

# Granules India seeks to tap 30 per cent growth

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DRUG making company Granules India is looking at tapping a 25-30 per cent growth in the coming fiscal, and will be able to continue at this pace, according to a top company official.

"In the last three quarters there has been steady growth and we hope this year we will cross a turnover of Rs 1,000 crore as against Rs 765 crore in the previous year. We will be able to fetch a growth rate of 25 per cent every year, if not better, as the path has been laid," Krishna Prasad, managing director of the company told *Financial Chronicle*.

Previously, Granules was focusing more on Active Pharmaceutical Ingredients (APIs) but now says the dependence is equal on other segments — formulation intermediates (PFIs) and finished dosages (FDs), with all the three segments contributing equally to the business. Going forward, however, FDs may grab a larger pie of the business perhaps.

"The company has taken several steps in the past not

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Krishna Prasad  
Managing director  
Granules India

just towards expansion but also towards building up a system of integration. Next, the focus will definitely be on FDs as the margins are higher here. This does not mean that we will not focus on APIs. We would like to offer our clients products from all the three segments and in fact many find it useful too," he said.

According to him, "from APIs to PFIs there is a better margin and PFIs to FDs again a much better margin. And that's where we are getting advantages now for being vertically integrated

and with a security of supply and markets, especially for APIs."

In the past couple of years, Granules had been expanding its capacity across manufacturing sites and it now has reached 18,000 tons in APIs and PFIs where as 18 billion doses for FDs in a year. "After this, there will not be much need for expansion and we will only majorly look into utilisation," Prasad said.

In November last year, Granules had acquired Auc-tus Pharma, an API manufacturer, for Rs 120 crore. Before the acquisition Gran-ules offered 5 APIs and it now hopes to offer 12 more. The APIs which cannot be sold towards making FDs will be sold outside strategic customers.

"If we go for further acquisition it will be a strategic fit but not just for the sake of it. I would not mind spending Rs 500 crore but the question will be is it a right fit. But we would not raise too much funds and keep equity where it is today unless very attractive," he said.

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Company