24,267.40 |
| | (b) Deferred tax liabilities (Net) | 6,115.92 | 5,328.10 |
| | (c) Long-term provisions | 528.23 | 396.98 |
| | Sub-total - Non-current liabilities | 25,065.42 | 29,992.48 |
| 3 | Current liabilities | | |
| | (a) Short-term borrowings | 14,748.17 | 11,486.95 |
| | (b) Trade payables | 17,715.29 | 18,323.55 |
| | (c) Other current liabilities | 7,886.47 | 6,983.67 |
| | (d) Short-term provisions | 680.12 | 1,344.93 |
| | Sub-total - Current liabilities | 41,030.05 | 38,139.10 |
| | TOTAL - EQUITY AND LIABILITIES | 1,32,391.95 | 1,10,672.51 |
| B | ASSETS | | |
| 1 | Non-current assets | | |
| | (a) Fixed Assets | | |
| | (i) Tangible assets | 44,046.56 | 43,527.54 |
| | (ii) Intangible assets | 8,282.25 | 8,689.28 |
| | (iii) Capital work-in-progress | 3,527.77 | 1,849.97 |
| | | 55,856.58 | 54,066.79 |
| | (b) Non-current investments | 8,850.64 | 7,247.19 |
| | (c) Long-term loans and advances | 7,678.35 | 1,869.65 |
| | (d) Other non-current assets | 69.31 | 183.60 |
| | Sub-total - Non-current assets | 72,454.88 | 63,367.23 |
| 2 | Current assets | | |
| | (a) Inventories | 21,012.78 | 17,939.62 |
| | (b) Trade receivables | 19,879.04 | 19,409.12 |
| | (c) Cash and cash equivalents | 11,070.06 | 5,223.09 |
| | (d) Short-term loans and advances | 7,319.18 | 4,436.71 |
| | (e) Other current assets | 656.01 | 296.74 |
| | Sub-total - Current assets | 59,937.07 | 47,305.28 |
| | TOTAL - ASSETS | 1,32,391.95 | 1,10,672.51 |

for and on behalf of the Board

Place : Hyderabad
Date : April 28, 2016

Krishna Prasad Chigurupati
Chairman & Managing Director