



Granules India Limited

11nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad-500 081. INDIA
Ph : +91-40-66760000, Fax : +91-40-23115145
E-mail : mail@granulesindia.com URL : www.granulesindia.com

Dated January 27, 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: Outcome of the Board Meeting held on even date

Ref: Listing Agreement

Symbol: GRANULES

The Board of Directors at their meeting held on even date considered and approved the Unaudited Financial Results (Consolidated and Stand alone) for the third quarter ended December 31, 2010 as reviewed by the Audit Committee (Copies enclosed).

Press Release on the Unaudited financial results for the quarter ended December 31, 2010.

Request you to take the above information on record.

Thanking you,

Yours faithfully,
for **GRANULES INDIA LIMITED**

Pranesh Raj Mathur
CFO & President (API)

Encl: As above



GRANULES INDIA LIMITED

Regd Office : 2nd Floor, 3rd Block, My Home Hub
Madhapur, Hyderabad 500 081

A) UNAUDITED FINANCIAL RESULTS - CONSOLIDATED FOR THE QUARTER ENDED 31st DECEMBER 2010

Rs. Lakhs

SI No.	Particulars	3 months ended 31st Dec, 2010	Corresponding 3 months ended in the previous year 31st Dec, 2009	Year to date figures for the current year 9 months ended 31st Dec, 2010	Year to date figures for previous year ended 31st Dec, 2009	Previous year ended 31st March, 2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net sales / Income from Operations	12,800.43	12,240.22	35,528.94	34,287.26	46,108.93
2	Expenditure					
a)	(Increase)/decrease in finished goods and work in progress	200.93	(457.69)	24.59	(250.81)	258.13
b)	Consumption of Raw Materials	7,898.70	8,280.00	22,254.58	21,547.75	28,357.91
c)	Employee cost	828.56	704.84	2,385.83	2,060.96	2,789.51
d)	Depreciation	468.01	477.26	1,358.46	1,396.31	1,857.44
e)	Manufacturing Expenses	930.18	867.13	2,729.14	2,564.15	3,463.91
f)	Administrative Expenses	335.98	420.51	1,227.70	1,173.60	1,575.30
g)	Selling & Distribution Expenses	1,000.82	915.65	2,562.85	2,253.68	3,090.65
h)	R & D Expenses	134.03	70.67	418.35	244.04	367.07
i)	Other expenditure	23.20	13.92	63.91	45.84	62.95
	Total	11,820.40	11,292.29	33,025.41	31,035.53	41,822.86
	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	980.03	947.93	2,503.53	3,251.73	4,286.06
3	Other Income	(17.05)	(16.90)	(50.46)	(61.17)	(107.36)
4	Profit before Interest and Exceptional Items	997.08	964.84	2,553.99	3,312.92	4,393.42
5	Interest and Finance charges	290.75	485.26	925.87	1,407.59	1,754.90
6	Profit after Interest but before exceptional items	706.33	479.57	1,628.12	1,905.32	2,638.52
7	Foreign Exchange Fluctuations (gain)/loss	(4.84)	(383.92)	(11.54)	(888.07)	(1,121.11)
8	Profit before taxation	711.16	863.49	1,639.66	2,793.40	3,759.63
9	Tax expense					
	Current Tax Expense	87.89	151.90	230.01	437.20	584.69
	Deferred Tax Expense	60.51	55.46	201.97	57.17	137.74
10	Net Profit for the period	562.77	656.13	1,207.68	2,299.03	3,037.20
11	Paid-up share capital	2,005.72	2,005.72	2,005.72	2,005.72	2,005.72
	(Face Value of Rs.10/- each)					
12	Reserves excluding Revaluation Reserve	19,271.47	17,611.49	19,271.47	17,611.49	18,063.79
13	Basic Earnings per share (Rs.)*	2.81	3.27	6.02	11.46	15.14
14	Diluted Earnings per share (Rs.)*	2.79	3.26	6.00	11.41	15.14
15	Public Shareholding					
	- No. of shares	1,20,03,275	1,25,62,428	1,20,03,275	1,25,62,428	1,25,57,075
	- Percentage of shareholding	61.61%	62.63%	61.61%	62.63%	62.61%
16	Promoters and promoter group					
	Shareholding					
	a) Pledged/Encumbered					
	Number of shares	17,59,375	14,58,000	17,59,375	14,58,000	8,58,000
	Percentage of shares to promoter group	23.52%	21.06%	23.52%	21.06%	12.39%
	Percentage of shares to total capital	8.77%	7.27%	8.77%	7.27%	4.28%
	b) Non-encumbered					
	Number of shares	57,21,464	54,63,686	57,21,464	54,63,686	60,69,039
	Percentage of shares to promoter group	76.48%	89.93%	76.48%	89.93%	87.61%
	Percentage of shares to total capital	28.52%	27.24%	28.52%	27.24%	30.25%

* Not Annualised for quarter ending

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B) UNAUDITED FINANCIAL RESULTS - STANDALONE FOR THE QUARTER ENDED 31st DECEMBER, 2010

(Rs. Lakhs)

Sl No.	Particulars	3 Months ended 31st Dec, 2010	Corresponding 3 months ended in the previous year 31st Dec, 2009	Year to date figures for the current year 9 months ended 31st Dec, 2010	Year to date figures for previous year ended 31st Dec. 2009	Previous accounting year ended 31st March, 2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net sales / Income from Operations	11,017.69	10,133.93	30,089.94	28,514.42	38,619.49
2	Expenditure					
	a) (Increase)/decrease in finished goods and work in progress	902.76	(229.68)	585.01	(571.13)	(419.85)
	b) Consumption of Raw Materials	6,011.95	6,748.39	18,192.87	18,470.40	24,731.16
	c) Employee cost	706.10	584.20	2,086.74	1,716.61	2,299.72
	d) Depreciation	406.03	409.99	1,178.39	1,193.59	1,589.67
	e) Manufacturing Expenses	667.80	586.75	1,928.32	1,800.13	2,461.06
	f) Administrative Expenses	297.04	359.97	909.72	1,001.89	1,368.70
	g) Selling & Distribution Expenses	934.85	781.10	2,384.36	2,018.34	2,762.91
	h) R & D Expenses	57.02	49.90	205.43	187.92	273.23
	i) Other expenditure	13.92	13.92	41.76	45.55	62.95
	Total	9,997.48	9,304.54	27,512.59	25,863.30	35,129.56
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	1,020.22	829.39	2,577.34	2,651.12	3,489.93
4	Other Income	(9.81)	(7.08)	(30.29)	(21.77)	(48.90)
5	Profit before Interest and Exceptional Items	1,030.02	836.48	2,607.63	2,672.89	3,538.83
6	Interest and Finance charges	264.30	452.06	831.36	1,317.32	1,639.98
7	Profit after Interest but before exceptional items	765.73	384.42	1,776.28	1,355.57	1,898.86
8	Foreign Exchange Fluctuations (gain)/loss	(10.08)	(389.81)	6.80	(898.36)	(1,152.39)
9	Profit before taxation	775.80	774.23	1,769.47	2,253.93	3,051.25
10	Tax expense					
	- Current Tax Expense	88.67	131.58	219.00	383.06	518.56
	- Deferred Tax Expense	60.51	55.46	201.77	57.17	137.84
11	Net Profit for the period	626.63	587.19	1,348.72	1,813.70	2,394.85
12	Paid-up share capital	2,005.72	2,005.72	2,005.72	2,005.72	2,005.72
	(Face Value of Rs.10/- each)					
13	Reserves excluding Revaluation Reserve	19,559.64	17,923.12	19,559.64	17,923.12	18,210.94
14	Basic Earnings per share (Rs.)*	3.12	2.93	6.72	9.04	11.94
15	Diluted Earning per share (Rs)	3.11	2.92	6.70	9.00	11.94
16	Public Shareholding					
	- No. of shares	1,20,03,275	1,25,62,428	1,20,03,275	1,25,62,428	1,25,57,075
	- Percentage of shareholding	61.61%	62.63%	61.61%	62.63%	62.61%
17	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	Number of shares	17,59,375	14,58,000	17,59,375	14,58,000	8,58,000
	Percentage of shares to promoter group	23.52%	21.06%	23.52%	21.06%	12.39%
	Percentage of shares to total capital	8.77%	7.27%	8.77%	7.27%	4.28%
	b) Non-encumbered					
	Number of shares	57,21,464	54,63,686	57,21,464	54,63,686	60,69,039
	Percentage of shares to promoter group	76.48%	78.93%	76.48%	78.93%	87.61%
	Percentage of shares to total capital	28.52%	27.24%	28.52%	27.24%	30.25%

* Not Annualised for Quarter ending

1) The above results were reviewed by the Audit Committee and approved by the Board at its meeting held on 27th January, 2011

2) Foreign Exchange Fluctuations (gain) of Rs.(10.08) lakhs for the quarter includes re-statement of foreign currency loans.

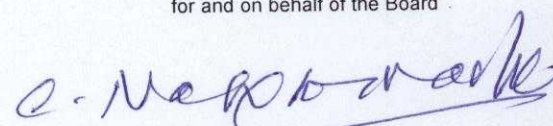
As per the amendment dated 31-3-2009 to Companies (Accounting Standards) Rules 2006, the enterprise is given the option either to continue with the provisions of Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates or capitalise exchange differences (gain/(loss)) arising on reporting of long term foreign currency monetary items so far as they relate to the acquisition of a depreciable capital asset. The Company has opted to continue with the existing practice of recognising the exchange differences on long term foreign currency monetary items in the Profit and Loss Account.

3) The company has received 22 complaints from investors during the quarter 1st October, 2010 to 31st December, 2010 and all were resolved. No complaints were pending from previous quarter.

4) The Company operates only in the segment of Pharmaceuticals.

5) Figures are regrouped wherever necessary.

for and on behalf of the Board


Dr. C. Nageshwara Rao
Chairman



PRESS RELEASE

Granules India Limited

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Granules India Posts Net Sales of Rs. 128.0 Cr. for Q3 FY'11, PBT before exceptional items up 47%

- Sales of Rs. 128.0 Cr.
- PBT before exceptional items of Rs. 7.1 Cr.
- Net profit of Rs. 5.6 Cr.

Hyderabad January 27, 2011: Granules India Ltd., a vertically integrated formulation manufacturer, announced financial results for its fiscal year 2011 third quarter ended December 31, 2010. On a consolidated basis, Granules posted sales of Rs. 128.0 Cr., an increase of 4.6% over the same period last year and a net profit of Rs. 5.6 Cr.

Financials for Consolidated Operations - Quarter ended December 31, 2010

- Net Sales: Rs. 128.0 Cr., as compared to the same period last year at Rs. 122.4 Cr.
- PBT before exceptional items: Rs. 7.1 Cr., as compared to the same period last year at Rs. 4.8 Cr. PBT before exceptional items.
- Net Profit: Rs. 5.6 Cr, as compared to the same period last year at Rs. 6.6 Cr. Profitability is lower due to a Rs. 3.8 Cr. F/X gain last year.
- EPS: Basic EPS was Rs. 2.81 as compared to the same period last year at Rs. 3.27

On a standalone basis, the Company achieved sales of Rs. 110.0 Cr. and a net profit of Rs. 6.3 Cr.

“Our formulation division had a strong increase in utilisation rates during the quarter. The division is starting to generate significant revenue and we expect further growth due to the commencement of several contracts that will start adding to our bottom-line in the upcoming fiscal year. In addition, we are increasing momentum in the U.S. market with the approval of our Ibuprofen 200 mg ANDA and the first commercial shipment of our metformin formulations, which received ANDA approval earlier this fiscal year” said C. Krishna Prasad, Managing Director of Granules.

About Granules India Ltd.

(BSE: 532482, NSE: GRANULES)

Granules India Ltd. is a vertically integrated formulation manufacturer with operations in five countries. 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.

Caution Statement:

Certain statements made above may be “forward looking statements” within the meaning of applicable laws and regulations.

Place: Hyderabad

Date: 27.01.2011

For Granules India Limited

Pranesh Raj Mathur
CFO & President (API)



Granules India Limited

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Dated January 27, 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,

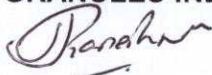
Sub: Limited Review Report
Ref: Clause 41 of the Listing Agreement
Symbol: GRANULES

Please find enclosed the Limited Review Report of Granules India Limited for the quarter ended December 31, 2010.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
for **GRANULES INDIA LIMITED**


Pranesh Raj Mathur
CFO & President (API)

Encl: As above



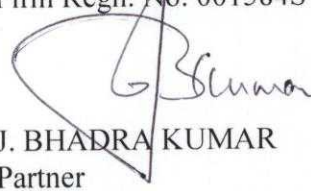
LIMITED REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of Granules India Limited for the quarter ended 31st December, 2010. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KUMAR & GIRI
Chartered Accountants
Firm Regn. No. 001584S



J. BHADRA KUMAR
Partner
Membership No. 25480.

Place: Hyderabad.
Date: 27th January, 2011