Press Release

Granules India's sales set quarterly record at Rs. 195 Cr.

Hyderabad, January 24, 2013: Granules India Ltd., a fast growing pharmaceutical manufacturing company, announced financial results for its third quarter ended December 31, 2012. Granules' sales increased 5% to Rs. 195 Cr. while net profit was Rs. 6 Cr.

Sales growth was restrained due to formulation capacity constraints which Granules anticipates will ease over the next several months as its formulation expansion comes fully on-stream. Profitability margins were temporarily depressed because Granules was incurring the full cost of running its new capacity although it was not producing substantial volumes. Through the first nine months of the 2013 fiscal year, sales are up 20% to Rs. 560 Cr. while net profit has increased 48% to Rs. 20 Cr. due to an expansion in profitability margins.

Q3FY13 Financial Highlights

- Net Sales: Rs. 195.2 Cr., an increase of 5% compared to Rs. 185.7 Cr. in Q3FY12
- EBITDA: Rs. 19.2 Cr., a decrease of 12% compared to Rs. 21.2 Cr. in Q3FY12
- Net Profit: Rs. 5.8 Cr., a decrease of 27% compared to Rs. 8.0 Cr. in Q3FY12

YTD FY13 Financial Highlights

- Net Sales: Rs. 560.0 Cr., an increase of 20% compared to Rs. 465.9 Cr. in YTD FY12
- EBITDA: Rs. 59.3 Cr., an increase of 26% compared to Rs. 47.0 Cr. in YTD FY12
- Net Profit: Rs. 20.2 Cr., an increase of 48% compared to Rs. 13.6 Cr. in YTD FY12

"We have been particularly excited about our formulation expansion due its state-of-the-art technology because it reiterates our vision of being the global leader in pharmaceutical manufacturing by process innovation and unparalleled efficiencies. Our formulation expansion will extend our lead as the premier PFI manufacturer and as one of the most efficient finished dosage manufacturers in the world.

Due to the new innovative process, we faced challenges in ramping up our capacity during the quarter. The issues are being resolved and we expect to attain our target run rate during the first quarter of fiscal year 2014. Although we faced setbacks that pushed our original timelines, our long-term story is still in place. We have a strong backorder position and have been receiving positive feedback from customers about increasing formulation orders. We anticipate healthy capacity utilization once the facility is running as per our expectations." said Krishna Prasad, Managing Director of Granules India.

About Granules India Ltd.

(BSE: 532482, NSE: GRANULES)
Granules is a fast growing pharmaceutical manufacturing company with world class facilities and is committed to manufacturing excellence, quality and customer service. The Company produces Finished Dosages (FDs), Pharmaceutical Formulation Intermediates (PFIs) and Active Pharmaceutical Ingredients (APIs) for quality conscious customers in the regulated and semi-regulated markets. Granules support customers with unique value, extensive product range, proactive solutions and a global network of associates. The Company's global presence extends to over 300 customers in 60 countries through offices in India, U.S., U.K., China and Colombia. Granules offer all three components of the pharmaceutical value chain which gives the customers flexibility and choice.

Granules has the largest PFI facility in the world with an industry leading 6 ton batch size. The Company has its own ANDAs and dossiers which enable customers to quickly enter a market instead of filing their own applications. Granules has a highly skilled regulatory affairs department that can offer customers support and can help them navigate through regulatory issues.

Granules has strengthened its advantages through its Operational Excellence (OE) department which looks at every step of the manufacturing process in order to gain efficiencies and has also implemented systems that have standardized quality and reduced variation The Company's OE program is regularly cited by MNCs as a "best in class" program and is the comparative advantage that lets Granules provide world-class quality products at a lower cost than its competitors. The adoption of the OE philosophy by Granules has earned it several recognitions including The Economic Times Manufacturing Excellence Awards 2011. Granules has recently been recognized as India's Most Admired Company in Exports & India's Most Admired Company in Bulk Drugs at the 5th Annual Pharmaceutical Business Leadership Awards. Additionally Granules has also received Outstanding Exports - Formulations Award 2011-12 from Pharmexcil.

Caution Statement:
Certain statements made above may be "forward looking statements" within the meaning of applicable laws and regulations.

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Appendix

GRANULES INDIA LIMITED

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STATEMENT OF UNAUDITED FINANCIAL RESULTS - CONSOLIDATED
FOR THE QUARTER AND 3 MONTHS ENDED 31st DECEMBER, 2012

PART I **(Rs in Lakhs)**

Statement of Unaudited Consolidated Results for the Quarter and 9 Months Ended 31 December, 2012

Sl No.	Particulars	3 Months ended 31 December, 2012	3 Months ended 30 Sept, 2012	3 Months ended 31 December, 2011	Year to date figures for the current period ended 31 December, 2012	Year to date figures for the previos period ended 31 December, 2011	Previous year ended 31 March, 2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Operations**						
	(a) Net sales / Income from Operatio	**19,522.01**	**17,549.89**	**18,572.27**	**55,998.97**	**46,587.54**	**65,396.59**
2	**Expenses**						
	(a) Cost of material Consumed	12,882.10	8,996.00	11,296.05	35,911.47	29,932.55	42,010.22
	(b) Changes in Inventories of Finished goods,Work in progress	(624.11)	1,393.95	172.80	(871.26)	(264.91)	(573.69)
	c) Employee benefits Expense	1,535.34	1,442.36	1,201.53	4,428.03	3,357.94	4,545.86
	d) Depreciation and Amortization	561.19	579.51	522.45	1,691.22	1,490.81	2,142.51
	e) Manufacturing Expenses	1,649.58	1,368.71	1,249.38	4,207.15	3,138.43	4,432.05
	f) Freight outward & clearing charges	1,075.20	899.77	907.30	3,034.75	2,374.39	3,497.28
	g) R & D Expenses	139.66	116.32	87.76	436.17	246.73	271.42
	h) Other expenditure	1,017.20	1,219.88	1,548.05	3,095.07	3,239.22	3,209.86
	Total	**18,236.15**	**16,016.49**	**16,985.31**	**51,932.61**	**43,515.15**	**59,535.50**
3	**Profit from Operations before Other Income, Interest &**	**1,285.86**	**1,533.40**	**1,586.96**	**4,066.37**	**3,072.39**	**5,861.09**
4	Other Income	(52.60)	(23.71)	(36.79)	(95.62)	(83.00)	(135.42)
5	**Profit from Ordinary activities before Finance Cost and**	**1,338.46**	**1,557.11**	**1,623.75**	**4,161.99**	**3,155.39**	**5,996.51**
6	Finance Costs	474.90	431.68	519.47	1,339.36	1,212.61	1,698.87
7	**Profit from Ordinary activities after Finance Cost but before**	**863.56**	**1,125.43**	**1,104.28**	**2,822.62**	**1,942.77**	**4,297.64**
8	**Profit from Ordinary activities**	**863.56**	**1,125.43**	**1,104.28**	**2,822.62**	**1,942.77**	**4,297.64**
9	Tax expense						
	- Current Tax Expense	215.29	313.94	261.00	786.89	466.97	985.51
	- Deferred Tax Expense	67.77	3.79	44.70	20.27	118.35	316.86
10	**Net Profit for the period (9 - 10)**	**580.50**	**807.71**	**798.58**	**2,015.46**	**1,357.45**	**2,995.27**
11	Paid-up share capital	2,012.12	2,007.12	2,006.17	2,012.12	2,006.17	2,006.17
	(Face Value of Rs.10/- each)						
12	Reserves excluding Revaluation	24,678.52	23,958.30	21,331.26	24,678.52	21,331.26	22,502.76
13	Earnings per Share						
	(a) Basic Earnings per share (Rs.)*	2.89	4.03	3.98	10.04	6.77	14.93
	(b) Diluted Earning per share (Rs) *	2.80	3.89	3.96	9.74	6.74	14.87

PART II

Select Information for the Quarter and 3 months ended 31 December, 2012

Sl No.	Particulars	3 Months ended 31 December, 2012	3 Months ended 30 September, 2012	3 Months ended 31 December, 2011	9 Months ended 31 December, 2012	9 Months ended 31 December, 2011	Previous year ended 31 March, 2012
A							
1	Public Shareholding						
	- No. of shares	1,11,82,097	1,11,37,597	1,18,98,022	1,11,82,097	1,18,98,022	11,216,674
	- Percentage of shareholding	55.57%	55.49%	59.31%	55.57%	59.31%	55.91%
2	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	Number of shares	10,00,000	28,50,400	50,88,500	10,00,000	50,88,500	50,07,500
	Percentage of shares to promoter	11.19%	31.91%	62.33%	11.19%	62.33%	56.61%
	Percentage of shares to total capit	4.97%	14.20%	25.36%	4.97%	25.36%	24.96%
	b) Non-encumbered						
	Number of shares	79,39,057	60,83,157	30,75,132	79,39,057	30,75,132	38,37,480
	Percentage of shares to promoter	88.81%	68.09%	37.69%	88.81%	37.69%	43.38%
	Percentage of shares to total capit	39.46%	30.31%	15.33%	39.46%	15.33%	19.13%

Sl No.	Particulars	3 Months ended 31 December, 2012
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the	Nil
	Received during the quarter	8
	Disposed of during the quarter	8
	Remaining unresolved at the end of	Nil

1) The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on 24 January, 2013
2) Pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Company Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.During the quarter Rs. 436.15 Lakhs (Loss) (Rs. Nil for the Quarter ended 31 December, 2011) was captalised as part of fixed assets.
3) The company has received **8** complaints from investors during the quarter **1st Oct, 2012 to 31st December, 2012** and all were resolved. No complaints were pending from previous quarter.
4) The Company operates only in the segment of Pharmaceuticals.
5) The consolidated accounts consisting of Granules India Limited, 100% wholly owned subsidiaries i.e., Granules USA Inc, Granules Singapore Pty Ltd, GIL Life Sciences Pvt Ltd and Joint Ventures Hubei Granules Pharmaceutical Company Ltd (50% JV) and Granules Omnichem Pvt Ltd (50% JV)
6) Figures are regrouped wherever necessary.

for and on behalf of the Board

Place : Hyderabad **Dr.C.Nageswara Rao**
Date : 24th January, 2012 **Chairman**

PART I (Rs in Lakhs)

Statement of Standalone Unaudited Results for the Quarter and 9 Months Ended 31 December, 2012

Sl No.	Particulars	3 Months ended 31st Dec, 2012	3 Months ended 30th Sept, 2012	3 Months ended 31st Dec, 2011	Year to date figures for current year nine months ended 31st Dec, 2012	Year to date figures for previous year nine months ended 31st Dec, 2011	Previous year ended 31 March, 2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Operations**						
	(a) Net sales / Income from Operations (Net of Excise duty)	**17,395.69**	**16,783.94**	**15,556.09**	**50,084.66**	**39,725.44**	**56,267.77**
2	**Expenses**						
	(a) Cost of material Consumed	11,159.77	9,777.13	9,271.05	31,877.72	25,161.34	36,139.93
	(b) Changes in Inventories of Finished goods,Work in progress and Stock in trade	(99.24)	619.70	259.79	(201.45)	(157.26)	(592.24)
	c) Employee benefits Expense	1,322.98	1,283.37	977.57	3,826.57	2,801.86	3,795.72
	d) Depreciation and Amortization Expense	505.25	535.10	469.60	1,543.35	1,362.27	1,870.56
	e) Manufacturing Expenses	1,241.63	1,115.41	873.49	3,177.24	2,251.55	3,191.89
	f) Freight outward & clearing charges	1,048.79	884.48	828.59	2,975.10	2,288.16	3,219.73
	g) R & D Expenses	118.87	90.36	67.99	369.89	128.22	194.80
	h) Other expenditure	908.39	993.82	1,446.49	2,588.18	2,999.60	2,973.32
	Total	**16,206.43**	**15,299.37**	**14,194.56**	**46,156.61**	**36,835.74**	**50,793.71**
3	**Profit from Operations before Other Income, Interest & Exceptional Items (1- 2)**	**1,189.26**	**1,484.57**	**1,361.53**	**3,928.06**	**2,889.70**	**5,474.05**
4	Other Income	(37.04)	(15.05)	(10.02)	(64.58)	(46.84)	(109.08)
5	**Profit from Ordinary activities before Finance Cost and exceptional items (3 - 4)**	**1,226.29**	**1,499.63**	**1,371.55**	**3,992.64**	**2,936.54**	**5,583.13**
6	Finance Costs	446.09	407.48	477.04	1,252.61	1,098.48	1,549.41
7	**Profit from Ordinary activities after Finance Cost but before exceptional items (5 - 6)**	**780.21**	**1,092.14**	**894.50**	**2,740.03**	**1,838.06**	**4,033.72**
8	Foreign Exchange Fluctuations (gain)/loss	-	-	-	-	-	-
9	**Profit from Ordinary activities before Tax (7 - 8)**	**780.21**	**1,092.14**	**894.50**	**2,740.03**	**1,838.06**	**4,033.72**
10	Tax expense						
	- Current Tax Expense	207.65	313.94	253.99	757.79	467.36	985.29
	- Deferred Tax Expense	29.65	13.30	44.70	72.85	118.35	317.80
11	**Net Profit for the period (9 - 10)**	**542.90**	**764.90**	**595.81**	**1,909.39**	**1,252.35**	**2,730.64**
12	Paid-up share capital	2,012.12	2,007.12	2,006.17	2,012.12	2,006.17	2,006.17
	(Face Value of Rs.10/- each)						
13	Reserves excluding Revaluation Reserve	24,397.73	23,837.33	21,455.56	24,397.73	21,455.56	22,467.52
14	Earnings per Share						
	(a) Basic Earnings per share (Rs.)*	2.70	3.81	2.97	9.51	6.24	13.61
	(b) Diluted Earning per share (Rs) *	2.62	3.70	2.96	9.22	6.22	13.56

PART II

Select Information for the Quarter and 9 months ended 31 December, 2012

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1	Public Shareholding						
	- No. of shares	1,11,82,097	1,11,37,597	1,18,98,022	1,11,82,097	1,18,98,022	1,12,16,674
	- Percentage of shareholding	55.57%	55.49%	59.31%	55.57%	59.31%	55.91%
2	Promoters and promoter group						
	Shareholding						
	a) Pledged/Encumbered						
	Number of shares	10,00,000	28,50,400	50,88,500	10,00,000	50,88,500	50,07,500
	Percentage of shares to promoter group	11.19%	31.91%	62.33%	11.19%	62.33%	56.61%
	Percentage of shares to total capital	4.97%	14.20%	25.36%	4.97%	25.36%	24.96%
	b) Non-encumbered						
	Number of shares	79,39,057	60,83,157	30,75,132	79,39,057	30,75,132	38,37,480
	Percentage of shares to promoter group	88.81%	68.09%	37.69%	88.81%	37.69%	43.38%
	Percentage of shares to total capital	39.46%	30.31%	15.33%	39.46%	15.33%	19.13%

Sl No.	Particulars	3 Months ended 31st Dec, 2012
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the Quarter	Nil
	Received during the quarter	8
	Disposed of during the quarter	8
	Remaining unresolved at the end of the quarter	Nil

1) The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on 24 January, 2013
2) Pursuant to the Notification No.G.S.R.913(E), dt.29.12.2011 issued by the Ministry of Company Affairs, the company has opted to capitalise foreign currency gains and losses on loans utilised for purchase of fixed assets.During the quarter Rs. 436.15 Lakhs (Loss) (Rs. Nil for the Quarter ended 31 December 2011) was captalised as part of fixed assets.
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4) The Company operates only in the segment of Pharmaceuticals.
5) Figures are regrouped wherever necessary.

for and on behalf of the Board

Place : Hyderabad
Date : 24th January, 2013

Dr.C.Nageswara Rao
Chairman