



Granules India Limited

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CIN : L24110TG1991PLC012471

Dated January 28, 2016

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

Dear Sir,

Sub: Presentation made to the Analysts/Investors

We refer to unaudited financial results for the quarter and nine months ended December 31, 2015 submitted to you today.

We are now enclosing the presentation made in this regard to the Analysts/Investors which is also being uploaded on our website.


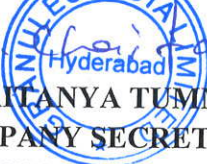
This is pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above information on record.

Thanking you.

Yours faithfully,

FOR, GRANULES INDIA LIMITED



(CHAITANYA TUMMALA)
COMPANY SECRETARY &
COMPLIANCE OFFICER



GRANULES

Investor Presentation: Q3 FY16



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Disclaimer

This presentation may include certain “forward looking statements”, based on current expectations, within the meaning of applicable laws and regulations. Actual results may differ and the Company does not guarantee realization of these statements. The Company also disclaims any obligation to 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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Company Snapshot

- Present across the entire pharmaceutical manufacturing value chain from active pharmaceutical ingredients (API) to pharmaceutical formulation intermediates (PFI) to finished dosages (FD) manufacturing.
- Manufacturing facilities with approvals from the U.S. FDA, EDQM and other regulators.
- Regulated markets such as North America and Europe account for ~60% of overall revenue, while the balance comes from quality conscious customers in Latin America, India and ROW countries.
- Entered potentially higher margin products through Auctus Pharma acquisition in 2014 with focus on development of new APIs through in-house R&D.
- Presence in potentially higher margin CRAMS business through 50-50 JV with Ajinomoto Omnicem.
- Ventured into manufacturing and marketing of OTC products to the retail chains in the North American markets
- Acquired Formulation facility in Virginia in the USA, to introduce value added form of existing products and to concentrate into formulation R&D of complex molecules.

Listing information : BSE/NSE

MP (INR) as of 31 st December	148.8
Market Cap (INR mn)	31,152
Market Cap (USD mn)	472
Outstanding Equity Shares (mn)	209.36
Face value of equity (INR)	1.0
52 weeks high/low (INR)	162.5/75.8
Bloomberg code	GRAN:IN
Sector	Pharmaceuticals

Share Holding Pattern

	Jun-15	Sep-15
Promoters and Group (%)	48.5	48.4
Institutions (%)	3.1	8.3
Others (%)	48.5	43.3
Total	100.0	100.0

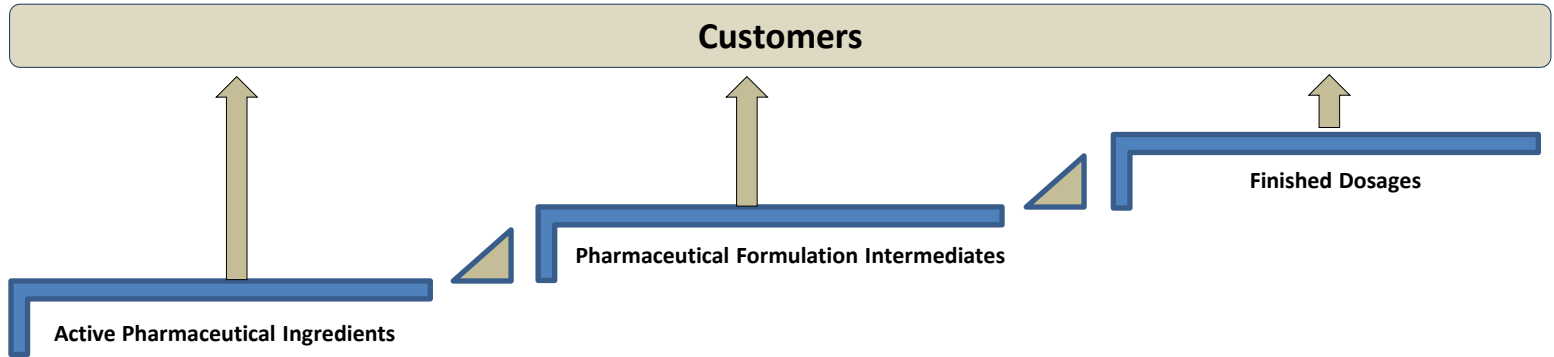
Financials

	FY13	FY 14	FY15	9MFY16
Sales (INR Mn)	7,644	10,959	12,929	10,571
EBITDA (INR Mn)	871	1,626	2,130	2,045
EBITDA Margin (%)	11.4	14.8	16.5	19.3
PAT (INR Mn)	326	752	909	825
PAT Margin (%)	4.3	6.9	7.0	8.1

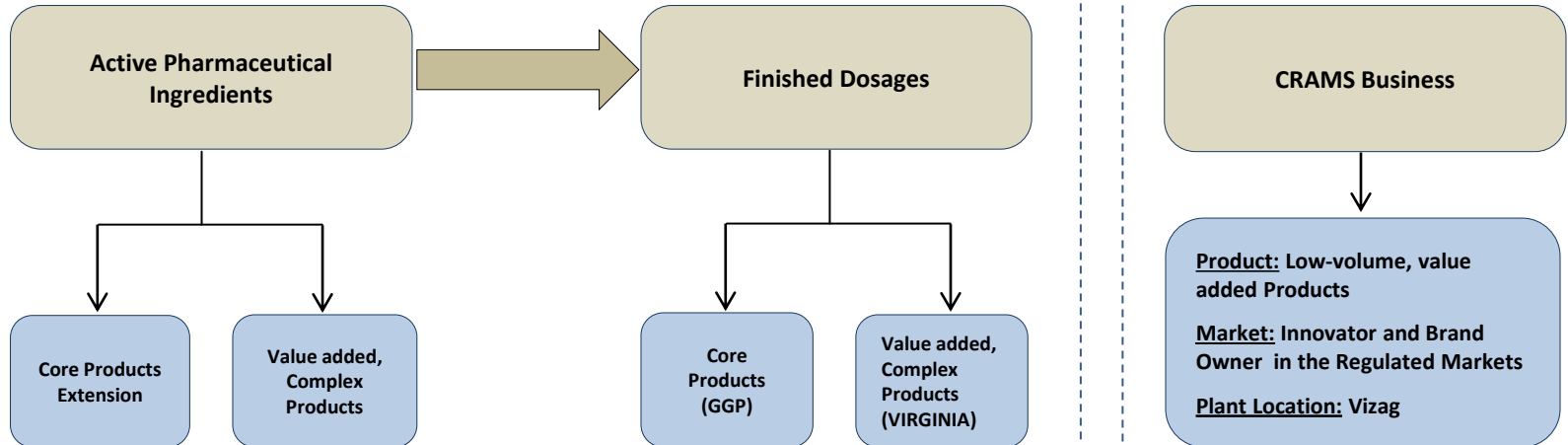
Business Overview

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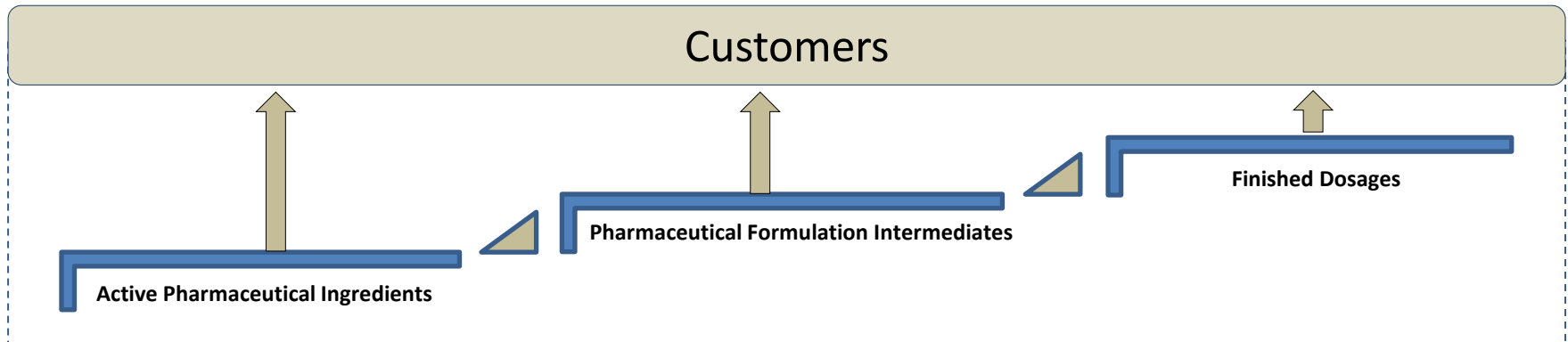
CORE BUSINESS



STRATEGIC GROWTH PLANS



Core Business Model



- ❑ **Vertically integrated** across the entire value chain from active pharmaceutical ingredients (API) to pharmaceutical formulation intermediates (PFI) to finished dosages (FD) manufacturing of **“High Volume Steady Business”** Products
- ❑ Strong presence in **‘first line of defense’** products such as **Paracetamol, Ibuprofen, Metformin and Guaifenesin**.
- ❑ Contributed INR 11,776 mn out of consolidated revenue of INR 12,929 mn (91% of the overall business) in FY’15.
- ❑ Delivered robust growth over 4 years (FY11-FY15) in key molecules :
 - Paracetamol (21% CAGR)
 - Metformin (59% CAGR)
 - Ibuprofen (24% CAGR)
 - Guaifenesin (44% CAGR)
- ❑ Future Growth from existing portfolio
 - **Increasing emphasis on finished dosages** will increase revenue and profitability
 - Growth will be driven by larger wallet share from existing customers as well as new customers
 - **4,000 TPA PFI** capacity added during the current year.
- ❑ Capacity augmentation of APIs in base molecules: **(already under implementation)**
 - Addition of **7,000 TPA in Metformin capacity** to reach to **9,000 TPA**
 - Addition of **2,000 TPA in Guaifenesin capacity** to reach to **3,200 TPA**
 - Addition of **3,600 TPA in Paracetamol capacity** to reach to **18,000 TPA** through debottlenecking

Initiatives for Future Growth (1/2)

New API Division

GENERIC
BUSINESS

- ❑ **Auctus Acquisition**
 - Auctus was a loss-making yet high-potential API business
 - Significant saving in time for Granules on **growth strategy**.
 - Brought **12 molecules** to the table in therapeutic areas such as antihistaminic, anti-hypertensive, antithrombotic, anticonvulsant.
 - USFDA approved multipurpose API manufacturing facility in Vizag and an intermediate manufacturing facility in Hyderabad
 - The Company's **22 regulatory filings** include 8 European filings, 4 USDMFs, 3 South Korean DMFs, 3 IDL China, 2 Health Canada, 1 Italy and 1 Spain.
- ❑ **Granules Research Centre**
 - Established in house R&D cell to develop new generic products in a 10,000 sq.ft area in Hyderabad.
 - Presently over **50 scientists** are focusing towards complex products.

Granules Consumer Healthcare

- Marketing of store brand OTC products with direct relationship with retail outlets in the US (B→B→C)
- Extension of core business with existing products in the initial stage and thereafter continuously increasing product offering by introducing new OTC products through new API division.

Granules Pharmaceutical Inc.

- Acquired formulation facility in Virginia ,in the USA, to introduce value added form of existing products and to concentrate into formulation R&D of complex molecules.
- Part of group's the diversification strategy into high value, low volume products
- Primary focus on formulation research and development with a list of 12-14 products the ANDAs for which, will be filed for within the next 2-5 years.

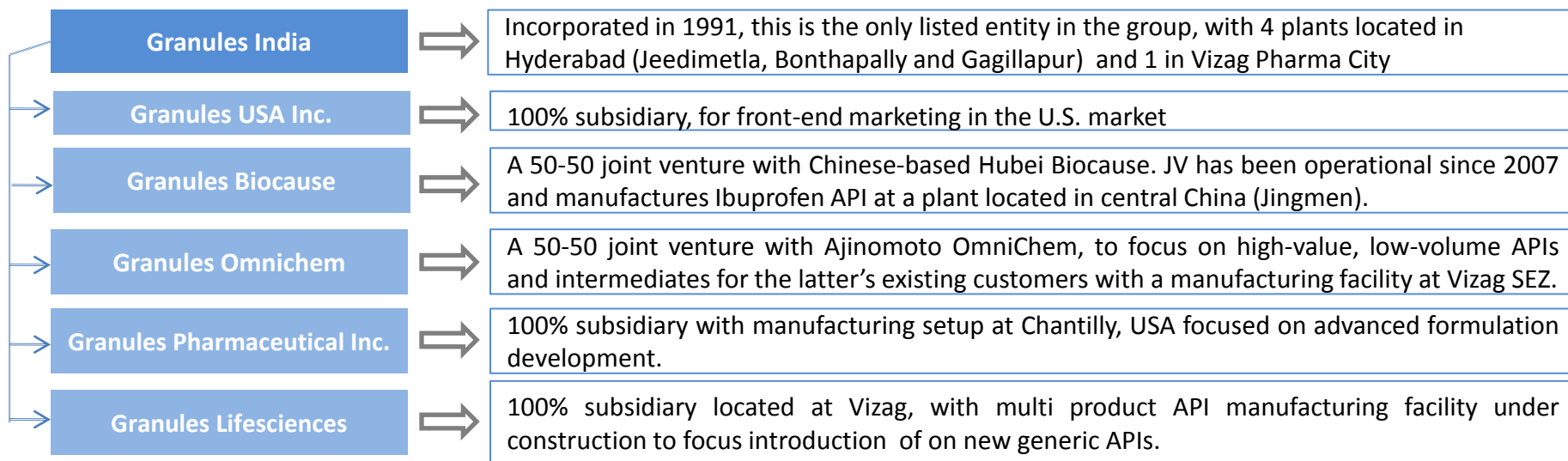
Initiatives for Future Growth (2/2)

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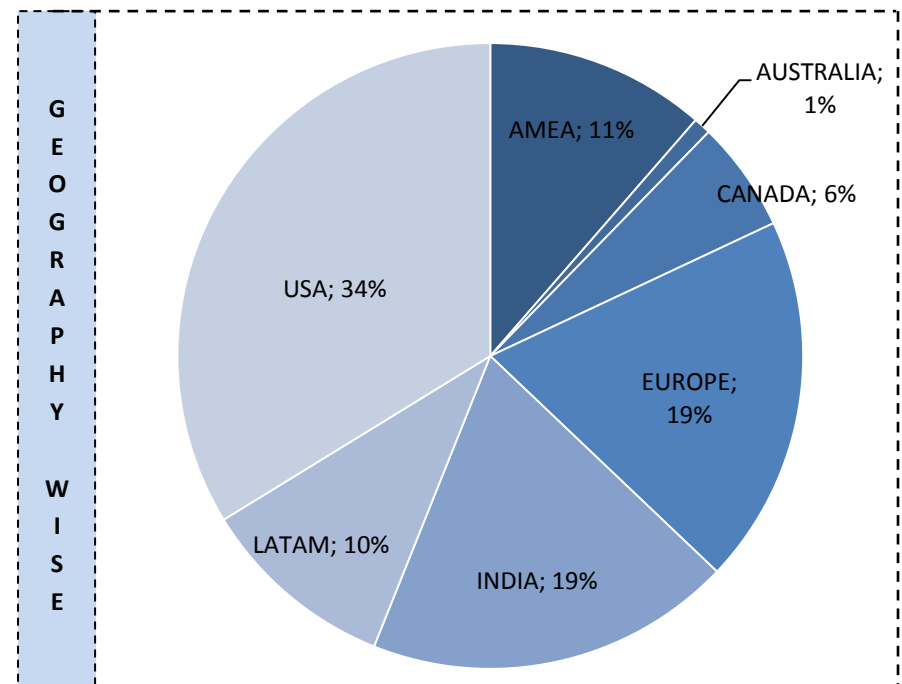
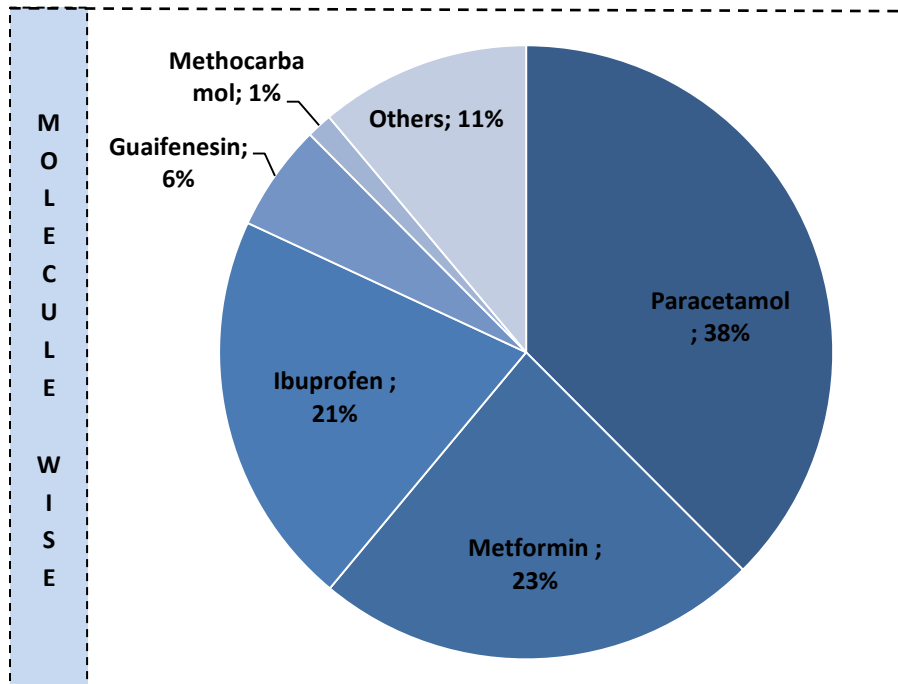
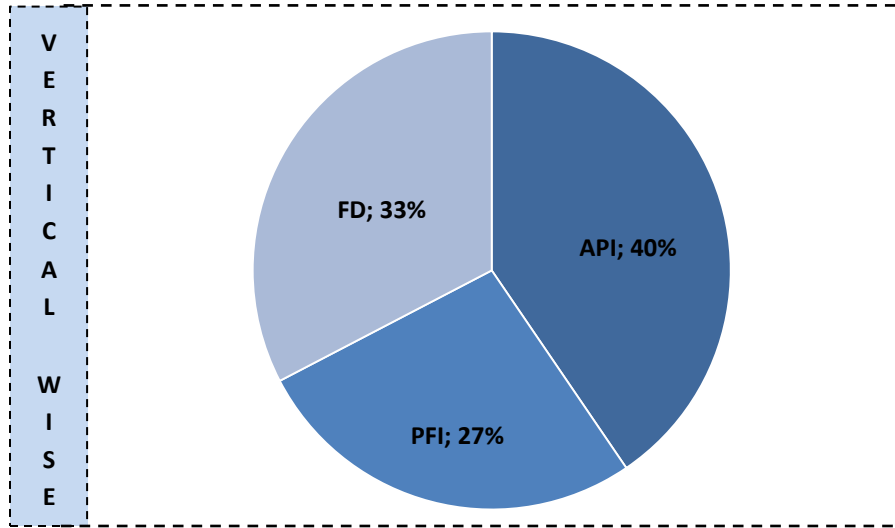
- ❑ **Foray into Contract Research And Manufacturing Services**
 - Set up in **July 2011 as a 50-50 JV company** with Belgium based Omnicem, a part of the Ajinomoto Group. The JV has set up a facility in Vizag SEZ for manufacturing of high-value APIs for Innovators and Brand Leaders on a contract manufacturing basis.
- ❑ **JV strategy**
 - To provide a **cost effective manufacturing base to innovators for their products when they go off patent** - this will help Omnicem's customers decelerate loss of market share for their brands
- ❑ **Progress and timelines**
 - Project is completed and commercial sale has started.
 - Supply of API intermediates to Omnicem (JV partner) till the facility is approved by regulatory authorities.
 - Currently working on **4-5 products**
- ❑ **Growth from CRAMS business**
 - USFDA / EDQM approvable plant
 - Omnicem's established customer base to be major contributor to revenues

Group Structure and Manufacturing Capabilities

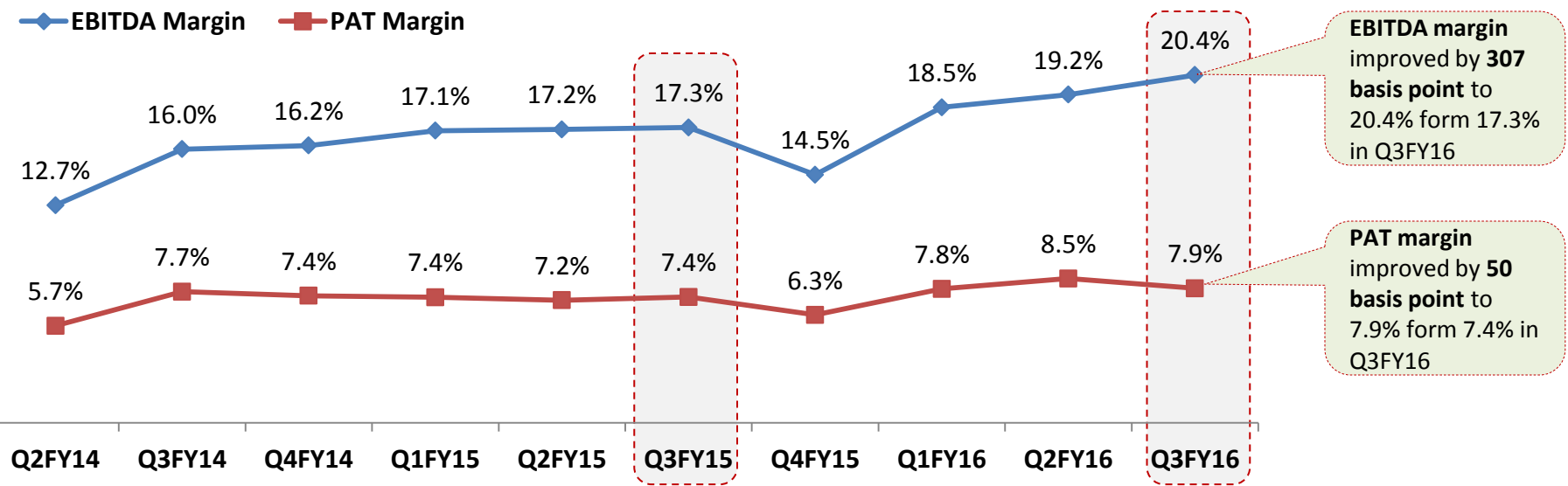
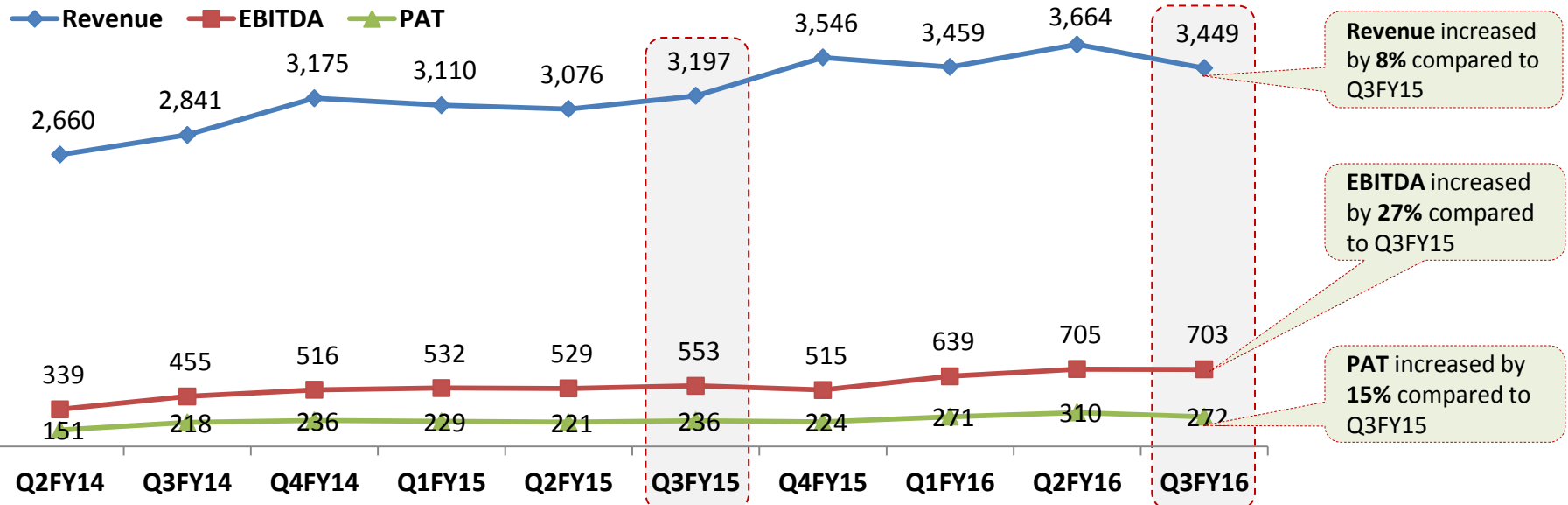


Value Chain	Facility Location	Approvals
API	Bonthapally	U.S. FDA, EDQM, WHO GMP, ISO 14001:2004, OHSAS 18001:2007
	Jeedimetla	U.S. FDA, KFDA, TGA, EDQM
	Jingmen, China (Biocause JV)	U.S. FDA, MHRA, EDQM, TGA, KFDA, Health Canada
	Vizag (Auctus)	U.S. FDA, EDQM, KFDA, WHO GMP, Health Canada
	Vizag SEZ (Omnicem JV - CRAMs)	Awaited
PFI	Gagillapur	U.S. FDA, EDQM, TGA, GHCA
	Jeedimetla	HHA (Germany)
FD	Gagillapur	U.S. FDA, TGA, GHCA
API Intermediates	Bonthapally (Auctus)	N.A.

Break-up of Q3 FY16 Consolidated Revenue

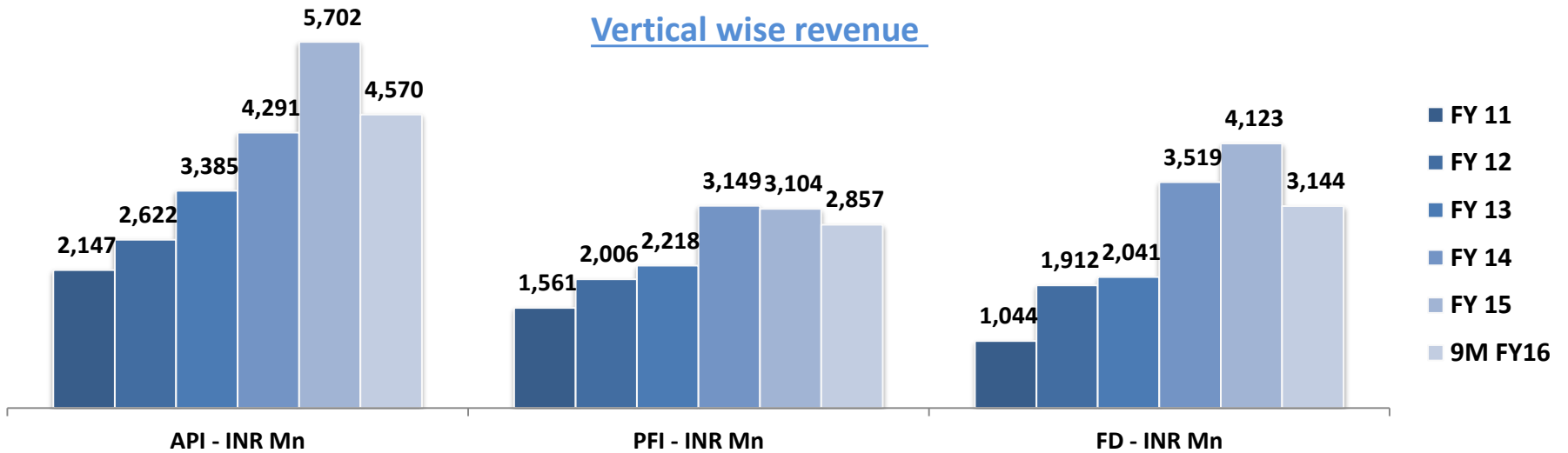


Growth momentum till Q3 FY16

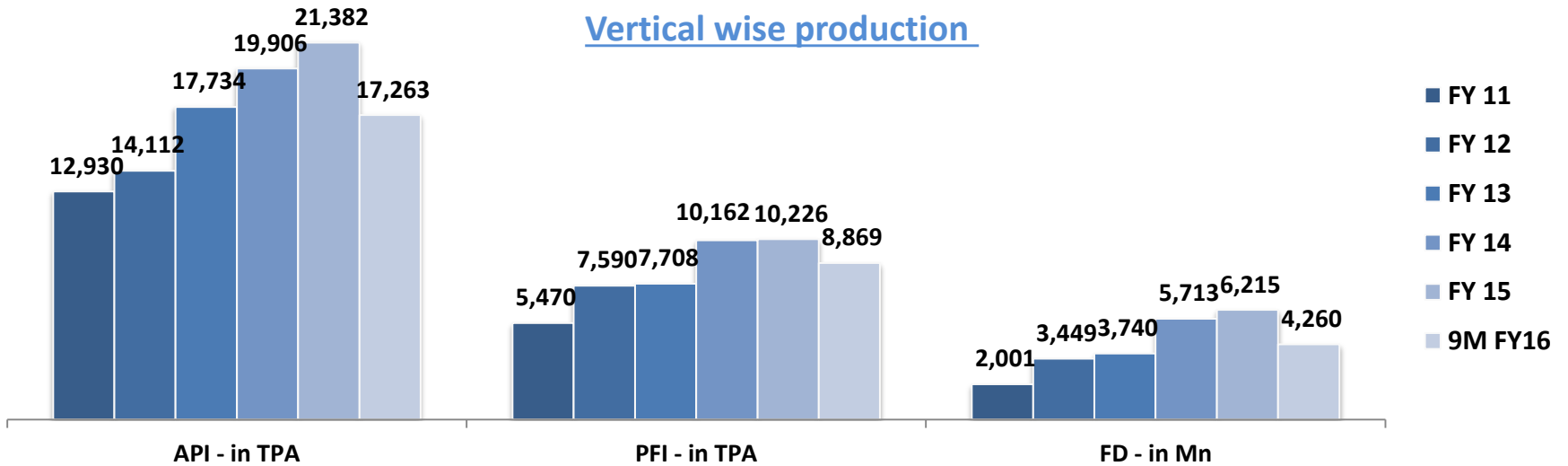


Business Trend

Vertical wise revenue

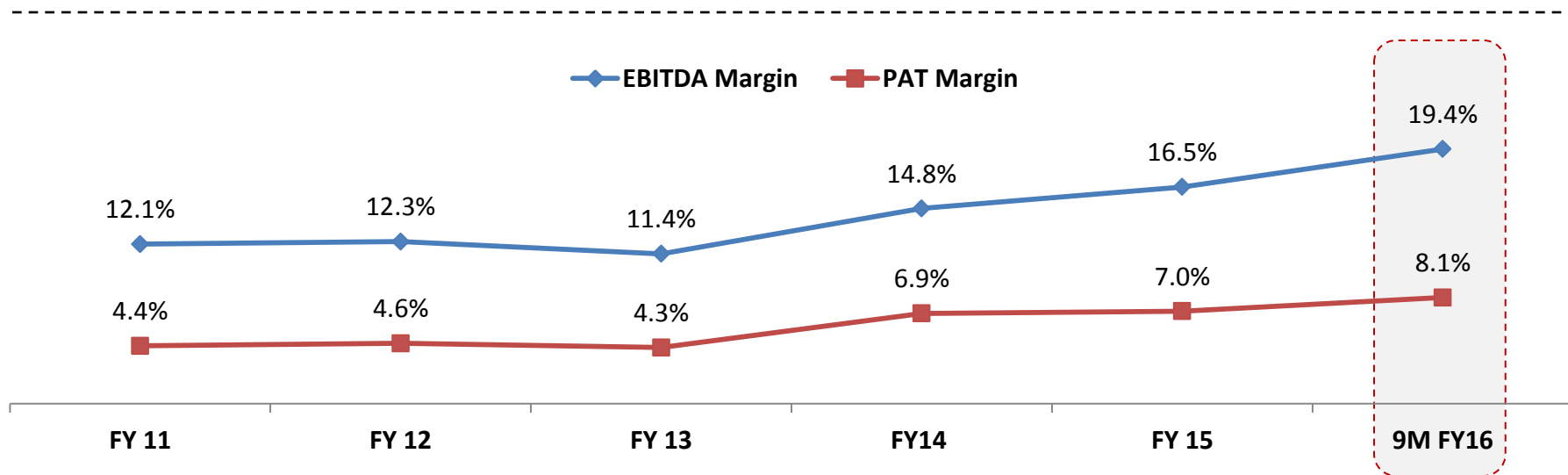
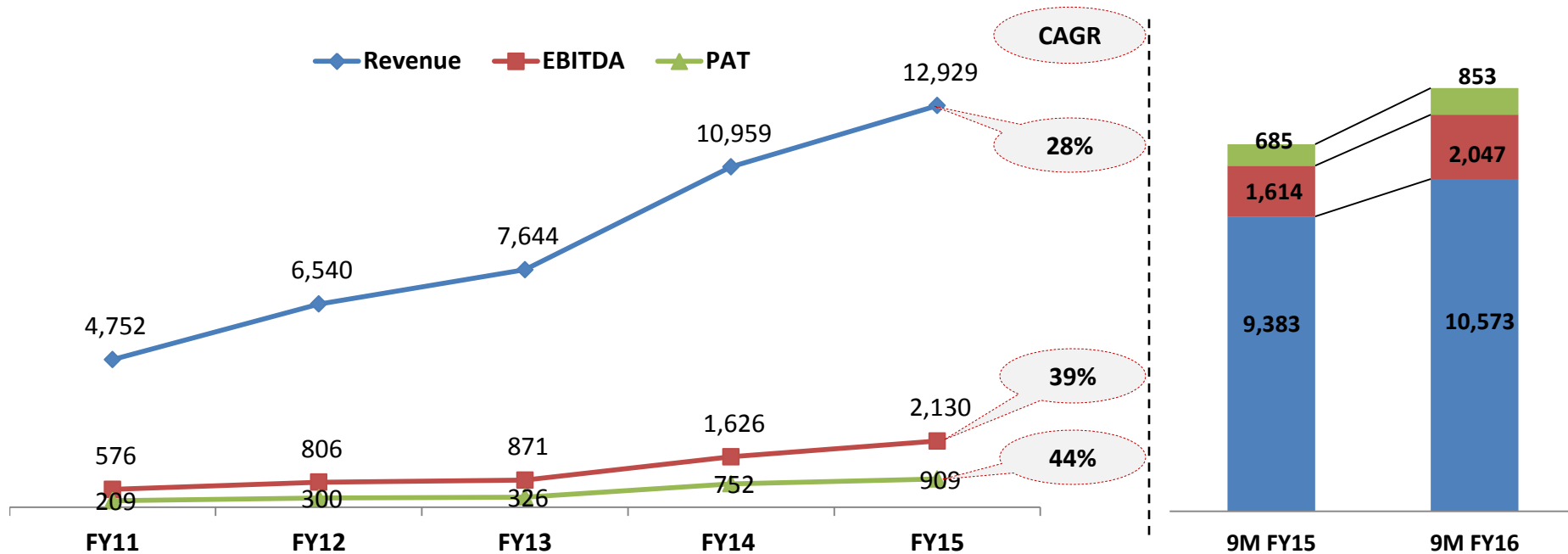


Vertical wise production

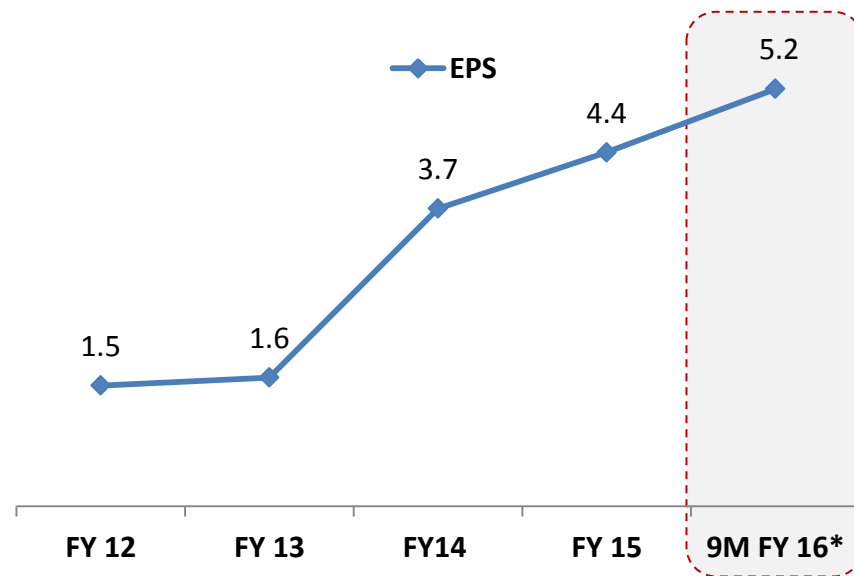
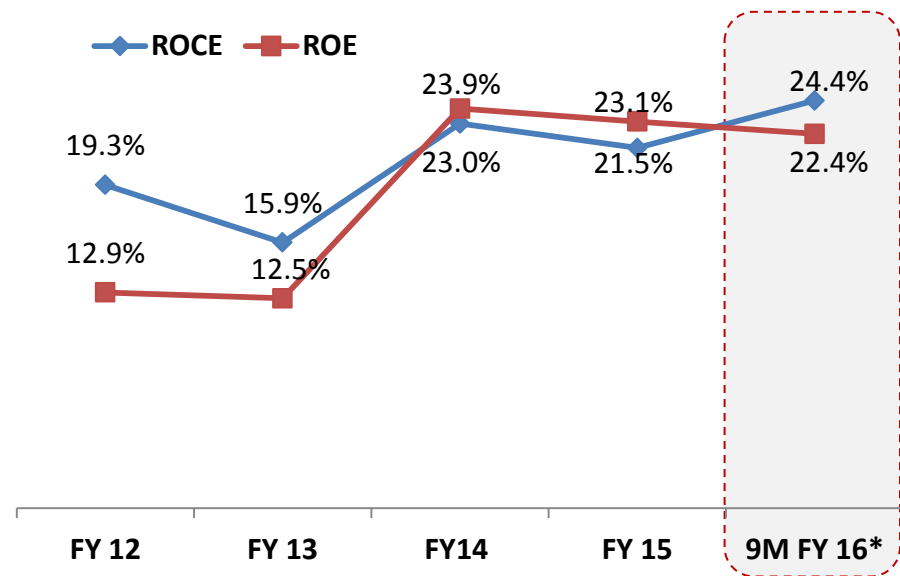
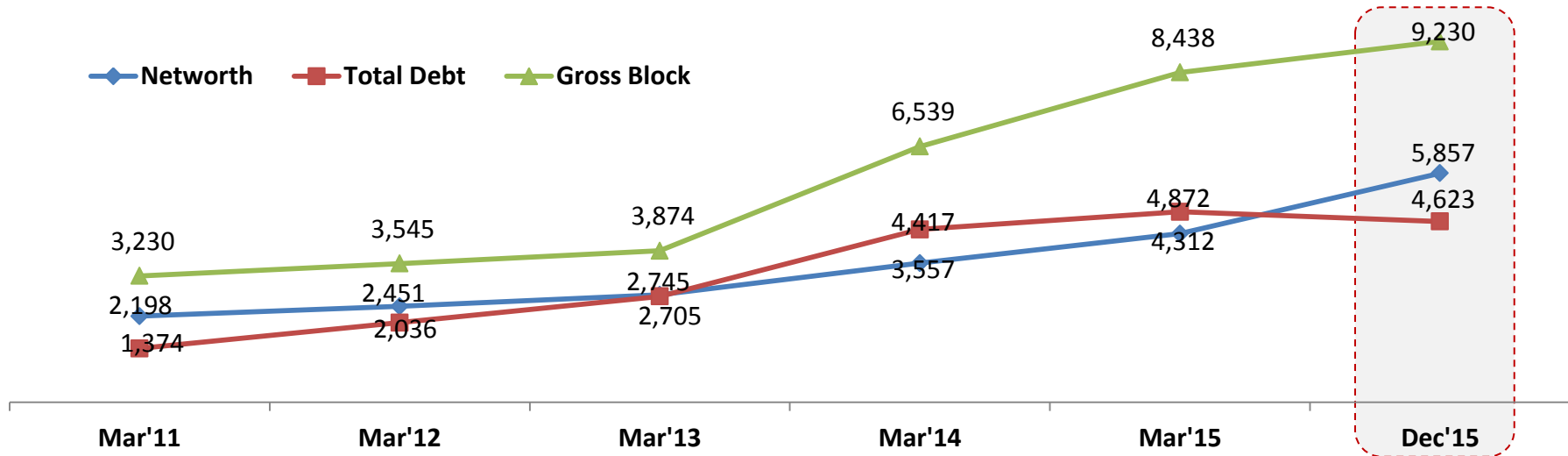


*Note: Production of Biocause has been considered on 100% basis

Financial Trend (1/2)

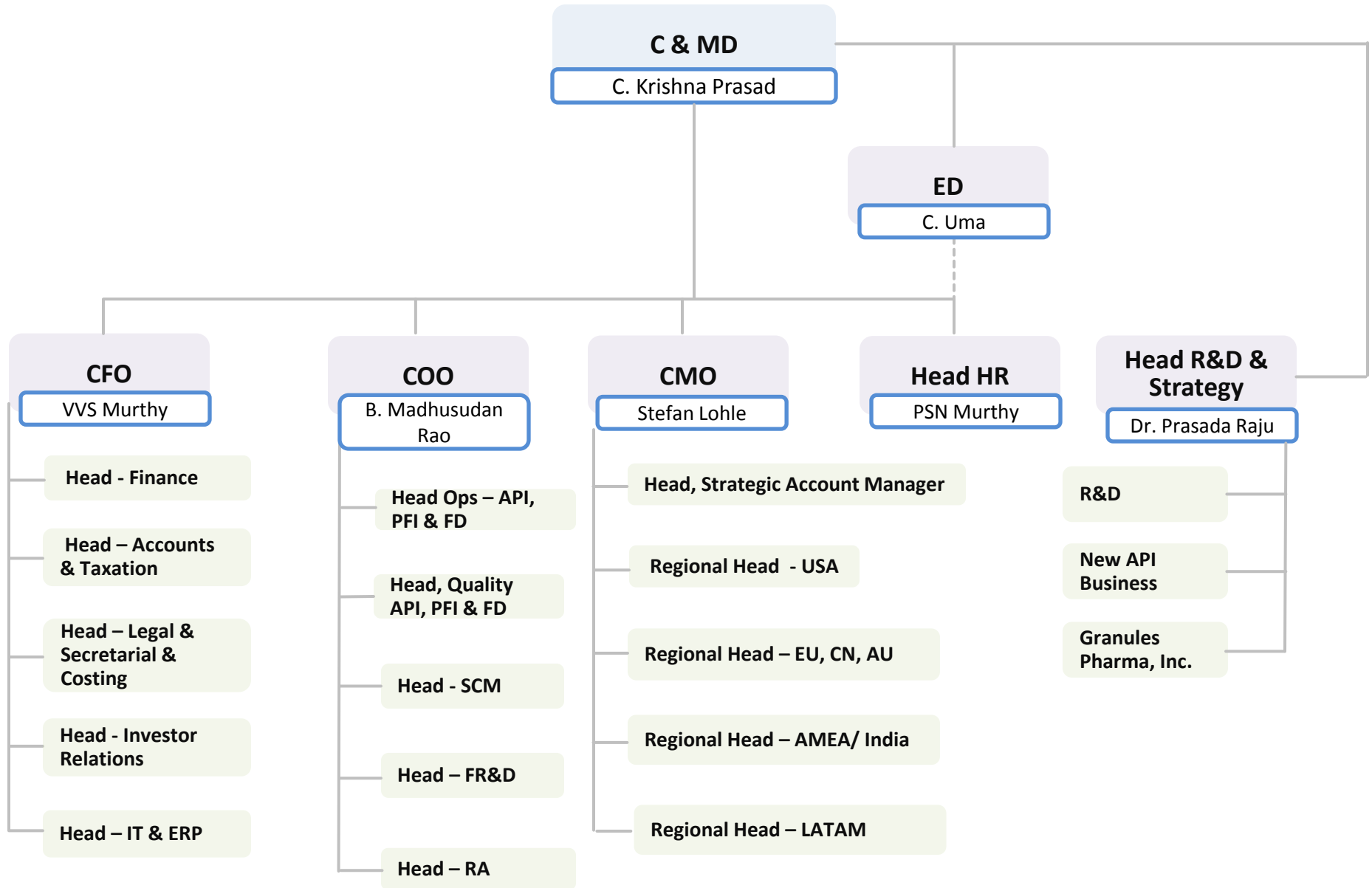


Financial Trend (2/2)



* Annualized

Organization Structure



Thank You