



Press Release

Granules India's Revenue increases 52% to Rs. 266 Cr.; net profit surges 87%

Hyderabad, October 30, 2013: Granules India Ltd., a fast growing pharmaceutical manufacturing company, announced financial results for Second Quarter ended September 30, 2013. Granules consolidated net revenue increased 52% to Rs. 266 Cr. while consolidated net profit increased 87% to Rs. 15 Cr.

Consolidated Q2FY14 Financial Highlights

- Net Revenue: Rs. 266.0 Cr., an increase of 52% compared to Rs. 175.5 Cr. in Q2FY13
- EBITDA: Rs. 33.9 Cr., an increase of 59% compared to Rs. 21.3 Cr. in Q2FY13
- Net Profit: Rs. 15.1 Cr., an increase of 87% compared to Rs. 8.1 Cr. in Q2FY13

Consolidated YTD FY14 Financial Highlights

- Net Revenue: Rs. 494.3 Cr., an increase of 36% compared to Rs. 364.8 Cr. in YTD FY13
- EBITDA: Rs. 65.5 Cr., an increase of 66% compared to Rs. 39.5 Cr. in YTD FY13
- Net Profit: Rs. 29.8 Cr., an increase of 108% compared to Rs. 14.3 Cr. in YTD FY13

Growth was driven by strong performance across all three verticals. The Formulation facility at Gagillapur continued to scale-up production which improved capacity utilization. The Company expects a majority of customer approvals to be in place in the second half of the fiscal year.

In addition to strong revenue growth, the Company's profitability margins strengthened compared to the corresponding quarter in the previous financial year. The EBITDA margin increased by 58 basis points to 12.8%, while the PAT margin increased by 108 basis points to 5.7%. Profitability numbers are also significantly higher than the YTD FY13 EBITDA and PAT margins. The EBITDA margin has grown 241 basis points to 13.2% while PAT has grown 209 basis points to 6.0%, respectively.

“We are focusing on higher capacity utilization to achieve higher revenues and better margins which resulted in 36% growth in the top-line and 108% growth in the bottom-line. In addition to strong revenue growth, our profitability margins are increasing and we've nearly achieved our FY13 PAT in the first half of this year. We expect our margins to further improve as our sales shift more to formulations and capacity utilization increases. Granules will continue to focus on improving manufacturing efficiency so we can build on our competitive advantage in order to offer unparalleled value for our customers” said Krishna Prasad, Managing Director of Granules India.

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.



Granules has the largest PFI facility in the world with an industry leading 6 ton batch size. 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.

Granules has strengthened its advantages through its Operational Excellence (OE) department which looks at every step of the manufacturing process in order to gain efficiencies and has also implemented systems that have standardized quality and reduced variation. The Company's OE program is regularly cited by MNCs as a "best in class" program and is the comparative advantage that lets Granules provide world-class quality products at a lower cost than its competitors. The adoption of the OE philosophy by Granules has earned it several recognitions including The Economic Times Manufacturing Excellence Awards 2011.

Caution Statement:

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

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Appendix

		GRANULES INDIA LIMITED					
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						(Rs in Lakhs)	
PART I							
Statement of Consolidated Unaudited Results for the Quarter and 6 Months ended 30th Sept, 2013							
Sl No.	Particulars	3 Months ended Current Year 30 Sept, 2013	3 Months ended Current Year 30 June, 2013	3 Months ended Previous Year 30 Sept, 2012	6 Months ended Current Year 30 Sept, 2013	6 Months ended Previous Year 30 Sept, 2012	Previous year ended 31 March, 2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	(a) Net sales / Income from Operations (Net of Excise duty)	26,604.70	22,829.36	17,549.89	49,434.06	36,476.97	76,437.30
2	Expenses						
	(a) Cost of material Consumed	16,969.13	14,845.20	8,996.00	31,814.33	23,025.97	47,768.94
	(b) Changes in Inventories of Finished goods, Work in progress and Stock in trade	(1,310.99)	(1,174.74)	1,393.95	(2,485.73)	(243.75)	(1,077.05)
	(c) Employee benefits Expense	2,083.82	2,109.02	1,442.36	4,192.84	2,892.69	5,971.18
	(d) Depreciation	615.38	568.06	579.51	1,183.44	1,130.04	2,308.46
	(e) Manufacturing Expenses	1,520.77	1,491.03	1,368.71	3,011.80	2,557.57	5,752.38
	(f) Freight outward & clearing charges	1,305.98	1,101.62	899.77	2,407.60	1,959.56	4,374.45
	(g) R & D Expenses	137.53	118.64	116.32	256.17	296.51	546.08
	(h) Other expenditure	2,555.98	1,366.60	1,219.88	3,922.58	2,077.87	4,599.34
	Total	23,877.60	20,425.43	16,016.49	44,303.03	33,696.46	70,243.78
	Profit from Operations before Other Income, Interest & Exceptional Items (1- 2)	2,727.10	2,403.93	1,533.40	5,131.03	2,780.51	6,193.53
4	Other Income	49.56	184.88	23.71	234.44	43.02	206.04
	Profit from Ordinary activities before Finance Cost and exceptional items (3 - 4)	2,776.66	2,588.81	1,557.11	5,365.47	2,823.53	6,399.57
6	Finance Costs	439.73	368.83	431.68	808.57	864.46	1,767.11
7	Profit from Ordinary activities after Finance Cost but before exceptional items (5 - 6)	2,336.92	2,219.98	1,125.43	4,556.91	1,959.07	4,632.45
8	Foreign Exchange Fluctuations (gain)/loss	-	-	-	-	-	-
9	Profit from Ordinary activities before Tax (7 - 8)	2,336.92	2,219.98	1,125.43	4,556.91	1,959.07	4,632.45
10	Tax expense						
	- Current Tax Expense	764.90	726.48	313.94	1,491.38	571.60	1,238.74
	- Deferred Tax Expense	61.19	24.25	3.79	85.44	(47.50)	136.98
11	Net Profit for the period (9 - 10)	1,510.83	1,469.26	807.71	2,980.09	1,434.96	3,256.73
12	Paid-up share capital (Face Value of Rs.10/- each)	2,025.22	2,014.72	2,007.12	2,025.22	2,007.12	2,012.62
13	Reserves excluding Revaluation Reserve	28,509.97	26,918.46	23,958.30	28,509.97	23,958.30	25,441.01
14	Earnings per Share						
	(a) Basic Earnings per share (Rs.)*	7.50	7.30	4.03	14.79	7.15	16.21
	(b) Diluted Earning per share (Rs) *	7.34	7.11	3.89	14.49	6.91	15.78
PART II							
Select Information for the Quarter and 6 months ended 30 September, 2013							
Sl No.	Particulars	3 Months ended Current Year 30 Sept, 2013	3 Months ended Current Year 30 June, 2013	3 Months ended Previous Year 30 Sept, 2012	6 Months ended Current Year 30 Sept, 2013	6 Months ended Previous Year 30 Sept, 2012	Previous year ended 31 March, 2013
A							
1	Public Shareholding						
	- No. of shares	10,345,630	11,199,097	11,137,597	10,345,630	11,137,597	11,182,097
	- Percentage of shareholding	51.08%	55.59%	55.49%	51.08%	55.49%	55.56%
2	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	Number of shares	2,933,600	1,951,000	2,850,400	2,933,600	2,850,400	840,000
	Percentage of shares to promoter group	29.61%	21.80%	31.91%	29.61%	31.91%	9.36%
	Percentage of shares to total capital	14.48%	9.68%	14.20%	14.48%	14.20%	4.17%
	b) Non-encumbered						
	Number of shares	6,972,924	6,997,057	6,083,157	6,972,924	6,083,157	8,104,057
	Percentage of shares to promoter group	70.39%	78.20%	68.09%	70.39%	68.09%	90.61%
	Percentage of shares to total capital	34.43%	34.73%	30.31%	34.43%	30.31%	40.27%
Si No.	Particulars	3 Months ended 30th September, 2013					
B INVESTOR COMPLAINTS							
	Pending at the beginning of the Quarter	NIL					
	Received during the quarter	90					
	Disposed of during the quarter	85					
	Remaining unresolved at the end of the quarter	5					
1) The standalone financial results for the half year ended 30th September, 2013 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th October, 2013.							
2) Pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Company Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets. During the quarter Loss of Rs.776.82 Lakhs (Gain of Rs.518.05 Lakhs for the Quarter ended 30 September 2012) was transferred to fixed assets.							
3) The auditors of the company have carried out limited review of the above financial results.							
4) The subsidiaries considered in the consolidated financial statement as on 30th September, 2013 are Granules USA Inc, GIL Life Sciences Pvt Ltd, GIL Singapore Pte Ltd (100% wholly subsidiary companies) and Granules Biocause Pharmaceutical Co., Ltd., Granules Ornichem Pvt Ltd (50% Joint Venture Companies).							
5) The Company operates only in the segment of Pharmaceuticals.							
6) Figures are regrouped wherever necessary.							
				for and on behalf of the Board			
Place : Hyderabad				Dr.C.Nageswara Rao			
Date : 30th October, 2013				Chairman			

Granules India Limited		
Consolidated Statement of Assets and Liabilities		
		(Rs in Lakhs)
Particulars	As at current year end 30 Sept, 2013	As at previous year end 31 March, 2013
	A EQUITY AND LIABILITIES	
1 Shareholders' Funds		
(a) Share Capital	2,025.22	2,012.62
(b) Reserves & Surplus	28,509.97	25,441.01
Sub-total - Shareholders' funds	30,535.19	27,453.63
2 Share Application Money Pending Allotment	7.00	31.50
3 Non-current liabilities		
(a) Long-term borrowings	22,377.34	17,549.56
(b) Deferred tax liabilities (Net)	2,521.94	2,447.18
(c) Long-term provisions	171.34	213.53
Sub-total - Non-current liabilities	25,070.62	20,210.27
4 Current liabilities		
(a) Short-term borrowings	10,802.65	8,545.98
(b) Trade payables	14,084.36	9,184.13
(c) Other current liabilities	3,096.35	2,377.26
(d) Short-term provisions	-	470.93
Sub-total - Current liabilities	27,983.36	20,578.30
TOTAL - EQUITY AND LIABILITIES	83,596.17	68,273.70
B ASSETS		
1 Non-current assets		
(a) Fixed Assets		
(i) Tangible assets	35,210.72	25,007.56
(ii) Intangible assets	1,143.52	1,338.48
(iii) Capital work-in-progress	8,390.80	10,880.26
Sub-total - Fixed Assets	44,745.04	37,226.30
(a) Non-current investments	19.14	19.14
(b) Long-term loans and advances	653.70	1,641.54
(c) Other non-current assets	440.79	499.21
Sub-total - Non-current assets	45,858.67	39,386.19
2 Current assets		
(a) Current Investments	-	945.92
(b) Inventories	16,289.06	13,648.23
(c) Trade receivables	11,147.20	7,102.11
(d) Cash and cash equivalents	6,847.07	4,170.55
(e) Short term loans and advances	512.27	389.77
(f) Other current assets	2,941.90	2,630.93
Sub-total - Current assets	37,737.50	28,887.51
TOTAL - ASSETS	83,596.17	68,273.70
	For and on behalf of the Board	
Place: Hyderabad	Dr.C.Nageswara Rao	
Date : 30th October, 2013	Chairman	

							(Rs in Lakhs)
PART I							
Statement of Standalone Unaudited Results for the Quarter and 6 months ended 30 September, 2013							
SI No.	Particulars	3 Months ended Current Year 30 September, 2013	3 Months ended Current Year 30 June, 2013	3 Months ended Previous Year 30 September, 2012	6 Months ended Current Year 30 September, 2013	6 Months ended Previous Year 30 September, 2012	Previous year ended 31 March, 2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	(a) Net sales / Income from Operations (Net of Excise duty)	23,899.91	20,871.18	16,783.94	44,771.09	32,688.98	67,979.70
2	Expenses						
	(a) Cost of material Consumed	14,559.23	14,036.04	9,777.13	28,595.27	20,717.95	42,525.84
	(b) Changes in Inventories of Finished goods, Work in progress and Stock in trade	(755.55)	(1,228.85)	619.70	(1,984.40)	(102.21)	(740.62)
	c) Employee benefits Expense	1,725.47	1,643.97	1,283.37	3,369.44	2,503.59	5,042.05
	d) Depreciation	540.25	501.19	506.46	1,041.44	981.68	2,020.89
	e) Manufacturing Expenses	1,322.14	1,207.49	1,115.41	2,529.63	1,935.61	4,431.39
	f) Freight outward & clearing charges	1,265.05	1,084.72	884.48	2,349.77	1,926.31	4,304.09
	g) R & D Expenses	108.27	97.35	90.36	205.62	251.02	453.06
	h) Other expenditure	2,155.17	1,144.00	1,022.46	3,299.17	1,736.22	4,058.14
	Total	20,920.03	18,485.91	15,299.37	39,405.95	29,950.18	62,094.84
	Profit from Operations before Other Income, Interest & Exceptional Items (1- 2)	2,979.87	2,385.27	1,484.57	5,365.14	2,738.80	5,884.86
3	Other Income	41.46	170.07	15.05	211.53	27.55	171.81
4	Profit from Ordinary activities before Finance Cost and exceptional items (3 - 4)	3,021.33	2,555.34	1,499.63	5,576.67	2,766.35	6,056.67
5	Finance Costs	414.43	340.97	407.48	755.40	806.52	1,649.49
6	Profit from Ordinary activities after Finance Cost but before exceptional items (5 - 6)	2,606.90	2,214.37	1,092.14	4,821.27	1,959.83	4,407.18
7	Foreign Exchange Fluctuations (gain)/loss	-	-	-	-	-	-
8	Profit from Ordinary activities before Tax (7 - 8)	2,606.90	2,214.37	1,092.14	4,821.27	1,959.83	4,407.18
9	Tax expense						
	- Current Tax Expense	764.90	726.48	313.94	1,491.38	550.14	1,188.97
	- Deferred Tax Expense	117.65	14.69	13.30	132.34	43.20	200.69
10	Net Profit for the period (9 - 10)	1,724.35	1,473.20	764.90	3,197.55	1,366.49	3,017.53
11	Paid-up share capital	2,025.22	2,014.72	2,007.12	2,025.22	2,007.12	2,012.62
	(Face Value of Rs.10/- each)						
12	Reserves excluding Revaluation Reserve	28,304.10	26,526.90	23,837.33	28,304.10	23,837.33	25,036.69
13	Earnings per Share						
	(a) Basic Earnings per share (Rs.)*	8.56	7.32	3.81	15.87	6.81	15.02
	(b) Diluted Earning per share (Rs) *	8.38	7.13	3.68	15.54	6.58	14.62
PART II							
Select Information for the Quarter and 6 months ended 30 September, 2013							
SI No.	Particulars	3 Months ended Current Year 30 September, 2013	3 Months ended Current Year 30 June, 2013	3 Months ended Previous Year 30 September, 2012	6 Months ended Current Year 30 September, 2013	6 Months ended Previous Year 30 September, 2012	Previous year ended 31 March, 2013
A							
1	Public Shareholding						
	- No. of shares	10,345,630	11,199,097	11,137,597	10,345,630	11,137,597	11,182,097
	- Percentage of shareholding	51.08%	55.59%	55.49%	51.08%	55.49%	55.56%
2	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	Number of shares	2,933,600	1,951,000	2,850,400	2,933,600	2,850,400	840,000
	Percentage of shares to promoter group	29.61%	21.80%	31.91%	29.61%	31.91%	9.36%
	Percentage of shares to total capital	14.48%	9.68%	14.20%	14.48%	14.20%	4.17%
	b) Non-encumbered						
	Number of shares	6,972,924	6,997,057	6,083,157	6,972,924	6,083,157	8,104,057
	Percentage of shares to promoter group	70.39%	78.20%	68.09%	70.39%	68.09%	90.61%
	Percentage of shares to total capital	34.43%	34.73%	30.31%	34.43%	30.31%	40.27%
B							
	INVESTOR COMPLAINTS						
	Pending at the beginning of the Quarter	NIL					
	Received during the quarter	90					
	Disposed of during the quarter	85					
	Remaining unresolved at the end of the quarter	5					
1) The standalone financial results for the half year ended 30th September, 2013 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th October, 2013.							
2) Pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Company Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets. During the quarter Loss of Rs.776.82 Lakhs (Gain of Rs.518.05 Lakhs for the Quarter ended 30 September 2012) was transferred to fixed assets.							
3) The auditors of the company have carried out limited review of the above financial results.							
4) As per clause 41 of the listing agreement, the company has opted to publish consolidated results.							
5) The Company operates only in the segment of Pharmaceuticals.							
6) Figures are regrouped wherever necessary.							
for and on behalf of the Board							
Place : Hyderabad				Dr.C.Nageswara Rao			
Date : 30th October, 2013				Chairman			

Granules India Limited		
Unaudited Standalone Statement of Assets and Liabilities		
(Rs in Lakhs)		
Particulars	As at	As at
	current half year end 30 September, 2013	previous year end 31 March, 2013
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	2,025.22	2,012.62
(b) Reserves & Surplus	28,304.10	25,036.69
Sub-total - Shareholders' funds	30,329.32	27,049.30
2 Share Application Money Pending Allotment	7.00	31.50
3 Non-current liabilities		
(a) Long-term borrowings	14,756.64	14,072.37
(b) Deferred tax liabilities (Net)	2,642.19	2,509.86
(d) Long-term provisions	170.19	212.38
Sub-total - Non-current liabilities	17,569.01	16,794.61
4 Current liabilities		
(a) Short-term borrowings	5,573.62	7,671.48
(b) Trade payables	13,826.98	8,384.75
(c) Other current liabilities	2,634.37	1,302.57
(d) Short-term provisions	-	470.93
Sub-total - Current liabilities	22,034.97	17,829.74
TOTAL - EQUITY AND LIABILITIES	69,940.30	61,705.14
B ASSETS		
1 Non-current assets		
(a) Fixed Assets		
(i) Tangible assets	33,530.40	23,240.08
(ii) Intangible assets	1,083.47	1,243.38
(iii) Capital work-in-progress	2,133.22	9,160.26
Sub-total - Non-current assets	36,747.09	33,643.72
(b) Non-current investments	4,324.10	4,129.60
(c) Long-term loans and advances	465.59	1,252.76
(d) Other non-current assets	317.39	367.55
Sub-total - Non-current assets	41,854.17	39,393.63
2 Current assets		
(a) Current Investments	-	945.92
(b) Inventories	13,793.90	10,849.07
(c) Trade receivables	9,468.14	6,809.66
(d) Cash and cash equivalents	1,758.67	615.97
(e) Short term loans and advances	501.67	564.79
(f) Other current assets	2,563.74	2,526.12
Sub-total - Current assets	28,086.13	22,311.51
TOTAL - ASSETS	69,940.30	61,705.14
	For and on behalf of the Board	
Place: Hyderabad	Dr.C.Nageswara Rao	
Date : 30th October, 2013	Chairman	