



REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

**Dated February 8, 2018**

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

Dear Sir,

**Sub: Presentation to the Analysts/Investors**

We refer to Un-audited financial results for the third quarter ended December 31, 2017 submitted to you today, 8<sup>th</sup> February 2018.

We are now enclosing the presentation 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: Q3FY18**



## Propelling for enduring growth

Key Levers : Technical – Portfolio - IP – Regulatory  
(Amalgamation of Core and Emerging Business value streams)

1

**Innovation**  
(non obvious)

2

**Economies of scale and scope**  
(Market Leadership)

3

**Customers intimacy**  
(Long term relationship with Marque customers over 75+ countries )

4

**Sustainability**  
(with Quality and Regulatory Compliance)

5

**Transformational relationships** (with Our key stake holders)

Infrastructure (with regulatory accreditations) – Human Capital

Reliability with proven results over 33 years

*Propelling Growth while strengthening and leveraging our core...*

- 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 US, Europe and other regulatory Agencies.

- Regulated markets of North America and Europe account for **58%** of overall revenue, while the balance comes from customers in Latin America, India and ROW countries.

- Entered potentially higher margin products through establishing in house API and Formulation research centers located at Hyderabad and in Virginia

- Acquired Auctus Pharma in 2014 with focus on development of new APIs through in-house R&D for organic ANDA filling and customers' formulation development

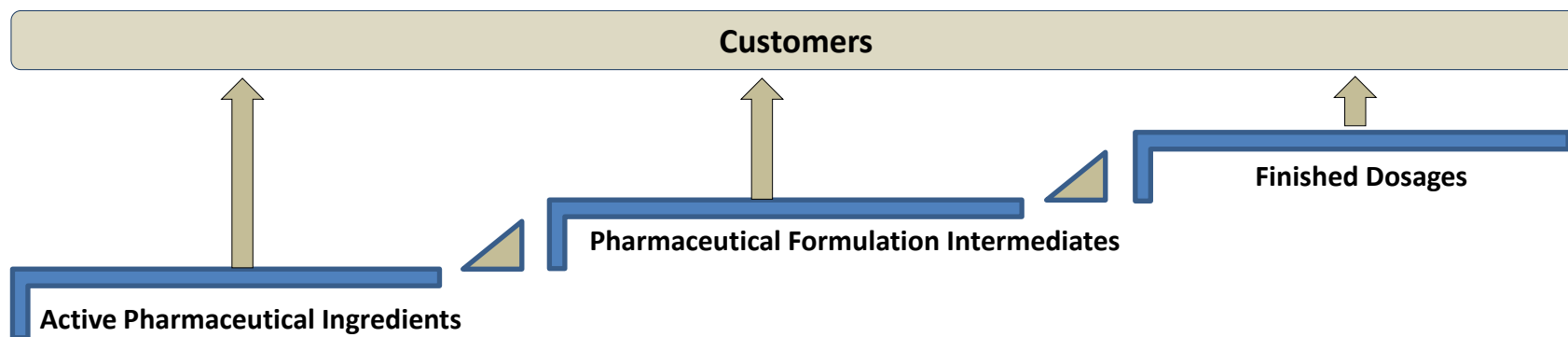
- Presence in potentially higher margin CRAMS business through 50-50 JV with Ajinomoto Omnicem.

- Acquired Formulation facility in Virginia, USA to introduce value added products

- Started construction of green field manufacturing site in Vizag to enter into Onchology and specialty business

Listing information : NSE	
Market Cap (INR mn) as on Dec'17	34,887
Outstanding Equity Shares (mn)	254
Face value of equity (INR/share)	1.0
Promoters Group Shareholding (%) as on Dec'17	45%
Bloomberg code	GRAN:IN
Sector	Pharmaceuticals

- ❑ **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 Products**”
- ❑ Strong presence in ‘**first line of defense**’ products such as such as **Paracetamol, Ibuprofen, Metformin and Guaifenesin.**



- ❑ **Future Growth** from existing portfolio
  - **Increasing emphasis on finished dosages** will increase revenue and profitability
  - Improving **efficiencies and yields**
  - Growth will be driven by **larger wallet share from existing customers** as well as **new customers** additions
  - Enhancing the product basket with **new ANDA filling**
- ❑ Capacity augmentation of APIs in base molecules:
  - Addition of **6,000 TPA in Paracetamol capacity** to reach to **24,000 TPA**
  - 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 **6,000 TPA PFI capacity**

## New API Division

- Auctus Acquisition – High-potential New API business.
- Significant saving; capacities with regulatory approvals for Granules **growth strategy**.
- USFDA approved multipurpose API manufacturing facility in Vizag and an intermediate manufacturing facility in Hyderabad

## Granules Research Centre

- Established in house R&D division in Hyderabad, to develop new generic products
- Presently over **70 scientists** are working

## Granules Pharmaceuticals Inc.

- Acquired Formulation facility in Virginia, USA to introduce value added products.
- Working towards limited competition space.
- Created resources for development of 5-6 ANDAs per year.

## Granules Consumer Health

- 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 .

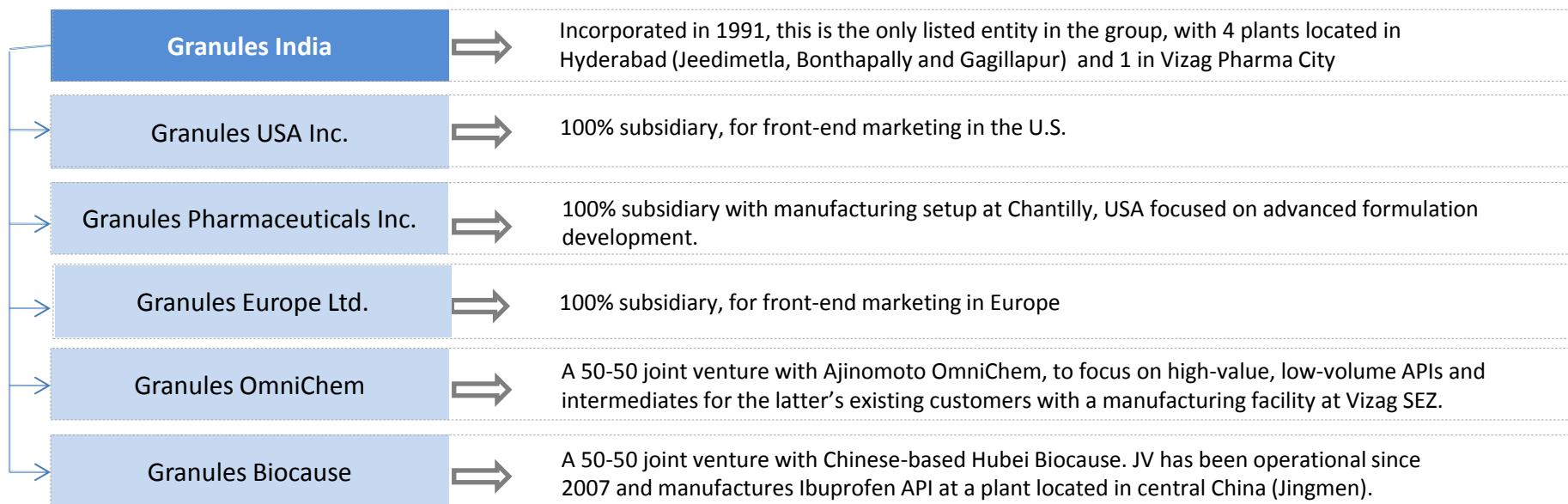




- ❑ **Foray into Contract Research And Manufacturing Services**
  - Set up in **July 2011 as a 50-50 JV company** with Belgium based Omnicem, a part of the Ajinomoto Group. The JV has set up a facility in Vizag SEZ for manufacturing of high-value APIs for Innovators and Brand Leaders on a contract manufacturing basis.
- ❑ **JV strategy**
  - To provide a **cost effective manufacturing base to innovators for their products.**
- ❑ **Progress**
  - FY 16-17 is the first full year of operations with INR 2,003 Mn with INR Rs 249 Mn profit
- ❑ **Growth from CRAMS business**
  - Healthy Business pipeline with Innovator products



# GRANULES Group Structure and Manufacturing Capabilities



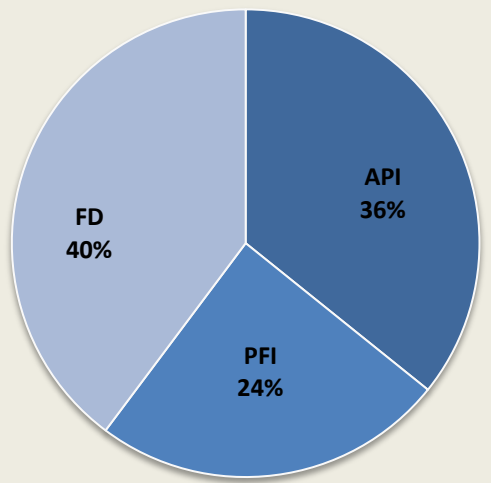
Value Chain	Facility Location	Installed Capacity	Approvals
<b>API</b>	Bonthapally	18,000 TPA	U.S. FDA, EDQM, WHO GMP
	Jeedimetla	3,560 TPA	U.S. FDA, EDQM, COFEPRIS, WHO GMP, HALAL
	Jingmen, China (Biocause JV)	4,800 TPA	U.S. FDA, MHRA, CFDA
	Vizag	285 KL	U.S. FDA, KFDA, EU GMP, WHO GMP
	Vizag SEZ (OmniChem - CRAMs JV)	152 KL	U.S. FDA
<b>PFI</b>	Gagillapur	17,200 TPA	U.S. FDA, COFEPRIS, TGA
	Jeedimetla	1,200 TPA	HALAL
<b>FD</b>	Gagillapur	18 Bn	U.S. FDA, MCC, COFEPRIS, TGA
	Virginia, USA	0.5 Bn	
<b>API Intermediates</b>	Bonthapally	61.5 KL	



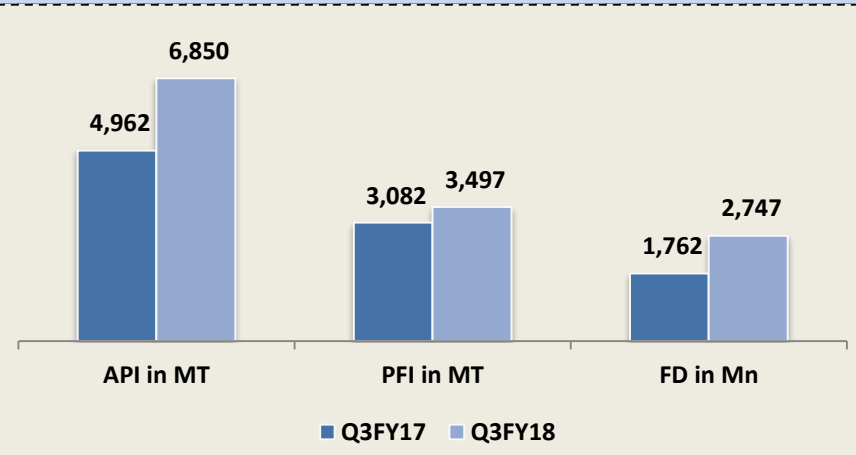


# GRANULES Consolidated Revenue Break-up for Q3-FY18

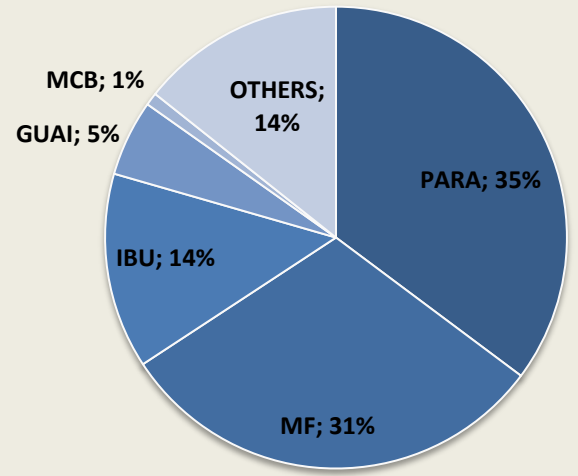
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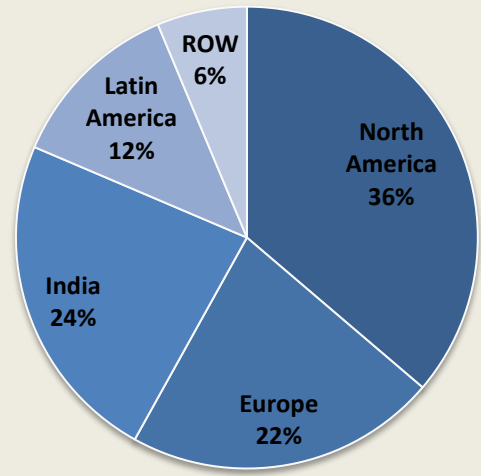
## PRODUCTION DETAILS



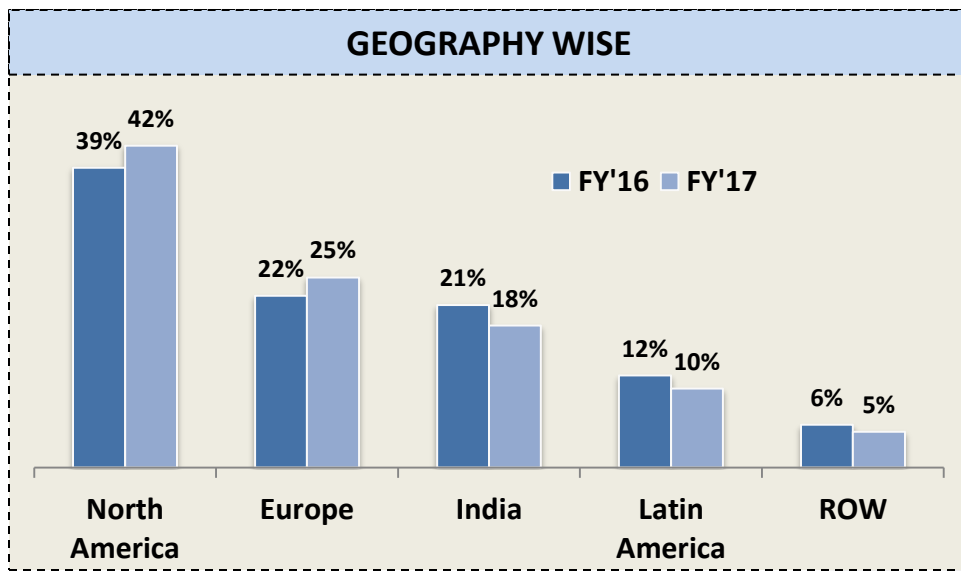
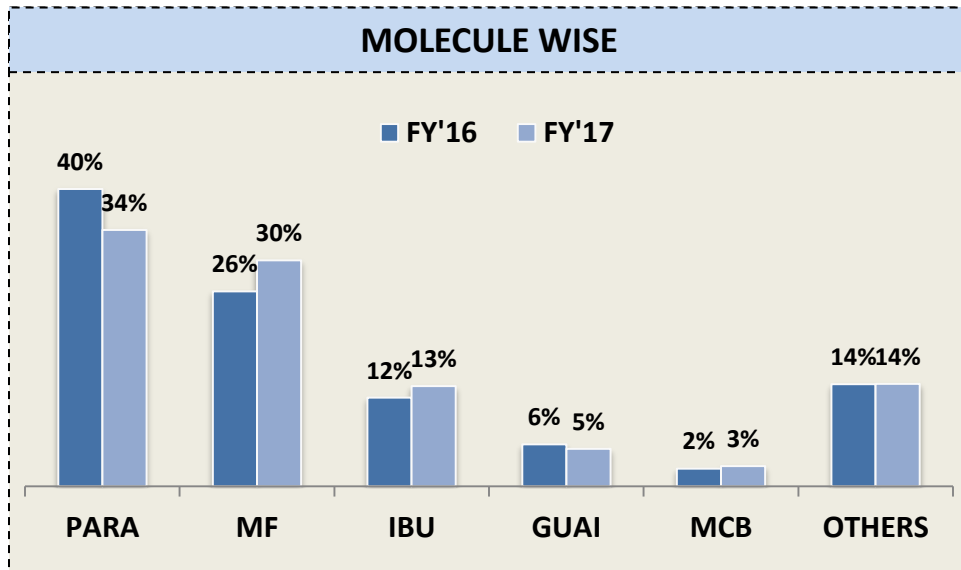
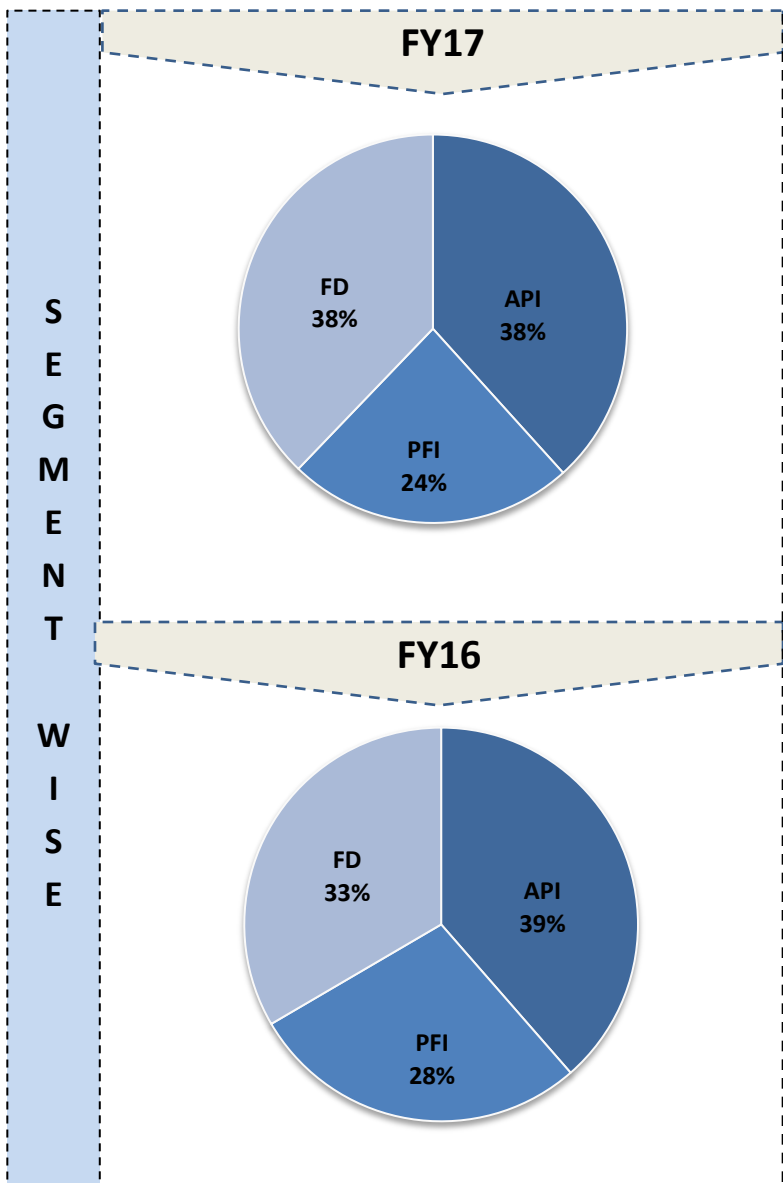
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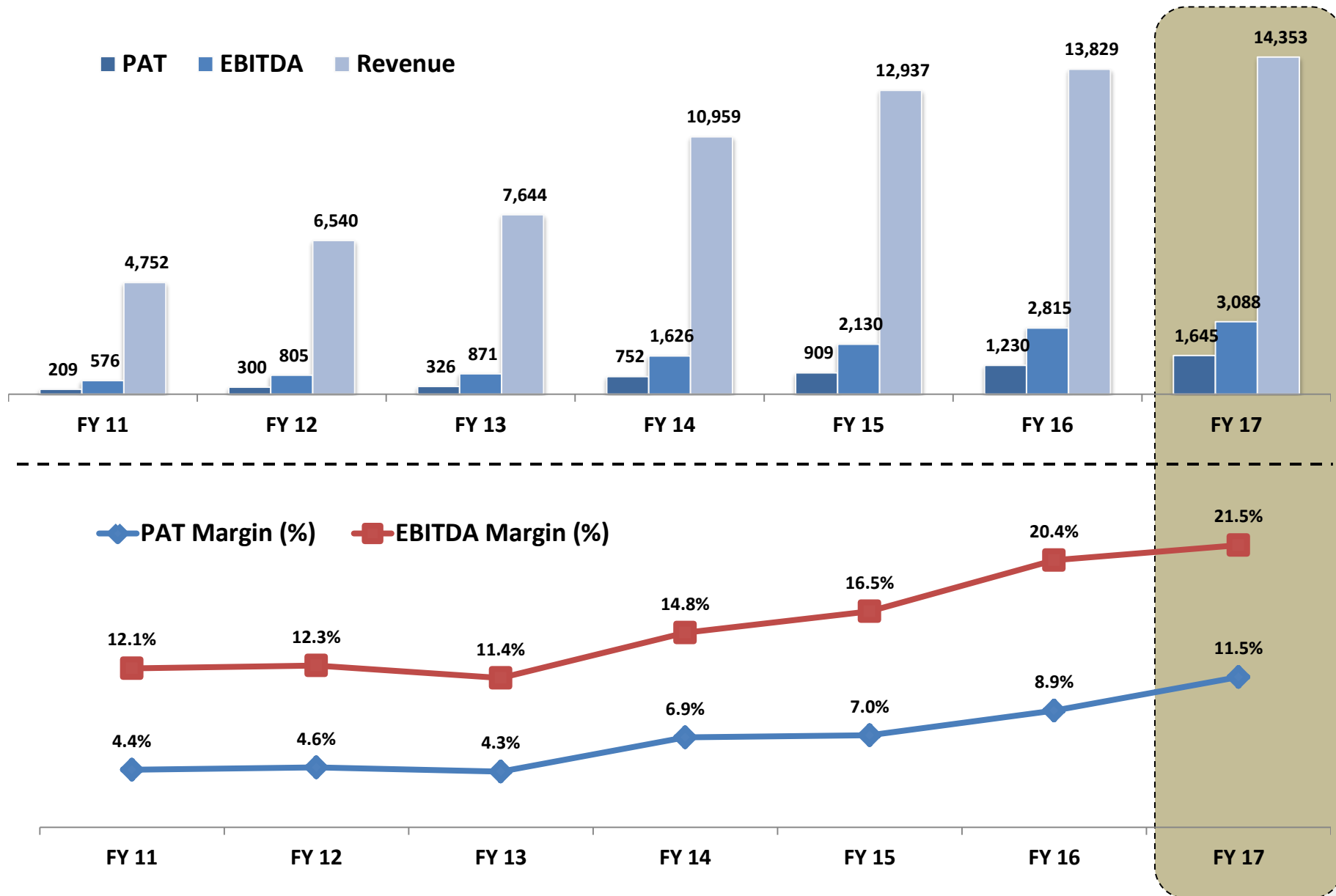


# PARA – Paracetamol; MF – Metformin; IBU – Ibuprofen; GUAI – Guaifenesin; MCB – Methocarbamol;  
## Break up of Revenue as per IND AS



# PARA – Paracetamol; MF – Metformin; IBU – Ibuprofen; GUAI – Guaifenesin; MCB – Methocarbamol

## Break up of Revenue as per IND AS

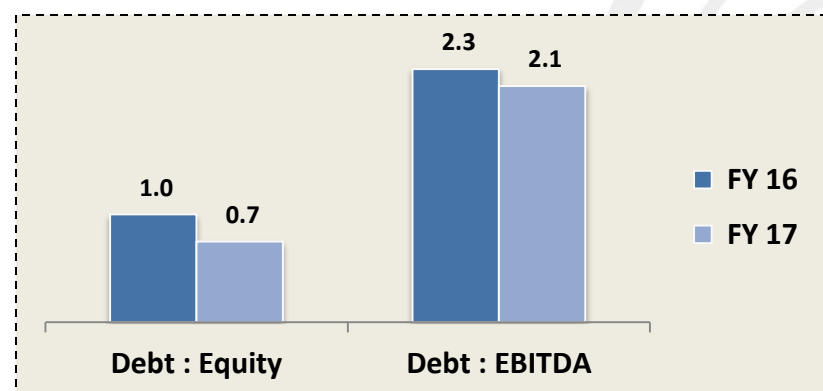
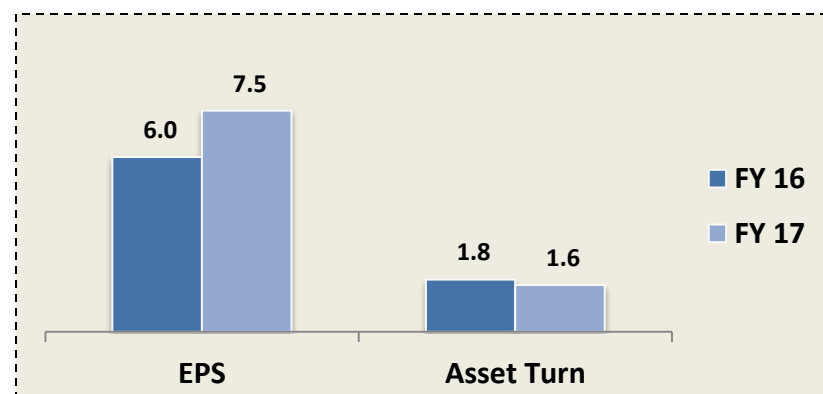
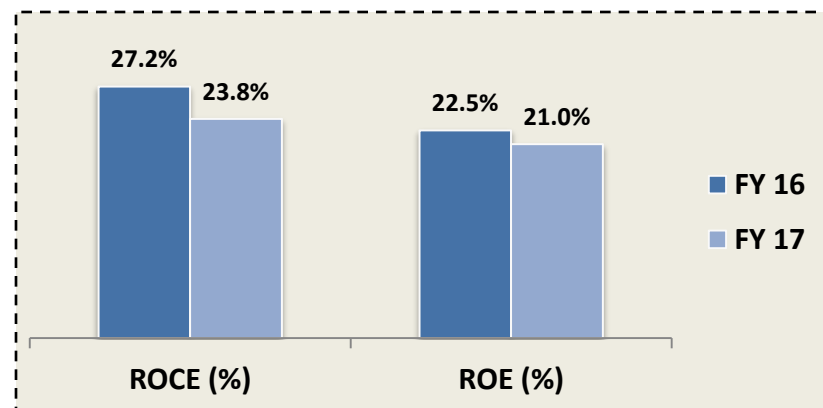


# All numbers are in INR Mn

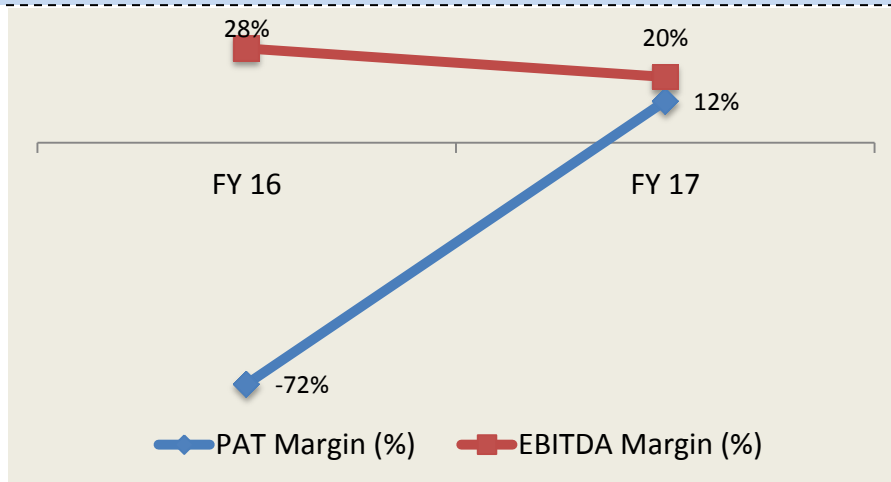
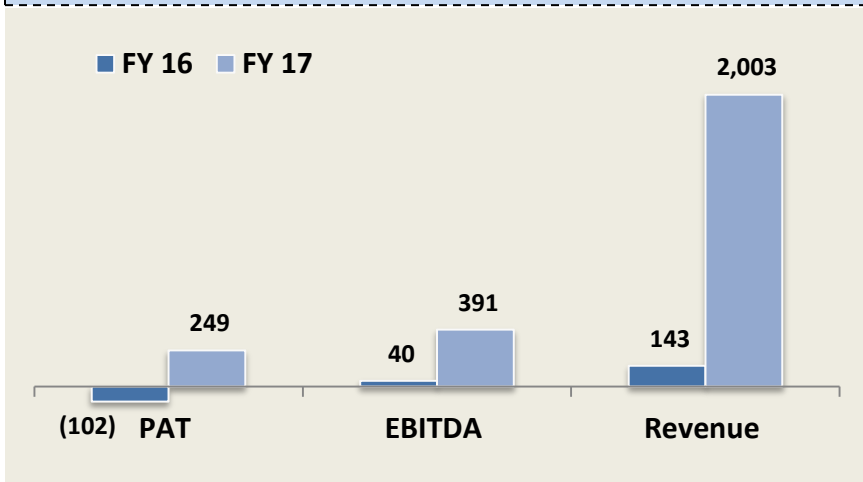
##All the numbers for FY'16 and FY'17 are as per Ind AS. Numbers from FY11 to FY15 are based on I Gaap.

## Consolidated Financial Snapshot (INR Mn)

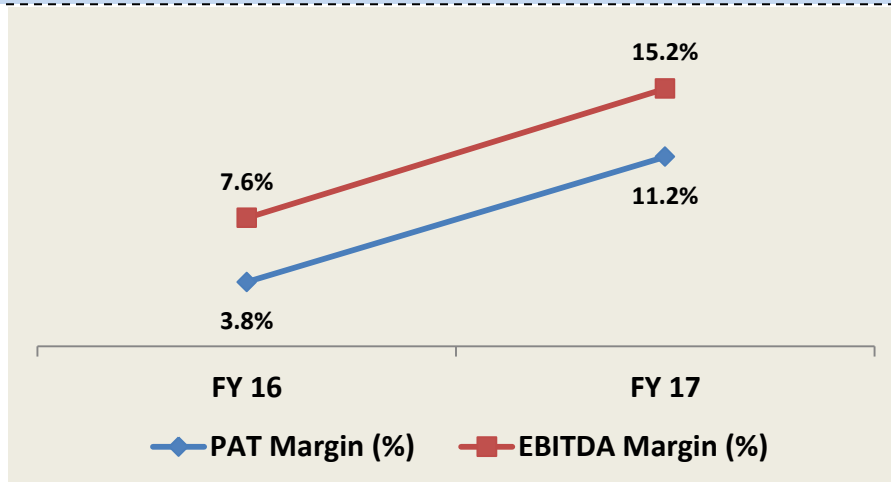
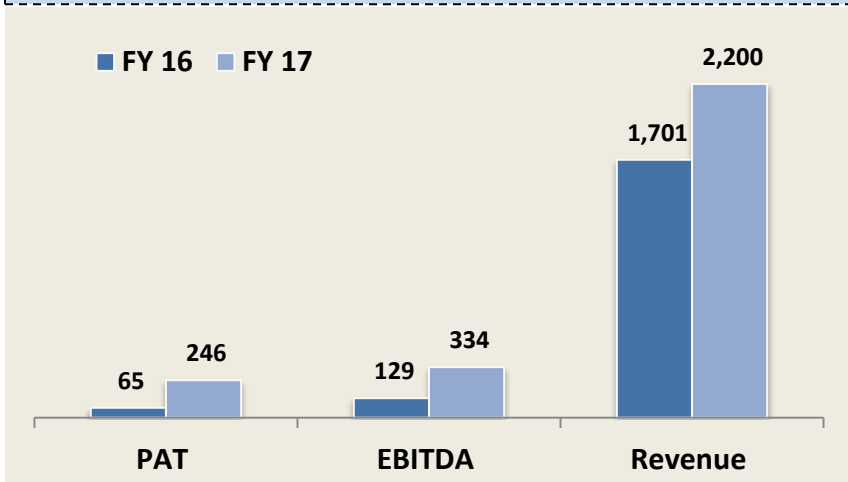
	FY16	FY17
Income from Operation	13,829	14,353
Material Cost	7,250	6,796
Other Operating Exp.	3,816	4,568
Other Income	52	99
EBITDA	2,815	3,088
EBITDA Margin (%)	20.4%	21.5%
EBITDA Growth (Y-o-Y)		10%
Depreciation	584	715
Finance Cost	371	323
Tax	611	652
PAT	1,230	1,645
PAT Margin (%)	8.9%	11.5%
PAT Growth (Y-o-Y)		34%
	Mar'16	Mar'17
Net Worth	6,616	9,036
Debt:		
Long-term Debt	2,485	1,827
Short-term Debt	3,929	4,738
Gross Block	8,230	9,836
CWIP	766	2,605
Total Current Assets	8,180	8,351
Total Current Liabilities	6,547	7,848



## Granules Omnichem



## Granules Biocause



Granules has 50% equity share in both the JVs.



**Mr. C. Krishna Prasad** - Chairman and Managing Director

Mr. Prasad is the Founder of Granules and has three decades of experience in the pharmaceutical industry. In 1984, he set up a Paracetamol manufacturing facility, focused on capital and process efficiency. Pharmaceutical Formulations Intermediates (PFIs) as a cost efficient product for global formulations manufacturers, a concept pioneered and popularized by him.



**Mrs. Uma Devi Chigurupati** - Executive Director

Mrs. Uma has rich experience of 30 years in various fields. Mrs. Uma with Mr. C. Krishna Prasad had co-founded Triton Laboratories Private Limited in the year 1984, which was later amalgamated with Granules India Limited. Presently, she is spear heading CSR activities and HR initiatives.



**Dr. Prasada Raju** - Executive Director

Dr. Prasada Raju has over two decades of techno commercial experience in Global pharmaceutical space. His previous experience at Dr. Reddy's encompasses new product development, foster strategic partnerships, drive synergies between Industry and Academia, new geography expansions, IP driven early Product Portfolio Development and Program Management.



**Mr. Karuppannan Ganesh** - Chief Financial Officer

Mr. Ganesh is a Chartered Accountant with post qualification experience of 30 years. He has worked on cross border M&A activities, international treasury & taxation, corporate development and control. Prior to joining Granules India, Mr. Ganesh worked in Dr Reddy's Laboratories as Sr Vice President - Corporate Finance. He also worked with Philips India, Coca Cola, ABB and Manali Petrochemical on various capacities



**Mr. Sreekanth Muttineni** - Chief Operating Officer

Mr Sreekanth Muttineni joined Granules India in September 2016. During nine year tenure with Lupin Ltd, he was responsible for manufacturing operations. Prior to that, Mr. Muttineni had worked at Aurobindo Pharma Ltd as General Manager – Operations and led the establishment of generic pharmaceutical facilities and commercialization.



**Mr. Stefan Lohle** - Chief Marketing Officer

Mr. Lohle has over two decades of experience in the Pharmaceutical industry. Mr Lohle has been associated with Granules since 2001 and previously was Head of Latin American Operations, where he primarily focused on the PFI Business. Mr Lohle previously served at Kimberly Clark Corporation for New Project Development.



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[www.granulesindia.com](http://www.granulesindia.com)

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