



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

Dated March 26, 2020

To,
National Stock Exchange of India Limited
BSE Limited
Symbol: NSE: **GRANULES** ; BSE: **532482**

Dear Sir,

Sub: Information presented during the Investor Meeting

Further to our letter dated March 25, 2020 regarding the intimation of open conference call for the investors with the management of the Company to explain the impact of Covid – 19 on business, we wish to inform you that the Company today conducted open conference call with the investors. The information shared by the management during the call is enclosed to this letter.

This is for your information and dissemination to the members

Thanking You.

For GRANULES INDIA LIMITED

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

Encl: as above

Mr. Krishna Prasad Chigurupati, Chairman and Managing Director of Granules India Limited addressed the investors during open conference call as provided herein under:

Good evening Ladies and Gentlemen,

I felt the time had come for us to connect and that it is essential that I brief you about the performance of our company in view of the extraordinary current crisis.

All of you in India and abroad are aware of the grave situation the world is facing today and I will not attempt to explain that issue. However, in case there are any questions specific to it, I will answer them.

Even though we are facing a tough crisis at this moment, I would like to emphasize that our performance during this Q4 will not see a very major impact. There definitely will be some impact, but we expect the year to close by crossing guidance of achieving a bottom line of Rs.300 crores.

Earlier, we were expecting to have a Q4 performance that was similar to the previous quarters, which would have enabled us to exceed our guidance for the bottom line growth for FY20. Despite the situation in China, we were not effected much. While production and dispatches ran normally, with the introduction of the national lockdown, some of the trucks that have been dispatched will not reached the ports in time. Also, we have held back some trucks waiting in the factories due to the potential problem of refrigeration failures in case the trucks get held on the way at interstate borders for an extended period of time. So this month's sale will be impacted to some extent. Despite this, I would like to reiterate that we are confident of crossing our guidance.

While we have challenges in FY21, If the lockdown is lifted on the 14th of April as proposed, we would be able to make up and achieve our normal numbers. Even if it continues till the end of April, we would still be able to achieve our guidance of 25% CAGR .

Production had slowed down from last Sunday, but we expect the situation to improve slightly in the next few days, as the Govt had declared pharmaceutical manufacturing as an essential activity and allowed us to continue work. However, for the period of the 21 day lock down, till the 14h of April, we will be forced to work at less than normal pace, due to shortage of staff and the social distancing norms. Local logistics for incoming and outgoing material will also be a challenge. But as said earlier, even if the lock down goes on till end April, we can still meet our guidance.

I would like to state that the incoming material from China is normal till the Indian ports. However, the local logistics are posing some problems. We have a lot of material at the ports, on the road from ports to our facility and also on the sea. With the current inventory of raw materials in the facility, and the slow down in production, we do not anticipate any disruption on that front.

During the past few weeks, we had implemented a lot of precautionary measures in our staff transport buses, workplaces and cafeterias and are confident that the workplace will be safe. I am optimistic that Inbound and outbound logistics will also improve after the lock down.

To finally sum-up:

we are optimistic that we will be able to resume normal production and dispatches by end of April and will be able to supply medicines of the first line of defence to the global population shortly.

The demand and pricing for our products is very good and we will see the positive effect of this in the next fiscal.

Going forward I see a very bright future for Granules, due to the vertical integration into APIs and, also considering the potential of our US operations.

Our current cash situation is good and future cashflows look robust. We do not expect any major issues on that front. The Buy Back announced earlier will continue as planned. We expect to open the offer in April and close it by mid-May. We have kept aside Rs.250 crores in Escrow and fixed deposits for this purpose. The proceeds from the divestment of Granules OmniChem which amounts to Rs.109 crores will be received as soon as the Central Government approves the transaction.

On my pledge front I would like to mention that though the margin cover is very comfortable with the lenders, I had pledged more of my shares, just in case there is a drop in share price due to the current volatility in the market. This was done as a matter of abundant caution. The pledge now stands at 45.4% of my personal shareholding compared to 29.8% previously. It is also 16.1% of the total equity share capital of the company compared to 10.6% previously. Once the buyback is completed, this pledge will come down significantly to around 4-5% of total equity share capital of the Company.