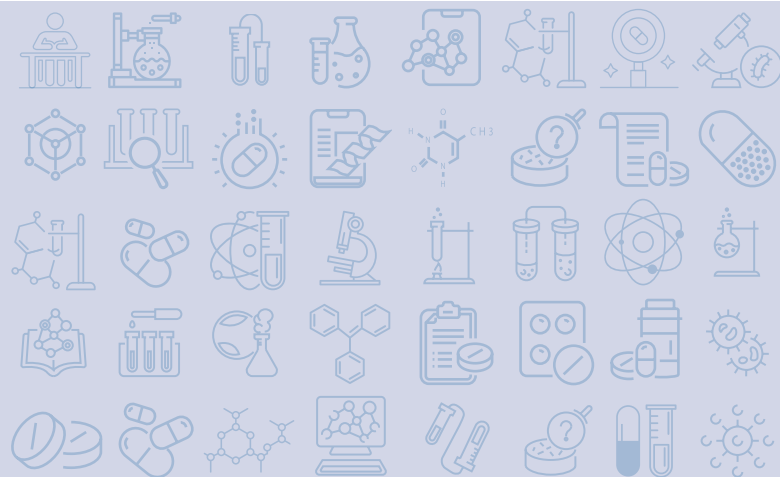




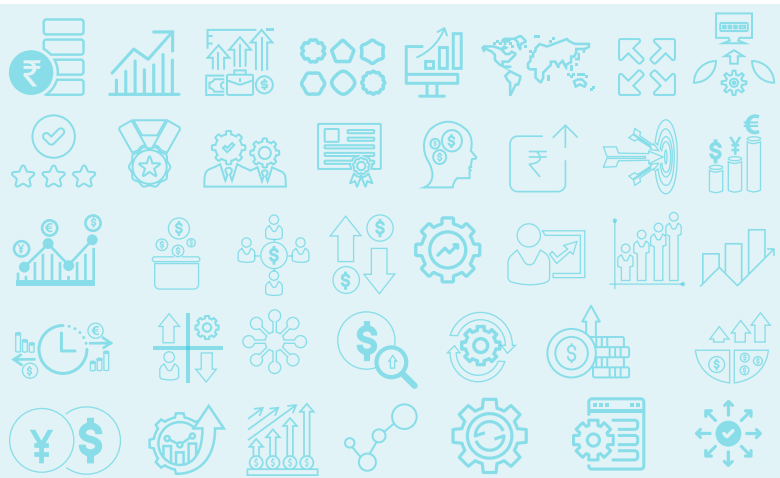
INNOVATE.



SUSTAIN.



FLOURISH.



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www.granulesindia.com

Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.



INNOVATE. SUSTAIN. FLOURISH.



New technology, increased visibility and rapid globalization calls for continuous change- to remain relevant and responsive in an extremely dynamic and vibrant world. For Granules, innovation is a way of life and the best weapon in its armour to keep competition at bay. It marks our way ahead, encourages us to stay focused and strategically unlock possibilities for sustained and prolonged growth.

As an integrated pharma company, we are constantly lubricating engines of growth, exploring prospects for revenue generation and aiming to deliver exceptional outcomes. With aspirations to continuously enhance our products, processes and services, we realize our potential as torchbearers of change - to drive unparalleled efficiencies and empower Granules and its employees to sustain and flourish, now and forever.

Granules at a Glance

Granules India Limited is one of the vertically integrated, high-growth pharmaceutical manufacturing company in India today. Based out of Hyderabad, India, we are into manufacturing Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediaries (PFIs) and Finished Dosages (FDs).

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

Our offerings

APIs:

Inhouse Active Pharmaceutical Ingredients (API) manufacturing with focus on efficiently creating high-quality APIs in key therapeutic categories

PFIs:

World's largest Pharmaceutical Formulation Ingredients (PFI) facility at Gagillapur. PFIs taken from drums to hopper and compressed into tablets directly

FDs:

Multiple Finished Dosage (FDs) forms comprising tablets, caplets and press-fit capsules in bulk, blister packs and bottles



Our business segments



Core Business

- Focus on volume-based products
- First line of treatment
- Less R&D and more manufacturing-based capability

Paracetamol, Ibuprofen, Metformin, Methocarbamol and Guaifenesin



US Generics

- Focus on R&D with our integrated structure that includes manufacturing and marketing capabilities with 'Make in America' concept
- Business-to-Consumer model (B2C)

Focus on developing controlled substances and niche/differentiated modified and extended-release products in varied dosage forms



Emerging Business

- Fully integrated facility to offer APIs and FDs in various therapeutic areas.
- Multi-product and multi-stage API to FD manufacturing site
- New Products filing through R&D
- Medium R&D and Manufacturing capabilities

Losartan, Cetirizine and Fexofenadine



60+

Countries of presence



250+

Customers in our portfolio



3,029

Number of employees as on March 31, 2020



7

Manufacturing plants

Manufacturing capacity snapshot

39,360_{TPA}

352_{KL}

API

24,640_{TPA}

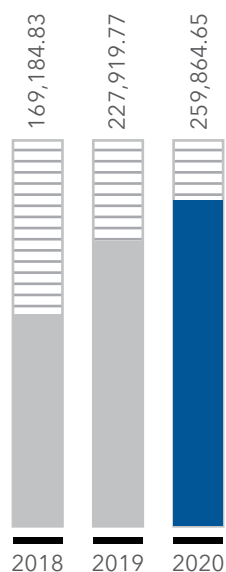
PFI

21.3_{BN}

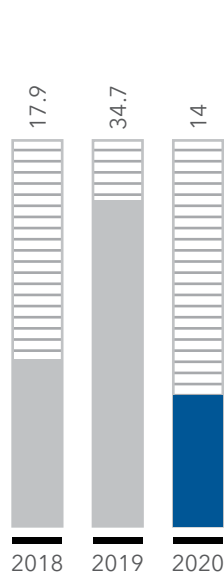
Finished Dosages

Key Financial Indicators

Revenue
(₹ in lakhs)



Revenue Growth
(%)



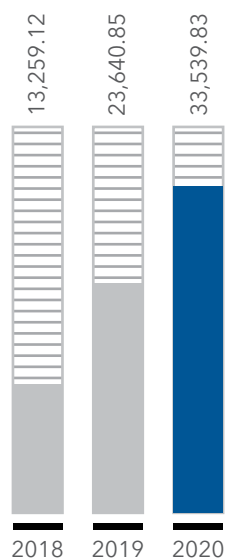
EBITDA without other income
(₹ in lakhs)



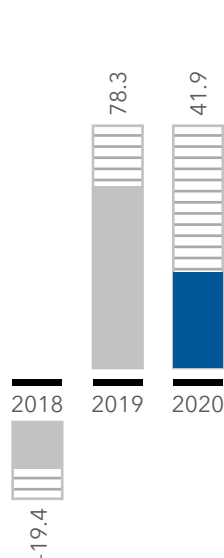
EBITDA Growth
(%)



Net Profit
(₹ in lakhs)



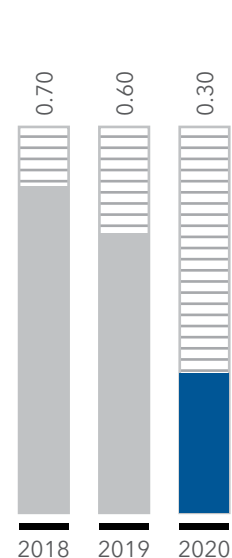
Net Profit Growth
(%)



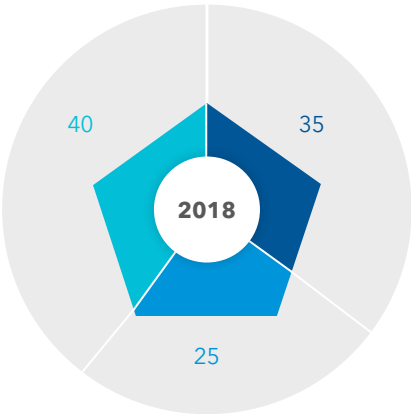
Return on Equity
(%)



Net Debt to Equity Ratio
(in times)

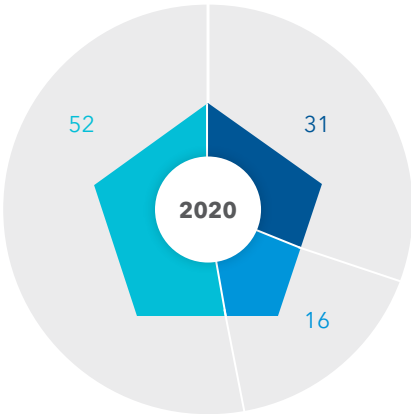


Revenue Break-up
(in%)



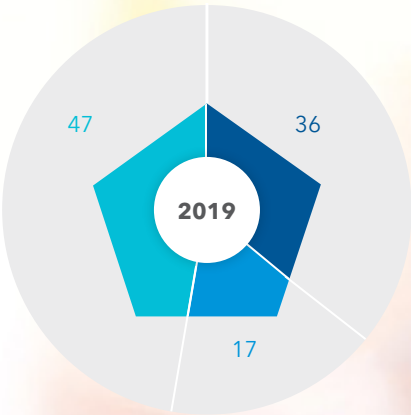
(₹ in lakhs)

API ₹ 59,827.33 PFI ₹ 41,835.43 FD ₹ 67,522.07



(₹ in lakhs)

API ₹ 81,706.65 PFI ₹ 42,139.97 FD ₹ 136,018.03



(₹ in lakhs)

API ₹ 81,967.02 PFI ₹ 38,690.47 FD ₹ 107,262.28



Global Footprint

Market presence in more than

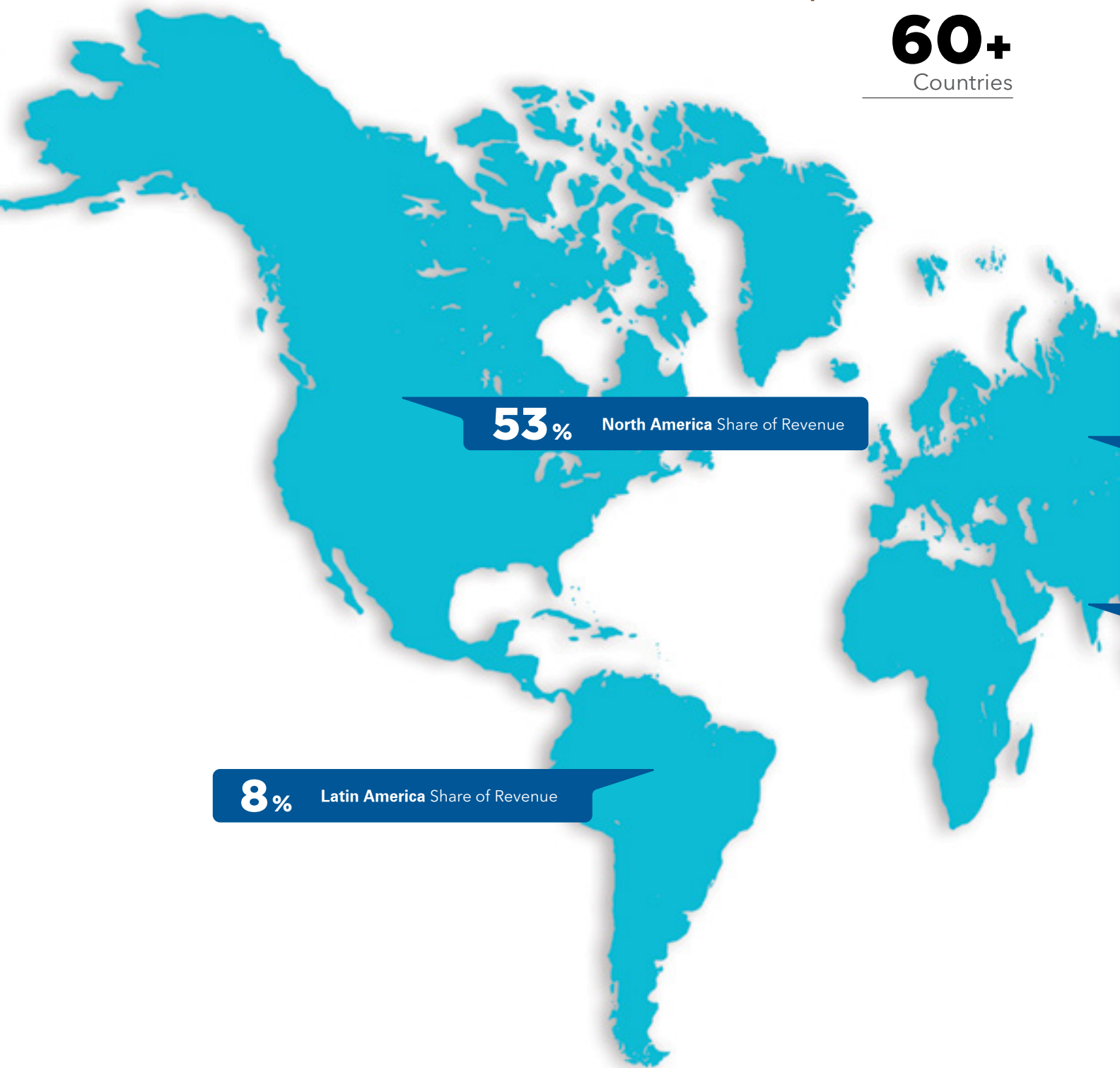
60+
Countries

53%

North America Share of Revenue

8%

Latin America Share of Revenue





19% Europe Share of Revenue

15% India Share of Revenue

North America
(₹ in lakhs)



Latin America
(₹ in lakhs)



Europe
(₹ in lakhs)



India
(₹ in lakhs)



Rest of the World
(₹ in lakhs)



Message from Chairman's desk



Granules India is focussed on building a business for the long-term through the efficient use of capital, strong and profitable revenue growth and focussed risk management.



Dear shareholders,

I am delighted to present a second consecutive excellent year for your Company - FY2020. Your company had a record-breaking performance in terms of revenue and earnings growth along with achievements of key business, as we took strides to become a truly global pharmaceutical product manufacturing company.

It has been almost three decades that your company is engaged in providing collaborative and strategic partnership to global pharmaceutical leaders by producing best quality API and PFI through manufacturing excellence, process innovation and regulatory expertise. Continuous focus on building execution excellence over the last several years coupled with recent focus on launching our own products in US and other regulated markets has resulted in a fairly backward integrated Pharmaceutical company trying to establish its foot print in almost all the sectors including the finished dosage.

Our success strategy is dependent on mainly on the following five verticals

- 1) Continue customer centric approach**
- 2) Continue to strengthen operational capability**
- 3) Value creation by choosing right partners and having long term contracts with them**
- 4) Organisational agility and human capital creation**
- 5) Continuous review of existing and pipeline portfolios.**

I am confident that we have now started our orbit changing transformation journey and will grow in many folds in the years to come

Performance highlights FY20

FY20 was another excellent year for Granules India with a robust revenue

growth of 14% from ₹227,919.77 lakhs in FY2019 to ₹259,864.65 lakhs in FY2020, which was mainly contributed by PFI and FD growth by 9% and 27% and API sales was flat over the previous year. The increases were mainly from the US and Europe market driving the higher volume Sales of FD. We applied financial discipline to ensure that our cost levers underpin our targeted growth, while safeguarding profitability.

The gross profit improved by 28.7% over the previous year from ₹102,363.55 lakhs to ₹131,771.51 lakhs which was mainly due to higher FD sales and increased contribution from GPI business over the previous year.

EBITDA for the year stood at ₹52,531.83 lakhs after recognising the ₹2,171.53 lakhs as impairment charge which is a 36.8% increase over the EBITDA of the previous year which was ₹38,403.77 lakhs. The primary reasons are increased