



Date: October 06, 2026

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

Dear Sir,

Subject: Transcript of the Webinar.

Ref: Our letter dated September 26, 2026 for intimation of the schedule of webinar.

Pursuant to regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the webinar held on September 29, 2026 is enclosed with this letter.

Kindly take the above information on record.

For GRANULES INDIA LIMITED

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Granules India Limited
The Now & The Next
September 2026

- **Ms. Tanvi:**
- We are live now, Naman, I hand it over to you.
- **Mr. Naman Bagrecha – IIFL Capital Services Limited:**
- Thank you Tanvi. Good afternoon everyone. On behalf of IIFL Capital Services Limited, we welcome you all to Granules India 2.0 Comprehensive Transformation Underway webinar with Granules promoters and senior management team to understand the key growth engines. We will begin the call with the opening commentary from Dr. Krishna Prasad Chigurupati, Chairman and Managing Director, followed by Ms. Priyanka Chigurupati, ED, Mr. Vijay, President Granules Pharmaceuticals, Inc., Mr. Sanjay Kumar, CEO Senn Tides India Private Limited, and Mr. Mukesh Surana, CFO Granules, which will be followed by a Q&A session. Over to you, doctor.
- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- Thank you, Naman, and a very good afternoon everyone, and thank you very much for joining us today. Over the last few years, many conversations around Granules have understandably focused on regulatory journey, our earnings quality, earnings recovery, and the challenges we face as an organization. Today, I would like to shift that conversation. I would like to spend a few minutes talking about what comes next for Granules.
- After nearly three years of relatively flat performance, we returned to growth in FY26. For me, this was a very important milestone, but I view it not as a destination, but the beginning of a new journey and a growth cycle for the company. Over the last several years, we have invested significantly in manufacturing infrastructure, in R&D, in product development, and building new capabilities. Today, we are moving from building these capabilities to scaling them and converting them into commercial growth. The slide you see in front of you captures how we think about this journey.
- At the foundation is our established business built on manufacturing excellence, vertical integration, scale, and cost competitiveness. This business remains central to Granules. It generates cash, supports our balance sheet, and provides a platform from which we

can invest in future growth. Building on that foundation, we have identified four growth engines, control substances, complex generics and early market opportunities, oncologies, and peptide CDMO. These are not four independent bets. They are built on capabilities we already possess while giving us multiple venues for growth across different products, markets, and timelines.

- Beyond these growth engines, we continue to evaluate additional opportunities and expand our geographic reach. Because even as today's businesses scale up, we must continue building the next generation of growth. Our objective over the next three to four years is straightforward. To translate these investments into a substantially larger business with earnings growing faster as our portfolio becomes more differentiated and operating leverage develops. And equally importantly, we intend to do so while maintaining the financial discipline that has always been fundamental to Granules.
- With that context, let me hand over to Priyanka who will take you through our product strategy, R&D priorities, and opportunities that exist. Over to you, Priyanka.
- **Ms. Priyanka Chigurupati – Executive Director, Granules India Limited:**
- Thank you, CMD. You've outlined the four engines of our next growth cycle. I'd like to focus a little bit on portfolio, R&D strategy, and market strategy that underpins this transformation. Our next phase is not simply about efficient manufacturing at scale and selling more products. It's about generating greater value from each successful development program. Our vertically integrated manufacturing platform remains the foundation. What is changing is, how we deploy that foundation and our R&D capabilities to capture new growth opportunities.
- Our evolving growth strategy. The next phase of growth is fundamentally different from the last. While scale, manufacturing, efficiency, and cost competitiveness have been central to our success, while we continue to nurture them, the future growth is increasingly going to be driven by higher value products, with products being extended to other markets, an improved portfolio mix, and greater operating leverage. Over the past several years, we've invested significantly in R&D, manufacturing, infrastructure, and advanced formulation capabilities. A substantial part of this foundation is already in place.
- Our priority now is to convert these investments into commercial opportunities and generate greater value from our existing assets. Our vertically integrated platform spanning APIs through to finish dosages remains a fundamental competitive advantage. We intend to leverage this foundation not to simply increase volumes, but to develop and manufacture more differentiated products using existing knowledge and improve the quality of our earnings. On our portfolio transformation, perhaps the most significant change taking place within our R&D and product development strategy is our

first-to-file playbook. Historically, growth in generics has often been associated with the number of products developed and filed. Our approach is increasingly selective.

- Product selection is guided by technical complexity, patient needs that are unmet, competitive intensity, intellectual property considerations, and economics of market entry. This strategy has been demonstrated through the contribution of complex generics that increased from 1% of overall revenue in fiscal 20 to 33% of overall revenue in fiscal 26. And as a part of, as a percentage of overall finished dosages, the contribution of complex is roughly 45 to 50% in fiscal 26. We are prioritizing opportunities where our formulation expertise, vertical integration, and manufacturing capabilities can create meaningful differentiation. We're building a broader pipeline of differentiated opportunities across controlled substances, oncology, and other complex generics with further filings planned over the coming years. Our first-to-file strategy is the clearest evidence of that transformation. We've already filed two sole first-to-file ANDAs, marking an important milestone in the evolution of our R&D capabilities. Generic Lumryz and Generic Dyanavel have a combined market size north of 350 million US dollars, just in the US, where we would potentially have 180-day exclusivity.
- We have filed another product, which we believe would be a sole FDF in the oncology category. Over the next few years, we have a pipeline of four to five other first-to-files, all of which would commercialize between fiscal 30 and 34. This reflects a clear and visible change in Granules' R&D story. These opportunities have a different commercial profile from conventional generics. Successful early market entry with 180-day or more of exclusivity, particularly in products with significant technical and regulatory barriers, can create substantial commercial value. The timing and realization of these opportunities depend on regulatory approvals, intellectual property outcomes, and market conditions, and consequently, individual successful launches hold potential to generate lumpy upsides.
- Importantly, we are building a repeatable development strategy with an objective to improve the potential commercial value of each successful development program. Geographical expansion further strengthens this approach. By extending select products across international markets, customers, and distribution channels, we intend to generate additional value from our R&D investments and established manufacturing capabilities and setups.
- On our oncology business, our oncology business represents another important application of this evolving strategy. We have reassessed our approach, shifting from a broad portfolio of conventional oncology generics towards selected molecules, where technical complexity, differentiated formulations, and early market entry offer stronger commercial potential. This strategy builds on our existing API and finished dosage development capabilities, complemented by advanced formulation technologies, including amorphous solid dispersions. Our priorities include carefully selected first-to-file, paragraph four, and other early entry opportunities. We will leverage our existing

oncology manufacturing infrastructure in Vizag, facing additional investments against development programs, regulatory milestones, and commercial opportunities. We expect oncology to become an additional growth contributor as the pipeline progresses towards commercialization over the coming years.

- Our controlled products pipeline extends through Fiscal 35, while our oncology portfolio, which begins commercialization in Fiscal 29, extends through Fiscal 35. Ultimately, our portfolio transformation emphasizes selective investment, technical differentiation, strategic market entry, and broader commercialization, generating greater value from our scientific capabilities, manufacturing assets, and R&D investments.
- On the market front, the U.S., which currently represents approximately 75 percent of the overall revenue, will remain our anchor market. But the way we compete in the U.S. is evolving. Today, Granules' U.S. presence is primarily concentrated on the retail side across OTC and prescription products. Our expanding portfolio will allow us to enter the specialty and institutional segments, with our first product expected to launch in Fiscal 29. We're also launching our B2C division in Canada next year, which will enable us to maximize the value per asset filed in the region.
- At the same time, we're deliberately building the second geographic leg of Granules, which is primarily API and PFI-led in Europe and ROW markets. Fiscal 30, we intend to establish a meaningful presence across Latin America and other strategic international markets using a combination of B2B and B2C channels. When it comes to R&D, the U.S. will always remain the anchor country where, going forward, we aim to file between 10 and 15 products per year, which will further be extended to Europe and rest of the world countries. Objective is not geographic expansion for its own sake. It is to take products and capabilities that Granules already understands exceptionally well and monetize them across a much larger global footprint.
- To bring everything together, our portfolio strategy is evolving in three important ways. We're becoming more selective in product development, increasingly pursuing differentiated and early market opportunities, and extending the potential value of our R&D investments across products and geographies. Oncology represents an important application of this strategy for the future. Controlled substances demonstrate what these capabilities can already achieve at scale.
- Vijay will now take you through how we have built that franchise, the competitive advantages supporting it, and the growth runway ahead. On to you, Vijay.
- **Mr. Vijay Ramanavarapu – President, Granules Pharmaceuticals, Inc.:**
- Thank you, Priyanka. Good afternoon. I'd like to focus on one of the clearest growth engines in our U.S. business, controlled substances. As per the latest IQVIA data,

Granules is now the third largest controlled substance manufacturer in the United States by value. In July 2025, we were eighth. This segment helps make Granules Pharma our front-end RX division amongst the 10 fastest growing generics companies by absolute dollars in 2025 for the second year in a row. This is a market with high barriers to entry. In addition to needing FDA approval, controlled substances are also regulated by the DEA, which grants quota to each manufacturer.

- We primarily focus on Schedule II products, which require the API and the finished dosage to be made in the U.S. We've been building this capability since we actively launched in 2018, and it's hard to replicate quickly. Our core franchise is the ADHD space. This space primarily covers four molecules, Methylphenidate, Dexmethylphenidate, Amphetamines, and Lisdexamfetamine. We compete in all four molecules with eight products approved and seven actively marketed.
- Our DEA quota has gone up every year, which shows the regulator's confidence in our reputable customer base, as well as our compliance record, including a DEA audit just last month. Our Chantilly facility also has room to grow, so we can continue growing share with our existing infrastructure. We've been successful due to a variety of reasons.
- The quota system changed a few years ago, which caused shortages in the space and changed how wholesalers buy. The wholesalers moved their business to suppliers they can rely on, and we're one of them. We deliver our control substances with a near 100% service level. We've also qualified or developed several API vendors, so we usually receive our full API allocation when we get quota. We also have an N-1 model, where we make the intermediate in India and finish in the US. This gives us resilience that most competitors don't have. This supply diversification resonates with our major wholesalers who value supply security. The results show it. We are in the top three in six of the seven ADHD products that we market. In Adderall XR, our share went from 5% in 2024 to 29% as of last month. In Lisdexamfetamine, we are now the number two generic supplier, even though we are the last person to enter the market space. The bigger opportunity is what lays ahead.
- In Methylphenidate, we only address 6% of the market value today, and our pipeline covers 87% of the value, with launches starting in the next several months. In Dexmethylphenidate, we've been approved for 39% of the value, with another 50% in the pipeline. In Amphetamines, our approvals cover 74% of the value, but we haven't yet promoted Adderall IR, which is one of the largest products. We'll launch it in the coming months, along with another amphetamine product.
- We're also opening a second gross ligand pain management. We've entered opioids in the past year. Granules is one of only two vertically integrated suppliers of paracetamol, which gives us a structural cost and supply advantage. We have two ANDAs in the market, and more filings planned.

- Finally, we're pursuing first-to-file opportunities. First-to-files are more attractive in the controlled substances space than elsewhere in generics. Competition is naturally limited, so the usual price drop on day 181 is often much smaller. In some cases, there's only one competitor or none.
- To sum it up, we've built a scale to comply in a reliable position in the market, with real barriers to entry. We have a defensible moat, and we have a visible pipeline of launches in the short, mid, and long term. We believe this business still has a long runway for growth.
- I'll hand it over to Sanjay, who will discuss our peptide platform.
- **Mr. Sanjay Kumar – CEO, Senn Tides India Private Limited:**
- Well, thank you, Vijay. We have just heard how Granules built its controlled substances businesses through sustained investment in R&D, manufacturing, and commercial execution. Our ambition is to replicate that success in peptide CDMO, but on a compressed timeline. We entered this business last year through the acquisition of Senn Chemicals in Switzerland. That brought us six decades of peptide chemistry excellence and a long-standing relationship with innovators.
- Our strategy is quite straightforward. We intend to combine Swiss expertise and customer access that comes with it, with the Indian manufacturing scale, scientific talent, and in the end, cost competitiveness. For many innovative customers, Switzerland remains the preferred starting point for development, initial supplies, and relationship management. India provides the opportunity to scale those programs competitively.
- Our second differentiation is technology. CEN has particular expertise in liquid phase peptide synthesis, and that has become mainstream as the peptide has become larger and larger in size and moving from a kilogram scale to a ton scale. And also to support customers from the early development to the commercial supplies, we are also complementing this LPPS technology with a solid phase and hybrid synthesis capability, both in Switzerland and in India. I also want to stress onto the fact that today we are simultaneously transforming and expanding the business as we have taken over this business about 18 months ago. In Switzerland, we are strengthening execution, upgrading infrastructure, expanding capabilities, and deepening customer relationships.
- In India, our Hyderabad R&D center is already operational, and we are advancing manufacturing expansion as we speak starting this month with land allocated to our peptide CDMO entity, which will support both peptide intermediates and peptide APIs. Commercially, our focus is on converting growing customer engagement into a sustained development and manufacturing relationship.

- It's important that I turn attention to our financial ambition as well. While our immediate financial priority is to become profitable this year, that is FY27, we have set out one intermediate and one long-term goal for ourselves. We are targeting approximately 50 million US dollar in annual revenue run rate in three years from now as an intermediate milestone to get to and cross the threshold of 100 million revenue size in five years.
- Finally, our ambition actually extends beyond peptides and cover some near-side opportunity on oligonucleotide and subsequently to ADC-related capabilities. We have already initiated our entry into oligonucleotides and are evaluating ADC-related capabilities, approaching both through a discipline and a phased investment approach. Our objective is to establish Senn Tides India Private Limited as a meaningful mid-size global CDMO platform. We believe that our established Senn Foundation combined with the Indian scale and the granular execution capability as demonstration and control substance franchise, which Vijay and Priyanka spoke to you about, provides a credible pathway to that ambition.
- With that, I'll hand it over to Mukesh, who will explain how our financial strength and capital allocation priorities support these growth ambitions.
- **Mr. Mukesh Surana – CFO, Granules India Limited:**
- Good evening, everyone. You've heard the growth strategy from our leaders. Let me connect it to our financial performance, capital allocation and investment plans. Our transformation is already strengthening financial performance. Over four years, gross margin expanded by about 15 percentage points to 65 percent and EBITDA margin by three percentage points to 22 percent.
- At the same time, R&D investment rose from about 3 percent of revenue a few years ago to 6 percent in Q1 FY27, improving the quality of sales growth. This reflects our shift to differentiated products, especially complex generics, backed by stronger formulation and development capabilities. Growth has also been supported by strong cash generation and better capital efficiency. Cash flow from operations averaged about 73 percent of our EBITDA over the last four years. We generated positive cash, free cash flow consistently, funded our growth and reduced our debt leverage. While ROCE improved by about one percentage point year on year to 18 percent.
- With the balance sheet strengthening with the balance proceeds which we have received from the preferential warrants in September 2026, we are now in a consolidated net cash position. This positions us to invest in our next phase of growth. Our capital allocation priorities are aligned with these balance sheet strength.

- We plan to invest about 2,000 crore in organic capital expenditure over the next three to four years, supporting complex generics pipeline, oncology pipeline, peptide CDMO, US operations, manufacturing and R&D infrastructure. We will also invest in digitalization, AI manufacturing excellence and quality system to enhance productivity, resilience and competitiveness. Importantly, these investments will follow a disciplined milestone based approach, aligning capital deployment with development progress, regulatory milestones, customer commitments and commercial opportunities.
- As our genome value and peptide CDMO investments progress through their respective ramp up phases, we see opportunities for further improvement in profitability and ROCE over the medium term. Our objective is not to simply increase our investment base, it is to progressively improve the quality and sustainability of earnings while generating healthy returns on the capital we deploy.
- In summary, our strengthened financial position allows us to fund our strategic ambitions while maintaining financial discipline. We believe this combination of differentiated growth opportunities, disciplined investment and improving capital productivity provides a strong foundation for sustainable growth and long term shareholder value. Thank you.
- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- Thank you, Mukesh. I would like to once again re-emphasize that Granules today is a fundamentally different company from what we were a few years ago. We believe the foundations are in place, the opportunities are emerging and the next phase of Granules evolution is underway. Thank you very much for your continued trust and support. We will now be happy to take your questions.
- **Mr. Naman Bagrecha – IIFL Capital Services Limited:**
- Thank you, everyone. Participants, you can use the raise hand icon and we will unmute you for questions. Ahmed, you can go ahead and ask the question.
- **Mr. Ahmed Madha– Participant:**
- Yeah, thanks for the wonderful presentation. This is Ahmed here. I had three, four questions. Firstly, to start with, I mean, with the warrant exercise, the balance sheet is far stronger and the CapEx plans which you presented is about 2000 crores over three, four years and your cash flow generation internal accruals is pretty solid. So, in near term, is it fair to assume we are looking for some sort of an inorganic opportunity to build something incremental, vertical or something on the peptide side? Is it, can you give some sense? Is there anything we are looking for?

- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- Let me take that. Yes, we are always looking for inorganic opportunities and we have been very disciplined about it, not jumping into whatever comes our way and definitely we are very actively looking at it. Okay, sure.
- **Mr. Ahmed Madha – Participant:**
- Secondly, on the base business side, the legacy business as you classified, there has been a lot of disruption in terms of some shortages in some products we hear in developed markets, for example, ibuprofen and there will be RM cost pressure considering the way global environment is. So, how do you see the risks and opportunities and challenges in terms of having an opportunity to price your product much better and there will be some pressure, I am assuming, from raw material cost and few places where you may not have full backward integration and hence the KSM or API cost also, there will be some pressure. So, can you give some broad sense on the legacy business?
- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- I think between Priyanka and Mukesh, you want to take that?
- **Mr. Mukesh Surana – CFO, Granules India Limited:**
- Yeah, sure. So, you are right. So, the near-term challenges are there, but we are proactively working with all our customer to see how we have a pricing mechanism to pass on, maybe some could be with a lag, but medium to long term, whatever the trajectory we have set out, the growth plans we have in terms of the product portfolio and investment plans, we will be in a consistent growth mode with an improvement in quality of earnings as well.
- **Mr. Ahmed Madha – Participant:**
- Okay, sure. And thirdly, on the peptide side, what sort of end use and therapeutic use we are predominantly targeting, we understand that there will be some focus on the weight loss, GLP drugs, but there are many other areas also. Can you give some sense in terms of the sort of therapeutic areas you are targeting? And secondly, the 50 million number which you aspire to achieve in terms of annual run rate, will it be assuming some large commercialization molecule or this is just based on the development stage products which you have currently?
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- **Mr. Sanjay Kumar – CEO, Senn Tides India Private Limited:**
- Okay, I think I should take that question. So, the first question was, what kind of therapy. So, these are customer partner program, essentially, we don't make those choices. But to just give you that flavor, it is wide, wider beyond the GLP one as well. And we are talking about the innovator partner business on their portfolio. This is not something that proactively we are developing, to be sold out, to be selling to any other customer. So, that's part one.
- Part two is a 50 million. Yes, a part of that is supposed to be based on the commercial successes. But a large part of that will still be a development and early supply, especially in the context of the mid stage 50 million stage that you asked about. So, thank you so much. Adi, you can go ahead.
- **Mr. Adi – Participant:**
- Yeah, hi. Am I audible?
- **Ms. Priyanka Chigurupati – Executive Director, Granules India Limited:**
- Yeah, you're audible.
- **Mr. Adi – Participant:**
- So, yeah, actually, my question is, can we still break down the 2,000 crore across complex genetics, oncology and peptide CDMO, US operations and infrastructure, which bucket get the most of CAPEX?
- **Mr. Mukesh Surana – CFO, Granules India Limited:**
- Mukesh said, I will take this question. It's a broad based plan, CAPEX plan over the next three, four years. So, it will be across all, of course, a good portion of CAPEX will be growth CAPEX..... which will have better quality of return. Some of the digitalization manufacturing excellence may not necessarily have a tangible return but it will make sure that the growth are sustainable and intangibly it will have a better sustainable business growth. There the allocation is lesser but allocation for growth capex is much, much higher.
- **Mr. Adi – Participant:**
- Can you throw some numbers here or there?

- **Mr. Mukesh Surana – CFO, Granules India Limited:**
- See as I told you it is broad based so, you know, significant portion is, of course, will be going into three buckets largely the Peptide CDMO, complex as well as oncology and then rest.
- **Mr. Adi – Participant:**
- Yeah. Sir, my second question is that as you already mentioned in the slide that development is always milestone based, right, and so my question is on selection criteria, so what specific milestone or key criteria will make you pause or cut the Peptide spending, right, based on selection.
- **Dr. Krishna Prasad Chigurupati – Chairman & Managing Director, Granules India Limited:**
- Sanjay?
- **Mr. Sanjay Kumar – CEO, Senn Tides India Private Limited:**
- Sorry if I understood your question, what milestone criteria so we do, I mean it's largely depending on the clinical success outcome on the innovator side. For us we ride with them, there would be successes and that those successes will bring in the lumpy upside. And there would be failures that clinical program doesn't go through from stage one to stage two and we live with that. What we intend to do in those journeys is we also collect fee for services as well so there are development fees, there are clinical supplies fees, but the true game is getting that percentage of success and that translating and co-writing with the innovator on the larger supply that follows from Phase II to Phase III and subsequently and hopefully to commercial grades.
- **Mr. Adi - Participant:**
- Okay, got it, sir. So, my second question or third question is, sir, what kind of assured terms and target of ROCE do you expect on each bucket or on a broad based as well?
- **Mr. Mukesh Surana – CFO, Granules India Limited:**
- I'll try to answer this, of course, we will not be able to give a guidance in terms of you know exact number. But if you see the last one year we have improved by 1 percentage points, and if I see it Q1 versus Q1 last year we have already improved by 2 percentage points. This is the kind of improvement we want to see it. And some of the assets which I have clarified in my speech as well as the presentation are not generating the returns which we are expecting because it's recently invested. So, over the next few years the percentage point improvement will be very healthy.

- **Mr. Adi - Participant:**
- Got it, sir, that's from my side.
- **Mr. Naman Bagrecha – IIFL Capital Services Limited:**
- Till the queue assembles there is one question on the chat, so this is related to the CDMO business. What do you see as your right-to-win in oligos given others already have established capabilities in this space. So, similarly for ADCs as well and how do you see ADCs as a real opportunity in the next three to five year period?
- **Mr. Sanjay Kumar – CEO, Senn Tides India Private Limited:**
- So, just to articulate our thoughts we are building this as a CDMO platform. Oligo is the small step that we have taken right now. From the right-to-win perspective we are building the capability with scientists joining us with a prior experience in and building it out of India. There's a second part of synergy is some of the customers have been looking for certain support. We do have certain capability on the scientific front in the Switzerland side with as well with our scientists well accustomed to oligos. There have been customer inquiry that we have not been able to take because we don't have the capacities either in Switzerland or here. So, we have taken that small step, small bet here with scientists first and the R&D first on the India side on the oligos. When it comes to ADC those are under planning stage and we just wanted to put out a thought for you to just let you know that this will not be just a Peptide CDMO but this will be also oligos and subsequently to ADC and we'll share more information as we go forward as we get closer to the ADC.
- **Mr. Naman Bagrecha – IIFL Capital Services Limited:**
- Thank you, the next question is from Sameer Baisiwala.
- **Mr. Sameer Baisiwala - Participant:**
- Thank you, and a very good evening to everyone.
- The first question is on controlled substances, I heard your commentary but what's the outlook going forward and I think there's a, you know, quota allocation twice every year so I think the last one would have been July/August, so how did it go for us?
- **Mr. Vijay Ramanavarapu – President, Granules Pharmaceuticals:**
- Sure, so you're correct, quotas are usually given twice per year and then there's also an opportunity for manufacturers to go back in for supplemental quota which we typically do. Granules were satisfied with the quota that we received. And again, getting the quota is just step one from the DEA but the next part is then making sure you're able to get the API as well from the manufacturers, and then converting it in a timely manner so we can generate more sales to get further quota.

- In general, our quota allocation increases every year on a molecule wise basis due to our growing track record as well as our compliance with the DEA.
- Going forward you know we had two launches last year the Lisdexamfetamine products. As I mentioned in my comments, we have a few products that we will start marketing over the next several months in the amphetamine space as well as the methylphenidate space. So, there is growth opportunities over the next several quarters with new launches for granules.
- **Mr. Sameer Baisiwala - Participant:**
- Okay, thanks, that's great. And just to tie it up with that for may be I can add sodium oxabate as well these are three known important opportunities, what's a sort of a rough launch timelines, is it calendar '27-28 any guidance on that would be very helpful.
- **Mr. Vijay Ramanavarapu - President, Granules Pharmaceuticals, Inc.:**
- We right now ---- these are products that some several of the products that you mentioned we've disclosed this will be under litigation so it's not appropriate right now to name the launch timelines but this will happen over a certain time frame for each product, every product is unique.
- **Mr. Sameer Baisiwala - Participant:**
- Okay, no worries. And finally, from my side for Gaggilapur how do things stand with respect to US FDA re-inspection?
- **Dr. Krishna Prasad Chigurupati – Chairman & Managing Director, Granules India Limited:**
- Priyanka.
- **Ms. Priyanka Chigurupati - Executive Director, Granules India Limited:**
- I'd mentioned this earlier but sorry on another call but we've finished everything that we committed to the FDA, we've completed--- we've taken over 100 CAPAs and we have completed all the activities related to the CAPAs. We've been in continuous correspondence with the FDA and we expect them to come anytime now.
- **Mr. Sameer Baisiwala - Participant:**
- Okay thank you.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- Dhara can go ahead with her next question.

– **Ms. Dhara Ganatra – Participant:**

- Sir, my question was with respect to the Peptide CDMO, the acquisition that we've done on the Senn Tides India Private Limited side. So, if you could help us understand how many molecules and at what stage are these molecules under the development phase are we working with, and is there any commercial capability or capacity does Senn possess?

– **Mr. Sanjay Kumar – CEO, Senn Tides India Private Limited:**

- Okay I'll take that question. We cannot explicitly give you the number of projects or the pipeline but let me answer it through another lens if this could help you.
- A third of our revenue which is roughly as of last year \$20 million is based on development projects. This is both pharma and plus other non-pharma as well. I'll leave the commentary on the development or the number of programs on that side. It's very clear that those are early stages and small in nature. But more importantly than that there are a couple of ongoing discussion in terms of RFPs that has been going on and we have seen a restart of discussion after a couple of years post we came in in Senn, and that augurs well for the future pipeline on the development front and that remains the key focus.
- Apart from that a third of the business is a commercial level, again as you can imagine a third of 20 million is not big size, and that gives us ample space for us to grow. And one third is that we work across with various other big CDMO players and participate in the value chain of the Peptides. Again, we are seeing a resurrection of that business after one and a half years so those engagement with the largest CDMO players have already started and we see a bit of rebound on that side.
- All said and done our focus remains on getting more development accounts especially from the pharma and as well as a bit on theragnostic side which has been underutilized in terms of scientific capability that we have in Switzerland and we are seeing a bit of traction there as well.

– **Ms. Dhara Ganatra – Participant:**

- Sure, thank you.

– **Mr. Naman Bagrecha - IIFL Capital Services Limited:**

- Participants you can use the raise hand icon to ask any question.
- There's one more question on the chat box. In my interactions with many generic formulation companies, they are increasingly seeing lesser number of sole FTF opportunities or shared opportunities with only one or two players. Most big opportunities are shared by many players. What makes a relatively new entrant confident of getting these sole FTFs or shared meaningful opportunities? That is question number one on FTFs in terms of....

- And the second question is on oncology products with many companies let's say like Shilpa, Sakar, Beta Drugs and others targeting the oncology segment. What differentiation does Granules have to outsmart competition?
- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- I think between Priyanka and Sanjay. Priyanka, I think you should go first.
- **Ms. Priyanka Chigurupati - Executive Director, Granules India Limited:**
- So, I just want to talk a little bit about the product selection criteria. Say the overall basket is about 100%. We pick products for each category and you're right it's increasingly difficult to pick products that are first-to-file. So, some of our products that we have right now commercialized in if everything goes well which are --- since they're litigation based in FY fiscal '35.
- So, we understand and those are the sole first-to-files that are open now that we are in the race to file. And there are many first-to-files --- a few first-to-files in that commercialized between say fiscal 30 and 33 as well and we're in the race to file them as well. Within the overall basket we pick about 10 to 20% of the products are sole first-to-file and the rest are divided among several segments. If you look at the pipeline that's available outside there are products that have been open for a very long time but nobody has been able to file a product because of the complexity around it.
- But we are very, very close to filing two such products and hopefully in the next couple of quarters we'll announce them. So, amongst if you look at the overall mix, we have such opportunities that are still available and you said what gives Granules the ability to do so. It's proven capability now. So, like I mentioned in my speech we have about two filings that we've already made. One that we filed where we're waiting to hear back on and we have about four to five more products. So, it's all about getting it right from the identification stage and ensuring there's so much focus on it that we have the first-to-file on it on the product. And we don't expect every single product to be first-to-file to go back to your question because there's not too many available but getting as many as we can from those available is what we are trying to do.
- And on the oncology side your question was what gives us the ability. There's a lot of complexity in any oncology development, right from identification to understanding what your strategy is, doing an API development or finished dosage development around it, that's extremely critical. And with the products that we have filed we've done a really good job with whatever we have filed so far. And also, being able to take them to the right markets at the right time is very important.
- What kind of works as works for us is also the focus that we have on these products which enable us to take the right products to the market at the right time. And that is I think in addition to whatever I said about our R&D capabilities is what will differentiate us in the market.

- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- Last sentence for me to add we are a new Granules. We are not the old Granules and we have stepped up our R&D capabilities and which are already proven to some extent --- demonstrated I would say. Thank you.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- Thank you. Aejas, you may go ahead.
- **Mr. Aejas Lakhani – Participant:**
- Yeah, hi team.
- Thanks for a wonderful presentation. So, Dr. Krishna, I just want to understand that you know the and this is a new area for me so pardon my ignorance on this but the DEA regulations are very stringent and any lapses in compliance could have a very high adverse impact for us on the CS segment. So how should one really think of this? What do you think of this? And how do you sort of what kind of checks and balances have you put to mitigate some of this?
- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- Aejas, I think it's best to hear from the horse's mouth. Vijay, why don't you answer.
- **Mr. Vijay Ramanavarapu – President, Granules Pharmaceuticals, Inc.:**
- Sure, yeah the DEA....
- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- By the way, Vijay is the one who handles the DEA day in day out and he's in charge of our entire US operations including manufacturing.
- **Mr. Aejas Lakhani – Participant:**
- Understood.
- **Mr. Vijay Ramanavarapu – President, Granules Pharmaceuticals, Inc.:**
- Yeah, the DEA does have very strict regulations and guidance and we take it quite seriously. We've had several DEA inspections over the last few years including recently last month. And there are a lot of controls that we have put into place to ensure that we are complying with the DEA, and in many instances we do go above and beyond what the DEA requires.
- So, our team in itself has strong regulatory compliance in the DEA and their know-how and our formulations head as well has come from companies that have historically made

controlled substance products. We've also have been upgrading our compliance tools as well where it's everything is digitalized. So, the DEA has been very happy with our performance over the last couple years and they've noted the improving compliance standards within Granules.

- It's also important to mention that the DEA looks not only at the compliance at the site and as a paperwork, they also look at the customer base we're selling to as well. We are focusing on the very reputable customers and more often than not the large wholesalers. So, there is a subset within the DEA where they look at suspicious order monitoring and we also actively flag orders as well to ensure that we are compliant and we turn away opportunities if we think there could be some suspicion behind it.
- So, overall, I think our track record speaks for itself in the nine to ten years that we've had the facility we've had essentially flawless DEA audits with no observations.
- **Mr. Aejas Lakhani – Participant:**
- Understood, and is this sort of a self-fueling mechanism where, as the DEA gets more and more comfortable the quota system sort of keeps opening up for you is that how it works?
- **Mr. Vijay Ramanavarapu – President, Granules Pharmaceuticals, Inc.:**
- It is, there are two drivers for the DEA they look at your customer base and they look at the overall compliance. We just spoke about compliance where we're in good standing and they look at the sales from these customers. So, if you are selling to customers the DEA will give you more quota every year.
- We've gained critical mass as well now at this point where also the API vendors are choosing to give us a disproportionate amount of their available API because they know that we're able to sell through which helps them get their quota as well. So, in my comments I mentioned how the major customers are looking to consolidate their wallet share in order to have a few reliable suppliers. Concurrently it's happening on the API front as well where the API vendors are looking to essentially bet on a horse that will buy API consistently and also sell it very quickly on a finished dosage front. So, it is reinforcing, yes.
- **Mr. Aejas Lakhani – Participant:**
- Understood, thanks for that.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- Thank you. Sameer, you may go ahead.

– **Mr. Sameer Baisiwala – Participant:**

– Hi, thanks. Just a few follow-ups. As you mentioned that your gross margin has improved by, I think 1500 basis point over the last four years. But that has not translated into EBITDA margins expansion. So, can you just talk about that, what held this back and what's the outlook?

– **Mr. Mukesh Surana - CFO, Granules India Limited:**

– Yeah, I'll try to clarify here. So, one is of course the gross margin has significantly improved, 15 percentage points. That also means we are investing, you know, we are investing in R&D which is also an expense line which has moved from 3% to 6%. And with more and more formulation and fully integrated API to formulation, you know, I'm not adding sales but I'm adding, you know, manufacturing cost, right. So, fully integrated. But my gross margin improves, my operating expense also improves. So, to that extent, you know, we have not fully gotten to full translation of 15% but there will be some translation of 15% into the EBITDA going forward.

– **Mr. Sameer Baisiwala – Participant:**

– Any numbers you can guide?

– **Mr. Mukesh Surana - CFO, Granules India Limited:**

– I mean, it will be difficult for us to guide because we don't give guidance. But you can see, you know, last 3-4 years, we have improved by 3 percentage points. And now with, you know, under leveraged assets, like Genome Valley, Peptide CDMO, you know, once they start yielding returns, without any major investments, and operational leverage will be much better, you can just, do your own mathematics.

– **Mr. Sameer Baisiwala – Participant:**

– Okay, yeah, thanks. And just on the Onco side, how many ANDAs have you filed so far? And how many would you do in a year or two?

– **Ms. Priyanka Chigurupati - Executive Director, Granules India Limited:**

– We filed north of 95 ANDAs right now. And our run rate is about right now it's about 6 to 10 per year. And going forward, we're looking to increase the run rate between 10 and 15 US filings per year. And these will be extended to various other regions.

– **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**

– Priyanka, it was about Onco, Priyanka.

– **Ms. Priyanka Chigurupati - Executive Director, Granules India Limited:**

– My apologies, I misheard the question. Oncology, we have two products that are filed.

- And one of those products has been extended to about 15 countries so far. And in addition to that, we have about 6 in our pipeline that we'll be filing this year and the early part of next year.
- **Mr. Sameer Baisiwala – Participant:**
- Okay, and the one that's gone to other countries as well, is it the FTF for the US? Or it is the other one?
- **Ms. Priyanka Chigurupati - Executive Director, Granules India Limited:**
- It's the other one.
- **Mr. Sameer Baisiwala – Participant:**
- Okay, great, thanks.
- And on the controlled substance, you mentioned 4 or 5 products that you already have, and hopefully they will expand their market share. But beyond these, are there any more approvals that you are awaiting? And what's the kind of pipeline for pain management within controlled substance?
- **Mr. Vijay Ramanavarapu - President, Granules Pharmaceuticals, Inc.:**
- Sure. So, there is room to grow even within our existing products right now. And we have been gaining more market share and we will continue to steadily increase market share on the existing products.
- We have another 3 products that we will be launching over the next several quarters over the next 12 months or so. And again, it takes time to grow on these products because you have to keep on getting additional quota. So, we have a solid runway here. And then there are several first-to-file opportunities that we are chasing in the controlled substance space, and they'll have their own respective launch dates. Within pain management, our focus right now has been on the two opioid APAP combination products. But we are actually working on several pain products that we are filing and we'll get approval on in the next few years. And we'll continue growing that vertical within controls.
- **Mr. Sameer Baisiwala – Participant:**
- Have you filed for those two opioid products in pain management?
- **Mr. Vijay Ramanavarapu - President, Granules Pharmaceuticals, Inc.:**
- So, we have currently today, we have two approved opioid ANDAs, oxycodone acetaminophen and hydrocodone acetaminophen. Those are products that we entered approximately about a year ago, and we are now starting to gain meaningful traction in both of those molecules. And as we keep on getting more quota, we'll continue growing.

- And then we have a few more ANDAs that we will be filing in the short term.
- **Mr. Sameer Baisiwala – Participant:**
- Okay, got it. Thank you.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- Thank you. One question from my side, you know, a follow up on the previous participant's question. If we look, you know, the gross margin has not yet translated to the EBITDA margins, largely because we are doing a lot of investments.
- Could you share what would be the fixed cost above the EBITDA line item? So, for example, in FY26 above the EBITDA line item expenses were closer to 4100 to 4200 odd crores. Out of that, how much would be fixed and how much would be variable?
- **Mr. Mukesh Surana – CFO, Granules India Limited:**
- It's a difficult question, Naman, you know, because for example, power and fuel, one can treat it as variable at the same time, you cannot, even if you shut down the plant, you will not, you know, have zero power and fuel. So, there will be a lot of semi variables. But yes, significant portion is fixed. So, the operating leverage can be far better. And secondly, you know, some of the one-off expenses, which we have incurred over the last few years, that also will go off. So, we have incurred higher remediation expenses. We have also incurred higher, you know, you know, failure to supply related cost, including air freight because of, you know, USFDA inspection, all of that. So, some of those one-off will go off. And some investment, which I just clarified, you know, Peptide, which is currently generating EBITDA loss, that will also move into positive zone. So, the overall earning profile will improve.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- So fair to assume more than 50% of let's say, the total expenses above the EBITDA line item would be fixed in nature.
- **Mr. Mukesh Surana - CFO, Granules India Limited:**
- Yeah.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- Or could be numbers be higher than 75%?
- **Mr. Mukesh Surana – CFO, Granules India Limited:**
- Fairly higher than 50%. I will not be able to give you a number, unfortunately, Naman. And as we add more businesses, of course, the fixed expenses also will go up, but the operating leverage will be much better.

- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- Got it. Any, let's say quantification in terms of what would be the total one-off cost sitting today?
- **Mr. Mukesh Surana - CFO, Granules India Limited:**
- We have clarified in the, you know, earlier earnings call also. So, last full year, you know, we have incurred close to 60 odd crores on the USFDA remediation consultancy related cost. In addition to that, you know, the failure to supply related and additional indirect cost because of, you know, additional remediation activities, and also, you know, some air freighting, which we had to do, all that if you put it together, it will be close to 100 odd crores, which are, you know, leakages, you know, not leakages, abnormal expenses, let's say.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- Got it, got it, got it. No, this was very helpful. We can take the last question from Aejas Lakhani.
- **Mr. Aejas Lakhani – Participant:**
- Yeah, hi, thanks again for the follow up.
- My questions for Vijay. Vijay, I'm trying to sort of just trying to get my head around, you know, how the entire, all the five schedules that are there in the DEA. So, what part of this are we sort of participating in? Where do you see the incremental opportunities? Can you give some more color around all of this?
- **Mr. Vijay Ramanavarapu - President, Granules Pharmaceuticals, Inc.:**
- Sure, yeah. As you mentioned, there are five schedules within the DEA. We participate in several of them. But our primary focus when we talk about control substances is on the Schedule II drugs. So, this will primarily be the ADHD and opioid drugs. And we've chosen, even within these Schedule II products to primarily focus on complex products. And by complex, those are usually extended-release products or products with very tough bioequivalence requirements. So, we'll continue focusing on gaining market share here. And also, our first-to-files and future R&D will really be in the Schedule II drugs.
- One of the reasons why we focus on Schedule II, aside from the complexity, is that these products have to be used in API manufacturing in the United States, and the finished dosage also needs to be done in the US. There are other Schedule products that we sell, such as Butalbital acetaminophen caffeine. These are Schedule III products. We continue to manufacture these products, but they can be imported in from other countries. So, we offer it to our customers because they like to consolidate, but it's not a primary focus. It's typically C2 products.

- **Mr. Aejas Lakhani – Participant:**
- Understood. And, Vijay, just following up to that, what kind of competitive intensity is there in the Schedule II and the Schedule III kind of a product? Or could you just call out in terms of some color on competition?
- **Mr. Vijay Ramanavarapu - President, Granules Pharmaceuticals, Inc.:**
- Yeah. So, there are several players that offer Schedule II products. And I would say a lot of them offer just a handful of products. Today, the market, if you look, has really consolidated. There's a company in, which has been there essentially for the last several decades. But Granules has really penetrated into the space. If you look at the top 10 players in C2s, we are the newest entrant. And I think in every case, all the other nine entrants have been in the market for years beyond Granules. We really have been able to make a push here because of our focus on these complex C2 products, where it's been difficult to make ANDAs that you can actually scale. A lot of people were able to get ANDA approvals, but they weren't able to make the products consistently. And when you're not able to make the product consistently, you then lose not only the customer's confidence, but the DEA then stops giving you as much quota and becomes a downward spiral. So, while there are a lot of players in the C2 space, there are only a handful of strong manufacturers in the space.
- **Mr. Aejas Lakhani – Participant:**
- Understood. Thanks, and all the best.
- **Mr. Naman Bagrecha - IIFL Capital Services Limited:**
- I guess that was the last question.
- I would thank all the participants and special thanks to Granules promoters and senior management team to take out time and engage with the investors and analyst community. Thank you all and have a great evening.
- **Dr. Krishna Prasad Chigurupati - Chairman & Managing Director, Granules India Limited:**
- Thank you, Naman.
- **Mr. Mukesh Surana - CFO, Granules India Limited:**
- Thank you everyone.
- **End of transcript**