

MINUTES OF THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S GRANULES INDIA LIMITED HELD ON THURSDAY, THE 13th DAY OF AUGUST, 2015 AT 4.00 P.M AT HOTEL TAJ BANJARA, ROAD NO.1, BANJARA HILLS, HYDERABAD – 500 034 (TS).

DIRECTORS PRESENT:

1. MR. L. S. SARMA	INDEPENDENT DIRECTOR & MEMBER
2. MR. C. KRISHNA PRASAD	CHAIRMAN & MANAGING DIRECTOR & MEMBER
3. MR. C. PARTHASARATHY	INDEPENDENT DIRECTOR & MEMBER
4. MR. A. ARUN RAO	INDEPENDENT DIRECTOR & MEMBER
5. MR. K.B. SANKAR RAO	NON-EXECUTIVE DIRECTOR & MEMBER
6. MRS. UMA DEVI CHIGURUPATI	EXECUTIVE DIRECTOR & MEMBER
7. MR. HARSHA CHIGURUPATI	EXECUTIVE DIRECTOR & MEMBER

IN ATTENDANCE:

8. MR. VVS MURTHY	CHIEF FINANCIAL OFFICER & MEMBER
9. MS. CHAITANYA TUMMALA	COMPANY SECRETARY

AUDITORS:

M/s KUMAR & GIRI, Statutory Auditor represented by Mr. J. Bhadra Kumar, Partner

M/s. Saurabh Poddar & Associates, Scretarial Auditor represented by Mr. Saurabh Poddar

And proxy holders representing 15976110 equity shares and other members as per Attendance Register of Members and Proxy holders.

WELCOME

Ms. Chaitanya Tummala, Company Secretary extended hearty welcome to the Members and invited the Board Members on to the dais. Ms. Chaitanya requested Mr. C. Krishna Prasad, Chairman and Managing Director to preside over the meeting. Mr. C. Krishna Prasad formally extended a very warm welcome to the Members and special invitees to the Annual General Meeting.

1. QUORUM

The Chairman announced that 18 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.

The Chairman informed the members that, Mr. A.P. Kurian and Mr. Krishna Murthy Ella, Independent Directors could not attend the meeting due to their prior commitments.

2. NOTICE CONVENING THE 24th ANNUAL GENERAL MEETING

The Chairman informed that the Notice convening the 24th Annual General Meeting along with the financial statements of the Company for the financial year ended 31st March 2015, 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 served to the members and with the permission of the members the same were taken as read.

3. AUDITORS REPORT FOR THE FY 2014-15

The Chairman informed the members that, Audit Report given by M/s. Kumar & Giri, Chartered accountants on the Stand alone and consolidated financial statements of the Company and Secretarial Audit Report given by M/s. Saurabh Poddar & Associates for the FY 2014-15 was already circulated to the members as these form part of the Annual report. The Chairman informed the members that, both the Auditors were present in the meeting and he requested the Company Secretary to read out the Auditor's report to the members.

With the permission of the members the same was taken as read.

4. CHAIRMAN'S SPEECH

The Chairman informed the members that, the FY 2014-15 was the first full year of operation of Auctus Pharma under the Granules management and it was also informed that, Auctus Pharma was successfully turned around in the fourth quarter of the previous financial year. He further informed the members that, throughout the year Company's focus was on process improvements and also invested to create clean rooms to enhance production capacities at the Vizag plant.

The Chairman informed the members about the capacity utilization, US OTC market and ANDA filings etc.

The Chairman further stated that, clear road map was laid to take the company to next level. The Chairman also explained the initiatives that were taken by the Company to strengthen the vertical integration.

The Chairman thanked fellow members of the Board, Management team, all the employees, customers, suppliers, bankers, auditors, consultants, business associates for their continuous support and all the shareholders for their continued confidence and commitment to Granules India.

8. TRANSACTION OF BUSINESS

Thereafter, the following ordinary and special business was transacted at the meeting.

It was stated that considering all the statutory requirements both under the Companies Act, 2013 and the Listing Agreement and to ensure larger participation by Members, the Company had provided the facility of remote e - voting to the members to enable them to cast their vote electronically and members representing 1,28,52,147 shares casted their vote by using remote e - voting facility and members representing 10,42,13,536 shares casted their vote through Insta-Poll. It was further informed that the Company has appointed Mr. Dhanunjaya Kumar Alla, Practicing Chartered Accountant, to act as the Scrutinizer, for conducting the scrutiny of the votes cast.



ORDINARY BUSINESS:

Item No. 1: Consideration and adoption of the audited financial statement of the Company for the financial year ended March 31, 2015 together with the Report of the Board of Directors and the Auditors thereon and the consolidated audited financial statement of the Company for the financial year ended March 31, 2015.

“RESOLVED THAT audited financial statement of the Company for the financial year ended March 31, 2015 along with the Reports of the Board of Directors together with the Report on Corporate Governance and Auditors thereon and the consolidated audited financial statement of the Company for the financial year ended March 31, 2015, be and are hereby considered, approved and adopted”.

Item No. 2: Declaration of dividend on equity shares for the financial year ended 31st March 2015.

“RESOLVED THAT pursuant to the recommendation of the Board of Directors, the final dividend of 50% on the Equity share capital of the Company for the financial year 2014 – 2015 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 August 6th, 2015.”

Item No. 3: Re - appointment of Mr. Kolli Basava Sankar Rao (DIN: 05167550) as Director of the Company, liable to retire by rotation.

“RESOLVED THAT Mr. Kolli Basava Sankar Rao (DIN: 05167550), be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Item No. 4: Ratification of re-appointment of M/s. Kumar & Giri, Chartered Accountants, Hyderabad as Statutory Auditors of the Company till the conclusion of next annual general meeting and to fix their remuneration as may be decided by the Board.

RESOLVED THAT pursuant to the provisions of sections 139(1), 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, re-appointment of M/s Kumar & Giri, Chartered Accountants, Firm of Chartered Accountants registered vide Firm Registration No. 001584S as statutory Auditors for the Financial Year 2015 – 2016 whose appointment as Statutory Auditor of the Company for a period of three years subject to ratification of such appointment in each Annual General Meeting for the succeeding year was approved in the 23rd Annual General Meeting is hereby ratified in this Annual General Meeting till conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESS:

Item No. 5: Consideration of re-appointment of Mr. Harsha Chigurupati as an Executive Director of the Company in terms of provisions of Sections 196, 197, 203 read with schedule V to the Companies Act, 2013.



RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals and consents as may be necessary including the approval of the Central Government, the consent of the members be and is hereby accorded for the re-appointment of Mr. Harsha Chigurupati (holding DIN 01606477), as an Executive Director of the Company for a period of five years effective from 1st August, 2015 @ Rs. 5,00,000/- per month inclusive of all perquisites and allowances aggregating to Rs. 60 lakhs per annum and in addition, commission on net profits provided however, that the said salary, commission and all perquisites together shall not exceed 1(one) percent of the net profits of the Company calculated in accordance with the procedure laid down under section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the aggregate of above salary, perquisites and allowances taken together shall be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Harsha Chigurupati, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Mr. Harsha Chigurupati, Executive Director shall not be paid sitting fees for attending 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 / Nomination and Remuneration Committee at its discretion may revise the above limits within the maximum limits to comply with the requirements of sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act.

Item No. 6: Adoption of Articles of Association of the Company duly altered and substituted containing regulations in line with the provisions of the Companies Act, 2013 read with Rules and Table F made there under.

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), regulations contained in the Articles of Association of the Company duly altered and substituted be and are hereby approved and adopted by replacing the existing Articles with the new set of Articles.



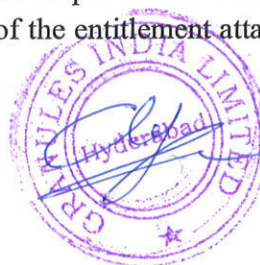
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Item No. 7: Consideration of issue of warrants on preferential basis to the promoter of the Company.

RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 including Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations"), and any other Rules / Regulations / Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and/or any other statutory / regulatory authority, the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the members be and is hereby accorded to create, offer, issue and allot and deliver in one or more tranches on preferential basis not exceeding 40,95,230 (forty lakh ninety five thousand two hundred and thirty only) warrants, convertible into 40,95,230 (forty lakh ninety five thousand two hundred and thirty only) equity shares of the Company, of the face value of Re.1/- each, to Mr. C. Krishna Prasad, Chairman and Managing Director and promoter of the company, for cash which shall upon conversion will rank pari-passu with the existing equity shares of the Company, at such price and in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, in accordance with the ICDR Regulations and other applicable laws and regulations provided however, that the price arrived at stated above shall not be less than the price arrived at as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 as amended from time to time .

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of warrants shall be subject to the following terms and conditions apart from others as the Law prescribe.

- i. An amount equivalent to 25 per cent of the Issue Price shall be payable at the time of subscription to and allotment of each warrant and the balance 75 per cent of the Issue Price shall be payable by the warrant holder upon exercise of the entitlement attached



- to Warrant(s) to subscribe for Equity Share(s). The amount paid against warrants shall be adjusted / set off against the Issue Price payable for the resultant Equity Shares.
- ii. In accordance with the provisions of ICDR Regulations, the "Relevant Date" for the purpose of calculating the price of Equity Shares to be issued in terms hereof shall be 14th July, 2015, being the date 30 days prior to the date of this Annual General Meeting scheduled on 13th August, 2015.
 - iii. Each warrant will be converted into one equity share of Re. 1/- in one or more tranches within a period of eighteen months from the date of its allotment and on such other terms and conditions and further subject to ICDR Regulations, as may be applicable, from time to time.
 - iv. In the event, the right to apply for shares against warrants is not exercised within the time prescribed as above, the entitlement of the warrant holder to apply for shares along with the rights attached to such warrants shall expire and the amounts paid by the warrant holder on such warrants shall stand forfeited.
 - v. That the warrants by itself until exercised and equity shares against the same are allotted do not give any rights with respect to the shareholders to the holders of the warrants.
 - vi. The equity shares issued pursuant to the exercise of the option by the warrant holder shall be locked in as prescribed under chapter VII of SEBI (ICDR) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, to issue and allot Equity Shares upon exercise of the entitlement attached to warrants, issuing certificates / clarifications, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and utilisation of proceeds of the Warrants, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by above resolutions to any Director or to any Committee of Directors or any other executive(s) / officer(s) of the Company or any other person as the Board at its discretion deem appropriate, to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary to give effect to the aforesaid resolution.



It is further informed that, the result of the voting on all the above resolutions will be declared as passed as ordinary or special resolution as the case may be based on the Scrutinizer's report on the combined results of e-voting and Insta-poll. The Chairman informed that, the result of e - voting and poll along with combined results would be displayed on the website of the Company.

The Chairman asked the members to seek clarifications if they have any. Some members spoke at the meeting and among the questions raised were those relating to the Company's expansions plans, issue of bonus / right shares, future plans of acquisitions etc. The queries were suitably replied by the Directors to the satisfaction of the members.

Since there was no other business to transact, the Chairman informed that the result of e - voting and poll along with combined results would be displayed on the website of the Company and the Stock Exchanges by 14th August 2015 and concluded the meeting by requesting the Company Secretary to propose vote of thanks.

The Company Secretary thanked all the members for their active participation, thanked the Chairman of the meeting, Mr. C. Krishna Prasad, for conducting the proceedings, and thanked the Board of Directors and Auditors for spending their valuable time. She also thanked the Registrar and Transfer agents, colleagues and the staff of Taj Banjara for making the event successful.

Note: It is to be noted that the combined result of e – voting and poll was declared on 14th August, 2015 and the same was submitted to the Stock Exchanges, summary thereof of Scrutinizer's report is provided hereunder:

S. No	Resolutions	% of votes in favour	% of votes against	Result
1.	Consider and adopt Audited financial statement, Report of Board of Directors and Auditors.	100.0000	-	Passed unanimously as an ordinary resolution.
2.	Declaration of final dividend @50% on equity shares.	100.0000	0.0000	Passed with requisite majority as an ordinary resolution.
3.	Re-appointment of Mr. Kolli Basava Sankar Rao who retires by rotation.	99.9915	0.0085	Passed with requisite majority as an ordinary resolution.
4.	Ratification of re-appointment of Auditors and fixing their remuneration.	98.4899	1.5101	Passed with requisite majority as an ordinary resolution.
5.	Re-appointment of Mr. Harsha Chigurupati as an Executive Director.	99.9939	0.0061	Passed with requisite majority as a special resolution.
6.	Alteration of Articles of Association in line with the Companies Act, 2013.	97.6458	2.3542	Passed with requisite majority as a special resolution.
7.	Issue of 40,95,230 warrants to Mr. C. Krishna Prasad, CMD & Promoter of the Company on preferential basis.	99.9972	0.0028	Passed with requisite majority as a special resolution.

Place: Hyderabad

Date: 14.08.2015



