



REGISTERED OFFICE

GRANULES INDIA LTD., 2nd Floor, 3rd Block, My Home Hub,
Madhapur, Hyderabad – 500 081, Telangana, INDIA.

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CIN: L24110TG1991PLC012471

Date: 20th October 2020

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

Sub: Outcome of 202nd Board meeting dated 20th October 2020.
Ref: Regulation 30 and 33 of the Listing Regulations.

Dear Sir,

The Board of Directors at their meeting has -

1. Approved the Un-Audited financial results (Standalone & Consolidated) for the second quarter ended September 30, 2020 prepared under Indian Accounting Standards (Ind - AS);
2. Declared second interim dividend of 25 paise per share of face value of Re. 1/- each representing 25% of paid-up capital for the financial year 2020-21;
3. Fixed the record date as October 30, 2020 for the purpose of payment of second interim dividend for the financial year 2020-21.

Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we are enclosing the Un-Audited financial results (Standalone and Consolidated) of the Company for the second quarter ended September 30, 2020.

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

The meeting of the Board of Directors of the Company commenced at 10.00 A.M and concluded at 11.45 A.M.

Request you to take the above information on record.

Thanking You.

Yours faithfully,

FOR GRANULES INDIA LIMITED




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 - 500 081, India.

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Limited review report on unaudited quarterly standalone financial results and standalone year-to-date results under Regulation 33 of the Listing Regulations.

To
Board of Directors of Granules India Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Granules India Limited ('the Company') for the quarter ended 30 September 2020 and year to date results for the period from 01 April 2020 to 30 September 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

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Sriram Mahalingam
Partner
Membership No.: 049642
UDIN: 240049642AAAAEO9105

Place: Hyderabad
Date: 20 October 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 Unaudited Results for the quarter and half-year ended September 30, 2020

Sl No.	Particulars	Quarter ended			Half-year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Income						
1	Revenue from operations	83,449.84	74,292.16	63,876.64	157,742.00	120,661.43	230,992.83
2	Other income	306.91	630.62	438.03	771.30	589.40	2,645.67
3	Total income (1+2)	83,756.75	74,922.78	64,314.67	158,513.30	121,250.83	233,638.50
	Expenses						
	(a) Cost of materials consumed (refer note 9)	39,832.77	35,979.52	33,173.05	75,812.29	64,313.53	125,328.26
	(b) Changes in inventories of work in progress and finished goods	868.01	(1,930.63)	1,198.51	(1,062.62)	350.53	(3,129.76)
	(c) Employee benefits expense	5,829.10	6,281.08	4,688.97	12,110.18	9,265.82	19,251.45
	(d) Finance costs	623.12	584.79	669.91	1,207.91	1,349.93	2,686.22
	(e) Depreciation and amortisation expense	2,959.05	2,857.94	2,499.75	5,816.99	5,025.25	10,182.44
	(f) Other expenses (refer note 9)	12,942.06	14,397.34	10,785.83	27,173.17	20,839.60	40,129.16
	Total expenses	63,054.11	58,170.04	53,016.02	121,057.92	101,144.66	194,447.77
5	Profit before exceptional items and tax (3-4)	20,702.64	16,752.74	11,298.65	37,455.38	20,106.17	39,190.73
6	Exceptional items (refer note 5)	-	-	-	-	-	(16,111.87)
7	Profit before tax (5-6)	20,702.64	16,752.74	11,298.65	37,455.38	20,106.17	55,302.60
	Tax expense						
	a) Current tax	5,456.29	5,724.01	2,687.53	11,180.30	5,712.92	12,222.73
	b) Deferred tax (refer note 4)	(200.97)	(1,471.37)	(820.73)	(1,672.34)	(991.78)	(1,327.03)
	Total tax expense	5,255.32	4,252.64	1,866.80	9,507.96	4,721.14	10,895.70
9	Profit for the period (7-8)	15,447.32	12,500.10	9,431.85	27,947.42	15,385.03	44,406.90
10	Other comprehensive income (net of tax)						
	(a) (i) items that will not be reclassified to profit or loss	-	-	-	-	-	(460.56)
	(ii) income tax on (i) above	-	-	-	-	-	123.62
	(b) (i) items that will be reclassified to profit or loss	(640.52)	(973.76)	669.50	(1,614.28)	240.50	(3,138.36)
	(ii) income tax on (i) above	161.21	245.08	(210.44)	406.29	(60.53)	770.50
	Total other comprehensive income, net of tax	(479.31)	(728.68)	459.06	(1,207.99)	179.97	(2,704.80)
11	Total comprehensive income (9+10)	14,968.01	11,771.42	9,890.91	26,739.43	15,565.00	41,702.10
12	Paid-up equity share capital (Face Value of Rs. 1/- per share)	2,476.41	2,471.46	2,542.48	2,476.41	2,542.48	2,542.48
13	Other equity						178,616.10
14	Earnings per share (Face value Rs. 1/- each)						
	(a) Basic (in Rs.)	6.24	4.92	3.71	11.15	6.05	17.47
	(b) Diluted (in Rs.)	6.21	4.89	3.71	11.08	6.04	17.41
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)



Standalone statement of Assets and Liabilities :		Rs in lakhs	
		As at	As at
		September 30, 2020	March 31, 2020
Sl. No.	Particulars	Un-Audited	Audited
I	ASSETS		
	Non-current assets		
	a) Property, plant and equipment	91,146.10	86,770.55
	b) Capital work-in-progress	7,116.20	10,086.39
	c) Other intangible assets	5,758.26	5,917.80
	d) Intangible assets under development	2,574.60	2,891.59
	e) Financial assets		
	i) Investments	56,653.11	44,539.17
	ii) Loans	3,510.88	15,429.07
	f) Other non-current assets	2,249.87	1,495.37
	Total non-current assets	169,009.02	167,129.94
	Current assets		
	a) Inventories	40,067.94	34,394.74
	b) Financial assets		
	i) Trade receivables	96,525.21	62,700.27
	ii) Cash and cash equivalents	19,693.78	17,432.47
	iii) Bank balances other than cash and cash equivalents above	3,634.57	9,801.38
	iv) Loans	8.12	175.69
	v) Other financial assets	371.76	264.99
	c) Other current assets	13,091.76	11,733.34
		173,393.14	136,502.88
	d) Assets held for sale	-	10,985.24
	Total current assets	173,393.14	147,488.12
	TOTAL ASSETS	342,402.16	314,618.06
II	EQUITY AND LIABILITIES		
	Equity		
	a) Equity share capital	2,476.41	2,542.48
	b) Other equity	186,902.17	178,616.10
	Total equity	189,378.58	181,158.58
	Liabilities		
	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	39,050.49	42,091.66
	b) Provisions	2,610.29	2,150.34
	c) Deferred tax liabilities (net)	2,393.46	4,472.10
	Total non-current liabilities	44,054.24	48,714.10
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	36,758.69	37,169.09
	ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,023.11	855.47
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	49,240.90	31,432.03
	iii) Other financial liabilities	15,607.16	12,681.99
	b) Other current liabilities	1,884.10	1,665.82
	c) Provisions	595.51	595.51
	d) Current tax liabilities (net)	3,859.87	345.47
	Total current liabilities	108,969.34	84,745.38
	Total liabilities	153,023.58	133,459.48
	TOTAL EQUITY AND LIABILITIES	342,402.16	314,618.06



Statement of standalone cash flow :	Rs in lakhs		
	For the half year ended September 30, 2020	For the half year ended September 30, 2019	For the year ended March 31, 2020
	Un-Audited	Un-Audited	Audited
Cash flow from operating activities			
Profit before tax	37,455.38	20,106.17	55,302.60
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Depreciation and amortisation expense	5,816.99	5,025.25	10,182.44
Bad debts written off	-	-	164.99
Allowance for doubtful trade receivables	921.24	521.93	671.42
Gain on sale of investments	-	-	(16,111.87)
Loss on sale of fixed assets (net)	0.01	22.60	23.45
Changes in fair value of cashflow hedges	461.52	-	148.13
Net loss/(gain) on foreign exchange fluctuations (unrealised)	2,014.94	(844.03)	(2,004.87)
Share based compensation expense	50.00	-	198.06
Interest expense	1,207.91	1,349.93	2,686.22
Interest income	(760.16)	(327.00)	(1,348.84)
Operating profit before working capital changes	47,167.83	25,854.85	49,911.73
<i>Movements in working capital:</i>			
Decrease/(increase) in trade receivables	(38,272.68)	(7,233.92)	9,979.73
Decrease/(increase) in inventories	(5,673.20)	2,668.79	(2,981.23)
Decrease/(increase) in other assets	(1,199.07)	2,083.11	633.58
Increase in trade payables, other liabilities and provisions	22,574.97	4,263.11	3,898.08
Cash generated from operations	24,597.85	27,635.94	61,441.89
Taxes paid (net of refunds)	(7,665.91)	(4,535.67)	(11,963.00)
Net cash generated from operating activities	(A) 16,931.94	23,100.27	49,478.89
Cash flow from investing activities			
Purchase of fixed assets including capital work-in-progress, capital advances and payables for capital goods	(7,497.09)	(6,466.43)	(11,943.18)
Proceeds from sale of fixed assets	0.11	17.14	17.63
Withdrawal/(placement) of bank deposits	6,163.55	-	(9,193.71)
Purchase of investments	(20.00)	-	-
Proceeds from sale of associate	10,985.24	-	11,233.76
Loans given to subsidiaries	-	(3,995.16)	(6,927.63)
Interest received	500.57	174.69	332.84
Net cash used in investing Activities	(B) 10,132.38	(10,269.76)	(16,480.29)
Cash flow from financing activities			
Proceeds from issuance of shares	381.52	-	-
Repayment of borrowings	(5,197.26)	(1,017.40)	(5,986.36)
(Repayment)/proceeds of short-term borrowings, net	272.32	(5,343.32)	(9,353.54)
Repayment of lease liability (including related interest)	(109.69)	-	(171.95)
Payment towards Buyback including transaction cost	(17,714.43)	-	-
Interest paid	(1,177.68)	(1,363.05)	(2,651.65)
Dividend paid on equity shares including tax thereon	(1,236.48)	(1,532.54)	(3,065.09)
Net cash used in financing activities	(C) (24,781.70)	(9,256.31)	(21,228.59)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 2,282.62	3,574.20	11,770.01
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(21.31)	-	20.43
Cash and cash equivalents at the beginning of the period	17,432.47	5,642.03	5,642.03
Cash and cash equivalents at the end of the period	19,693.78	9,216.23	17,432.47

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:

- The above standalone un-audited financial results for the quarter and half-year ended September 30, 2020 have been reviewed by the Audit Committee on October 20, 2020 and approved by the Board of Directors at their meeting held on October 20, 2020.
- The standalone unaudited 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.
- The Auditors of the Company have carried out Limited Review of the financial results for the quarter and half year ended September 30, 2020.
- 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 for the year ended March 31, 2020 on account of the remeasurement.
- a) During the year ended March 31, 2020, the Company has entered into a definitive agreement to divest its entire 50% shareholding in Granules-Biocyte Pharmaceutical Co. Ltd, for a consideration of Rs. 11,233.76 lakhs (RMB 109 million). The consideration for the divestment was received during the year ended March 31, 2020. 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 ended March 31, 2020, the Company has entered into a definitive agreement to divest its entire 50% shareholding in Granules Ornichem Private Limited, for a consideration of Rs. 10,985.24 lakhs. The consideration for the divestment was received in the month of May, 2020. 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.
- As the out-break 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 half year ended September 30, 2020 and year ended March 31, 2020.
- The Company operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- During the quarter, the Company has allotted 494,608 equity shares of Re.1/- each, fully paid up on exercise of options by employees in accordance with the Company's Employee Stock Option Scheme(s).
- During the quarter ended June 30, 2020, Granules Pharmaceuticals Inc., had announced the voluntarily recall of 12 batches of Metformin Hydrochloride Extended - Release tablets USP, 750 mg. Out of the 12 batches, the recall of 1 batch was due to the detection of N-Nitrosodimethylamine (NDMA) levels above the Acceptable Daily Intake limit. The remaining 11 batches, which were well below the limit, were recalled by the Company out of caution. The Company has made a provision of Rs 1,506.01 lakhs (USD 2 million) during the quarter ended June 30, 2020 on account of failure to supply, anticipated recall costs and write down of closing inventories. Out of Rs 1,506.01 lakhs, Rs 538.40 lakhs included in cost of materials consumed and Rs 967.61 lakhs in other expenses. During the current quarter ended September 30, 2020, an amount of Rs 753.00 lakhs was reversed in other expenses due to the revision in estimate of provision for failure to supply.
- During the quarter ended June 30, 2020, the Company has concluded the buyback of 7,101,374 equity shares at a price of ₹ 200 per equity share ("Buyback") as approved earlier by the Board of Directors at their meeting held on January 21, 2020.
- The Board of Directors at their meeting held on October 20, 2020 has declared second interim dividend of 25 paise per equity share of Re.1/- each.
- The figures for the corresponding previous periods have been restated/regrouped wherever necessary, to make them comparable.

Place : Hyderabad
Date : October 20, 2020



for and on behalf of the Board

Krishna Prasad Chigurupati
Chairman and Managing Director



B S R & Associates LLP

Chartered Accountants

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Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results under Regulation 33 of the Listing Regulations

To

Board of Directors of Granules India Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Granules India Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 September 2020 and year to date results for the period from 01 April 2020 to 30 September 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the entity	Relationship
Granules USA Inc.	Wholly owned subsidiary
Granules Pharmaceutical Inc.	Wholly owned subsidiary
Granules Europe Limited	Wholly owned subsidiary

B S R & Associates LLP

Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results under Regulation 33 of the Listing Regulations (continued)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of two subsidiaries included in the Statement, whose interim financial results reflect total assets of Rs. 112,410.66 lakhs as at 30 September 2020 and total revenues of Rs. 28,075.01 lakhs and Rs. 45,728.15 lakhs, total net profit after tax of Rs. 3,055.64 lakhs and Rs. 3,839.00 lakhs and total comprehensive income of Rs. 1,556.12 lakhs and Rs. 2,431.36 lakhs, for the quarter ended 30 September 2020 and for the period from 01 April 2020 to 30 September 2020, respectively, and cash flows (net) of Rs. 995.60 lakhs for the period from 01 April 2020 to 30 September 2020, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

7. The Statement includes the interim financial results of a subsidiary which have not been reviewed, whose interim financial results reflect total assets of Rs. 33.26 lakhs as at 30 September 2020 and total revenue of Rs. Nil and Rs. Nil, total net loss after tax of Rs. 36.77 and Rs. 76.37 lakhs and total comprehensive loss of Rs. 53.08 lakhs and Rs. 89.03 lakhs for the quarter ended 30 September 2020 and for the period from 01 April 2020 to 30 September 2020, respectively, and cash flows (net) of Rs. 66.39 lakhs for the period from 01 April 2020 to 30 September 2020, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

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Sriram Mahalingam

Partner

Membership No.: 049642

UDIN: 20049642AAAAEP3129

Place: Hyderabad

Date: 20 October 2020



GRANULES INDIA LIMITED
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 Madhapur, Hyderabad 500 081
 CIN:L24110TG1991PLC012471

Rs in lakhs

Statement of Consolidated Unaudited Results for the quarter and half-year ended September 30, 2020							
Sl No.	Particulars	Quarter ended			Half-year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Income						
1	Revenue from operations	85,812.18	73,559.62	69,953.39	159,371.80	129,480.67	259,864.65
2	Other income	322.26	563.02	867.13	719.05	1,052.60	3,655.52
3	Total income (1+2)	86,134.44	74,122.64	70,820.52	160,090.85	130,533.27	263,520.17
	Expenses						
	(a) Cost of materials consumed (refer note 9)	41,801.81	37,360.16	34,801.79	79,161.97	67,388.98	131,491.77
	(b) Changes in inventories of work in progress and finished goods	(5,690.28)	(7,601.06)	1,137.30	(13,291.34)	(1,905.16)	(3,398.64)
	(c) Employee benefits expense	7,970.47	8,365.48	6,344.15	16,335.95	12,047.13	25,903.82
	(d) Finance costs	626.93	595.26	685.49	1,222.19	1,372.48	2,702.38
	(e) Depreciation and amortisation expense	3,606.09	3,407.74	3,031.94	7,013.83	5,898.91	13,695.35
	(f) Other expenses (refer note 9)	16,089.17	17,076.17	13,309.90	32,999.11	25,727.44	53,335.87
	Total expenses	64,404.19	59,203.75	59,310.57	123,441.71	110,529.78	223,730.55
	Profit before share of profit from joint venture & associate, exceptional items and tax (3-4)	21,730.25	14,918.89	11,509.95	36,649.14	20,003.49	39,789.62
6	Share of profit of joint venture and associate, net of tax	-	-	-	-	2,549.09	2,549.09
7	Profit before exceptional items and tax (5+6)	21,730.25	14,918.89	11,509.95	36,649.14	22,552.58	42,338.71
8	Exceptional items (refer note 7)	-	-	-	-	-	(2,773.90)
9	Profit before tax (7-8)	21,730.25	14,918.89	11,509.95	36,649.14	22,552.58	45,112.61
	Tax expense						
	a) Current tax	6,141.76	5,956.85	2,682.36	12,098.61	5,724.81	12,570.83
	b) Deferred tax (refer note 6)	(774.90)	(2,182.89)	(751.71)	(2,957.79)	(1,075.72)	(998.05)
	Total tax expense	5,366.86	3,773.96	1,930.65	9,140.82	4,649.09	11,572.78
11	Profit for the period (9-10)	16,363.39	11,144.93	9,579.30	27,508.32	17,903.49	33,539.83
	Other comprehensive income (net of tax)						
	(a) (i) items that will not be reclassified to profit or loss	-	-	-	-	-	(460.56)
	(ii) income tax on (i) above	-	-	-	-	-	123.62
	(b) (i) items that will be reclassified to profit or loss	(2,156.35)	(878.24)	1,871.13	(3,034.59)	929.95	(215.07)
	(ii) income tax on (i) above	161.21	245.08	(547.50)	406.29	(350.43)	770.50
	Total other comprehensive income, net of tax	(1,995.14)	(633.16)	1,323.63	(2,628.30)	579.52	218.49
13	Total comprehensive income (11+12)	14,368.25	10,511.77	10,902.93	24,880.02	18,483.01	33,758.32
14	Paid-up equity share capital (Face Value of Rs. 1/- per share)	2,476.41	2,471.46	2,542.48	2,476.41	2,542.48	2,542.48
15	Other equity						181,829.93
	Earnings per share (Face value Rs. 1/- each)						
	(a) Basic (in Rs.)	6.60	4.39	3.77	10.97	7.04	13.19
	(b) Diluted (in Rs.)	6.56	4.36	3.76	10.91	7.03	13.15
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)



Consolidated Statement of Assets and Liabilities :		Rs in lakhs	
Sl.No.	Particulars	As at	As at
		September 30, 2020	March 31, 2020
		Un-Audited	Audited
I	ASSETS		
	Non-current assets		
	a) Property, plant and equipment	104,820.66	98,877.21
	b) Capital work-in-progress	10,783.89	14,807.04
	c) Other intangible assets	22,556.26	21,520.19
	d) Intangible assets under development	12,642.53	14,613.39
	e) Financial assets		
	i) Investments	1,914.62	1,934.03
	ii) Loans	1,378.70	1,661.16
	f) Deferred tax assets	507.67	525.02
	g) Income tax assets (net)	93.57	52.99
	h) Other non-current assets	7,427.58	5,974.87
	Total non-current assets	162,125.48	159,965.90
	Current assets		
	a) Inventories	62,024.11	43,843.08
	b) Financial assets		
	i) Trade receivables	84,356.61	66,203.57
	ii) Cash and cash equivalents	21,783.40	18,592.89
	iii) Bank balances other than cash and cash equivalents above	3,634.57	9,801.38
	iv) Loans	889.31	787.65
	v) Other financial assets	390.55	360.97
	c) Other current assets	13,596.45	12,295.03
		186,675.00	151,884.57
	d) Assets held for sale	-	10,985.24
	Total current assets	186,675.00	162,869.81
	TOTAL ASSETS	348,800.48	322,835.71
II	EQUITY AND LIABILITIES		
	Equity		
	a) Equity share capital	2,476.41	2,542.48
	b) Other equity	188,382.22	181,829.93
	Total equity	190,858.63	184,372.41
	Liabilities		
	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	39,079.15	42,152.25
	b) Provisions	2,610.29	2,150.34
	c) Deferred tax liabilities (net)	1,418.20	4,820.91
	Total non-current liabilities	43,107.64	49,123.50
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	38,095.09	37,169.09
	ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,023.11	855.47
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	52,117.08	34,832.49
	iii) Other financial liabilities	16,202.01	13,603.70
	b) Other current liabilities	1,918.00	1,712.63
	c) Provisions	595.51	595.51
	d) Current tax liabilities (net)	4,883.41	570.91
	Total current liabilities	114,834.21	89,339.80
	Total liabilities	157,941.85	138,463.30
	TOTAL EQUITY AND LIABILITIES	348,800.48	322,835.71



Statement of Consolidated cash flow :	Rs in lakhs		
	For the half year ended September 30, 2020	For the half year ended September 30, 2019	For the year ended March 31, 2020
	Un-Audited	Un-Audited	Audited
Cash flow from operating activities			
Profit before tax excluding share of profit of joint venture & associate	36,649.14	20,003.49	42,563.52
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Depreciation and amortisation expense	7,013.83	5,898.91	13,695.35
Bad debts written off	16.80	1.09	302.01
Allowance for doubtful trade receivables	921.24	521.93	535.48
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)	0.01	22.60	24.67
Changes in fair value of cashflow hedges	461.52	-	148.13
Net loss/(gain) on foreign exchange fluctuations (unrealised)	2,029.65	(736.30)	(1,410.42)
Write off of Intangible assets under development	-	-	1,127.83
Share based payment expense	97.12	44.39	731.87
Reclassified forex from OCI to P&L on account of sale of associate	-	-	(930.44)
Interest expense	1,222.19	1,372.48	2,702.38
Interest income	(645.63)	(220.05)	(636.20)
Operating profit before working capital changes	47,765.87	26,908.54	58,251.81
<i>Movements in working capital:</i>			
Increase in trade receivables	(15,827.51)	(8,834.47)	(3,905.60)
Decrease/(increase) in inventories	(18,424.57)	357.76	(5,421.83)
Decrease/(increase) in other assets	(1,143.73)	2,036.06	441.75
Increase in trade payables, other liabilities and provisions	14,917.15	6,486.30	10,160.84
Cash generated from operations	27,287.21	26,954.19	59,526.97
Taxes paid (net of refunds)	(7,847.98)	(4,482.65)	(11,908.13)
Net cash generated from operating activities (A)	19,439.23	22,471.54	47,618.84
Cash flow from investing activities			
Purchase of fixed assets including capital work-in-progress, capital advances and payables for capital goods	(10,482.44)	(11,573.46)	(18,447.90)
Proceeds from sale of fixed assets	0.11	17.14	17.63
Withdrawal/(placement) of bank deposits	6,163.55	-	(9,193.71)
Purchase of investments	(20.00)	-	-
Proceeds from sale of associate	10,985.24	-	11,233.76
Interest received	616.05	174.15	326.91
Net cash used in investing activities (B)	7,262.51	(11,382.17)	(16,063.31)
Cash flow from financing activities			
Proceeds from issuance of shares	381.52	-	-
Repayment of borrowings	(5,197.26)	(1,017.40)	(5,986.36)
(Repayment)/proceeds of short-term borrowings, net	1,608.72	(5,343.32)	(9,353.54)
Repayment of lease liability (including related interest)	(147.23)	-	(219.90)
Payment towards Buyback including transaction cost	(17,714.43)	-	-
Interest paid	(1,184.76)	(1,385.60)	(2,660.61)
Dividend paid on equity shares including tax thereon	(1,236.48)	(1,532.54)	(3,065.09)
Net cash used in financing activities (C)	(23,489.92)	(9,278.86)	(21,285.50)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	3,211.82	1,810.53	10,270.03
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(21.31)	-	20.43
Cash and cash equivalents at the beginning of the period	18,592.89	8,302.43	8,302.43
Cash and cash equivalents at the end of the period	21,783.40	10,112.96	18,592.89

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:

- The above consolidated un-audited financial results for the quarter and half-year ended September 30, 2020 have been reviewed by the Audit Committee on October 20, 2020 and approved by the Board of Directors at their meeting held on October 20, 2020.
- The consolidated unaudited 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.
- The Auditors of the Company have carried out Limited Review of the financial results for the quarter and half-year ended September 30, 2020.
- The subsidiaries considered for the consolidated financial statements for the quarter and half-year ended September 30, 2020 are Granules USA Inc., Granules Pharmaceuticals Inc. and Granules Europe Limited (together known as "Subsidiaries").
- The Group operates in one reportable business segment of Pharmaceutical products including ingredients and intermediaries.
- 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 for the year ended March 31, 2020 on account of the remeasurement.
- a) During the year ended March 31, 2020, the Company has entered into a definitive agreement to divest its entire 50% shareholding in Granules-Biocyte Pharmaceutical Co. Ltd, for a consideration of Rs. 11,233.76 lakhs (RMB 109 million). The consideration for the divestment was received during the year ended March 31, 2020. 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 ended March 31, 2020, 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 consideration for the divestment was received in the month of May, 2020. 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.
- During the quarter, the Company has allotted 494,608 equity shares of Re.1/- each, fully paid up on exercise of options by employees in accordance with the Company's Employee Stock Option Scheme(s).
- During the quarter ended June 30, 2020, Granules Pharmaceuticals Inc., had announced the voluntary recall of 12 batches of Metformin Hydrochloride Extended - Release tablets USP, 750 mg. Out of the 12 batches, the recall of 1 batch was due to the detection of N-Nitrosodimethylamine (NDMA) levels above the Acceptable Daily Intake limit. The remaining 11 batches, which were well below the limit, were recalled by the Company out of caution. The Company has made a provision of Rs 1,506.01 lakhs (USD 2 million) during the quarter ended June 30, 2020 on account of failure to supply, anticipated re-call costs and write down of closing inventories. Out of Rs 1,506.01 lakhs, Rs 538.40 lakhs included in Cost of materials consumed and Rs 967.61 lakhs in other expenses. During the current quarter ended September 30, 2020, an amount of Rs 753.00 lakhs was reversed in other expenses due to the revision in estimate of provision for failure to supply.
- As the out-break 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 half year ended September 30, 2020 and year ended March 31, 2020.
- During the quarter ended June 30, 2020, the Company has concluded the buyback of 71,01,374 equity shares at a price of ₹ 200 per equity share ("Buyback") as approved earlier by the Board of Directors at their meeting held on January 21, 2020.
- The Board of Directors at their meeting held on October 20, 2020 has declared second interim dividend of 25 paise per equity share of Re. 1/- each.
- The figures for the corresponding previous periods have been restated/regrouped wherever necessary, to make them comparable.
- Standalone results for the quarter / year ended are as under -

Particulars	Rs in lakhs					
	Quarter ended			Half-year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
Revenue from Operations	83,449.84	74,292.16	63,876.64	157,742.00	120,661.43	230,992.83
Profit Before Tax	20,702.64	16,752.74	11,298.65	37,455.38	20,106.17	55,302.60
Profit After Tax	15,447.32	12,500.10	9,431.85	27,947.42	15,385.03	44,406.90

Place : Hyderabad
Date : October 20, 2020



for and on behalf of the Board

Krishna Prasad Chigurupati
Chairman and Managing Director



Granules India Q2FY21 Revenues up 22.7% YoY to INR 858 Crs
EBITDA at INR 256 Crs, up 78.6% YoY; EBITDA Margin at 29.9%
PAT at INR 164 crs, up 70.8% YoY

Hyderabad, 20th October 2020: Granules India Ltd., a fast-growing pharmaceutical manufacturing company, today announced its earnings for the quarter ended September 30, 2020.

Q2FY21 Financial Highlights (All numbers in INR Cr except Margins)

CONSOLIDATED FINANCIALS	Q2FY21	Q2FY20	Growth (YoY)
Income from Operations	858	700	22.7%
Gross Profit	497	340	46.1%
Gross Profit Margin	57.9%	48.6%	
Operating Profit	256	144	78.6%
Operating Profit Margin	29.9%	20.5%	
PAT	164	96	70.8%
Net Profit Margin	19.1%	13.7%	

Q2FY21 Financial and Business Highlights

- ❑ Revenue from operations in Q2FY21 grew by 22.7% YoY, mainly on an account of new launches and increase in market share of existing products across the three verticals
- ❑ EBITDA for the quarter grew 78.6% YoY; EBITDA margin improvement due to changing product mix and increased operational efficiencies
- ❑ PAT for the quarter stood at INR 164 Cr up 70.8%
- ❑ Net Debt down by 25.8% YoY and Net debt to EBITDA stood at 0.7x
- ❑ Launched 1 product through Granules Pharmaceuticals Inc. during the quarter
- ❑ ANDA/Dossier approvals: 4 ANDA/dossier approvals received during the quarter
- ❑ Granules Pharmaceuticals Inc. received US FDA approval for Ramelteon Tablets, 8 mg

- ❑ Granules Pharmaceutical Inc received USFDA approval for the complex, Attention Deficit Hyperactivity Disorder (ADHD) Drug, Dexmethylphenidate HCl extended-release capsules
- ❑ Granules India Limited received USFDA approval of Naproxen Sodium and Diphenhydramine Hydrochloride Tablets, 220 mg/25 mg (OTC)
- ❑ The Company's Board of Directors have recommended a second interim dividend of 25 paise per share of face value of Re. 1 each.

Commenting on the results, **Mr. Krishna Prasad Chigurupati, Chairman & Managing Director of Granules India Limited**, said *"I am pleased to announce second consecutive robust performance by all our business segments, fuelled the 22.7% growth in Q2FY21 Revenues to INR 858 Cr. Our long-term investments in backward and forward integration from APIs to FDs are helping us in delivering expected results as demonstrated by the 22% growth in our FDs revenue at INR 430 Cr this quarter, led by the new products launch and increase in market share of our existing products and increased penetration of PFIs leading to 33% growth at INR 173 Cr. API Revenue at INR 255 Cr, up 17% YoY, was driven by acquisition of new customers. The consolidated EBITDA for Q2 stood at INR 256 Cr, up by 78.6% and Net Profit at INR 164 Cr grew by 70.8% YoY. Our second quarter performance gives us confidence that we are on track to end the year as per our stated objectives and we will continue to deliver 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. Five of these have regulatory approvals from the USFDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, K FDA, DEA, MCC and HALAL.

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Safe Harbor:

This document is to provide the general background information about the Company's activities as at the date of the release. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares. The Company makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information contained herein.

This release may include certain "forward looking statements". These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

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