

REGISTERED OFFICE

GRANULES INDIA LTD., 2nd Floor, 3rd Block, My Home Hub,
Madhapur, Hyderabad - 500 081, Telangana, India.
Tel: +91 40 69043500, Fax: +91 40 23115145, mail@granulesindia.com, www.granulesindia.com
CIN: L24110TG1991PLC012471

Date: 18th May 2022

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

Sub: Outcome of the Board meeting dated 18th May 2022.
Ref: Regulations 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 on 31st March 2022 prepared under Indian Accounting Standards (Ind - AS) along with the Auditor's report thereon.
2. Recommended to the members, a final dividend of 75 paise per share of the face value of Re. 1/- each for the financial year 2021-22 representing 75% of the paid-up capital in addition to the interim dividend of 75 paise per share paid during the year.
3. Re-appointed Mrs. Uma Devi Chigurupati (DIN: 00737689) as Whole-Time Director of the Company for a further period of 5 (five) years effective from May 31, 2022 since her current term concludes on May 30, 2022. This appointment is subject to the approval of the members.

Pursuant to NSE Circular no. NSE/CML/2018/24 dated June 20, 2018, we hereby confirm that Mrs. Uma Devi Chigurupati is not debarred from holding the office of Director by virtue of any order of the SEBI or any other authority. Mrs. Uma Devi Chigurupati is the spouse of Dr. Krishna Prasad Chigurupati, Chairman and Managing Director and mother of Mr. Harsha Chigurupati, Executive Director of the Company. Apart from stated here, she is not related to any other member of the Board.

G. Chaitanya



Pursuant to regulation 33 of the 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 financial year ended on 31st March, 2022.

We also enclose a copy of the report of the statutory auditors of the Company, as required under Regulation 33 of the Listing Regulations.

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 for the financial year ended on March 31, 2022.

The meeting of the Board of Directors of the Company commenced at 02.00 P.M and concluded at 4.15 P.M.

Request you to take the above information on record.

Thanking You.
Yours faithfully,

For GRANULES INDIA LIMITED

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. 02, Raidurg,
Hyderabad – 500 081 - India

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Independent Auditor's 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 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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 2022.

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 obtained by us, 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

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Granules India Limited

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 are 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 annual 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 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.

Independent Auditor's Report (Continued)

Granules India Limited

Other Matter(s)

- a. The standalone annual financial results include the results for the quarter ended 31 March 2022 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's Registration No.:116231WW-100024

Sulabh Kumar Kedia

Sulabh Kumar Kedia

Partner

Membership No.: 066380

UDIN:22066380AJDYRH4632

Hyderabad

18 May 2022



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, 2022

Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited (refer Note 9)	Un-Audited	Audited (refer Note 9)	Audited	Audited
	Income					
1	Revenue from operations	91,284.82	88,977.85	78,155.12	3,23,843.66	3,13,498.24
2	Other income	427.91	478.52	306.10	1,751.00	1,372.32
3	Total income (1+2)	91,712.73	89,456.37	78,461.22	3,25,594.66	3,14,870.56
	Expenses					
4	(a) Cost of materials consumed	50,334.99	51,347.43	35,346.65	1,86,415.66	1,50,219.35
	(b) Changes in inventories of work in progress and finished goods	(1,730.76)	(2,623.62)	1,443.46	(10,641.06)	744.93
	(c) Employee benefit expenses	7,545.05	7,183.95	7,746.65	28,279.90	31,825.23
	(d) Finance costs	400.09	295.59	575.26	1,635.23	2,377.39
	(e) Depreciation and amortisation expense	3,168.28	3,112.67	3,051.11	12,616.09	11,845.14
	(f) Other expenses	14,538.68	13,866.21	11,326.84	55,324.27	44,571.50
	Total expenses	74,256.33	73,182.23	59,489.97	2,73,630.09	2,41,583.54
5	Profit before tax (3-4)	17,456.40	16,274.14	18,971.25	51,964.57	73,287.02
6	Tax expense					
	a) Current tax	4,417.61	4,212.86	4,681.30	13,350.68	19,706.09
	b) Deferred tax	114.37	(71.66)	64.56	(37.59)	(1,697.38)
	Total tax expense	4,531.98	4,141.20	4,745.86	13,313.09	18,008.71
7	Profit for the period (5-6)	12,924.42	12,132.94	14,225.39	38,651.48	55,278.31
8	Other comprehensive income (net of tax)					
	(a) (i) items that will not be reclassified to profit or loss	(104.35)	-	(36.69)	(104.35)	(36.69)
	(ii) income tax on (i) above	26.26	-	9.23	26.26	9.23
	(b) (i) items that will be reclassified to profit or loss	724.56	500.51	2,703.78	1,913.86	(699.98)
	(ii) income tax on (i) above	(182.36)	(125.97)	(680.49)	(481.68)	176.17
	Total other comprehensive income/(losses), net of tax	464.11	374.54	1,995.83	1,354.09	(551.27)
9	Total comprehensive income (7+8)	13,388.53	12,507.48	16,221.22	40,005.57	54,727.04
10	Paid-up equity share capital (Face Value of Rs. 1/- per share)	2,480.06	2,480.06	2,476.75	2,480.06	2,476.75
11	Other equity				2,50,586.05	2,13,785.42
12	Earnings per share (Face value Rs. 1/- each)					
	(a) Basic (in Rs.)	5.21	4.89	5.74	15.60	22.18
	(b) Diluted (in Rs.)	5.20	4.88	5.72	15.55	22.09
		(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)



Standalone statement of Assets and Liabilities :		Rs in lakhs	
		As at March 31, 2022	As at March 31, 2021
Sl. No.	Particulars	Audited	Audited
I	ASSETS		
	Non-current assets		
	a) Property, plant and equipment	1,09,775.19	91,690.72
	b) Right-of-use assets	1,254.59	939.93
	c) Capital work-in-progress	19,414.56	14,658.41
	d) Other intangible assets	6,053.49	5,869.36
	e) Intangible assets under development	1,637.70	1,742.77
	f) Financial assets		
	i) Investments	59,653.12	59,153.12
	ii) Loans	1,302.91	1,011.21
	iii) Others	1,244.87	1,191.08
	g) Income tax assets (net)	615.78	-
	h) Other non-current assets	3,244.51	4,240.01
	Total non-current assets	2,04,196.72	1,80,496.61
	Current assets		
	a) Inventories	59,074.35	46,169.68
	b) Financial assets		
	i) Trade receivables	1,21,042.80	1,01,423.62
	ii) Cash and cash equivalents	13,424.21	2,003.29
	iii) Bank balances other than cash and cash equivalents above	22,084.27	22,119.38
	iv) Loans	28.48	27.71
	v) Other financial assets	194.76	38.17
	c) Other current assets	17,216.40	16,004.89
	Total current assets	2,33,065.27	1,87,786.74
	TOTAL ASSETS	4,37,261.99	3,68,283.35
II	EQUITY AND LIABILITIES		
	Equity		
	a) Equity share capital	2,480.06	2,476.75
	b) Other equity	2,50,586.05	2,13,785.42
	Total equity	2,53,066.11	2,16,262.17
	Liabilities		
	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	23,370.06	33,380.74
	ii) Lease liabilities	828.12	733.59
	b) Provisions	2,831.02	2,484.22
	c) Deferred tax liabilities (net)	3,007.15	2,589.32
	Total non-current liabilities	30,036.35	39,187.87
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	81,351.64	50,464.40
	ii) Lease liabilities	527.25	283.45
	iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,264.82	324.69
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	59,415.40	50,440.47
	iv) Other financial liabilities	6,584.36	6,561.51
	b) Other current liabilities	1,579.08	1,966.85
	c) Provisions	2,283.25	1,334.49
	d) Income tax liabilities (net)	1,153.73	1,457.45
	Total current liabilities	1,54,159.53	1,12,833.31
	Total liabilities	1,84,195.88	1,52,021.18
	TOTAL EQUITY AND LIABILITIES	4,37,261.99	3,68,283.35

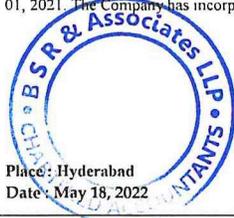


Statement of standalone cash flows :	Rs in lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
	Audited	Audited
Cash flow from operating activities		
Profit before tax	51,964.57	73,287.02
<i>Adjustments for :</i>		
Depreciation and amortisation expense	12,616.09	11,845.14
Bad debts written off	0.10	162.22
Allowance for doubtful trade receivables	(61.06)	749.95
Allowance for doubtful advances	-	169.53
Allowance for Scrips on hand	226.00	-
Loss on sale of fixed assets (net)	478.34	36.84
Changes in fair value of cashflow hedges	1,121.19	1,204.52
Net gain on foreign exchange fluctuations (unrealised)	(1,198.74)	(0.77)
Share based compensation expense	194.08	151.24
Interest expense	1,635.23	2,377.39
Interest income	(1,299.85)	(1,323.98)
Operating profit before working capital changes	65,675.95	88,659.10
<i>Movements in working capital:</i>		
Increase in trade receivables	(17,123.20)	(38,613.01)
Increase in inventories	(12,904.67)	(11,774.94)
Increase in other assets	(1,492.07)	(4,335.91)
Increase in trade payables, other liabilities and provisions	8,143.24	22,124.71
Cash generated from operations	42,299.25	56,059.95
Taxes paid (net of refunds)	(14,270.18)	(18,594.11)
Net cash generated from operating activities	(A) 28,029.07	37,465.84
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress, capital advances and payables for capital goods	(32,455.60)	(22,262.59)
Proceeds from sale of fixed assets	97.92	32.71
Redemption/(Placement) of bank deposits	36.28	(12,317.76)
Purchase of investments	-	(20.00)
Investment in subsidiary	(500.00)	(2,500.00)
Proceeds from sale of associate	-	10,985.24
Loans given to subsidiaries	(178.56)	(77.51)
Interest received	1,154.80	2,898.04
Net cash used in investing Activities	(B) (31,845.16)	(23,261.87)
Cash flow from financing activities		
Proceeds from issuance of shares	321.05	414.50
Repayment of borrowings	(9,547.79)	(10,153.55)
Proceeds of short-term borrowings, net	30,297.89	2,960.23
Repayment of lease liability (including related interest)	(471.99)	(271.79)
Payment towards Buyback including transaction cost	-	(17,714.41)
Interest paid	(1,739.12)	(2,383.78)
Dividend paid on equity shares including tax thereon	(3,717.13)	(2,472.08)
Net cash (used in)/generated from financing activities	(C) 15,142.91	(29,620.88)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 11,326.82	(15,416.91)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	94.10	(12.27)
Cash and cash equivalents at the beginning of the year	2,003.29	17,432.47
Cash and cash equivalents at the end of the year	13,424.21	2,003.29

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

Notes:

- The above standalone audited financial results for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee on May 18, 2022 and approved by the Board of Directors at their meeting held on May 18, 2022. The Statutory Auditors have expressed an unmodified opinion on these results.
- The standalone audited financial results of the Granules India Limited ("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
- During the quarter ended December 31, 2021, the Company has recognised duty drawback claims of Rs 1,725.31 lakhs pertaining to the period prior to April 1, 2021, for purchases made from suppliers in Domestic Tariff Area by its Export Oriented Units. These claims were recognized, in accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", as it has become virtually certain that the claim will be realized by the Company.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. 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 fully recover the carrying amount of financial and non-financial assets. As the outbreak continues to evolve, the company will continue to closely monitor any material changes to future economic conditions.
- The Company operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- During the year, the Company has allotted 3,30,980 equity shares of Rs. 1/- each, fully paid up on exercise of options by employees in accordance with the Company's Employee Stock Option Scheme(s).
- The Board of Directors at their meeting held on May 18, 2022 have recommended final dividend of 75 paise per equity share of Rs. 1/- each in addition to interim dividend of 75 paise per equity share of Rs. 1/- each paid during the year.
- The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.
- The figures for the quarters ended March 31, 2022 and March 31, 2021 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.
- On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III to the Companies Act, 2013, applicable for financial period commencing from April 01, 2021. The Company has incorporated the changes as per the said amendment in the above results and has also changed the comparative numbers wherever applicable.



for and on behalf of the Board

Dr. Krishna Prasad Chigurupati
Chairman and Managing Director

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3,
Sy No. 83/1, Plot No. 02, Raidurg,
Hyderabad – 500 081 - India

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Independent Auditor's 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"), for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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 financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities:
 1. Granules India Limited
 2. Granules Pharmaceuticals Inc.
 3. Granules (USA) Inc.
 4. Granules Life Sciences Private Limited
 5. Granules Consumer Health Inc.
- 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 2022.

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, 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 reports of the other auditors referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

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

Independent Auditor's Report (Continued)

Granules India Limited

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/ loss and other comprehensive income and other financial information of the Group 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 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group 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 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.
- 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 annual 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

Independent Auditor's Report (Continued)

Granules India Limited

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 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 statements of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated annual financial results of which we are the independent auditor. 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 sub paragraph no. (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company, 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 Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matter(s)

- a. The consolidated annual financial results include the audited financial results of 4 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 143,942.64 as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 146,030.68 and total net profit after tax (before consolidation adjustments) of Rs. 2,925.06 lakhs and net cash inflows (before consolidation adjustments) of Rs. 2,847.67 lakhs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by its independent auditor. The independent auditor's reports on financial statements of these entities have been furnished to us by the management.

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 reports of such auditors and the procedures performed by us are as stated in paragraph above.

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

- b. The consolidated annual financial results include the unaudited financial results of 1 subsidiaries whose financial statements reflects total assets (before consolidation adjustments) of Rs. 46.37 as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. Nil, total net loss after tax (before consolidation adjustments) of Rs. 288.17 and net cash inflows (before consolidation adjustments) of Rs. 19.17 for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial statements have been furnished to us by the Board of

Independent Auditor's Report (Continued)

Granules India Limited

Directors.

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, is based solely on such financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial statements certified by the Board of Directors.

- c. The consolidated annual financial results include the results for the quarter ended 31 March 2022 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's Registration No.:116231W/W-100024

Sulabh Kumar Kedia

Sulabh Kumar Kedia

Partner

Hyderabad

18 May 2022

Membership No.: 066380

UDIN:22066380AJDZCF2951



Rs in lakhs

Statement of Consolidated Audited Results for the quarter and year ended March 31, 2022

Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited (refer Note 11)	Un-Audited	Audited (refer Note 11)	Audited	Audited
	Income					
1	Revenue from operations	102,997.35	99,676.99	79,931.32	376,492.10	323,754.28
2	Other income	396.07	486.77	327.84	1,760.80	2,688.18
3	Total income (1+2)	103,393.42	100,163.76	80,259.16	378,252.90	326,442.46
	Expenses					
	(a) Cost of materials consumed	55,584.52	56,004.91	38,504.47	203,642.00	159,027.67
	(b) Changes in inventories of work in progress and finished goods	(2,979.16)	(2,812.20)	(4,348.21)	(15,277.91)	(19,900.33)
	(c) Employee benefits expense	10,815.67	10,531.45	9,987.89	40,137.69	40,818.10
	(d) Finance costs	636.17	459.30	681.80	2,321.07	2,628.41
	(e) Depreciation and amortisation expense	4,018.05	3,922.92	4,447.81	15,863.20	15,146.25
	(f) Other expenses	20,306.51	18,579.39	15,586.48	75,767.02	58,285.93
	Total expenses	88,381.76	86,685.77	64,860.24	322,453.07	256,006.03
5	Profit before tax (3-4)	15,011.66	13,477.99	15,398.92	55,799.83	70,436.43
6	Tax expense					
	a) Current tax	4,247.05	4,278.89	3,200.66	13,820.48	19,537.21
	b) Deferred tax	(335.04)	(888.96)	(558.60)	703.54	(4,046.68)
	Total tax expense	3,912.01	3,389.93	2,642.06	14,524.02	15,490.53
7	Profit for the period (5-6)	11,099.65	10,088.06	12,756.86	41,275.81	54,945.90
8	Other comprehensive income (net of tax)					
	(a) (i) items that will not be reclassified to profit or loss	(104.35)	-	(36.69)	(104.35)	(36.69)
	(ii) income tax on (i) above	26.26	-	9.23	26.26	9.23
	(b) (i) items that will be reclassified to profit or loss	2,098.12	796.95	2,795.22	4,567.22	(2,764.76)
	(ii) income tax on (i) above	(182.36)	(125.97)	(680.49)	(481.68)	176.17
	Total other comprehensive income/(losses), net of tax	1,837.67	670.98	2,087.27	4,007.45	(2,616.05)
9	Total comprehensive income (7+8)	12,937.32	10,759.04	14,844.13	45,283.26	52,329.85
10	Profit for the period attributable to:					
	(i) Equity shareholders of the company	11,099.63	-	-	41,275.79	-
	(ii) Non controlling interests	0.02	-	-	0.02	-
11	Total comprehensive income for the period attributable to:					
	(i) Equity shareholders of the company	12,937.27	-	-	45,283.22	-
	(ii) Non controlling interests	0.04	-	-	0.04	-
12	Paid-up equity share capital (Face Value of Rs. 1/- per share)	2,480.06	2,480.06	2,476.75	2,480.06	2,476.75
13	Other equity excluding Non-controlling interest				256,173.23	214,850.68
14	Earnings per share (Face value Rs. 1/- each)					
	(a) Basic (in Rs)	4.48	4.07	5.15	16.66	22.05
	(b) Diluted (in Rs)	4.46	4.05	5.13	16.60	21.95
		(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)



Consolidated Statement of Assets and Liabilities :		Rs in lakhs	
Sl.No.	Particulars	As at	As at
		March 31, 2022	March 31, 2021
		Audited	Audited
I	ASSETS		
	Non-current assets		
	a) Property, plant and equipment	127,117.54	106,126.47
	b) Right-of-use assets	1,254.59	995.68
	c) Capital work-in-progress	31,191.80	18,477.17
	d) Other intangible assets	25,745.29	26,077.42
	e) Intangible assets under development	4,431.30	5,431.00
	f) Financial assets		
	i) Investments	1,966.80	1,898.94
	ii) Loans	298.01	95.19
	iii) Others	1,273.02	1,218.22
	g) Deferred tax assets	137.39	77.32
	h) Income tax assets (net)	1,170.36	568.46
	i) Other non-current assets	6,205.51	10,679.00
	Total non-current assets	200,791.61	171,644.87
	Current assets		
	a) Inventories	97,855.07	78,217.85
	b) Financial assets		
	i) Trade receivables	92,495.44	76,542.01
	ii) Cash and cash equivalents	18,471.34	4,183.59
	iii) Bank balances other than cash and cash equivalents above	22,474.27	22,920.80
	iv) Loans	751.34	999.34
	v) Other financial assets	269.23	56.95
	c) Other current assets	18,181.46	16,779.63
	Total current assets	250,498.15	199,700.17
	TOTAL ASSETS	451,289.76	371,345.04
II	EQUITY AND LIABILITIES		
	Equity		
	a) Equity share capital	2,480.06	2,476.75
	b) Other equity	256,173.23	214,850.68
	Total equity attributable to equity shareholders of parent	258,653.29	217,327.43
	Non-controlling interests	55.75	-
	Total equity	258,709.04	217,327.43
	Liabilities		
	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	23,370.06	33,380.74
	ii) Lease liabilities	828.12	733.59
	b) Provisions	2,831.02	2,484.22
	c) Deferred tax liabilities (net)	1,391.52	109.25
	Total non-current liabilities	28,420.72	36,707.80
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	85,905.67	50,464.40
	ii) Lease liabilities	527.25	342.25
	iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,264.82	324.69
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	62,596.14	53,780.06
	iv) Other financial liabilities	8,557.36	7,526.46
	b) Other current liabilities	1,652.49	2,018.68
	c) Provisions	2,283.25	1,334.49
	d) Income tax liabilities (net)	1,373.02	1,518.78
	Total current liabilities	164,160.00	117,309.81
	Total liabilities	192,580.72	154,017.61
	TOTAL EQUITY AND LIABILITIES	451,289.76	371,345.04



Statement of Consolidated cash flows :

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
	Audited	Audited
Cash flow from operating activities		
Profit before tax	55,799.83	70,436.43
<i>Adjustments for</i>		
Depreciation and amortisation expense	15,863.20	15,146.25
Bad debts written off	0.10	246.31
Allowance for doubtful trade receivables	(61.06)	749.95
Allowance for doubtful advances	-	169.53
Allowance for scrips on hand	226.00	-
Loss on sale of fixed assets (net)	478.34	39.19
Changes in fair value of cashflow hedges	1,121.19	1,204.52
Net loss/(gain) on foreign exchange fluctuations (unrealised)	(1,196.60)	23.56
Write off of Intangible assets under development	-	72.89
Share based payment expense	162.16	399.86
Interest expense	2,321.08	2,628.40
Interest income	(1,285.41)	(1,237.87)
Operating profit before working capital changes	73,428.83	89,879.02
Exchange differences on translation of foreign operations		
<i>Movements in working capital:</i>		
Increase in trade receivables	(13,112.70)	(3,639.03)
Increase in inventories	(18,402.66)	(34,588.76)
Increase in other assets	(1,600.68)	(4,550.37)
Increase in trade payables, other liabilities and provisions	7,397.51	15,283.61
Cash generated from operations	47,710.30	62,384.47
Taxes paid (net of refunds)	(14,504.89)	(19,136.69)
Net cash generated from operating activities	(A) 33,205.41	43,247.78
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress, capital advances and payables for capital goods	(39,770.69)	(27,134.16)
Proceeds from sale of fixed assets	97.92	32.71
Redemption/(placement) of bank deposits, net	447.70	(13,119.18)
Purchase of investments	-	(20.00)
Proceeds from sale of associate	-	10,985.24
Interest received	1,213.58	1,541.89
Net cash used in investing activities	(B) (38,011.49)	(27,713.50)
Cash flow from financing activities		
Proceeds from issuance of shares	370.74	414.50
Repayment of borrowings	(9,547.79)	(10,153.55)
Proceeds of short-term borrowings, net	34,851.92	2,960.23
Repayment of lease liability (including related interest)	(540.27)	(338.40)
Payment towards Buyback including transaction cost	-	(17,714.41)
Interest paid	(2,417.76)	(2,627.60)
Dividend paid on equity shares including tax thereon	(3,717.13)	(2,472.08)
Net cash (used in)/generated from financing activities	(C) 18,999.71	(29,931.31)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 14,193.63	(14,397.03)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	94.12	(12.27)
Cash and cash equivalents at the beginning of the year	4,183.59	18,592.89
Cash and cash equivalents at the end of the year	18,471.34	4,183.59

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

Notes:

- The above consolidated audited financial results for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee on May 18, 2022 and approved by the Board of Directors at their meeting held on May 18, 2022. The Statutory Auditors have expressed an unmodified opinion on these results.
- The consolidated audited financial results of Granules India Limited ("Company") and its subsidiaries ("Group") 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.
- The subsidiaries considered for the consolidated financial statements for the year ended March 31, 2022 are Granules USA Inc., Granules Pharmaceuticals Inc., Granules Europe Limited, Granules Life Sciences Private Limited (together known as "Subsidiaries") and Granules Consumer Health, Inc. (Step-down subsidiary).
- The Group operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- During the year, the Company has allotted 3,30,980 equity shares of Rs.1/- each, fully paid up on exercise of options by employees in accordance with the Company's Employee Stock Option Scheme(s).
- The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. The Group has performed sensitivity analysis on the assumptions used and based on current estimates, the Group expects to fully recover the carrying amount of financial and non-financial assets. As the outbreak continues to evolve, the Group will continue to closely monitor any material changes to future economic conditions.
- During the quarter ended December 31, 2021, the Group has recognised duty drawback claims of Rs 1,725.31 lakhs pertaining to the period prior to April 1, 2021, for purchases made from suppliers in Domestic Tariff Area by its Export Oriented Units. These claims were recognized, in accordance with Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, as it has become virtually certain that the claim will be realized by the Company.

- 8 The Board of Directors at their meeting held on May 18, 2022 have recommended final dividend of 75 paise per equity share of Rs.1/- each in addition to interim dividend of 75 paise per equity share of Rs.1/- each paid during the year.
- 9 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.
- 10 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III to the Companies Act, 2013, applicable for financial period commencing from April 01, 2021. The Group has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers wherever it is applicable.
- 11 The figures for the quarters ended March 31, 2022 and March 31, 2021 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.
- 12 Standalone results for the quarter / year ended are as under -

Particulars	Rs in Lakhs				
	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Audited	Un-Audited	Audited	Audited	Audited
Revenue from Operations	91,284.82	88,977.85	78,155.12	323,843.66	313,498.24
Profit Before Tax	17,456.40	16,274.14	18,971.25	51,964.57	73,287.02
Profit After Tax	12,924.42	12,132.94	14,225.39	38,651.48	55,278.31

Place : Hyderabad
Date : May 18, 2022



for and on behalf of the Board

[Signature]
Dr. Krishna Prasad Chigurupati
Chairman and Managing Director