

**Independent Auditor's Report on the proposed buy back of equity shares pursuant to the requirements of Section 68 and Section 70 of the Companies Act, 2013 and Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 as amended**

To  
The Board of Directors  
Granules India Limited  
Hyderabad, Telangana

1. This Report is issued in accordance with the terms of our service scope letter engagement letter dated August 08, 2022 and master engagement agreement August 01, 2022 with Granules India Limited (hereinafter the "Company").
2. The proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ("the Act") and Clause (xi) of Schedule I of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("the SEBI Buyback Regulations") has been approved by the Board of Directors of the Company in their meeting held on August 09, 2022. The Company has prepared the attached "Statement of determination of the amount of permissible capital payment for proposed buyback of equity shares" (the "Statement") which we have initialed for identification purposes only.

**Board of Directors Responsibility**

3. The preparation of the Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date. The Board of Directors are also responsible for ensuring that the Company complies with the requirements of the Act and SEBI Buyback Regulations.

**Auditor's Responsibility**

5. Pursuant to the requirements of the Act and SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance:
  - (i) Whether we have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for year ended March 31, 2022.
  - (ii) Whether the amount of permissible capital payment for the proposed buyback of the equity shares as included in the Statement has been properly determined in accordance with the provisions of Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations;
  - (iii) Whether the Board of Directors have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.
6. The audited standalone and consolidated financial statements, referred to in paragraph 5(i) above, have been audited by another firm of Chartered Accountants on which they have issued an unmodified audit opinion vide their reports dated May 18, 2022.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The



Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Our procedures included the following in relation to the Statement:
  - i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for the year ended March 31, 2022. We have obtained and read the audited standalone and consolidated financial statements for the year ended March 31, 2022 including the unmodified audit opinions dated May 18, 2022;
  - ii) Read the Articles of Association of the Company and noted the permissibility of buyback;
  - iii) Traced the amounts of paid-up equity share capital, retained earnings, general reserves and securities premium as mentioned in Statement from the audited standalone and consolidated financial statements for the year ended March 31, 2022;
  - iv) Obtained from the Company Secretary a certified copy of the minutes of the meeting of the Board of Directors in which the proposed buy-back was approved and compared the buy-back amount with the permissible limit computed in accordance with section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations detailed in the Statement;
  - v) Obtained from the Company Secretary a certified copy of the minutes of the meeting of the Board of Directors in which the proposed buy-back was approved and read the Board had formed the opinion as specified in SEBI Buyback Regulations on reasonable grounds that the Company will not, having regard to the state of affairs, be rendered insolvent within a period of one year from that date;
  - vi) Obtained necessary representations from the management of the Company.

## Opinion

11. Based on our examination as above, and the information and explanations given to us, we report that:
  - (i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for year ended March 31, 2022.
  - (ii) The amount of permissible capital payment for proposed buyback of the equity shares as included in the Statement has been properly determined in accordance with the provisions of Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations;
  - (iii) the Board of Directors in their meeting held on August 09, 2022 have formed the opinion as specified in clause (x) of Schedule I of the SEBI Buyback Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

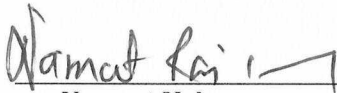
## **Restriction on Use**

12. The Report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of Section 68 and Section 70 of the Act read with Clause (xi) of Schedule I of SEBI Buyback Regulations solely to enable them to include it (a) in the public announcement to be made to the Shareholders of the Company, (b) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and (c) be shared with the merchant banker involved in connection with the proposed buyback of equity shares of the Company for onward submission of this report to SEBI and stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Kabra

Partner

Membership Number: 102328

UDIN: 22102328 ADRFZ V 4511

Place of Signature: Hyderabad

Date: August 09, 2022

