

Business Responsibility Report

As per Regulation 34(2)(f) of the Listing Regulations, 2015

Section A: General Information About the Company

1	Corporate Identity Number (CIN) of the Company	L24110TG1991PLC012471
2	Name of the Company	Granules India Limited
3	Registered address	2nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad – 500081
4	Website	www.granulesindia.com
5	E-mail id	Investorrelations@granulesindia.com
6	Financial Year reported	Financial year ended March 31, 2020
7	Sector(s) that the Company is engaged in (industrial activity)	Manufacture of Pharmaceuticals
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Paracetamol, Metformin and Ibuprofen
9	Total number of locations where business activity is undertaken by the Company	Six
	(a) Number of International Locations (Provide details of major 5)	NIL
	(b) Number of National Locations	Six
10	Markets served by the Company : Local/State/National/ International	All markets (India and International)

Section B: Financial Details of the Company

1	Paid up Capital (Rs. in Lakhs)	2,542.47
2	Total Turnover (Rs. in Lakhs)	2,30,992.83
3	Total profit after taxes (Rs. in Lakhs)	44,406.90
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.99
5	List of activities in which expenditure in 4 above has been incurred	(a) Skill development activity (b) Promoting preventive healthcare (c) Environmental sustainability (d) Disaster management

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (eg. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, more than 60%]	No

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number- 00020180
2. Name - Krishna Prasad Chigurupati
3. Designation - Chairman and Managing Director

(b) Details of the BR head

1. DIN Number - 00020180
2. Name - Krishna Prasad Chigurupati
3. Designation - Chairman and Managing Director
4. Telephone number - 040- 30663600
5. e-mail id - mail@granulesindia.com

2. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year - Annually
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? - NO

3. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance

[illegible]

Section E: Principle-Wise Performance

Principle 1

Business should conduct and govern themselves with ethics, transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

Granules Code of Conduct covers all the stakeholders including Group/Suppliers/ Contractors/ NGOs/Others. Granules India always encourages its employees and all the stakeholders not to engage in any unfair trading practices, irresponsible advertising or anti-competitive behavior. Granules India has the procedures in place to ensure that the business of the company is carried out in a fair and responsible manner.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Granules India strongly emphasize on servicing its customers with the best quality products. The company not only believes in delivery quality product but also believes in on-time service to all of its customers.

All the customer complaints which were received have been resolved in a timeframe as stated in our Quality standard operating procedures and proposed improvements incorporated into the processes and the company makes sure that no complaints are pending at the end of the financial year.

Principle 2

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- (a) Active Pharmaceutical Ingredients(APIs)
- (b) Pharmaceutical Formulation Intermediates(PFIs)
- (c) Finished Dosages(FDs)

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

All Our products conform to highest quality standards & our manufacturing facilities (BPL-I, JDM, GGP & VSK-1) are approved by regulatory agencies from US and EU Our intermediate manufacturing facility at Bonthapally (Unit-3) has ISO 9001:2015. Our formulation facility at Gagillapur, & API facilities at Jeedimetla, Bonthapally & Visakhapatnam have ISO 14001:2015 and ISO 45001:2018 certifications.

Granules India Limited realizes the importance of its resources and thus continuously strives to optimize and make best possible use of its resources through continuous improvements and operational excellence. Dedicated manufacturing excellence team is continuously thriving for OEE improvements, overall product value enhancement, high impact projects and lean processes. Granules business model and scale of manufacturing makes us one of the best in resource utilization.

Through continuous improvement we have reduced our coal consumption by 19% at our Bonthapally API facility, by 17% at our formulations facility and 10% in our Jeedimetla facility.

Through better utilization of water resources we have achieved 23% reduction in water consumption at our Bonthapally API facility, 9% reduction at our formulations facility & 4% reduction at our Jeedimetla facility.

Our continuous efforts have helped us to reduce our specific power consumption by 8% at our formulation facility located at Gagillapur & 3% at both Jeedimetla and Bonthapally API facilities.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Covered in the above point

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

Yes. Granules India Limited has well-defined standard procedures for identifying and approving vendors.

Periodic site audit of vendors, regulatory approval checks and regular sample analysis are performed to ensure that the product is of highest quality. Also we have qualified and sourcing critical material from alternate vendors.

Suppliers and vendors are evaluated as per procedures on material risk assessment, compliance to environmental regulations, labour laws, carbon footprint, and health & safety parameters for procurement process.

(a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

Our API and Formulation plants are strategically located in vicinity of each other to ensure the transportation is bare minimum which in turn also ensures vehicular air emissions are at lowest levels.

At our formulation unit at Gagillapur, 33% of our total electricity demand was procured from environment friendly solar power source. We are looking forward to further explore this concept and increase solar power contribution. This clean and renewable source of energy would indirectly help in reducing our carbon footprint.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Over 75% of packing material in terms of value is procured from local sources (Telangana & Andhra Pradesh state). In addition to packaging material, we continuously strive to build local alternate vendors for our other raw materials including API supplies. We are developing several indigenous vendors for our key rawmaterials instead of importing from international markets.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.

Yes, Granules India Limited has adopted mechanisms to recycle products and wastes generated during manufacturing processes. We recover key products and

solvents used in the manufacturing process. Some of the systems set up at our manufacturing facilities for recycling & disposal of wastes are as follows:

- We recycle solvents used in manufacturing process thereby reducing the overall fresh solvent consumption in our API plants.
- We treat our waste water in ETP/ZLD plants where ever possible and the treated water is used in Utility make-ups.
- Our wastes such as used Plastics, HDPE drums, fiber drums, shippers, etc. are properly segregated and passed on to selected trusted vendors who process and recycle them safely back to various industries.
- The entire solid organic waste generated during the manufacturing processes is sent to cement industries for co-incineration or to the authorized dealers, thereby reducing our carbon footprint.

Principle 3

Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees

We have 4843 employees (Staff 3029 & Contract Labour 1813) as on 31 Mar 2020

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis

We have 1,813 employees as on 31 Mar 2020

3. Please indicate the Number of permanent women employees.

We have 462 women employees (Staff 209 and Contract employees 253) as on 31 Mar 2020

4. Please indicate the Number of permanent employees with disabilities

One

5. Do you have an employee association that is recognized by management

No

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on the end of the financial year
1.	Child Labour/forced labour/ involuntary labour	NIL	NA
2.	Sexual Harassment	NIL	NA
3.	Discriminatory employment	NIL	NA

8. What percentage of your mentioned employees were given safety & skill up gradation training in the last year?

- (a) **Permanent Employees** - 70%
 (b) **Permanent Women Employees** - 50%
 (c) **Casual/Temporary/Contractual Employees** - 70%
 (d) **Employees with Disabilities** - 0%

Principle 4

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, we have mapped our internal and external stakeholders including employees, customers, suppliers, community and regulators.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, we have identified disadvantageous, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words.

The company has implemented an elaborate EHS management systems to prevent environmental degradation, work place incidents and ill-health, covering all categories of employees including contract workmen.

We have initiated Behavior Based Safety Management System, Process Safety Management System & Incident Analysis System at all our manufacturing facilities and provided extensive trainings and awareness sessions to our employees and contract workmen in order to achieve safe work culture and environment.

Granules India Limited has partnered with Swarna Bharat Trust to provide skill development programs to needful youth and support them with employment opportunities. These youth are given the opportunity to be part of "Earn & Learn" programme. Through various training programmes, technical skills are imparted to these targeted youth who are then employable in various pharmaceutical companies.

We have recruited over 400 employees over last three years through this initiative. These members are provided with on-the-job training along with opportunities for higher education through "Self-Managed Team" way of working.

Principle 5

Business should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

At present our policies extended to our company, our suppliers and contractors

2. How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Complaints were not received.

Principle 6

Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.

The Environment policies are in place for our group companies

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

In our formulation unit located at Gagillapur, over 33% of our electricity demand was procured from environment friendly renewable source of solar energy. We are looking forward to further explore increase of solar power contribution. This clean and renewable source of energy would indirectly help in reducing our carbon footprint. We understand the green-belt requirement and have hence maintained greenery in our units.

Our continuous efforts have helped us to reduce our specific power consumption by 8% at our formulation facility located at Gagillapur & 3% at both Jeedimetla and Bonthapally API facilities.

At our Bonthapally API unit we have reduced our specific coal consumption by 19%, specific water consumption by 23% & solid waste generation was reduced by 27% compared to last FY'18-19. At Jeedimetla unit we have reduced our specific coal consumption by 10% and specific water consumption by 4% in FY'19-20 compared to FY'18-19. At our Gagillapur facility we have reduced our specific coal consumption by 17% and specific water consumption by 9% compared to last FY'18-19.

Granules India Limited does continuous monitoring of Total Volatile Organic Content in its manufacturing facilities to ensure that the environment is maintained in good condition. In addition to this we monitor Ambient air quality across the manufacturing facilities and boilers for Suspended Particulate Matter (PM10), Respirable Suspended Particulate Matter (PM2.5) along with harmful pollutants like SOx, NOx. This helps us to ensure air pollution levels are kept to the minimum and environmental impact is reduced.

3. Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Granules India Limited places top priority on environmental protection and Occupational Health & Safety in all its business operations, respecting human life and dignity. The company strives to achieve this

through proactive EHS management systems to prevent environmental degradation, work place incidents and ill-health, covering all categories of employees including contract workmen. The company aims to go beyond the statutory requirements by endeavoring towards reduction of use of natural resources and energy by reducing, reusing or recycling the raw materials.

We are maintaining Zero Liquid Discharge System & Effluent Treatment Plants with RO Recovery System to ensure that the effluents generated are treated to minimize the environmental impact and reuse the resources wherever possible. The treated water is suitably recycled back in the utility makeup.

Under clean manufacturing, all the solid wastes generated at our manufacturing plants are either sent to cement industries for co-incineration or to the authorized dealers.

At our Bonthapally API facility we have reduced our solid waste generation by 27% through yield improvements & reduced specific water consumption by 23% through improved steam condensate recovery. At Jeedimetla and Gagillapur units we have reduced specific water consumption by 4% & 9% respectively through continuous improvement projects and recycling of treated water for utility makeup.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage

Covered in the above point

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None.

Principle 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

(a) Confederation of Indian Industry (CII)

- (b) Bulk Drug Manufacturers Association (BDMA)
(c) FTAPCCI

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Sustainable Business Principles, Others)**

No

Principle 8

Business should support inclusive growth and equitable development

- 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

We believe in providing inclusive growth and supporting equitable development in the society. Our programme "Self-Directed Teams" continues to provide job opportunities to youths from surrounding rural areas and particularly from economically weaker sections. Along with giving them job opportunity, these candidates are provided with trainings and opportunities for higher education under the concept of "earn and learn".

- 2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/ governmental structures/any other organization?**

The programs have been undertaken by in-house teams.

- 3. Have you done any impact assessment of your initiative?**

We review our projects on periodic basis to assess the projects against the project deliverables.

- 4. What is your company's direct contribution to community development projects -Amount in INR and the details of the projects undertaken**

Constructed Primary Medical Centers at Gagilapur Village and Bonthapally Village.

- 5. Have you taken steps to ensure this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

Yes

Principle 9

Businesses should engage with and provide value to their customers and consumer in a responsible manner

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Granules has Standard Operating Procedure to acknowledge, investigate and respond to any product quality related complaints/query. Dedicated complaints handling teams across all its manufacturing units ensure that detailed investigation is performed for all complaints/queries received and appropriate CAPA is taken where ever necessary within stipulated time-frames. We do not have any consumer cases in this financial year.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/NA/ Remarks (additional information)**

We do not provide/display any information over and above what is mandated as per local laws

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five year. If so, provide details thereof, in about 50 words or so.**

No such cases are filed by any stakeholder against the company.

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

We undertake customer satisfaction survey through consistent visit/interaction with the customers