

Press Release**Granules India's Revenue increases 16% to Rs. 308 Cr.; net profit surges 46% to Rs. 22 Cr.**

Hyderabad, October 30, 2014: Granules India Ltd., a fast growing pharmaceutical manufacturing company, announced financial results for its Second Quarter ended 30th September, 2014. Granules' consolidated net revenue increased 16% to Rs. 308 Cr. while consolidated net profit increased 46% to Rs. 22 Cr.

Consolidated Q2FY15 Financial Highlights

- Net Revenue: Rs. 307.6 Cr., an increase of 16% compared to Rs. 266.0 Cr. in Q2-FY14
- EBITDA: Rs. 52.9 Cr., an increase of 56% compared to Rs. 33.9 Cr. in Q2FY14
- Net Profit: Rs. 22.0 Cr., an increase of 46% compared to Rs. 15.1 Cr. in Q2FY14

The Company's revenue increased due to strong performance from all its product lines. Finished Dosages continued to be the largest contributor of revenue. Operating margins continued to strengthen: the EBITDA margin increased by 444 basis points to 17.2% while the PAT margin increased by 149 basis points to 7.2% compared to the corresponding quarter of the prior financial year. The consolidated numbers include performance from the Auctus Pharma Division which contributed revenue of Rs. 25.1 Cr. and a loss before interest, depreciation and tax of Rs. 3.4 Cr

During the quarter, the Company commercialised the sale of Abacavir, an anti-retroviral pharmaceutical drug. Granules developed the API through its internal R&D Team and intend to commercialise an additional 4-5 APIs during the financial year. The Board of Directors also approved the incorporation of a wholly-owned subsidiary in the U.S., which will focus on the Company's formulation business.

"This was an important quarter for Granules because we took several strides that will help us continue to grow while increasing our presence in more lucrative products. Although the acquisition of Auctus introduced 12 APIs to our portfolio, we're excited that we commercialised a new API completely in-house. This validates the strategy we laid out when we opened a new R&D Facility last November and we're excited we'll be introducing more APIs in the future. We've reaffirmed our strategy by setting up a new subsidiary that will help us add more value-added formulations which will benefit our customers" said Krishna Prasad, Chairman & 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

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(Rs in Lakhs)

PART I							
Statement of Consolidated Un-Audited Results for the Quarter and six months ended 30th Sept, 2014							
Sl No.	Particulars	Quarter ended			6 Months ended		Previous year ended 31 March, 2014
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	Income from Operations						
	(a) Net sales / Income from Operations (Net of Excise duty)	30,762.88	31,102.08	26,604.70	61,864.96	49,434.06	1,09,586.48
	(b) Other operating income	-	-	-	-	-	-
	Total Income from operations (net)	30,762.88	31,102.08	26,604.70	61,864.96	49,434.06	1,09,586.48
2	Expenses						
	(a) Cost of material Consumed	19,066.54	17,358.57	16,969.13	36,425.11	31,814.33	67,131.23
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in Inventories of Finished goods, Work in progress and Stock-in-trade	(2,079.67)	712.77	(1,310.99)	(1,366.90)	(2,485.73)	(2,606.11)
	(d) Employee Benefits Expense	2,587.32	2,595.60	2,083.82	5,182.92	4,192.84	8,788.56
	(e) Depreciation	1,307.48	1,167.17	615.38	2,474.65	1,183.44	2,981.25
	(f) Manufacturing Expenses	2,272.43	1,975.12	1,520.77	4,247.55	3,011.80	6,702.12
	(g) Freight outward & clearing charges	1,258.52	1,271.32	1,305.98	2,529.84	2,407.60	5,274.38
	(h) R & D Expenses	70.39	75.32	137.53	145.71	256.17	679.22
	(i) Other expenditure	2,352.44	1,832.67	2,555.98	4,185.11	3,922.58	7,788.03
	Total	26,835.45	26,988.54	23,877.60	53,823.99	44,303.03	96,738.68
3	Profit from Operations before Other Income, finance costs & Exceptional Items (1- 2)	3,927.43	4,113.54	2,727.10	8,040.97	5,131.03	12,847.79
4	Other Income	53.99	41.98	49.56	95.97	234.44	431.09
5	Profit from Ordinary activities before finance costs and exceptional items (3 - 4)	3,981.42	4,155.52	2,776.66	8,136.94	5,365.47	13,278.89
6	Finance Costs	802.79	742.63	439.73	1,545.42	808.57	2,042.73
7	Profit from Ordinary activities after finance costs but before exceptional items (5 - 6)	3,178.63	3,412.89	2,336.92	6,591.52	4,556.91	11,236.16
8	Exceptional items	-	-	-	-	-	-
9	Profit from Ordinary activities before Tax (7 - 8)	3,178.63	3,412.89	2,336.92	6,591.52	4,556.91	11,236.16
10	Tax expense	970.63	1,126.23	826.09	2,096.87	1,576.82	3,713.03
11	Net Profit from ordinary activities after tax (9 - 10)	2,208.00	2,286.65	1,510.83	4,494.65	2,980.09	7,523.13
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit for the period (11 - 12)	2,208.00	2,286.65	1,510.83	4,494.65	2,980.09	7,523.13
14	Paid-up share capital (Face Value of Rs.10/- each)	2,040.92	2,035.62	2,025.22	2,040.92	2,025.22	2,028.12
15	Reserves excluding Revaluation Reserve	38,174.24	35,869.44	28,509.97	38,174.24	28,509.97	33,542.61
16	Earnings per Share						
	(a) Basic Earnings per share (Rs.)	10.87	11.27	7.50	22.13	14.79	37.20
	(b) Diluted Earnings per share (Rs)	10.65	11.02	7.34	21.69	14.49	36.49

PART II

Select Information for the Quarter and half year ended 30 Sep, 2014							
SI No.	Particulars	Quarter ended			6 Months ended		Previous year ended 31 March, 2014
A		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	
1	Public Shareholding						
	- No. of shares	1,04,84,913	1,04,34,688	1,03,45,630	1,04,84,913	1,03,45,630	1,03,70,988
	- Percentage of shareholding	51.37%	51.26%	51.08%	51.37%	51.08%	51.14%
2	Promoters and promoter group						
	Shareholding						
	a) Pledged/Encumbered						
	Number of shares	15,04,330	15,04,330	29,33,600	15,04,330	29,33,600	24,45,830
	Percentage of shares to promoter group	15.16%	15.16%	29.61%	15.16%	29.61%	24.68%
	Percentage of shares to total capital	7.37%	7.39%	14.49%	7.37%	14.49%	12.06%
	b) Non-encumbered						
	Number of shares	84,19,911	84,17,136	69,72,924	84,19,911	69,72,924	74,64,336
	Percentage of shares to promoter group	84.84%	84.84%	70.39%	84.84%	70.39%	75.32%
	Percentage of shares to total capital	41.26%	41.35%	34.43%	41.26%	34.43%	36.80%

SI No.	Particulars	Quarter ended 30.09.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the Quarter	NIL
	Received during the quarter	110
	Disposed of during the quarter	109
	Remaining unresolved at the end of the quarter	01

1) The financial results for the quarter ended 30th September, 2014 have been reviewed by the Audit Committee on 29th October, 2014 and approved by the Board of Directors at its meeting held on 30th October, 2014.

2) The auditors of the company carried out limited review of the above financial results.

3) The subsidiaries considered for the consolidated financial statement as on 30th September, 2014 are Granules USA Inc, GIL Life Sciences Pvt Ltd, Auctus Pharma Limited (Wholly owned subsidiary companies) and Granules Biocause Pharmaceutical Co., Ltd., Granules Omnicem Pvt Ltd (50% Joint Venture Companies).

4) Auctus Pharma Limited, a wholly owned subsidiary company has filed a petition with the Hon'ble High Court of Judicature at Hyderabad for the states Andhra Pradesh and Telangana for amalgamation with Granules India Limited with effect from 1st April 2013, the Appointed Date. Subsequent to approval of Hon'ble High Court of Judicature at Hyderabad for the States of Andhra Pradesh and Telangana, the accounts of Granules India Limited will be revised accordingly.

5) 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. 265.43 lakhs (Loss of Rs.776.82 Lakhs for the Quarter ended 30 September 2013) was transferred to fixed assets.

6) As per clause 41 of the listing agreement, the Company has opted to publish only consolidated financial results. The stand-alone financial results are available for perusal on the Company's website as well as on the stock exchanges' websites as stated below:
www.granulesindia.com, www.bseindia.com and www.nse-india.com

7) The Company operates only in the segment of Pharmaceuticals.

8) The Company, during the current quarter has allotted 53,000 equity shares of Rs.10/- each fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).

9) Standalone Results as on 30.9.2014 are as under -

Particulars	Quarter ended			6 Months ended		31-Mar-14
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	
Net Sales/Income from Operations	27,170.28	25,344.90	23,899.91	52,515.18	44,771.09	1,00,167.99
Profit Before Tax	3,861.66	3,315.03	2,606.90	7,176.69	4,821.27	12,133.08
Profit After Tax	2,610.66	2,234.94	1,724.35	4,845.60	3,197.55	8,101.14

10) The current quarter and YTD Sep-2014 figures are not comparable with the corresponding previous year figures as the accounts of the Auctus Pharma Limited were consolidated w.e.f 14.02.2014.

11) Figures are regrouped wherever necessary.

for and on behalf of the Board

Place : Hyderabad

Date : 30th October, 2014

C. Krishna Prasad

Chairman & Managing Director

Granules India Limited
Consolidated Statement of Assets and Liabilities

(Rs in Lakhs)

Particulars		As at current half year ended 30 Sept, 2014	As at previous year ended 31 March, 2014
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	2,040.92	2,028.12
	(b) Reserves & Surplus	38,174.24	33,542.61
	Sub-total - Shareholders' funds	40,215.16	35,570.73
2	Share Application Money Pending Allotment	-	25.48
3	Non-current liabilities		
	(a) Long-term borrowings	30,216.03	30,924.36
	(b) Deferred tax liabilities (Net)	2,831.88	3,030.38
	(c) Long-term provisions	457.36	396.57
	Sub-total - Non-current liabilities	33,505.27	34,351.31
4	Current liabilities		
	(a) Short-term borrowings	14,261.30	10,090.90
	(b) Trade payables	15,872.84	13,554.45
	(c) Other current liabilities	5,799.34	4,777.99
	(d) Short-term provisions	1,036.62	862.21
	Sub-total - Current liabilities	36,970.10	29,285.55
	TOTAL - EQUITY AND LIABILITIES	1,10,690.53	99,233.07
B	ASSETS		
1	Non-current assets		
	(a) Fixed Assets		
	(i) Tangible assets	40,769.07	37,465.09
	(ii) Intangible assets	10,675.09	10,782.09
	(iii) Capital work-in-progress	11,936.59	12,455.83
		63,380.75	60,703.01
	(a) Non-current investments	19.14	19.14
	(b) Long-term loans and advances	486.82	465.03
	(c) Other non-current assets	319.19	353.74
	Sub-total - Non - current assets	64,205.90	61,540.92
2	Current assets		
	(a) Current Investments	482.81	-
	(b) Inventories	23,263.91	17,416.34
	(c) Trade receivables	13,271.37	11,090.83
	(d) Cash and cash equivalents	4,176.67	4,174.71
	(e) Short term loans and advances	1,639.33	1,190.49
	(f) Other current assets	3,650.54	3,819.78
	Sub-total - Current assets	46,484.63	37,692.15
	TOTAL - ASSETS	1,10,690.53	99,233.07

For and on behalf of the Board

Place: Hyderabad
Date : 30th October, 2014

C.Krishna Prasad
Chairman & Managing Director

PART I							(Rs.in lakhs)
Statement of Standalone Un Audited Results for the quarter and six months ended 30 September, 2014							
Sl No.	Particulars	Quarter ended			Half year ended		Previous year ended 31 March, 2014
		30.09.14	30.06.14	30.09.13	30.09.14	30.09.13	
		Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
1	Income from Operations						
	(a) Net sales / Income from Operations (Net of Excise duty)	27,170.28	25,344.90	23,899.91	52,515.18	44,771.09	1,00,167.99
	(b) Other operating income	-	-	-	-	-	-
	Total Income from operations (net)	27,170.28	25,344.90	23,899.91	52,515.18	44,771.09	1,00,167.99
2	Expenses						
	(a) Cost of material Consumed	16,390.59	14,490.67	14,559.23	30,881.26	28,595.27	58,735.64
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in Inventories of Finished goods, Work in progress and Stock-in-trade	(1,603.10)	(85.14)	(755.55)	(1,688.24)	(1,984.40)	(237.62)
	(d) Employee Benefits Expense	2,004.63	1,830.12	1,725.47	3,834.75	3,369.44	6,927.38
	e) Depreciation	991.04	965.74	540.25	1,956.78	1,041.44	2,639.79
	f) Manufacturing Expenses	1,629.37	1,382.10	1,322.14	3,011.47	2,529.63	5,518.25
	g) Freight outward & clearing charges	1,198.68	1,207.63	1,265.05	2,406.31	2,349.77	5,184.14
	h) R & D Expenses	38.43	46.92	108.27	85.35	205.62	567.64
	i) Other expenditure	1,985.65	1,568.11	2,155.17	3,553.76	3,299.17	7,171.74
	Total	22,635.29	21,406.15	20,920.03	44,041.44	39,405.95	86,506.96
3	Profit from Operations before Other Income, finance costs & Exceptional Items (1- 2)	4,534.99	3,938.76	2,979.87	8,473.75	5,365.14	13,661.03
4	Other Income	46.00	31.38	41.46	77.37	211.53	364.75
5	Profit from Ordinary activities before finance costs and exceptional items (3 - 4)	4,580.99	3,970.14	3,021.33	8,551.12	5,576.67	14,025.78
6	Finance Costs	719.33	655.10	414.43	1,374.43	755.40	1,892.70
7	Profit from Ordinary activities after finance costs but before exceptional items (5 - 6)	3,861.66	3,315.03	2,606.90	7,176.69	4,821.27	12,133.08
8	Exceptional items	-	-	-	-	-	-
9	Profit from Ordinary activities before Tax (7 - 8)	3,861.66	3,315.03	2,606.90	7,176.69	4,821.27	12,133.08
10	Tax expense	1,251.00	1,080.09	882.55	2,331.09	1,623.72	4,031.94
11	Net Profit from ordinary activities after tax (9 - 10)	2,610.66	2,234.94	1,724.35	4,845.60	3,197.55	8,101.14
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit for the period (11 - 12)	2,610.66	2,234.94	1,724.35	4,845.60	3,197.55	8,101.14
14	Paid-up share capital (Face Value of Rs.10/- each)	2,040.92	2,035.62	2,025.22	2,040.92	2,025.22	2,028.12
15	Reserves excluding Revaluation Reserve	37,337.27	34,683.10	28,304.10	37,337.27	28,304.10	32,403.15
16	Earnings per Share						
	(a) Basic Earnings per share (Rs.)	12.85	11.01	8.56	23.85	15.87	40.06
	(b) Diluted Earnings per share (Rs)	12.60	10.77	8.38	23.38	15.54	39.30

PART II

Select Information for the Quarter and Six months ended 30 September, 2014							
SI No.	Particulars	Quarter ended			Half year ended		Previous year ended 31 March, 2014
		30.09.14	30.06.14	30.09.13	30.09.14	30.09.13	
A							
1	Public Shareholding						
	- No. of shares	1,04,84,913	1,04,34,688	1,03,45,630	1,04,84,913	1,03,45,630	1,03,70,988
	- Percentage of shareholding	51.37%	51.26%	51.08%	51.37%	51.08%	51.14%
2	Promoters and promoter group						
	Shareholding						
	a) Pledged/Encumbered						
	Number of shares	15,04,330	15,04,330	29,33,600	15,04,330	29,33,600	24,45,830
	Percentage of shares to promoter group	15.16%	15.16%	29.61%	15.16%	29.61%	24.68%
	Percentage of shares to total capital	7.37%	7.39%	14.49%	7.37%	14.49%	12.06%
	b) Non-encumbered						
	Number of shares	84,19,911	84,17,136	69,72,924	84,19,911	69,72,924	74,64,336
	Percentage of shares to promoter group	84.84%	84.84%	70.39%	84.84%	70.39%	75.32%
	Percentage of shares to total capital	41.26%	41.35%	34.43%	41.26%	34.43%	36.80%

SI No.	Particulars	Quarter ended 30.09.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the Quarter	NIL
	Received during the quarter	110
	Disposed of during the quarter	109
	Remaining unresolved at the end of the quarter	01

1) The financial results for the quarter ended 30th September, 2014 have been reviewed by the Audit Committee on 29th October, 2014 and approved by the Board of Directors at its meeting held on 30th October, 2014.

2) The auditors of the company carried out limited review of the above financial results.

3) 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. 265.43 lakhs (Loss of Rs.776.82 Lakhs for the Quarter ended 30 September 2013) was transferred to fixed assets.

4) Auctus Pharma Limited, a wholly owned subsidiary company has filed a petition with the Hon'ble High Court of Judicature at Hyderabad for the states Andhra Pradesh and Telangana for amalgamation with Granules India Limited with effect from 1st April 2013, the Appointed Date. Subsequent to approval of Hon'ble High Court of Judicature at Hyderabad for the States of Andhra Pradesh and Telangana, the accounts of Granules India Limited will be revised accordingly.

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6) The Company operates only in the segment of Pharmaceuticals.

7) The Company, during the quarter has allotted 53,000 equity shares of Rs.10/- each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).

8) Figures are regrouped wherever necessary.

for and on behalf of the Board

Place : Hyderabad

Date : 30th October, 2014

C.Krishna Prasad

Chairman & Managing Director

Granules India Limited
Standalone Statement of Assets and Liabilities

(Rs in Lakhs)

Particulars		As at current half year ended 30 September, 2014	As at previous year ended 31 March, 2014
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	2,040.92	2,028.12
	(b) Reserves & Surplus	37,337.27	32,403.15
	Sub-total - Shareholders' funds	39,378.19	34,431.27
2	Share Application Money Pending Allotment	-	25.48
3	Non-current liabilities		
	(a) Long-term borrowings	22,870.22	22,209.18
	(b) Deferred tax liabilities (Net)	3,676.49	3,580.81
	(c) Long-term provisions	427.07	369.90
	Sub-total - Non-current liabilities	26,973.78	26,159.88
4	Current liabilities		
	(a) Short-term borrowings	11,061.70	7,748.62
	(b) Trade payables	10,966.72	12,624.80
	(c) Other current liabilities	4,175.06	3,760.49
	(d) Short-term provisions	1,033.76	889.08
	Sub-total - Current liabilities	27,237.24	25,022.99
	TOTAL - EQUITY AND LIABILITIES	93,589.21	85,639.63
B	ASSETS		
1	Non-current assets		
	(a) Fixed Assets		
	(i) Tangible assets	35,648.05	32,642.85
	(ii) Intangible assets	926.45	924.43
	(iii) Capital work-in-progress	2,771.36	3,914.21
		39,345.85	37,481.49
	(b) Non-current investments	15,732.70	14,544.61
	(c) Long-term loans and advances	401.38	373.26
	(d) Other non-current assets	229.43	255.58
	Sub-total - Non-current assets	55,709.36	52,654.94
2	Current assets		
	(a) Inventories	15,564.55	12,028.73
	(b) Trade receivables	12,697.20	12,181.97
	(c) Cash and cash equivalents	2,614.49	2,192.58
	(d) Short-term loans and advances	554.31	314.34
	(e) Other current assets	6,449.30	6,267.06
	Sub-total - Current assets	37,879.85	32,984.68
	TOTAL - ASSETS	93,589.21	85,639.63

For and on behalf of the Board

Place: Hyderabad
Date : 30th October, 2014

C.Krishna Prasad
Chairman & Managing Director