



Granules India Limited

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Dated July 22, 2016

To,
National Stock Exchange of India Limited
Symbol:GRANULES

Dear Sir,

Sub: Clarification on the press release submitted to the exchange dated July 14, 2016.

Ref: Granules Pharmaceuticals, Inc., a wholly owned subsidiary of Granules India Limited, entered into an agreement with USpharma for acquiring 12.5% of its stake -Press Release-Reg.

Company has submitted press release dated July 14, 2016 to the exchange informing that, Granules Pharmaceuticals, Inc., a wholly owned subsidiary of Granules India Limited, entered into an agreement with USpharma for acquiring 12.5% of its stake.

With regard to this announcement, exchange is seeking clarification from the Company and we are herewith submitting the following information/clarification.

1. **Clarification sought by the exchange:** Name of the target entity, details in brief such as size, turnover etc;

Reply from the Company: Target entity USpharma, Ltd., incorporated in Missouri, the USA, is a development-stage company having R & D and pilot manufacturing locations at Philadelphia, PA, Kansas City, MO, Navi Mumbai. Approximately 40 scientists and technicians are working in this entity. The turnover is insignificant as the Company is actively involved in product development phase and the products which are developed and filed are due for commercialization post necessary regulatory approvals.

2. **Clarification sought by the exchange:** Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";

Reply from the Company: No, the acquisition would not fall within related party transactions and the promoter/ promoter group/ group companies have no interest in the entity being acquired.

3. **Clarification sought by the exchange:** Brief details of any governmental or regulatory approvals required for the acquisition;

Reply from the Company: Governmental or regulatory approvals are not required for the acquisition.

4. **Clarification sought by the exchange:** Indicative time period for completion of the acquisition;
Reply from the Company: Acquisition of 12.5% stake in USpharma, Ltd. will be completed by June 2017.
5. **Clarification sought by the exchange:** Cost of acquisition or the price at which the shares are acquired;
Reply from the Company: Cost of the acquisition or the price of shares acquired is US\$ 4mn which will be paid in two tranches. First tranche of US \$ 2 mn was paid and balance US \$2 mn will be paid in June 2017.
6. **Clarification sought by the exchange:** Nature of consideration - whether cash consideration or share swap and details of the same;
Reply from the Company: Consideration is payable in cash.
7. **Clarification sought by the exchange:** Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, and history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).
Reply from the Company: USpharma Ltd. was incorporated in the State of Missouri, USA on April 5, 2016. Immediately after its incorporation, it has acquired First Time US Generics, LLC (incorporated on May 21, 2012) and Liberty Pharma, Inc. (incorporated on September 20, 2013). First Time US Generics, LLC and Liberty Pharma, Inc. are a development stage Generic pharmaceutical Companies focusing in oral solid-dose Generic pharmaceuticals. First Time US Generics, LLC and Liberty Pharma, Inc. in collaboration with manufacturing partners had developed five Generic pharmaceutical products and filed for regulatory approval with the U.S. Food and Drug Administration. The revenues for last three years are insignificant as these Companies are actively involved in product development phase and also value creation through ANDAs with Paragraph IV certifications.

Kindly take the above information on record.

Thanking You.

Yours faithfully,

For GRANULES INDIA LIMITED


CHAITANYA TUMMALA
(COMPANY SECRETARY &
COMPLIANCE OFFICER)