



Granules India Limited

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Dated July 14th, 2011

The Manager
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Fax: 022 – 26598237/38

Dear Sir,

Sub: Press Release

Symbol: GRANULES

Enclosed please find a Press Release titled “Granules India and Ajinomoto Omnicem to create a strategic Joint Venture in India”.

Kindly take the above information on record

Thanking you,

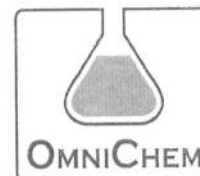
Yours faithfully,

FOR, GRANULES INDIA LIMITED


(SHIVANGI SHARMA)
Company Secretary &
Compliance Officer



Encl: as above



Press Release

Granules India and Ajinomoto OmniChem to create a strategic Joint Venture in India

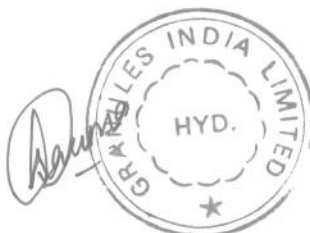
Hyderabad, July 14, 2011: Granules India Limited, a vertically integrated pharmaceutical manufacturer and Ajinomoto OmniChem, a leading producer of fine chemicals for the pharmaceutical industry, announced a joint-venture to offer high value active pharmaceutical ingredients (APIs) and intermediates to pharmaceutical companies. The new Company, Granules-OmniChem Private Limited, will provide value through a unique contract manufacturing platform that will benefit through Granules' technological capabilities which offer high quality products through efficient processes and OmniChem's extensive product portfolio and existing customers. The joint-venture will be equally owned by both companies.

Granules OmniChem will operate its facility in the Pharmacity SEZ zone in Vishakhapatnam (Vizag), Andhra Pradesh. The construction of the facility will commence by November 2011 and is expected to be completed by late 2012. The facility, which will have CAPEX of over \$20 million, is expected to start production by January 2013. The Company will initially focus on high-value, low-volume APIs and intermediates for existing customers and will custom manufacture new chemical entities in the future.

The pharmaceutical industry is increasingly focusing on the \$234 billion generics market, in particular, API production where more than 80% is for the generics market. Additionally, an increasing number of pharmaceutical companies are looking at outsourcing their various manufacturing needs. The JV is uniquely qualified to address the outsourcing needs in the market because it combines two companies that are known for their high quality products, extensive technological expertise and deep relationships with leading pharmaceutical companies.

"We are excited to enter the contract manufacturing sector through a partnership with OmniChem, which is a highly reputed company with an established track record in the sector. The partnership will allow Granules, from day one, to focus on leveraging our core competency, which is offering high quality products and exemplary customer support with industry leading efficiency. Our shareholders will benefit since this will enable Granules to diversify its business by offering high value APIs and intermediates which will increase our profitability. In addition, Granules will have an opportunity to manufacture formulations for the JV APIs" said **Krishna Prasad, Managing Director of Granules.**

"This joint venture is a major step in the future of OmniChem. We recognize the challenges our Customers are facing every day. We embrace their strategic and long term commitments to the community to offer access to quality medicine at an affordable price for the market," explains **Gwin Bompas, Managing Director, Ajinomoto OmniChem.** "Our long term standing Customer relationships recognized through long term partnerships, combined with Granules' expertise in high quality manufacturing and formulation in India will bring OmniChem to the next step in servicing our existing Customers, and attract new Customers. The JV will allow us to offer our Customers fully integrated lifecycle management of their products, whilst never compromising on our quality and service levels."





For more Information on Ajinomoto OmniChem

Ajinomoto OmniChem is a Belgium based company that has been active in producing Fine Chemicals for the pharmaceutical field for more than 30 years. With about 700 staff located on 3 sites in Belgium, with all sites (Louvain-La-Neuve, Wetteren, Balen), certified to cGMP and FDA standards, OmniChem positions itself as a leader in the Pharmaceutical Fine Chemicals Industry. OmniChem's main activity is to develop and manufacture pharmaceutical fine chemicals. Besides its technological arsenal and its substantial production capacity, OmniChem offers to its customers a high level of quality and service exactly matching demands and expectations of today's pharmaceutical world based on a very broad technology base.

For more information please visit www.omnichem.com or Thierry Van Nieuwenhove + 32.10.483283, Thierry_vannieuwenhove@omnichem.be

For more information on Granules India

Granules India Ltd. is a vertically integrated formulation manufacturer. The Company is a large-scale manufacturer of Finished Dosages (FDs), Pharmaceutical Formulation Intermediates (PFIs) and Active Pharmaceutical Ingredients (APIs), which are distributed in over 50 countries. The Company's operations and logistics expertise along with its scale allow Granules to provide customers high quality products across the pharmaceutical manufacturing value chain at a cost-effective price.

For more information please visit www.granulesindia.com

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For GRANULES INDIA LIMITED


Company Secretary

