



RESEARCH &
DEVELOPMENT



QUALITY &
COMPLIANCE



CUSTOMER
RELATIONSHIPS



MANAGEMENT
BANDWIDTH

**STRENGTHENING FUNDAMENTALS.
BUILDING VALUE.**



FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

Essential Read

Chairman & Managing Directors' Message

12-13

Our progress in FY15 will solidify our base while helping us deliver enhanced value to our stakeholders.

R&D Focus

16-17

Support growth strategy by developing new products and processes, which enhance our range.

Engaging Employees

22-23

The knowledge and skills of our people help us deliver on our commitments.

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For additional information
please visit: www.granulesindia.com



A TRIBUTE TO OUR CHAIRMAN
LATE DR. CHIGURUPATI NAGESWARA RAO
(1927-2014)

Dr. Chigurupati Nageswara Rao was a visionary whose dynamism and futuristic thinking led to the building of an organisation known for its professionalism and globally-benchmarked expertise. Honesty, Knowledge, Respect and Trust were the pillars on which he built Granules. Today, the organisation has indeed come a long way from its modest beginnings.

Dr. Nageswara Rao was an active member of the Indian Medical Association and Association of Surgeons of India. He worked hard to help improve the country's health care ecosystem.

**DR. NAGESWARA RAO'S VISION IS POWERING ALL MEMBERS OF THE
GRANULES FAMILY TO ATTAIN NEW HEIGHTS OF EXCELLENCE.**





At Granules, building value over long-term is rooted in our corporate culture, thus forming an inseparable part of our fundamentals. Driven by the firm belief that progress is vital to sustainability, we have invested significant resources for vertical integration and for business expansion.



During the year, we continued to move towards building long-term value through determined steps in this direction.

We are strengthening our R&D backbone to grow existing businesses and to explore new areas of opportunities.

We have entered into the realm of high-margin products through the acquisition of Auctus Pharma Ltd. (APL) and have started the development of APIs through in-house R&D.

We are putting more emphasis on quality compliance to strengthen every aspect of our business.

We are also building strong customer relationships, expanding management bandwidth, securing revenues through long-term contracts, going deeper into regulated markets and changing the revenue mix.

With fundamentals in better shape, our strategic priorities include enhancing customer satisfaction and consumer well-being, extending presence in developed and emerging markets, strengthening governance and risk management, improving employee engagement and meeting investor expectations.

These initiatives will help us transform relentlessly and create value sustainably across industry cycles.

Dominant share in first line of defense molecules

Sales ₹ 1,293 Cr. up by 18% over FY14

CONSISTENT VALUE CREATOR

OUR STRENGTH LIES IN VERTICALLY INTEGRATING OUR ACTIVE PHARMACEUTICAL INGREDIENTS (APIs) AND PHARMACEUTICAL FORMULATION INTERMEDIATES (PFIs) WITH FINISHED DOSAGES (FDs) TO YIELD QUALITY, GENERIC FORMULATIONS.

We leverage cutting-edge science and technology with a firm commitment to ensure good health for all. Our integrated model for manufacturing APIs, PFIs and FDs makes it possible to provide products across the value chain, which enhances competitiveness and value.

Over the years, we have emerged as a knowledge-driven, R&D focused and multi-product organisation.

We have invested relevant resources to build a world-class infrastructure for APIs, PFIs and FDs formulations.

To grow and create sustainable value as a vertically integrated pharmaceutical company.

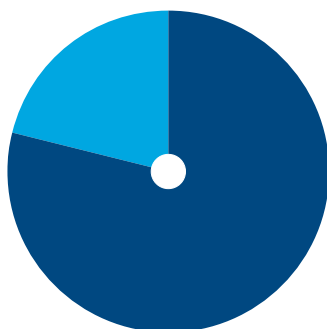
Among the top global manufacturers of Paracetamol, Ibuprofen, Metformin and Guaifenesin	7 Manufacturing facilities	Possesses industry-leading 6 MT single batch size for manufacturing PFIs
Pioneered the concept of commercialising PFIs		

Manufacturing Facilities

Product	Location of the plant
Active Pharmaceutical Ingredients (API)	Bonthapally
	Jeedimetla
	Vizag
	Jingmen – China (Granules Biocause - JV)
API Intermediaries	Bonthapally
Pharmaceutical Formulation Intermediates (PFI)	Jeedimetla
	Gagillapur
Finished Dosages (FD)	Gagillapur
CRAMS	Vizag (Granules Omnicem - JV)

REVENUE MIX

%



■ Export 79

■ Domestic 21

SCALE AND LEADERSHIP

- ➔ Large manufacturing facilities approved by leading regulatory agencies
- ➔ Optimal mix of high-quality products at competitive costs
- ➔ State-of-the-art R&D facilities for APIs, PFIs and FDs

OPERATIONAL EXCELLENCE

- ➔ Vertical integration
- ➔ Proven regulatory exercise
- ➔ Technology and know-how for speciality formulations

ROBUST SERVICE DELIVERY

- ➔ Global marketing network
- ➔ Customer-centric approach and partnership oriented marketing
- ➔ Speed and efficiency in execution

VISION

"To be the global leader in pharmaceutical manufacturing by process innovation and unparalleled efficiencies."

MISSION

Our drive to be the best is unparalleled. We will match our drive by partnering with global leaders in our markets, building lasting relationships, and the foundation for mutual growth and success. To this end, we have integrated our production forwards and backwards thereby completing our value proposition. But we are not satisfied with that alone. We will continuously support this endeavour by smoothing the process end-to-end through advanced technology, eco-friendly solutions and giving our

people the training they need to be the best in their field. In the end, our products will be superior in quality and a proud testament of how we believe in doing business at Granules.

VALUES

Integrity: We will maintain consistency in our values, means and actions in conducting our business

Quality: We will strive to maintain the highest standards in all our products and processes

Continuous improvement: We will systematically enhance our products, processes and services

People: We will cultivate a conducive environment where individuals can realise their potential

Customer-centric: We will focus our energies towards understanding and addressing customer requirements

REVENUE BREAK-UP FOR FY15

REVENUE BY GEOGRAPHY

REVENUE MIX (IN %)

API	PFI	FD
44%	24%	32%

REVENUE BY MOLECULE

Paracetamol

41%

Metformin

23%

Ibuprofen

16%

Guaifenesin

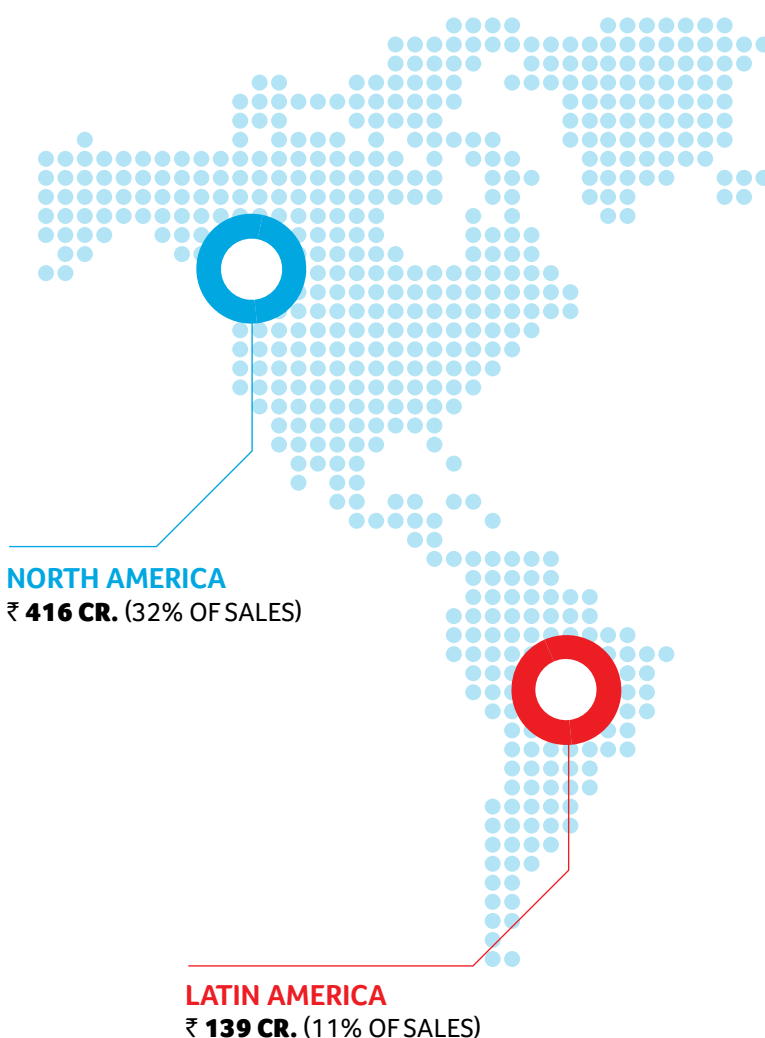
5%

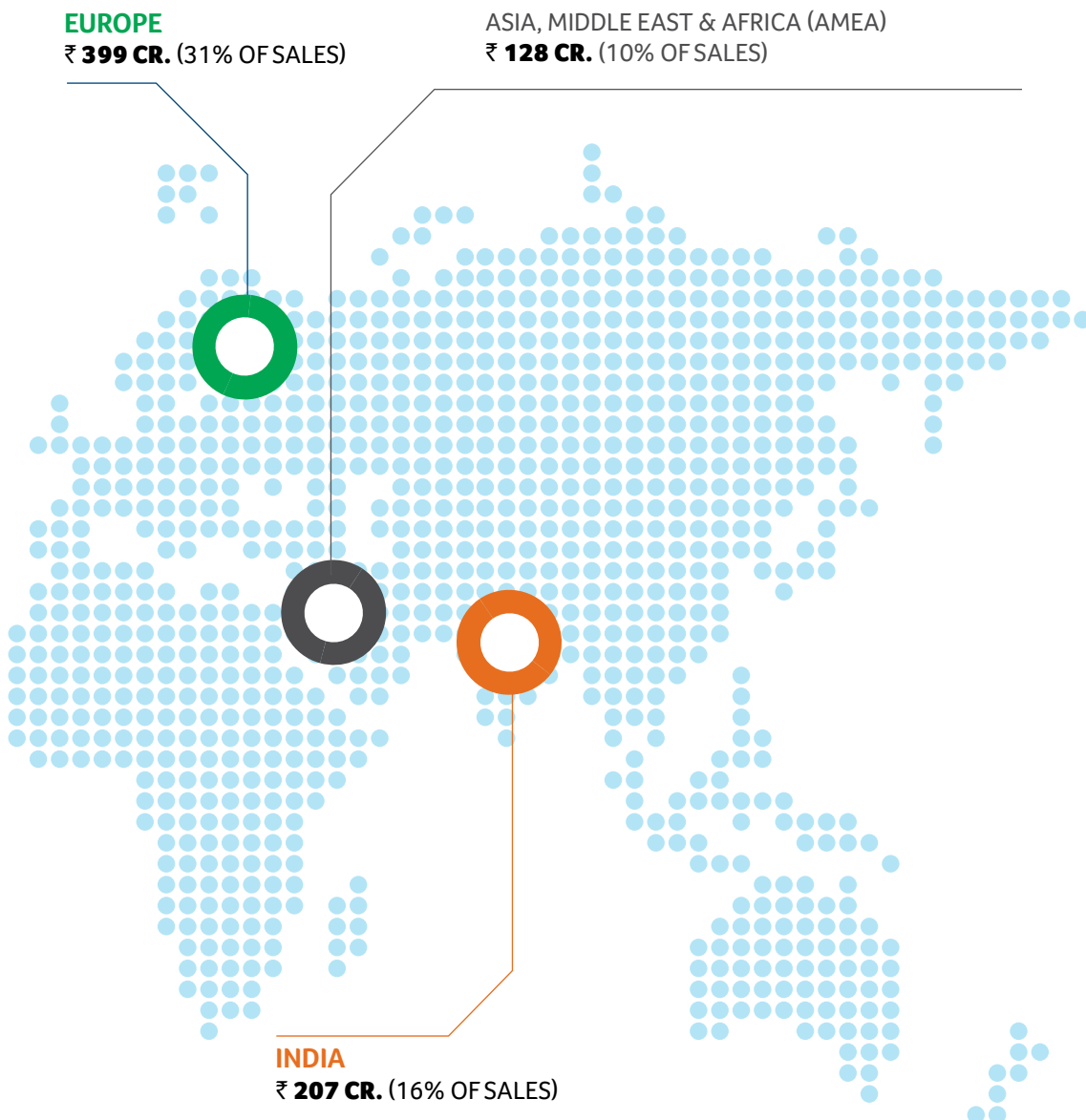
Methocarbamol

2%

Others

12%

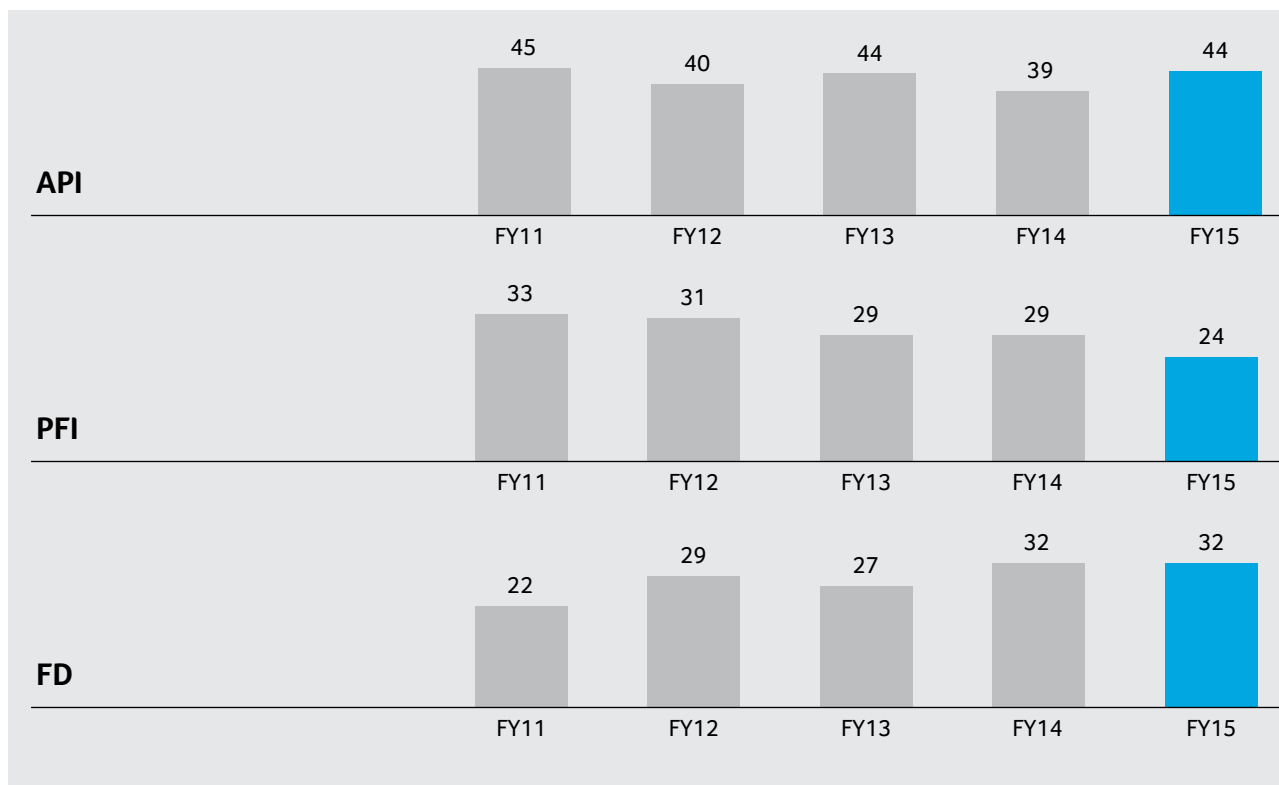




KEY NUMBERS AT A GLANCE

BREAK-UP OF CONSOLIDATED REVENUE AS PER BUSINESS SEGMENT

% of sales



BREAK-UP OF CONSOLIDATED REVENUE AS PER GEOGRAPHY

% of sales

