



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 October 4, 2010

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 19th Annual General Meeting

Ref: Listing Agreement

Symbol: GRANULES

With reference to the captioned subject, please find enclosed the minutes of the 19th Annual General Meeting of Granules India Limited held on September 27, 2010.

Request you to take the above on record.

Thanking you,

Yours faithfully,
for **GRANULES INDIA LIMITED**

CS V.S. Venkatish
Assistant Manager
Secretarial & Legal

Encl: as above





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MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF M/S.GRANULES INDIA LIMITED HELD ON MONDAY, THE 27th DAY OF SEPTEMBER 2010 AT 4.00 P.M. AT "RESIDENCY HALL", HOTEL GREEN PARK, AMEERPET, HYDERABAD - 500016

PRESENT ON THE DIAS:

- | | |
|----------------------------|-------------------------------|
| 1. Dr.C.Nageswara Rao | Chairman and Member |
| 2. Shri L.S.Sarma | Director and Member |
| 3. Shri A.P.Kurian | Director and Member |
| 4. Shri A.Arun Rao | Director and Member |
| 5. Shri C.Krishna Prasad | Managing Director and Member |
| 6. Shri Harsha Chigurupati | Executive Director and Member |
| 7. Shri Pranesh Raj Mathur | President (API) & CFO |
| 8. Ms. T.Swapna | Compliance Officer |

STATUTORY AUDITORS

M/s. Kumar & Giri

Represented by Mr.J.Bhadra Kumar,
Partner

INTERNAL AUDITORS

M/s. Dhanunjaya & Prabhakar

Represented by Mr. A.Dhanunjaya Kumar,
Partner

58 shareholders were present in person.

The Compliance Officer welcomed the shareholders to the Nineteenth Annual General Meeting and then requested Dr.C.Nageswara Rao, Chairman to conduct the proceedings of the meeting.

The Chairman welcomed the shareholders and special invitees to the Nineteenth Annual General Meeting and after ascertaining that the requisite members were present to form a quorum, called the meeting to order. With the permission of the shareholders, the notice of meeting and the Directors' report were taken as read. Thereafter, the Compliance Officer read the Auditors' Report.

The Chairman in his speech emphasized the strong financial results and several remarkable accomplishments that would strengthen the Company's growth plan. He presented a review of the results and stated that during the fiscal year 2009-10, the Company had reported a record sales of Rs.461 crore (consolidated), an increase of twenty percent over the previous annualized fiscal year, which was due to the increased utilization at all the units and strong growth at the joint venture in China.

The Chairman further stated that the Company's strong financial results during the year were due to the long-term steps taken to strengthen its vertically-integrated manufacturing value chain and that the formulation unit was bolstered by signing several large contracts with global customers. The Chairman added that the Company received U.S.FDA approval for its first abbreviated new drug application (ANDA), which puts Granules in an elite group of Indian pharmaceutical companies that have the expertise to produce their own drugs instead of relying on site transfers from customers. He further expected that several ANDAs would be approved during the current year, which would strengthen the Company's standing in the market place.

The Chairman informed that the API and PFI units were strengthened by launching an Operational Excellence (OE) program, which provided insight that enabled to do more with existing assets. The Chairman explained that its strong environmental record distinguishes Granules from its competitors and stated that the Company would continue to focus on reducing its environmental impact in order to be a good corporate citizen while also lowering costs. The Chairman further explained that throughout last year, 7,000 hours of employee training was conducted in order to ensure that the employees have the appropriate skill sets.

The Chairman opined that the Company is in the strongest position it had ever been and set to go to the next level due to efforts from every department. He explained that efficiencies have increased at the factories and that the Company is striving to be an industry leading vertically-integrated manufacturer. He also expressed his confidence that the Company had developed a strategy that would allow it to build on its success.

The Chairman thanked the Company's dedicated employees who had worked extremely hard to make last year a successful one and who continue working for its ongoing success. He also thanked fellow members of the Board for their guidance and vision throughout the last year. He also thanked the customers, suppliers, bankers, auditors, consultants, other business associates. Finally, he thanked the shareholders for their continued confidence and commitment to Granules India Limited.

After the speech, the Chairman requested queries from the shareholders, which were replied by Mr.C.Krishna Prasad, Managing Director; Mr.Harsha Chigurupati, Executive Director and Mr.Pranesh Raj Mathur, President (API) & CFO to the satisfaction of the shareholders.

Thereafter, the Chairman requested the Compliance Officer to transact the business of the meeting. The Compliance Officer then put before the shareholders the following resolutions for their consent:

ORDINARY BUSINESS:

1. Adoption of Annual Accounts for 2009 – 2010

Proposed by : Mr. K.S.Subba Rao, Client ID No. 30033787

Seconded by : Mr. N.P.Ranga Rao, Client ID No. 1201090001453191

"RESOLVED that the Audited Balance Sheet as at March 31, 2010 and the Profit & Loss account for the period ended as on that date together with the Reports of the Board of Directors and Auditors thereon, be and are hereby approved and adopted".

On being put to vote, the resolution was passed unanimously.

2. Declaration of Dividend

Proposed by : Mr. Wahiur, Client ID No. 1204340000047288

Seconded by : Mr. Md.Waheed, Folio No. 003291

"RESOLVED that pursuant to the recommendation of the Board of Directors, the final dividend of 12.5% on the Equity share capital of the Company for the year 2009 – 2010 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 and Central Depository Services (India) Limited as on September 20, 2010."

On being put to vote, the resolution was passed unanimously.

3. Re-appointment of Mr. A.P. Kurian as Director of the Company

Proposed by : Mr. M.A.R. Sufi, Client ID No. 10213067

Seconded by : Mr. Nagaraj, Client ID No. 10071047

"RESOLVED that Mr. A.P.Kurian be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

On being put to vote, the resolution was passed unanimously.

4. Appointment of M/s. Kumar & Giri, as Statutory Auditors of the Company

Proposed by : Mr. Narendra Kumar Jain, Folio No. 017703

Seconded by : Mr. Shujath Ali Khan, Client ID No. 1203070000032586

"RESOLVED that M/s. Kumar & Giri, Chartered Accountants, Hyderabad be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors, and reimbursement of out-of-pocket expenses and fees for other services."

On being put to vote, the resolution was passed unanimously.

SPECIAL BUSINESS:

5. Appointment of Mr. Philip Herbert Strenger as Director

Proposed by : Mr. Shantilal C Shah, Client ID No. 1205450000007769

Seconded by : Mr. L. Srinivasu, Client ID No. 10026472

"RESOLVED THAT pursuant to the Articles of Association of the Company and provisions of section 257 of the Companies Act, 1956, Mr. Philip Herbert Strenger who was appointed as an Additional Director with effect from December 23, 2009 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

On being put to vote, the resolution was passed unanimously.

6. Appointment of Mr. Arun Rao Akinepally as Director

Proposed by : Mr. M.A.R. Sufi, Client ID No. 10213067

Seconded by : Mr. K.S.Subba Rao, Client ID No. 30033787

"RESOLVED THAT pursuant to the Articles of Association of the Company and provisions of section 257 of the Companies Act, 1956, Mr. Arun Rao Akinepally who was appointed as an Additional Director with effect from April 27, 2010 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

On being put to vote, the resolution was passed unanimously.

7. Appointment of Mr. Harsha Chigurupati as Director

Proposed by : Mr. Praful Chavda, Client ID No. 10144803

Seconded by : Mr. K.S.Subba Rao, Client ID No. 30033787

The Chairman Dr. C.Nageswara Rao being interested in this item of business, Mr. L.S.Sarma, Director was elected Chairman, who conducted the proceedings in respect of this item of business.

"RESOLVED THAT pursuant to the Articles of Association of the Company and provisions of section 257 of the Companies Act, 1956, Mr. Harsha Chigurupati who was appointed as an Additional Director with effect from July 26, 2010 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

On being put to vote, the resolution was passed unanimously.

8. Appointment of Mr. Harsha Chigurupati as Executive Director

Proposed by : Mr. S.Gopala Krishna Murthy, Client ID No. 15512575

Seconded by : Mr. M.A.R. Sufi, Client ID No. 10213067

The Chairman Dr.C.Nageswara Rao being interested in this item of business, Mr.L.S.Sarma, Director was elected Chairman, who conducted the proceedings in respect of this item of business.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such approvals and consents as may be necessary, the consent of the members be and is hereby accorded for the appointment of Mr.Harsha Chigurupati as Executive Director of the Company, for a period of 5 (five) years with effect from August 1, 2010, on the following terms and conditions."

Salary

Rs.36 lakhs per annum

Perquisites and Allowances

The following perquisites and allowances shall form part of the total salary of Rs.36 lakhs per annum:

- i) Reimbursement of medical expenses – Rs.18,000 per annum
- ii) Leave travel Allowance – Rs.72,000 per annum
- iii) Provision of car with reimbursement of driver's salary and fuel expenses subject to a maximum of Rs.2,40,000 per annum
- iv) Reimbursement of insurance premium for coverage under Personal Accident Policy (self & dependants)
- v) Reimbursement of insurance premium for coverage under Mediclaim Policy (self & dependants)

Other Perquisites / Benefits

The following perquisites / benefits shall be provided over and above the salary:

- i) Gratuity to be calculated however, at a rate not exceeding half month's salary for each completed year of service.
- ii) Encashment of leave as per the rules of the Company at the end of tenure.

"RESOLVED FURTHER THAT the aggregate of above salary, perquisites and allowances 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 this appointment, the Company has no profits or its profits are inadequate, Mr.Harsha Chigurupati shall be paid remuneration by way of

salary, allowances and perquisites not exceeding the maximum limits as prescribed under Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT Mr.Harsha Chigurupati 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 take all such steps as may be necessary, proper or expedient to give effect to this resolution."

On being put to vote, the resolution was passed unanimously.

Thereafter, the Compliance Officer proposed vote of thanks and thanked the members, bankers, financial institutions, Statutory Auditors, Institutional Analysts, Customers, for their continued support and formally announced the closure of the meeting.

Place:

Date:

CHAIRMAN