



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

Date: November 14, 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: Notice of Extraordinary General Meeting dated 06.12.2013.

Symbol: GRANULES

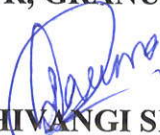
Please find the enclosed six copies of Notice of Extraordinary General Meeting dated 06.12.2013.

Kindly acknowledge the receipt of the same for our record.

Thanking you.

Yours faithfully,

FOR, GRANULES INDIA LIMITED


(SHIVANGI SHARMA)

Company Secretary &
Compliance Officer



Encl: Notice of Extraordinary General Meeting.

Notice of
Extraordinary General Meeting
on December 06, 2013 at 4.00 P.M.



Granules India Limited

Regd. Office: 2nd Floor, 3rd Block, My Home Hub, Madhapur,
Hyderabad (AP) - 500 081 India

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November 4, 2013

Dear Member,

You are cordially invited to attend the Extraordinary General meeting (EGM) of the members of the Company to be held on Friday, December 6, 2013 at 4.00 PM IST at Hotel Aditya Sarovar Premiere, HITEC City, Gachibowli, Hyderabad - 500 032 India.

The notice of the meeting, containing the business to be transacted along with the explanatory statement, is enclosed herewith.

By order of the Board of Directors
For **Granules India Limited**

Shivangi Sharma
Company Secretary

NOTICE

Notice is hereby given that an Extraordinary General Meeting (EGM) of the members of Granules India Limited (hereinafter referred to as 'the Company') will be held on Friday, December 6, 2013 at 4.00 PM IST at Hotel Aditya Sarovar Premiere, HITEC City, Gachibowli, Hyderabad - 500 032 India, to transact the following business:

SPECIAL BUSINESS:

- 1. Authority to the Board of Directors to invest in the securities of other Company in excess of the limits provided under section 372A of the Companies Act, 1956.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to section 372A and other applicable provisions, if any of the Companies Act, 1956 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company to acquire by way of purchase or otherwise the securities of Auctus Pharma Limited for an amount not exceeding ₹102,00,00,000 (rupees one hundred and two crores only), notwithstanding that such investment and acquisition together with the Company's existing investments in all other bodies corporates, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 372A of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on the Board to any Committee of Directors or the Managing Director or any Director(s) of the Company to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board / Committee / Managing Director / Director(s) be and is hereby authorized to agree, make and accept all such terms, condition(s), modification(s) and alteration(s) as it / he may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to such investments and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee / Managing Director / Director(s) in its / his absolute discretion may deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they / he shall be deemed to have been given approval thereto expressly by the authority of this resolution."

2. Borrowing Powers

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT in supersession of the ordinary resolution passed at the Extraordinary General Meeting held on 4th December 2006 under section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(c) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more Company's bankers and /or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding shall not exceed the sum of ₹750 crores (rupees seven hundred and fifty crores only) at any one time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

3. Mortgage / Charge of assets

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT in supersession of the ordinary resolution passed at the Extraordinary General Meeting held on 4th December 2006 under section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(a) of the Companies Act 2013 and all other applicable provisions

if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding ₹750 crores (rupees seven hundred and fifty crores only) at any one time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

By order of the Board
For **Granules India Limited**

Place : Hyderabad
Date : 04.11.2013

Shivangi Sharma
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of notice.
3. For the convenience of members and proper conduct of the meeting, entry to the meeting venue will be regulated by attendance slip, enclosed with this notice. Members / proxies are requested to duly fill the attendance slips and hand it over at the entrance of the meeting to attend the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. Corporate Members intending to depute their authorized representatives are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote at the Extra Ordinary General Meeting.
7. The Register of Directors' shareholding, maintained under section 307 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the Company.
8. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Plot nos. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad (AP) 500 081, India.
9. Granules India Limited is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its circular

nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, we have commenced sending documents like notice convening the general meetings, Financial Statements, Director's Report, Auditor's Report etc., to the email address provided by you with your depositories. We request you to update your email address with your depository participant to ensure that the documents reach you on your preferred email account.

10. For the security and safety of the members of the Company, no baggage including water bottles and tiffin boxes will be allowed at the venue of the extraordinary general meeting. The members / attendees are strictly requested not to bring any baggage etc to the venue of the meeting.

Explanatory Statement under section 102(1) of the Companies Act, 2013

ITEM NO. 1

In terms of the provisions of section 372(A) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, acquire by way of subscription, purchase or otherwise the securities of any other body corporate exceeding sixty percent of its paid-up share capital and free reserves or one hundred percent of its free reserves, whichever is higher. Considering the future outlook of the Company, the Board of Directors of the Company has decided to seek approval of the members to acquire by way of purchase or otherwise, securities of ₹102,00,00,000 (rupees one hundred and two crores only) of Auctus Pharma Limited.

The Company has been growing fast during the last couple of years and has completed an expansion project at Gagillapur plant in March 2013. The Company is planning further growth through organic and inorganic routes as such, it is proposed to acquire Auctus Pharma Limited by purchasing 100% paid up equity shares from its existing shareholders.

Auctus Pharma Limited is a public limited and unlisted company incorporated on 25th April 2000 located at Hyderabad (Andhra Pradesh). Its authorized share capital is ₹4,50,00,000 (rupees four crores and fifty lacs only) and paid-up capital is ₹3,90,00,000 (rupees three crores and ninety lacs only). Auctus Pharma Limited is the manufacturer and seller of bulk drugs and drug intermediates. Taking into account, the similar line of the activity of Auctus Pharma Limited, the proposed acquisition will be beneficial for the growth of the Company as the said Auctus Pharma Limited has the following important features which are advantageous to the Company for the above purpose:

- a. Good product range including 4 products shortlisted by Granules for future growth.
- b. US FDA, EDQM, WHO and Korean FDA approved plant.
- c. 10 DMFs filed in US & Europe.
- d. Customer base etc.

The value of the above proposed investment is estimated at ₹102,00,00,000 (rupees one hundred and two crores only) for acquiring the proposed securities in Auctus Pharma Limited. The valuation of Auctus Pharma Limited was undertaken by a reputed third party consultant and the price was thereafter negotiated by the Company. Your Board, considering the value of tangible and intangible assets of the said Company, including the fixed assets and regulatory approvals received from US FDA, EDQM, Canada, WHO, Korea FDA, 22 regulatory filings in the US, Europe, South Korea, China, Italy etc., and the business development with customers in India and abroad, are of the opinion that the value of the acquisition is appropriate. Considering the time frame of about 4-5 years for greenfield facility readiness and regulatory approvals (products and facilities), the investment in Auctus Pharma Limited will help your Company to achieve the strategic objectives early.

It is for these reasons; the management seeks the approval of the members to acquire the securities of Auctus Pharma Limited by purchase or otherwise up to a value ₹102,00,00,000 (rupees one hundred and

two crores only) in the interest of the Company. The requirement of funds will be met by debts and internal accruals.

Since the limits prescribed under section 372A of the Companies Act, 1956 is likely to be exceeded as a result of the proposed investment, this **Special Resolution** is recommended for member's approval.

None of the Promoters, Directors and Key Managerial Persons of the Company has any shareholding interest in Auctus Pharma Limited. None of the Directors, Key Managerial Persons of the Company and their relatives is concerned or interested in the resolution.

ITEM NO. 2

In terms of provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves. The members in their Extraordinary General Meeting held on 4th December 2006 had accorded their consent under section 293(1)(d) of the Companies Act, 1956 as applicable at that time, to the Directors for borrowing moneys up to a limit of ₹300 crores (excluding temporary loans obtained from the Company's bankers in the ordinary course of business).

Taking into account the future finance requirements for growth plans and expansion programs being contemplated and undertaken by the Company and to cater to the working capital needs, a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may, for and on behalf of and for the purpose of the Company, borrow further sums of money amounting in the aggregate to a sum not exceeding ₹750 crores. Hence the members are requested to accord their approval for revising the borrowing power limit of the Board from ₹300 crores to ₹750 crores.

Your Directors recommend the above **Special Resolution** for your approval.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested in the resolution.

ITEM NO. 3

For creation of security through mortgage or pledge or hypothecation or otherwise or through combination for securing the limits as may be sanctioned by the lenders, for the loans to be sanctioned by any one or more Company's bankers and /or by any one or more persons, firms, bodies corporate, or financial institutions or banks, the Company would be required to secure all or any of the movable and immovable properties of the Company present and future. Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, hence it is necessary for the members to pass a resolution under section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors or its committees to mortgage / charge the properties and/or the whole or substantially the whole of the undertaking of the Company as aforesaid to the lenders.

Mortgaging / charging the properties of the Company require approval of Members in the General Meeting pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013. The resolution set forth in Item No.3 therefore requires approval of the members.

Your Directors recommend the above **Special Resolution** for your approval.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested in the above resolution.

By order of the Board
For **Granules India Limited**

Place : Hyderabad
Date : 04.11.2013

Shivangi Sharma
Company Secretary



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PROXY FORM

Extraordinary General Meeting - December 6, 2013

Regd. Folio No. _____

*Demat A/c No. _____

DP ID. No. _____

I / We _____ of _____ in the district of _____ being a member/ members of the Company hereby appoint _____ of _____ or failing him/her of _____ in the district of _____ as my / our Proxy to vote for me / us on my / our behalf at the Extraordinary General Meeting of the Company to be held at Hotel Aditya Sarovar Premiere, HITEC City, Gachibowli, Hyderabad - 500 032 India, on Friday, the 6th day of December 2013 at 4.00 PM and at any adjournment (s) thereof.

Signed this _____ day of _____ 2013

Signature _____

Affix Re. 15
paise
Revenue
Stamp

Note: This form, in order to be valid and effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

*Those who hold shares in demat form must quote their Demat A/c No. and Depository Participant (DP) ID. No.



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ATTENDANCE SLIP

Extraordinary General Meeting - December 6, 2013

Regd. Folio No. _____

*Demat A/c No. _____

No. of Shares held _____

DP ID. No. _____

I certify that I am a Member/Proxy for the Member of the Company.

I hereby record my presence at the Extraordinary General Meeting of the Company at Hotel Aditya Sarovar Premiere, HITEC City, Gachibowli, Hyderabad - 500 032 India, on Friday, the 6th day of December 2013 at 4.00 PM.

Member's/Proxy's Name

Signature of Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

PRINTED MATTER
BOOK POST

If undelivered, please return to :



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