

Press Release**Granules India's Revenue from operation increases by 14% to INR 411 Cr.**

Hyderabad, February 8th, 2018: Granules India Ltd., a growing pharmaceutical manufacturing company, announced today financial results for its third quarter ended 31st December, 2017.

Quarterly Financial Highlights of Q3FY18

	<u>Consolidated</u>	<u>Margins (%)</u>
Revenue:	INR 411 Cr.	
EBITDA:	INR 75 Cr.	18.2%
Net Profit:	INR 35 Cr.	8.5%

The Company's standalone sales during the quarter were INR 413 Cr. In this quarter the Company recorded EBITDA and PAT of INR 78 Cr. and INR 34 Cr. respectively.

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

"Our journey towards sustainability continues as we report steady growth in our business performance. Revenue growth of 14% in the current quarter is the outcome of our investments in capacity expansion in both APIs and PFIs. However, increased cost for some of our key raw materials and forex fluctuation has impacted profit for the quarter under review. Going ahead, we are optimistic of strengthening our growth by leveraging enhanced production capacities, until our new business initiatives start contributing positively as supplementary growth drivers of the Company." said Mr. Krishna Prasad Chigurupati, Chairman & Managing Director.

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.

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 Madhapur, Hyderabad 500 081
 CIN:L24110TG1991PLC012471

Rs in lakhs

Statement of Consolidated Un-Audited Results for the quarter and nine months ended December 31, 2017

Sl No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Revenue from operations (Refer note 4)	41,073.20	39,255.97	35,947.33	1,18,802.90	1,07,307.98	1,43,525.34
	Other income	86.38	683.24	427.12	902.10	1,118.89	992.53
1	Total income	41,159.58	39,939.21	36,374.45	1,19,705.00	1,08,426.87	1,44,517.87
2	Expenses						
	(a) Cost of materials consumed	21,102.43	21,789.19	18,361.86	62,117.01	52,324.16	67,996.46
	(b) Changes in inventories of work in progress and finished goods	(209.73)	(2,019.80)	(1,680.68)	(3,458.02)	21.32	(33.28)
	(c) Excise duty on sales	-	-	630.73	722.60	1,776.79	2,468.81
	(d) Employee benefits expense	4,153.06	4,225.31	3,610.24	12,282.68	10,398.07	14,018.97
	(e) Finance costs	823.41	1,041.00	836.31	2,685.25	2,459.50	3,225.63
	(f) Depreciation/ amortisation expense	1,960.08	1,859.36	1,870.04	5,579.68	5,351.32	7,151.27
	(g) Other expenses	8,624.34	7,570.19	7,391.94	24,444.58	20,883.89	29,190.58
	Total expenses	36,453.59	34,465.25	31,020.44	1,04,373.78	93,215.05	1,24,018.44
3	Profit before exceptional items and tax (1-2)	4,705.99	5,473.96	5,354.01	15,331.22	15,211.82	20,499.43
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3-4)	4,705.99	5,473.96	5,354.01	15,331.22	15,211.82	20,499.43
6	Tax expense						
	Current tax	1,528.31	1,908.65	1,768.47	5,165.79	5,271.09	6,607.20
	Deferred tax	161.83	17.68	(5.57)	224.24	(410.07)	(87.07)
7	Net Profit after Tax (5-6)	3,015.85	3,547.63	3,591.11	9,941.19	10,350.80	13,979.30
8	Share in Profit of joint ventures	485.66	486.02	314.99	1,274.10	1,533.74	2,472.61
9	Net Profit for the period (7+8)	3,501.51	4,033.65	3,906.10	11,215.29	11,884.54	16,451.91
	Other Comprehensive income						
	(i) items that will not be reclassified to profit or loss	-	-	-	-	-	155.79
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(53.92)
	(iii) items that will be reclassified to profit or loss	189.54	(79.81)	37.72	115.09	124.10	45.05
10	Other Comprehensive income, net of tax	189.54	(79.81)	37.72	115.09	124.10	146.92
11	Total Comprehensive income for the period (9+10)	3,691.05	3,953.84	3,943.82	11,330.38	12,008.64	16,598.83
12	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,538.18	2,537.68	2,212.19	2,538.18	2,212.19	2,287.03
13	Earnings per Share (Face value Re. 1/- each) (not Annualised)						
	(a) Basic (in Rs.)	1.38	1.76	1.79	4.72	5.45	7.52
	(b) Diluted (in Rs)	1.38	1.75	1.77	4.70	5.40	7.48

- 1 The company adopted Indian Accounting Standards ("Ind AS") from April 01, 2016 and accordingly, these results have been prepared in accordance with the recognition and measurement principles laid down under Ind AS 34, "Interim Financial Reporting" prescribed under section 133 of Companies Act, 2013 read with relevant rules issued thereunder.
- 2 The above unaudited financial results for the quarter and nine months ended December 31, 2017 have been reviewed by the Audit Committee of the Board on February 07, 2018 and approved by the Board of Directors at their meeting held on February 08, 2018.
- 3 The Auditors of the Company have carried out Limited Review of the financial results for the quarter and nine months ended December 31, 2017.
- 4 The subsidiaries and joint venture companies considered for the consolidated financial statements as on December 31, 2017 are Granules USA Inc., Granules Pharmaceuticals Inc., Granules Europe Limited (together known as "Subsidiaries") and Hubei Granules Biocause Pharmaceutical Co. Ltd. and Granules Omnichem Pvt Ltd (together known as "joint ventures").
- 5 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 in cost of revenue. Accordingly, revenue from operations for the quarter and nine months ended December 31, 2017 are not comparable with those of the previous period presented.
- 6 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).
- 7 The Company operates only in the segment of Pharmaceuticals.
- 8 During the quarter, the Company has allotted 50,000 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).
- 9 The Board of Directors at their meeting held on February 08, 2018 has declared third interim dividend of 25 paise per equity share of Re.1/- each.
- 10 The financial results include the Company's share of profits (net) aggregating of Rs. 485.66 lakhs for quarter ended December 31, 2017 and nine months ended Rs. 1,274.10 lakhs from joint ventures in which the Company is Co-venturer. These financial results are based on the management certified financial information of the joint ventures. As the joint ventures 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 ventures.
- 11 Standalone Results for the quarter and nine months ended are as under -

Particulars	Rs in lakhs					
	Quarter ended			Nine months ended		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
Revenue from Operations	41,264.65	37,352.75	33,737.59	1,18,053.61	1,02,239.82	1,37,416.90
Profit Before Tax	5,063.30	5,357.09	5,207.15	15,709.77	15,195.93	20,680.32
Profit After Tax	3,383.51	3,563.63	3,528.67	10,497.90	10,437.87	14,282.67

for and on behalf of the Board

Place : Hyderabad
Date : February 08, 2018

Krishna Prasad Chigurupati
Chairman and Managing Director



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Rs in lakhs							
Statement of Standalone Un-Audited Results for the quarter and nine months ended December 31, 2017							
Sl No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Revenue from operations (Refer note 4)	41,264.65	37,352.75	33,737.59	1,18,053.61	1,02,239.82	1,37,416.90
	Other income	411.63	1,010.95	567.79	1,817.45	1,440.40	1,452.02
1	Total income	41,676.28	38,363.70	34,305.38	1,19,871.06	1,03,680.22	1,38,868.92
2	Expenses						
	(a)Cost of materials consumed	21,832.53	20,510.60	17,693.24	61,373.15	51,142.88	67,077.83
	(b)Changes in inventories of work in progress and finished goods	208.61	(1,156.58)	(2,044.99)	294.01	(928.69)	(1,220.03)
	(c)Excise duty on sales	-	-	630.73	722.60	1,776.79	2,468.81
	(d)Employee benefits expense	3,803.89	3,743.39	3,278.38	10,977.37	9,358.50	12,581.00
	(e)Finance costs	816.30	1,039.86	833.11	2,674.39	2,452.00	3,216.41
	(f)Depreciation/amortisation expense	1,953.23	1,851.46	1,866.02	5,557.10	5,339.51	7,135.16
	(g)Other expenses	7,998.42	7,017.88	6,841.74	22,562.67	19,343.30	26,929.42
	Total expenses	36,612.98	33,006.61	29,098.23	1,04,161.29	88,484.29	1,18,188.60
3	Profit before exceptional items and tax (1-2)	5,063.30	5,357.09	5,207.15	15,709.77	15,195.93	20,680.32
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3-4)	5,063.30	5,357.09	5,207.15	15,709.77	15,195.93	20,680.32
6	Tax expense						
	Current tax	1,536.20	1,729.42	1,720.06	4,946.06	5,067.34	6,362.95
	Deferred tax	143.59	64.04	(41.58)	265.81	(309.28)	34.70
7	Net Profit after Tax (5-6)	3,383.51	3,563.63	3,528.67	10,497.90	10,437.87	14,282.67
	Other Comprehensive income						
	(i) items that will not be reclassified to profit or loss	-	-	-	-	-	155.79
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(53.92)
8	Other Comprehensive income, net of tax	-	-	-	-	-	101.87
9	Total Comprehensive income for the period (7+8)	3,383.51	3,563.63	3,528.67	10,497.90	10,437.87	14,384.54
10	Paid-up equity Share Capital (Face Value of Re.1/- per share)	2,538.18	2,537.68	2,212.19	2,538.18	2,212.19	2,287.03
11	Earnings per Share (Face value Re. 1/- each) (not Annualised)						
	(a) Basic (in Rs.)	1.33	1.55	1.62	4.42	4.79	6.53
	(b) Diluted (in Rs.)	1.33	1.55	1.60	4.40	4.74	6.49

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