



Granules India Limited

11nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad - 500 081. INDIA
Ph : +91-40-30660000, 66760000 Fax : +91-40-23115145
E-mail : mail@granulesindia.com URL : www.granulesindia.com

Dated September 13, 2013

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: Minutes of 22nd Annual General Meeting

Ref: Listing Agreement

Symbol: GRANULES

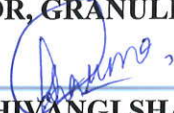
With reference to the captioned subject, please find enclosed the draft minutes of the 22nd Annual General Meeting of Granules India Limited held on August 19, 2013.

Request you to take the above on record.

Thanking you,

Yours faithfully,

FOR, GRANULES INDIA LIMITED


(SHIVANGI SHARMA)
COMPANY SECRETARY &
COMPLIANCE OFFICER



Encl: as above

DRAFT MINUTES OF THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S GRANULES INDIA LIMITED HELD ON MONDAY THE 19th DAY OF AUGUST, 2013 AT 4.00 P.M AT CYAN HALL, HOTEL MARIGOLD, AMEERPET, HYDERABAD (AP).

DIRECTORS PRESENT:

1. DR. C. NAGESWARA RAO	CHAIRMAN & MEMBER
2. MR. L.S. SARMA	DIRECTOR & MEMBER
	CHAIRMAN OF THE AUDIT COMMITTEE
3. MR. C. KRISHNA PRASAD	MANAGING DIRECTOR & MEMBER
4. MR. C. PARTHASARATHY	DIRECTOR
5. MR. A. ARUN RAO	DIRECTOR & MEMBER
6. MRS. UMA DEVI CHIGURUPATI	EXECUTIVE DIRECTOR & MEMBER
7. MR. HARSHA CHIGURUPATI	EXECUTIVE DIRECTOR & MEMBER
8. MR. VVS MURTHY	CHIEF FINANCIAL OFFICER
9. MS. SHIVANGI SHARMA	COMPANY SECRETARY & MEMBER

STATUTORY AUDITORS:

M/s KUMAR & GIRI,

REPRESENTED BY MR. J. VARUN, PARTNER

And proxy holders representing 27,204 equity shares and other members as per Attendance Register of Members and Proxy holders.

1. CHAIRMAN

Dr. C. Nageswara Rao, Chairman of the Company, took the Chair.

2. WELCOME

The Chairman formally extended a very warm welcome to the members and special invitees to the Twenty Second Annual General Meeting.

3. QUORUM

The Chairman announced that 4 (four) valid proxies has been received by the Company and thereafter declared that the required quorum for the meeting was present, hence the formal proceedings of the meeting could commence.

4. NOTICE CONVENING THE 22nd ANNUAL GENERAL MEETING

The Chairman informed that the Notice convening the 22nd Annual General Meeting along with the Balance Sheet as at 31st March 2013 and the Profit & Loss Account and the Cash Flow Statement for the year ended 31st March 2013, both stand-alone & consolidated, and the Auditors Report and the Report of the Board of Directors together with the Corporate Governance Report and Management Discussion and Analysis Report have already been dispatched to the members and with the permission of the members the same was taken as read.

5. CHAIRMAN'S SPEECH

The Chairman informed the members and the invitees that during the fiscal year, the Company had reported consolidated sales of Rs. 764 crores evidencing an increase of 17% over the previous year's consolidated sales due to a better product mix and more focus on finished dosages resulting into consolidated profits of Rs. 32.56 crores, being the highest in the Company's history.

The Chairman emphasized that new capacities were expected to be on-line during the year but same was delayed due to delay in civil construction and new challenges faced during manufacturing scale-up, the reason being the adoption of new processes for providing more value to the customers. The Chairman further stated that currently the capacities are on-line and the ramping up of production will be continued as the customer approvals are received. He further emphasized that though delay in the expansion was disturbing; the expanded capacities will offer competitive advantage in long run and will further distinguish the Company within the industry.

The Chairman highlighted that the Company will continue to execute on its vision "To be the global leader in pharmaceutical manufacturing through process innovation and unparalleled efficiencies" and will also continue to focus on process innovation & manufacturing efficiencies resulting in a sustainable, competitive advantage enabling Company to become a market leader for its products and derive unmatched value.

The Chairman further informed that the Company is also adding products to its portfolio which gives it competitive edge over current manufacturers and is also very enthusiastic about the fiscal year 2014 since the production at formulation unit will be ramped up during the year which would ensure sustainable revenue and profitably growth through Company's new technologies and its joint venture Company, Granules OmniChem Private Limited.

At last, the Chairman thanked fellow members of the Board, all the employees, customers, suppliers, bankers, auditors, consultants, business associates for their continuous support and all the members for their continued confidence and commitment to the Company.

6. AUDITORS REPORT

The Company Secretary thanked the Chairman for the speech and read the Auditors Report. Thereafter the Company Secretary requested the members to seek clarifications on the queries, if any. Some members spoke at the meeting and among the questions raised were those relating to the Company's expansions progress, issue of bonus / right shares, future plans, diversification plans, joint ventures & subsidiary company performances, capital expenditure, long term borrowings, profitability, cost cutting measures, pledge of promoter's shares and role of independent directors in the Company.

The queries were suitably replied by the Directors to the satisfaction of the members.

7. BOOKS AND STATUTORY REGISTERS

The Company Secretary informed that the Register of Directors shareholding, Register of members, Register of transfer of shares, along with other statutory books, as required under the

provisions of the Companies Act, 1956 have been kept at the meeting and are open for inspection to the members.

Thereafter, the Chairman asked the Company Secretary to transact the business of the meeting.

The Company Secretary then put before the members the following resolutions for their consideration:

ORDINARY BUSINESS:

Agenda No. 1: Consideration and adoption of the audited Balance Sheet as at March 31, 2013 and the Profit & Loss Account for the year ended as on that date along with schedules and notes appended thereto and the reports of Directors and Auditors thereon.

The Company Secretary took the matter for consideration of annual accounts i.e. Balance Sheet as on 31st March 2013, Profit & Loss Account and Cash Flow Statement for the year ended 31st March 2013 along with the report of the Board of Directors and the Corporate Governance Report and the Auditors Report thereon. Thereafter the resolution was

Proposed by: Mr. Ramesh Shankar Golla, Client ID No. 1203150000101508

Seconded by: Mr. Narendra Kumar Jain, Client ID No. 1205450000017703

“RESOLVED THAT the Audited Balance Sheet as at March 31st, 2013 and the Profit & Loss account for the period ended as on that date along with the Reports of the Board of Directors together with the Report on Corporate Governance and Auditors thereon, be and are hereby approved and adopted”.

Then resolution was put for voting by show of hands. All members voted in favor of the resolution and none against.

The Chairman declared that the resolution was passed unanimously as an **Ordinary Resolution**.

Agenda No. 2: Declaration of dividend on equity shares for the financial year ended 31st March 2013.

The Company Secretary appraised that the Board has proposed to pay dividend @ Rs. 2 per share (20%) on the fully paid up equity shares of Rs. 10 each to the members of the Company during the year 2012-13. Thereafter the resolution was:

Proposed by: Mr. Suresh Chand Jain, Client ID No. 1205140000085968

Seconded by: Mr. N.V. Bhaskar Reddy, Client ID No. IN30039412386287

“RESOLVED THAT pursuant to the recommendation of the Board of Directors, the final dividend of 20% on the Equity share capital of the Company for the financial year 2012 – 2013 be and is hereby declared and the same be paid to the shareholders whose names appear in the Register of Members and to the beneficiary holders as per the beneficiary list provided by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on July 12th, 2013.”

Then the resolution was put for voting by show of hands. All members voted in favor of the resolution and none against.

The Chairman declared that the resolution was passed unanimously as an **Ordinary Resolution**.

Agenda No. 3: Re-appointment of Mr. A. Arun Rao as Director of the Company.

The Company Secretary took the matter for re-appointment of Mr. A. Arun Rao as Director of the Company. Thereafter the resolution was

Proposed by: Mr. Rajesh Mohandas Paryani, Client ID No. 1201060000908933

Seconded by: Mr. Subbarao K, Client ID No. IN30023930033787

“RESOLVED THAT Mr. A. Arun Rao be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Then resolution was put for voting by show of hands. All members voted in favor of the resolution.

The Chairman declared that the resolution was passed unanimously as an **Ordinary Resolution**.

Agenda No. 4: Re-appointment of Mr. Harsha Chigurupati as Director of the Company.

The Company Secretary took the matter for re-appointment of Mr. Harsha Chigurupati as Director of the Company. Thereafter the resolution was

Proposed by: Mr. Kamal Kishore Jhawar, Client ID No. 1601010000250432

Seconded by: Mr. Suresh Chand Jain, Client ID No. 1205140000085968

“RESOLVED THAT Mr. Harsha Chigurupati be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Then resolution was put for voting by show of hands. All members voted in favor of the resolution and none against.

The Chairman declared that the resolution was passed unanimously as an **Ordinary Resolution**.

Agenda No. 5: Re-appointment of M/s. Kumar & Giri, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as may be decided by the Board.

The Company Secretary took the matter for re-appointment of M/s Kumar & Giri, as Statutory Auditors of the Company. Thereafter the resolution was

Proposed by: Mr. S. Karuna Sagar, Client ID No. 1205140000055939

Seconded by: Mr. S. Vishala Sagar, Client ID No. 1205140000128268

“RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Kumar & Giri, Chartered Accountants, Hyderabad with Firm Registration No. 001584S be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed to between the Board of Directors and M/s. Kumar & Giri, plus out of pocket expenses.”

Then resolution was put for voting by show of hands. All members voted in favor of the resolution and none against.

The Chairman declared that the resolution was passed unanimously as an **Ordinary Resolution**.

SPECIAL BUSINESS:

Agenda No. 6: Consideration of appointment of Mr. Kolli Basava Sankar Rao, who was appointed as an Independent Additional Director by the Board w.e.f February 19, 2013, to hold that office up to date of ensuing Annual General Meeting.

The Company Secretary took the matter for appointment of Mr. Kolli Basava Sankar Rao, as Director of the Company. Thereafter the resolution was

Proposed by: Ms. Sarita Gupta, Client ID No. 1203520000031273

Seconded by: Mr. Ajay Kumar Bokadia, Client ID No. 1203900000076625

“RESOLVED THAT pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) thereto or any re-enactment thereof for the time being in force, Mr. Kolli Basava Sankar Rao who was appointed as an Independent Additional Director by the Board w.e.f. February 19, 2013, in terms of ~~provisions of section 260 of the Companies Act, 1956 and Articles of Association of the~~ Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, liable to retire by rotation.”

Then resolution was put for voting by show of hands. All members voted in favor of the resolution and none against.

The Chairman declared that the resolution was passed unanimously as an **Ordinary Resolution**.

Before taking up the next agenda it was informed to the members that Dr. C. Nageswara Rao, Chairman being relative of Mr. Harsha Chigurupati is interested in the agenda no. 7. Thereafter the Directors present unanimously appointed Mr. L. S. Sarma to conduct the further proceedings as Chairman of the meeting.

Mr. L. S. Sarma as Chairman conducted the further proceedings of the meeting.

Agenda No. 7: Consideration of revision in remuneration of Mr. Harsha Chigurupati, Executive Director.

The Company Secretary took the matter for revision in remuneration of Mr. Harsha Chigurupati, Executive Director. Thereafter the resolutions were:

Proposed by: Mr. S. Gopala Krishna Murty, Client ID No. IN30154915512575

Seconded by: Mr. Sathyanarayana J, Client ID No. IN30023910982917

“RESOLVED THAT in accordance with the provisions of Sections 198, 309 and 310, read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in partial modification of the earlier resolutions passed in the Annual General Meeting held on September 27, 2010 relating to payment of remuneration to Mr. Harsha Chigurupati, Executive Director and subject to such approvals and consents as may be necessary, the consent of the members of the Company be and is hereby accorded for revision by way of increase in the payment of managerial remuneration to Mr. Harsha Chigurupati, Executive Director of the Company from the existing Rs. 36 lakhs per annum to Rs. 60 lakhs per annum towards the aggregate of the monthly salary @ Rs. 5,00,000/- per month which shall be inclusive of all perquisites & allowances and in addition, commission on net profits provided however, that the said salary and commission together shall not exceed 1 percent of the net profits of the Company calculated in accordance with the procedure laid down under sections 349 and 350 of the Companies Act, 1956, with effect from 01-04-2013 for the residuary period of his current tenure of appointment.”

“RESOLVED FURTHER THAT the aggregate of above salary, perquisites, allowances and commission taken together shall be subject to the overall ceilings laid down under section 198 and 309 read with Schedule XIII to the Companies Act, 1956.”

“RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, where in any financial year during the currency of the appointment, the Company has no profits or its profits are inadequate, Mr. Harsha Chigurupati, Executive Director shall be paid remuneration by way of salary, allowances, perquisites and commission not exceeding the maximum limit to which he will be entitled as prescribed under Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time, as minimum remuneration.”

“RESOLVED FURTHER THAT Mr. Harsha Chigurupati, Executive Director shall not be paid sitting fees for attending the meetings of the Board of Directors or any Committee(s) thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, ambiguity or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution. The limits of the remuneration specified above are the maximum limits and the Board / Compensation Committee at its discretion may revise the above limits within the maximum limits to comply with the requirements of sections 198,

309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Act.”

Then resolutions were put for voting by show of hands. All members voted in favor of the resolutions and none against.

The Chairman declared that the resolution was passed unanimously as **Special Resolution**.

Thereafter Dr. C. Nageswara Rao, Chairman resumed the proceedings of the meeting as Chairman.

Agenda No. 7: Consideration of payment of remuneration in the form of commission to Non-Executive Directors of the Company.

The Company Secretary took the matter for payment of remuneration in the form of commission to Non-Executive Directors of the Company. Thereafter the resolutions were:

Proposed by: Mr. Faizur Rahman Sufi Mohammed, Client ID No. 1204630001179452

Seconded by: Mr. Shaik Ahmed, Client ID No. 1205140000072416

“RESOLVED THAT pursuant to the provisions of section 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s), or re-enactment thereof for the time being in force and the Articles of Association of the Company and subject to all permissions, sanctions and approvals as may be necessary, approval of the members of the Company be and is hereby accorded for the payment of remuneration in the form of commission to Non-Executive Directors of the Company, at the rate not exceeding one percent of the net profits in aggregate to them in the manner laid down in section 198(1) read with section 349 and 350 of the Companies Act, 1956, for a period of five years commencing from 1st April 2013.”

“RESOLVED FURTHER THAT remuneration in the form of commission to all of the Non-Executive Directors of the Company together shall not exceed one percent of the net profits to be computed in the manner laid down in section 198(1) read with sections 309(4), 349 and 350 of the Companies Act, 1956.”

“RESOLVED FURTHER THAT the aggregate amount of remuneration payable by way of commission per year of the five years shall be distributed amongst the Non-Executive Directors and in such manner and in such proportion, as the Board of Directors on recommendation of Compensation & Remuneration Committee may, from time to time, determine.”

“RESOLVED FURTHER THAT payment of remuneration in the form of commission at the rate not exceeding 1% of the net profits to the Non-Executive Directors of the Company shall be exclusive of sitting fees payable to which they are entitled for attending the meetings of Board and / or Committees.”

“RESOLVED FURTHER THAT the Board of Directors / Compensation & Remuneration Committee of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient in order to give effect to the above resolutions.”

Then resolutions were put for voting by show of hands. All members voted in favor of the resolution and none against.

The Chairman declared that the resolution was passed unanimously as **Special Resolution**.

Since there was no other business to transact, thereafter the Company Secretary proposed vote of thanks.

The Company Secretary thanked all the Directors for having given their valuable time and for being a part of this meeting, thanked all the members for their active participation and also thanked the bankers, financial institutions, customers, suppliers and employees for their support and co-operation during the year and declared the meeting as closed.

Place: Hyderabad

Date:

CHAIRMAN