



**REGISTERED OFFICE**

**GRANULES INDIA LTD.**, 2nd Floor, 3rd Block, My Home Hub,  
Madhapur, Hyderabad - 500 081, Telangana, INDIA.  
Tel: +91 40 30660000, Fax: +91 40 23115145, mail@granulesindia.com, www.granulesindia.com  
CIN: L24110TG1991PLC012471

**Date: 2<sup>nd</sup> June 2020**

To  
National Stock Exchange of India Limited &  
BSE Limited.  
Scrip Code: NSE- GRANULES; BSE-532482.

**Sub: Outcome of 200<sup>th</sup> Board meeting dated 02<sup>nd</sup> June, 2020.**  
**Ref: Regulation 30 and 33 of the Listing Regulations.**

Dear Sir,

The Board of Directors at their meeting has -

1. Approved the Audited financial results (Standalone & Consolidated) for the fourth quarter and financial year ended 31<sup>st</sup> March, 2020 prepared under Indian Accounting Standards (Ind - AS) along with the Auditor's report thereon;
2. Recommended to the members, a final dividend of 25 paise per share of face value of Re. 1/- each for the financial year 2019-20 representing 25% of paid-up capital in addition to the interim dividend of 75 paise per share paid during the year;
3. Fixed the date of 29<sup>th</sup> Annual General Meeting on 13<sup>th</sup> August 2020 to be held through VC/OVAM.
4. Fixed the date of book closure from 07<sup>th</sup> August 2020 to 13<sup>th</sup> August 2020 for the purpose of Annual General Meeting and for the payment of final dividend for the financial year 2019-20.

Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we are enclosing the Audited financial results (Standalone and Consolidated) of the Company for the fourth quarter and year ended 31<sup>st</sup> March, 2020.

*G. Chaitanya*

We also enclose a copy of the Report of the Statutory Auditors of the Company, as required under Regulation 33 of the Listing Regulations and press release.

We hereby confirm and declare that the statutory auditors of the Company, B S R & Associates LLP, Chartered Accountants registered vide Firm Registration No. 116231W/W-100024 have in their report issued an unmodified opinion on the standalone and consolidated financial results of the Company for the financial year ended March 31, 2020.

The meeting of the Board of Directors of the Company commenced at 3.00 P.M and concluded at 4.30 P.M.

Request you to take the above information on record.

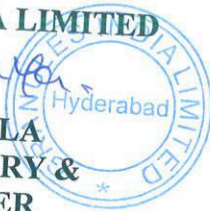
Thanking You.  
Yours faithfully,

**For GRANULES INDIA LIMITED**

*G. Chaitanya*

**CHAITANYA TUMMALA  
(COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Encl: As above



# B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City  
Orwell, B Wing, 6th Floor, Unit-3  
Sy. No. 83/1, Plot No. 2, Raidurg  
Hyderabad-500081, India.

Telephone : +91 40 7182 2000  
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## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF GRANULES INDIA LIMITED

#### Report on the audit of the Standalone Annual Financial Results

#### Opinion

We have audited the accompanying standalone annual financial results of Granules India Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.



### **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.



**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (continued)**

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

*for* **B S R & Associates LLP**

Chartered Accountants

Firm Registration Number: 116231W/W-100024



**Sriram Mahalingam**

*Partner*

Membership Number: 049642

ICAI UDIN: 20049642AAAABP1843

Place: Hyderabad

Date: 02 June 2020





**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, 2020**

SI No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Un-Audited	Audited	Audited	Audited
	<b>Income</b>					
1	Revenue from operations	48,686.99	61,644.41	56,099.67	230,992.83	209,843.26
2	Other income	1,682.75	373.52	151.21	2,645.67	2,848.91
3	<b>Total income (1+2)</b>	<b>50,369.74</b>	<b>62,017.93</b>	<b>56,250.88</b>	<b>233,638.50</b>	<b>212,692.17</b>
4	<b>Expenses</b>					
	(a) Cost of materials consumed	27,282.83	33,731.90	34,024.78	125,328.26	131,733.38
	(b) Changes in inventories of work in progress and finished goods	(3,010.23)	(470.06)	(1,024.03)	(3,129.76)	(6,701.53)
	(c) Employee benefits expense	5,289.23	4,696.40	4,260.84	19,251.45	16,699.57
	(d) Finance costs	667.47	668.82	680.24	2,686.22	2,836.02
	(e) Depreciation and amortisation expense	2,634.45	2,522.74	2,313.76	10,182.44	9,077.21
	(f) Other expenses	9,393.96	9,895.60	9,943.85	40,129.16	34,876.84
	<b>Total expenses</b>	<b>42,257.71</b>	<b>51,045.40</b>	<b>50,199.44</b>	<b>194,447.77</b>	<b>188,521.49</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>8,112.03</b>	<b>10,972.53</b>	<b>6,051.44</b>	<b>39,190.73</b>	<b>24,170.68</b>
6	Exceptional items {refer note 5}	(16,111.87)	-	-	(16,111.87)	-
7	<b>Profit before tax (5-6)</b>	<b>24,223.90</b>	<b>10,972.53</b>	<b>6,051.44</b>	<b>55,302.60</b>	<b>24,170.68</b>
8	<b>Tax expense</b>					
	a) Current tax	3,392.10	3,117.71	1,610.67	12,222.73	8,192.27
	b) Deferred tax (refer note 4)	656.53	(991.78)	305.07	(1,327.03)	(205.64)
	<b>Total tax expense</b>	<b>4,048.63</b>	<b>2,125.93</b>	<b>1,915.74</b>	<b>10,895.70</b>	<b>7,986.63</b>
9	<b>Profit for the period (7-8)</b>	<b>20,175.27</b>	<b>8,846.60</b>	<b>4,135.70</b>	<b>44,406.90</b>	<b>16,184.05</b>
10	<b>Other comprehensive income (net of tax)</b>					
	(a) (i) items that will not be reclassified to profit or loss	(460.56)	-	(104.92)	(460.56)	(104.92)
	(ii) income tax on (i) above	123.62	-	36.66	123.62	36.66
	(b) (i) items that will be reclassified to profit or loss	(1,721.36)	(1,657.50)	1,352.00	(3,138.36)	1,870.87
	(ii) income tax on (i) above	413.87	417.16	(472.45)	770.50	(653.76)
	<b>Total other comprehensive income, net of tax</b>	<b>(1,644.43)</b>	<b>(1,240.34)</b>	<b>811.29</b>	<b>(2,704.80)</b>	<b>1,148.85</b>
11	<b>Total comprehensive income (9+10)</b>	<b>18,530.84</b>	<b>7,606.26</b>	<b>4,946.99</b>	<b>41,702.10</b>	<b>17,332.90</b>
12	Paid-up equity share capital (Face Value of Rs.1/- per share)	2,542.48	2,542.48	2,542.48	2,542.48	2,542.48
13	Other equity				178,616.10	139,781.03
14	<b>Earnings per share (Face value Rs. 1/- each)</b>					
	(a) Basic (in Rs.)	7.94	3.48	1.63	17.47	6.37
	(b) Diluted (in Rs.)	7.91	3.47	1.62	17.41	6.35
		(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)



Standalone statement of Assets and Liabilities :		Rs in lakhs	
Sl. No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
		Audited	Audited
I	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	a) Property, plant and equipment	86,770.55	63,265.57
	b) Capital work-in-progress	10,086.39	30,874.48
	c) Other intangible assets	5,917.80	6,729.41
	d) Intangible assets under development	2,891.59	2,428.38
	e) Financial assets		
	i) Investments	44,539.17	50,646.30
	ii) Loans	15,429.07	6,545.08
	f) Other non-current assets	1,495.37	1,056.93
	<b>Total non-current assets</b>	<b>167,129.94</b>	<b>161,546.15</b>
	<b>Current assets</b>		
	a) Inventories	34,394.74	31,413.51
	b) Financial assets		
	i) Trade receivables	62,700.27	70,420.94
	ii) Cash and cash equivalents	17,432.47	5,642.03
	iii) Bank balances other than cash and cash equivalents above	9,801.38	601.59
	iv) Loans	175.69	49.10
	v) Other financial assets	264.99	34.07
	c) Other current assets	11,733.34	12,729.67
		<b>136,502.88</b>	<b>120,890.91</b>
	d) Assets held for sale (refer note 5(b))	10,985.24	-
	<b>Total current assets</b>	<b>147,488.12</b>	<b>120,890.91</b>
	<b>TOTAL ASSETS</b>	<b>314,618.06</b>	<b>282,437.06</b>
II	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	a) Equity share capital	2,542.48	2,542.48
	b) Other equity	178,616.10	139,781.03
	<b>Total equity</b>	<b>181,158.58</b>	<b>142,323.51</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	a) Financial liabilities		
	i) Borrowings	42,091.66	47,878.25
	b) Provisions	2,150.34	1,258.07
	c) Deferred tax liabilities (net)	4,472.10	6,693.25
	<b>Total non-current liabilities</b>	<b>48,714.10</b>	<b>55,829.57</b>
	<b>Current liabilities</b>		
	a) Financial liabilities		
	i) Borrowings	37,169.09	45,420.61
	ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	855.47	371.45
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	31,432.03	27,317.78
	iii) Other financial liabilities	12,681.99	9,631.22
	b) Other current liabilities	1,665.82	1,023.35
	c) Provisions	595.51	433.83
	d) Current tax liabilities (net)	345.47	85.74
	<b>Total current liabilities</b>	<b>84,745.38</b>	<b>84,283.98</b>
	<b>Total liabilities</b>	<b>133,459.48</b>	<b>140,113.55</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>314,618.06</b>	<b>282,437.06</b>



Audited standalone statement of Cash flows for the year ended March 31, 2020		Rs in lakhs	
		March 31, 2020	March 31, 2019
	Audited	Audited	
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>	<b>55,302.60</b>	<b>24,170.68</b>	
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Depreciation and amortisation expense	10,182.44	9,077.21	
Bad debts written off	164.99	6.91	
Allowance for doubtful trade receivables	671.42	1,261.95	
Gain on sale of investments	(16,111.87)	-	
Loss on sale of fixed assets (net)	23.45	29.73	
Changes in fair value of cashflow hedges	148.13	-	
Net loss/(gain) on foreign exchange fluctuations (unrealised)	(2,004.87)	60.32	
Share based compensation expense	198.06	139.18	
Interest expense	2,686.22	2,836.02	
Interest income	(1,348.84)	(1,219.55)	
<b>Operating profit before working capital changes</b>	<b>49,911.73</b>	<b>36,362.45</b>	
<i>Movements in working capital:</i>			
Decrease/(Increase) in trade receivables	9,979.73	(3,258.12)	
Increase in inventories	(2,981.23)	(8,677.86)	
Decrease in other assets	633.58	3,167.03	
Increase in trade payables, other liabilities and provisions	3,898.08	3,772.15	
<b>Cash generated from operations</b>	<b>61,441.89</b>	<b>31,365.65</b>	
Taxes paid (net of refunds)	(11,963.00)	(8,680.35)	
<b>Net cash generated from operating activities</b>	<b>49,478.89</b>	<b>22,685.30</b>	
<b>Cash flow from investing activities</b>			
Purchase of fixed assets including capital work-in-progress, capital advances and payables for capital goods	(11,943.18)	(18,774.85)	
Proceeds from sale of fixed assets	17.63	20.78	
Withdrawal/(placement) of bank deposits	(9,193.71)	167.79	
Proceeds from sale of associate	11,233.76	-	
Loans given to subsidiaries	(6,927.63)	(8,590.03)	
Interest received	332.84	2,885.48	
<b>Net cash used in investing Activities</b>	<b>(16,480.29)</b>	<b>(24,290.83)</b>	
<b>Cash flow from financing activities</b>			
Proceeds from issuance of shares	-	95.55	
Proceeds from borrowings	-	11,339.34	
Repayment of borrowings	(5,986.36)	(1,105.32)	
(Repayment) of short-term borrowings, net	(9,353.54)	(6,231.00)	
Repayment of lease liability (including related interest)	(171.95)	-	
Interest paid	(2,651.65)	(2,768.02)	
Dividend paid on equity shares including tax thereon	(3,065.09)	(3,063.93)	
<b>Net cash used in financing activities</b>	<b>(21,228.59)</b>	<b>(1,733.38)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,770.01</b>	<b>(3,338.91)</b>	
Effect of exchange differences on translation of foreign currency cash and cash equivalents	20.43	-	
Cash and cash equivalents at the beginning of the year	5,642.03	8,980.94	
<b>Cash and cash equivalents at the end of the year</b>	<b>17,432.47</b>	<b>5,642.03</b>	

Note: The above Statement of Cash flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'







**Notes:**

- 1 The above standalone audited financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee on June 02, 2020 and approved by the Board of Directors at their meeting held on June 02, 2020.
- 2 The standalone audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 Effective April 1, 2019, the Company has adopted Ind AS 116 — Leases using modified retrospective method. This has resulted in recognizing right of use assets and lease liability as on April 1, 2019. The adoption of the standard did not have any material impact to the audited financial results.
- 4 The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax liabilities basis the rates prescribed in the said section. The Company recognized an amount of Rs. 1,891.88 lakhs towards reversal of deferred tax liability during the year ended March 31, 2020 on account of the remeasurement.
- 5 a) During the year, the Company has entered into a definitive agreement to divest its entire 50% shareholding in Granules-Bioclause Pharmaceutical Co. Ltd, for a consideration of Rs. 11,233.76 lakhs (RMB 109 million). The closing conditions for the divestment were concluded in current year. Upon divestment, the resultant gain of Rs. 9,414.73 lakhs is disclosed as 'Exceptional item' in the standalone statement of profit and loss.  
b) During the year, the Company has entered into a definitive agreement to divest its entire 50% shareholding in Granules Omnicem Private Limited, for a consideration of Rs. 10,985.24 lakhs. The Company has received the required regulatory approval in May 2020 and the sale has been concluded. The Company has recognised the resultant gain of Rs. 6,697.14 lakhs which is disclosed as an 'Exceptional item' in the standalone statement of profit and loss.
- 6 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, inventories and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, the company expects to recover the carrying amount of receivables, intangibles, inventories and investments. As the outbreak continues to evolve, the company will continue to closely monitor any material changes to future economic conditions. Based on the assessment done by the management of the Company, there is no significant/material impact of COVID-19 on the results for the quarter and year ended
- 7 The Company operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- 8 The Board of Directors at their meeting held on January 21, 2020 approved a buyback proposal, subject to the approval of shareholders for purchase by the company of up to equity shares of 12,500,000 of face value Re 1 each (representing 4.92% of total paid-up equity capital) from shareholders of the company at a price of Rs. 200 per share. The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 21, 2020 through the e-voting and postal ballot that concluded on March 09, 2020. The Company has filed the draft letter of offer (DLOF) with Securities Exchange Board of India (SEBI) for approval. The approval was received from SEBI in May 2020.
- 9 The figures for the quarters ended March 31, 2020 and March 31, 2019 are the balancing numbers between audited figures in respect of the full financial years and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which are subjected to limited review.
- 10 The Board of Directors at their meeting held on June 02, 2020 have recommended final dividend of 25 paise per equity share of Re.1/- each in addition to interim dividend of 75 paise per equity share of Re.1/- each paid during the year.
- 11 The figures for the corresponding previous periods have been restated/regrouped wherever necessary, to make them comparable.

for and on behalf of the Board

Krishna Prasad Chigurupati  
Chairman and Managing Director



Place : Hyderabad  
Date : June 02, 2020

# B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City  
Orwell, B Wing, 6th Floor, Unit-3  
Sy. No. 83/1, Plot No. 2, Raidurg  
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## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF GRANULES INDIA LIMITED

#### Report on the audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of Granules India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. includes the financial statement / results of the following:

Name of the entity	Relationship
Granules USA Inc.	Wholly owned subsidiary
Granules Pharmaceutical Inc.	Wholly owned subsidiary
Granules Europe Limited	Wholly owned subsidiary
Granules-Biocause Pharmaceutical Co. Ltd.	Associate (till 21 January 2020)
Granules Omnicem Private limited	Joint venture

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, its associate and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Our opinion is not modified in respect of this matter.



### **Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group including its associate and joint venture in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture is responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate and joint venture to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



### Other Matters

- (a) The consolidated annual financial results include the audited financial results of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 91,856.76 as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. 63,616.37 and total net loss after tax (before consolidation adjustments) of Rs. 243.35 and net cash outflows of Rs 1582.14 for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- (b) The consolidated annual financial results include the unaudited financial results of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 99.63 as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. Nil and total net loss after tax (before consolidation adjustments) of Rs. 198.65, and net cash inflows of Rs. 82.17 for the year ended on that date, as considered in the consolidated annual financial results. The consolidated annual financial results also include the Group's share of net profit after tax (before consolidation adjustments) of Rs. 2,549.09 for the period 1 April 2019 to 30 September 2019, as considered in the consolidated annual financial results, in respect of one associate and one joint venture. These unaudited financial statements / financial information have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, associate and joint venture is based solely on such annual financial statements / financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Board of Directors.

- (c) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

*for* **B S R & Associates LLP**

Chartered Accountants

Firm Registration Number: 116231W/W-100024



**Sriram Mahalingam**

*Partner*

Membership Number: 049642

ICAI UDIN: 20049642AAAABQ1008

Place: Hyderabad

Date: 02 June 2020



Statement of Consolidated Audited Results for the quarter and year ended March 31, 2020

Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Un-Audited	Audited	Audited	Audited
	<b>Income</b>					
1	Revenue from operations	59,988.34	70,395.64	61,331.62	259,864.65	227,919.77
2	Other income	2,251.93	350.99	188.19	3,655.52	2,668.26
3	<b>Total income (1+2)</b>	<b>62,240.27</b>	<b>70,746.63</b>	<b>61,519.81</b>	<b>263,520.17</b>	<b>230,588.03</b>
	<b>Expenses</b>					
	(a) Cost of materials consumed	29,414.83	34,687.96	35,762.49	131,491.77	133,897.31
	(b) Changes in inventories of work in progress and finished goods	(1,510.90)	17.42	(2,606.82)	(3,398.64)	(8,341.09)
	(c) Employee benefits expense	7,381.87	6,474.82	5,133.78	25,903.82	20,982.44
	(d) Finance costs	657.06	672.84	684.57	2,702.38	2,846.07
	(e) Depreciation and amortisation expense	3,897.00	3,899.44	2,741.84	13,695.35	10,548.34
	(f) Other expenses (refer note 7)	14,707.78	12,900.65	13,281.48	53,335.87	42,977.34
	<b>Total expenses</b>	<b>54,547.64</b>	<b>58,653.13</b>	<b>54,997.34</b>	<b>223,730.55</b>	<b>202,910.41</b>
	<b>Profit before share of profit from joint venture &amp; associate, exceptional items and tax (3-4)</b>	<b>7,692.63</b>	<b>12,093.50</b>	<b>6,522.47</b>	<b>39,789.62</b>	<b>27,677.62</b>
6	Share of profit of joint venture and associate, net of tax	-	-	1,899.71	2,549.09	4,874.32
7	<b>Profit before exceptional items and tax (5+6)</b>	<b>7,692.63</b>	<b>12,093.50</b>	<b>8,422.18</b>	<b>42,338.71</b>	<b>32,551.94</b>
8	Exceptional items (refer note 8)	(5,977.29)	3,203.39	-	(2,773.90)	-
9	<b>Profit before tax (7-8)</b>	<b>13,669.92</b>	<b>8,890.11</b>	<b>8,422.18</b>	<b>45,112.61</b>	<b>32,551.94</b>
10	<b>Tax expense</b>					
	a) Current tax	3,592.67	3,253.34	1,610.67	12,570.83	8,192.27
	b) Deferred tax (refer note 6)	843.57	(765.90)	407.84	(998.05)	718.82
	<b>Total tax expense</b>	<b>4,436.24</b>	<b>2,487.44</b>	<b>2,018.51</b>	<b>11,572.78</b>	<b>8,911.09</b>
11	<b>Profit for the period (9-10)</b>	<b>9,233.68</b>	<b>6,402.67</b>	<b>6,403.67</b>	<b>33,539.83</b>	<b>23,640.85</b>
12	<b>Other comprehensive income (net of tax)</b>					
	(a) (i) items that will not be reclassified to profit or loss	(460.56)	-	(105.56)	(460.56)	(105.56)
	(ii) income tax on (i) above	123.62	-	36.66	123.62	36.66
	(b) (i) items that will be reclassified to profit or loss	162.12	(1,307.14)	1,113.41	(215.07)	2,099.81
	(ii) income tax on (i) above	815.15	305.78	(547.17)	770.50	(728.48)
	<b>Total other comprehensive income, net of tax</b>	<b>640.33</b>	<b>(1,001.36)</b>	<b>497.34</b>	<b>218.49</b>	<b>1,302.43</b>
13	<b>Total comprehensive income (11+12)</b>	<b>9,874.01</b>	<b>5,401.31</b>	<b>6,901.01</b>	<b>33,758.32</b>	<b>24,943.28</b>
14	Paid-up equity share capital (Face Value of Rs.1/- per share)	2,542.48	2,542.48	2,542.48	2,542.48	2,542.48
15	Other equity				181,829.93	150,404.83
16	<b>Earnings per share (Face value Rs. 1/- each)</b>					
	(a) Basic (in Rs.)	3.63	2.52	2.52	13.19	9.30
	(b) Diluted (in Rs.)	3.62	2.51	2.51	13.15	9.28
		(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)





Consolidated Statement of Assets and Liabilities :

Sl.No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
		Audited	Audited
I	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	a) Property, plant and equipment	98,877.21	74,755.69
	b) Capital work-in-progress	14,807.04	32,349.96
	c) Other intangible assets	21,520.19	19,669.12
	d) Intangible assets under development	14,613.39	17,245.19
	e) Financial assets		
	i) Investments (refer note 7)	1,934.03	21,042.07
	ii) Loans	1,661.16	1,692.61
	f) Deferred tax assets	525.02	422.70
	g) Non-current tax assets (net)	52.99	169.26
	h) Other non-current assets	5,974.87	2,710.55
	<b>Total non-current assets</b>	<b>159,965.90</b>	<b>170,057.15</b>
	<b>Current assets</b>		
	a) Inventories	43,843.08	38,421.25
	b) Financial assets		
	i) Trade receivables	73,517.82	67,354.24
	ii) Cash and cash equivalents	18,592.89	8,302.43
	iii) Bank balances other than cash and cash equivalents above	9,801.38	601.59
	iv) Loans	787.65	315.43
	v) Other financial assets	360.97	51.68
	c) Other current assets	12,295.03	13,177.55
	<b>Total current assets</b>	<b>159,198.82</b>	<b>128,224.17</b>
	d) Assets held for sale (refer note 8(b))	10,985.24	-
	<b>Total current assets</b>	<b>170,184.06</b>	<b>128,224.17</b>
	<b>TOTAL ASSETS</b>	<b>330,149.96</b>	<b>298,281.32</b>
II	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	a) Equity share capital	2,542.48	2,542.48
	b) Other equity	181,829.93	150,404.83
	<b>Total equity</b>	<b>184,372.41</b>	<b>152,947.31</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	a) Financial liabilities		
	i) Borrowings	42,152.25	47,878.25
	b) Provisions	2,150.34	1,258.07
	c) Deferred tax liabilities (net) (refer note 6)	4,820.91	6,549.49
	<b>Total non-current liabilities</b>	<b>49,123.50</b>	<b>55,685.81</b>
	<b>Current liabilities</b>		
	a) Financial liabilities		
	i) Borrowings	37,169.09	45,420.61
	ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	855.47	371.45
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	42,146.74	31,976.29
	iii) Other financial liabilities	13,603.70	10,194.84
	b) Other current liabilities	1,712.63	1,165.44
	c) Provisions	595.51	433.83
	d) Current tax liabilities (net)	570.91	85.74
	<b>Total current liabilities</b>	<b>96,654.05</b>	<b>89,648.20</b>
	<b>Total liabilities</b>	<b>145,777.55</b>	<b>145,334.01</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>330,149.96</b>	<b>298,281.32</b>



## Audited consolidated statement of Cash flows for the year ended March 31, 2020

Rs in lakhs

	March 31, 2020	March 31, 2019
	Audited	Audited
<b>Cash flow from operating activities</b>		
Profit before tax excluding share of profit of joint venture & associate	42,563.52	27,677.62
<i>Adjustments to reconcile profit before tax to net cash flows</i>		
Depreciation and amortisation expense	13,695.35	10,548.34
Bad debts written off	302.01	6.91
Allowance for doubtful trade receivables	535.48	1,394.31
Gain on disposal of associate and joint venture (net)	(2,773.90)	-
Impairment of Investments	2,171.53	-
Loss on sale of fixed assets (net)	24.67	36.50
Changes in fair value of cashflow hedges	148.13	-
Net loss/(gain) on foreign exchange fluctuations (unrealised)	(1,410.42)	324.70
Write off of Intangible assets under development	1,127.83	-
Share based payment expense	731.87	554.82
Reclassified forex from OCI to P&L on account of sale of associate	(930.44)	-
Interest expense	2,702.38	2,846.07
Interest income	(636.20)	(726.26)
<b>Operating profit before working capital changes</b>	<b>58,251.81</b>	<b>42,663.01</b>
<i>Movements in working capital:</i>		
Increase in trade receivables	(3,905.60)	(6,789.72)
Increase in inventories	(5,421.83)	(10,426.69)
Decrease in other assets	441.75	2,561.04
Increase in trade payables, other liabilities and provisions	10,160.84	7,061.64
<b>Cash generated from operations</b>	<b>59,526.97</b>	<b>35,069.28</b>
Taxes paid (net of refunds)	(11,908.13)	(8,844.87)
<b>Net cash generated from operating activities</b>	<b>47,618.84</b>	<b>26,224.41</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including capital work-in-progress, capital advances and payables for capital goods	(18,447.90)	(27,940.34)
Proceeds from sale of fixed assets	17.63	56.82
Withdrawal/(placement) of bank deposits	(9,193.71)	167.79
Proceeds from sale of associate	11,233.76	-
Interest received	326.91	733.90
<b>Net cash used in investing activities</b>	<b>(16,063.31)</b>	<b>(26,981.83)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of shares	-	95.55
Proceeds from borrowings	-	11,339.34
Repayment of borrowings	(5,986.36)	(1,105.32)
(Repayment) of short-term borrowings, net	(9,353.54)	(6,231.00)
Repayment of lease liability (including related interest)	(219.90)	-
Interest paid	(2,660.61)	(2,778.07)
Dividend paid on equity shares including tax thereon	(3,065.09)	(3,063.93)
<b>Net cash used in financing activities</b>	<b>(21,285.50)</b>	<b>(1,743.43)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,270.03</b>	<b>(2,500.85)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	20.43	-
Cash and cash equivalents at the beginning of the year	8,302.43	10,803.28
<b>Cash and cash equivalents at the end of the year</b>	<b>18,592.89</b>	<b>8,302.43</b>

Note: The above Statement of Cash flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'





**Notes:**

- 1 The above consolidated audited financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee on June 02, 2020 and approved by the Board of Directors at their meeting held on June 02, 2020.
- 2 The consolidated audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The subsidiaries, joint venture and associate companies considered for the consolidated financial statements for the year ended March 31, 2020 are Granules USA Inc., Granules Pharmaceuticals Inc., Granules Europe Limited (together known as "Subsidiaries"), Granules Omnicem Pvt Ltd (known as "joint venture") and Hubei Granules Biocause Pharmaceutical Co. Ltd (known as "associate").
- 4 Effective April 1, 2019, the Group has adopted Ind AS 116 – Leases using modified retrospective method. This has resulted in recognising right of use assets and lease liability as on April 1, 2019. The adoption of the standard did not have any material impact to the audited financial results.
- 5 The Group operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- 6 The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax liabilities basis the rates prescribed in the said section. The Company recognized an amount of Rs. 1,891.88 lakhs towards reversal of deferred tax liability during the year ended March 31, 2020 on account of the remeasurement.
- 7 Other expenses include an amount of Rs 2,171.53 lakhs (USD 3 Million) which represents the impairment of investment in a downstream entity by Granules Pharmaceutical Inc.. The impairment was arising from the management's qualitative assessment of the impairment indicators and the comparison of the carrying value of the investment with the recoverable value of the investee entity in accordance with the Ind AS 36.
- 8 a) During the year ended March 31, 2020, the Company entered into a definitive agreement to divest its entire 50% shareholding in Granules-Biocause Pharmaceutical Co. Ltd, for a consideration of Rs. 11,233.76 lakhs (RMB 109 million). The closing conditions for the divestment were concluded in current year. Upon divestment, the resultant loss of Rs. 3,203.39 lakhs is disclosed as 'Exceptional item' in the consolidated statement of profit and loss.  
b) During the year, the Company has entered into a definitive agreement to divest its entire 50% shareholding in Granules Omnicem Private Limited, for a consideration of Rs. 10,985.24 lakhs. The Company has received the required regulatory approval in May 2020 and the sale has been concluded. The Company has recognised the resultant gain of Rs. 5,977.29 lakhs which is disclosed as an 'Exceptional item' in the consolidated statement of profit and loss.
- 9 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, inventories and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, the Group expects to recover the carrying amount of receivables, intangibles, inventories and investments. As the outbreak continues to evolve, the company will continue to closely monitor any material changes to future economic conditions. Based on the assessment done by the management of the Group, there is no significant/material impact of COVID-19 on the results for the quarter and year ended March 31, 2020.
- 10 The Board of Directors at their meeting held on January 21, 2020 approved a buyback proposal, subject to the approval of shareholders for purchase by the Company of up to equity shares of 12,500,000 of face value Re 1 each (representing 4.92% of total paid-up equity capital) from shareholders of the Company at a price of Rs. 200 per share. The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 21, 2020 through the e-voting and postal ballot that concluded on March 09, 2020. The Company has filed the draft letter of offer (DLOF) with Securities Exchange Board of India (SEBI) for approval. The approval was received from SEBI in May 2020.
- 11 The Board of Directors at their meeting held on June 02, 2020 have recommended final dividend of 25 paise per equity share of Re.1/- each in addition to interim dividend of 75 paise per equity share of Re.1/- each paid during the year.
- 12 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect to full previous financial year and the published unaudited year to date figures upto the end of the third quarter of the previous financial year, which were subjected to limited review.
- 13 The figures for the corresponding previous periods have been restated/regrouped wherever necessary, to make them comparable.
- 14 Standalone results for the quarter / year ended are as under -

Particulars	Rs in lakhs				
	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Un-Audited	Audited	Audited	Audited
Revenue from Operations	48,686.99	61,644.41	56,099.67	230,992.83	209,843.26
Profit Before Tax	24,223.90	10,972.53	6,051.44	55,302.60	24,170.68
Profit After Tax	20,175.27	8,846.60	4,135.70	44,406.90	16,184.05

for and on behalf of the Board

Place : Hyderabad  
Date : June 02, 2020



*Krishna Prasad Chigurupati*  
Chairman and Managing Director







Press Release

For Immediate Release

**Granules India FY20 Revenues at INR 2,599 cr, up 14% YoY**  
**EBITDA at INR 525 Cr, up 37% YoY; EBITDA Margin expands 340 bps**  
**PAT stood at INR 336 cr, up 42% YoY**

Hyderabad, 2<sup>nd</sup> June 2020: Granules India Ltd., a growing pharmaceutical manufacturing company, today announced its earnings for the fourth quarter and full year 2020.

**FY20 Financial Highlights (All numbers in INR Cr except Margins)**

CONSOLIDATED FINANCIALS	FY20	FY19	Growth (YoY)
Income from Operations	2,599	2,279	14%
Operating Profit	525	384	37%
Operating Profit Margin	20.2%	16.8%	337 bps
PAT	335	236	42%
Net Profit Margin	12.9%	10.4%	

Notes: FY20 Operating Profit impacted due to one-off impairment of investment at GPI of INR 22 Crs  
FY20 PAT includes loss on account of net exceptional items of INR 3 Crs

**Q4FY20 Financial Highlights (All numbers in INR Cr except Margins)**

CONSOLIDATED FINANCIALS	Q4FY20	Q4FY19	Growth (YoY)
Income from Operations	600	613	(2.2%)
Operating Profit	100	98	2.4%
Operating Profit Margin	16.7%	15.9%	75 bps
PAT	92.3	64.0	44%
Net Profit Margin	15.4%	10.4%	

Notes: Q4FY20 Operating profit impacted due to one-off impairment of investment at GPI of INR 22 Crs  
Q4FY20 PAT includes gain on account of net exceptional gain of INR 16 Crs

*The Company's Board of Directors have recommended a final dividend of 25 paise per share of face value of Re. 1 each.*

### Buyback Update

Buy back of shares to the extent of 250cr (4.9% of paid up capital) and is expected to be completed by the end of June.

### Business Highlights for FY20

- Revenue up 14% yoy, EBITDA margin expanded 337 bps yoy (including impairment of investments) followed by PAT growth of 42% yoy in FY20 on back of strong performance growth driven by FD sales
- Reduction of Net debt position by 33% from the year ended March 31, 2019.
- ROE and ROCE Improved to 19.9% and 20.5%, respectively, mainly due to the improved profits
- Completed divestment of two non-strategic JVs; Biocause & Omnicem and received consideration of INR 222cr out of which INR 110cr was received in May 2020 although the divestment recorded in FY20.
- During the year, the Company took the opportunity to strengthen its senior leadership team with the appointment of Mr Sandip Neogi as CFO
- Received approvals for 12 this year; Total approvals stands at 29 products till date
- Filed 45 ANDAs, 16 CEPs and 20 US DMFs as of March 31, 2020.
- Launched 5 products in the US as on March 31, 2020.
- Invested INR 40cr as part of maintenance CAPEX towards enhancing capacities at Gagillapur which will start yielding results from April 2020
- Completed USFDA Audit for Gagillapur facilities in Hyderabad and Receive EIR for GPI in the US
- Completed capitalization of Unit 5 and started to depreciate the assets from Q4FY20

### Business Highlights Q4FY20

- Revenue for the quarter stood at INR 600cr down (2.2%) YoY; revenue during the quarter was impacted due to restriction imposed on Paracetamol API, PFI and FD. Restriction removed for PFI and FD on April and API by end of May
- EBITDA during the quarter was impacted due to onetime expense of INR 22cr due to impairment of investment at GPI. EBITDA up 2.5% YoY stood at INR 100cr
- Excluding onetime expenses EBITDA stood at INR 121cr grew 25% and EBITDA Margin expanded 437 bps stood at 20%
- PAT for the quarter stood at INR 92cr up 44% YoY;



## Our response to COVID-19

We are taking all the protective measures in terms of ensuring businesses and safety across the company to respond to COVID-19 pandemic, focusing on our people, business continuity and providing solutions to support the global response. We are working hard to make sure our employees stay protected and supported, investing in high frequency employee engagement, as well as providing technology, resources and adjusted policies to support our people. Our business is performing well and has demonstrated resilience in the face of significant demand. We have implemented business continuity plans across all our essential operations. The liquidity position of GIL remains strong and we have sufficient cash for our current operational needs and access to significant additional undrawn committed sources of finance, if required. With respect to our supply chain, we are closely monitoring all parts of our manufacturing network and have been able to respond quickly to any fluctuations in demand. GIL donated 3 Crs towards various COVID-19 relief funds, spent 17 Crs till current date towards the safety of our employees and their families.

*Commenting on the results Mr. Krishna Prasad Chigurupati, Chairman & Managing Director of Granules India Limited, said "I am happy to share with you that our growth momentum for FY20 and Q4FY20 has been very robust despite the Covid-19 led challenges and we continue to experience strong demand across our products. FY20 reported a 14% growth in revenue, an impressive EBITDA margin expansion of 337bps and a year-on-year PAT growth of 42%. This is the result of the launch of new profitable products through GPI, increased FD sales, operational excellence and a vigilant watch over our margins via optimal product mix, capacity utilization and minimization of our expenses. Our regulated markets (North America and Europe) contributed 73% of revenues in FY20. During the year we made 14 filings; US ANDAs- 11, EP-2 and UK-1. We have received approvals for 12 ANDAs and launched 5 products in the US. We are happy to have achieved our stated guidance in FY20 and going forward, we expect to maintain our focus on delivering superior shareholder value."*



**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. The Company has 6 manufacturing facilities out of which 5 are located in India and 1 in USA and has regulatory approvals from US FDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, K FDA, DEA, MCC and HALAL.

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**Safe Harbor**

*This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Granules India Ltd., its directors and any of the affiliates or employee is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.*