



Granules India Limited

(CIN: L24110TG1991PLC012471)

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

Web: www.granulesindia.com, Email: investorrelations@granulesindia.com, Tel: +91-40-30660000.

POSTAL BALLOT NOTICE

Dear Member,

Notice pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the resolution appended below is proposed to be passed by way of postal ballot / e-voting:

1. Approval for Buy-back of Equity Shares of the Company through Tender Route.

The explanatory statement pertaining to the aforesaid resolution setting out the material facts concerning the item and the reasons thereof are annexed hereto along with a Postal Ballot Form (the "**Form**") for your consideration. The Board of Directors of the Company (the "**Board**") has appointed Mr. Dhanunjaya Kumar Alla, Practicing Chartered Accountant as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Members are requested to carefully read the instructions printed on the Form, record their assent (for) or dissent (against) in the Form by filling necessary details and affixing their signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid Business Reply envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 PM on Monday, March 09, 2020. Please note that, Postal Ballot Forms received after 5.00 PM on Monday, March 09, 2020 shall be deemed invalid.

In compliance with the provisions of Sections 108 and 110 of the Act, read with Rules 20 and 22 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), Granules India Limited ("**the Company**") is also offering facility of e-voting to all its Members, as an alternate, to enable them to cast their vote electronically instead of sending the Postal Ballot Form by post. The Company has engaged services of M/s. KFin Technologies Private Limited for providing e-voting facility to all its members. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions at Note No. 9 under the section "Process for e-voting" in this Notice. References to Postal Ballot(s) in this notice include votes received electronically. **Please note that each Member can opt for only one mode of voting i.e., either by Physical Ballot or by E-Voting.** However, in case members cast their vote through both modes, then voting done by e-voting shall prevail and voting cast through physical ballot form shall be treated as invalid.

The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman of the Company.

The results of the Postal Ballot will be declared on Tuesday, March 10, 2020. The said results will be intimated to National Stock Exchange of India Limited and BSE Limited where shares of the Company are listed.

Additionally, the results will also be displayed on the Company's website www.granulesindia.com and on the website of the Registrar and Share Transfer agent at <https://evoting.karvy.com>. The Resolution, if passed by requisite majority, will be taken as passed effectively on the last day of receipt of postal ballot form or e-voting i.e. Monday, March 09, 2020.

SPECIAL BUSINESS:

Item No. 1:

Approval for Buy-back of Equity Shares of the Company through Tender Route:

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

RESOLVED THAT in accordance with Article 60 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and all other applicable provisions of the Companies Act, 2013 (the Act) and applicable rules made thereunder and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended from time to time (SEBI Buyback Regulations) and subject to such other approvals, permissions and sanctions as may be necessary, which may be agreed by the Board of Directors of the Company (herein referred to as the Board which term shall be deemed to include Buy-back Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to buy-back of up to 1,25,00,000 (one crore twenty-five lakh only) fully paid up Equity Shares of the Company having face value of Re. 1/- each (Equity Share(s)) (representing 4.92% of the total number of Fully paid up Equity Shares of the Company), at a price of Rs. 200/- (Rupees Two Hundred only) per Equity Share (Maximum Buy- back Price) payable in cash for a total consideration not exceeding Rs. 250 Crores (Rupees Two Hundred and Fifty Crore only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors/ legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses (Transaction Costs) (hereinafter referred to as Maximum Buy-back Size), which is 17.90% and 16.83% of the total paid-up equity share capital and free reserves (including securities premium account) as per the latest available audited financial statements of the Company for the financial year ended March 31, 2019, on standalone and consolidated basis, respectively, through the Tender Offer route as prescribed under the SEBI Buyback Regulations (the process being referred hereinafter as Buy-back), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date to be decided at a later stage.

RESOLVED FURTHER THAT all eligible existing holders / beneficial owners of the Equity Shares of the Company would be eligible to participate in the Buy-back including promoters and promoter group of the Company (including members thereof) and their associates who hold Equity Shares as on the Record Date.

RESOLVED FURTHER THAT in accordance with the provisions of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buy-back or such number of Equity Shares, entitled as per the shareholding of small shareholders, as on the Record Date, whichever is higher, shall be reserved for the small shareholders holding Equity Shares of the Company.

RESOLVED FURTHER THAT the Buy-back from non-resident shareholders, Overseas Corporate Bodies (OCBs), Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder.

RESOLVED FURTHER THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buy-back;

RESOLVED FURTHER THAT the Company shall implement the Buy-back using the "Mechanism for acquisition of shares through Stock Exchange" as notified by SEBI vide circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular No. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time and the Company shall approach the BSE Limited ("BSE") or National Stock Exchange of India Limited ("NSE") or both BSE and NSE for facilitating the same.

RESOLVED FURTHER THAT the Buy-back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the SEBI Listing Regulations and under the Securities Contracts (Regulation) Rules, 1957.

RESOLVED FURTHER THAT the Board be and is hereby authorised to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, determination of the Buyback Size on a standalone and consolidated basis, time frame for completion of Buyback; appointment of merchant banker, brokers, lawyers, depository participants, escrow agents, bankers, advisors, registrars, scrutinizers, consultants/intermediaries/agencies, as may be required, for the implementation of the Buyback; preparing, finalizing, signing and filing of the public announcement, the draft letter of offer/letter of offer with SEBI, the Stock Exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI and RBI; and initiating all necessary actions for preparation and issue of various documents including public announcement, draft letter of offer, letter of offer, opening, operation and closure of necessary accounts including escrow account, special payment account with the bank, entering into escrow agreements as required under the SEBI Buyback Regulations, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishing Equity Shares bought back by the Company, and filing such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, as may be required to be filed in connection with the Buyback with SEBI, RBI, Stock Exchanges, Registrar of Companies, Depositories and/ or other regulators and statutory authorities as may be required from time to time.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholders to offer and/or any obligation on the part of the Company or the Board to Buyback any shares, and/or impair any power of the Company or the Board to terminate any process in relation to such Buyback, if so permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby empowered and authorised on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and/or any person authorised by the Board may, in its/his/her absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

By Order of the Board of Directors

Hyderabad, January 21, 2020

Chaitanya Tummala
Company Secretary

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all material facts of the businesses specified above is annexed hereto.
2. Only a member who is entitled to vote is entitled to exercise his / her vote through Postal Ballot. Members cannot exercise votes by proxy.
3. Notice is being dispatched to the members by post (and electronically by e-mail to those members who have registered their email IDs with the Company/Depositories), whose names appear in the Register of Members / list of Beneficial Owners received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on January 31, 2020.
4. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on Friday, January 31, 2020 (the cut-off date) and only such Member(s) will be entitled to cast their votes by Postal Ballot or e-voting.
5. Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed and signed in the attached self-addressed, postage prepaid business reply envelope, so as to reach the Scrutinizer not later than close of working hours i.e. 5.00 pm on Monday, March 09, 2020. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted.
6. Members who have received Postal Ballot notice by e-mail and who wish to vote through ballot form can obtain the ballot form from the Registrar and Share Transfer Agents, M/s. KFin Technologies Private Limited, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or from the Company at the Registered Office and fill in the details and send the same to the Scrutinizer by post.

In case a Member is desirous of obtaining duplicate Postal Ballot Form, the Member may write to the Company at its Registered Office.

7. The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman of the Company. The results of the Postal Ballot will be declared on Tuesday, March 10, 2020. The said results will be intimated to National Stock Exchange of India Limited and BSE Limited where shares of the Company are listed. Additionally, the results will also be displayed on the Company's website www.granulesindia.com and on the website of the Registrar and Share Transfer agent at <https://evoting.karvy.com>. The resolution, if passed by the requisite majority, shall be deemed to have been passed on Monday, March 09, 2020 i.e., the last date specified for receipt of duly completed Postal Ballot Forms or e-voting.
8. All the material documents referred to in the explanatory statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by postal ballot/ e-voting.
9. In compliance with Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide e-voting facility to the members, to enable them to cast their vote electronically instead of dispatching the Postal Ballot Form by post. The Company has engaged services of M/s. KFin Technologies Private Limited ("KFin") for providing e-voting facility to all its members. **Please note that each Member can opt for only one mode of voting i.e., either by Physical Ballot or by E-Voting.** However, in case a member casts his vote through both modes, then voting done by e-voting shall prevail and voting cast through physical ballot form shall be treated as invalid.

Process for e-voting:

A. Members who received the notice through e-mail from KFin:

- i. Launch internet browser by typing the following URL: <http://evoting.karvy.com>.
- ii. Enter the login credentials (i.e., User ID and password mentioned in your email/ Form). However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

Details	
User-id	For Members holding shares in Demat form: a. For NSDL : 8 character DP ID followed by 8 digit Client ID b. For CDSL : 16 digit Beneficiary ID/Client ID For Members holding shares in Physical form: Even No. (EVEN) as given in Form followed by Folio No. registered with the Company.
Password	Your unique password as contained in the e-mail / Postal Ballot Form.

- iii. After entering these details appropriately, Click on “LOGIN”.
- iv. You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. After changing password, you need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVENT” i.e. Granules India Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. You may then cast your vote by selecting an appropriate option and click on “Submit”, a confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
- ix. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email-id : dhanu.a@dhhara.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVENT No.”
- x. Members holding shares under multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

B. B. In case of Members receiving Notice by Post:

1. Please use the User ID and initial password as provided in the Form.
2. Please follow all steps from Sr. No. i to x as mentioned in (A) above, to cast your vote.

- C. In case of any query or grievance pertaining to e-voting, please refer to the Help & FAQ's section and E-voting user manual available at the download section of <https://evoting.karvy.com> (KFin e-voting website) and/or call KFin's toll free number 1-800-34-54-001 or send an e mail request to einward.ris@kfintech.com or evoting@karvy.com to enable them to address the issue(s), if any.
- D. The e-voting period commences on February 09, 2020 at 9.00 AM and ends on March 09, 2020 at 5.00 PM In case of any query pertaining to e-voting, please visit Help & FAQ's section of KFin's e-voting website.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

This Explanatory Statement contains relevant and material information in accordance with applicable provisions of the Act and Rules made thereunder to enable the members holding Equity Shares of the Company to consider and approve the proposed Special Resolution.

Item No. 1:

Approval for Buy-back of Equity Shares of the Company through Tender Route:

The Board of Directors of the Company at their meeting held on 21st January, 2020, subject to the consent of the members of the Company, has accorded its consent for the Buy-back of up to 1,25,00,000 (one crore twenty-five lakh only) fully paid up Equity Shares of the Company having face value of Re. 1/- each (Equity Share(s)) (representing 4.92% of the total paid up equity capital of the Company, as on January 21, 2020) at a price of Rs. 200/- (Rupees Two Hundred only) per Equity Share (**Maximum Buy-back Price**) payable in cash for a total consideration not exceeding Rs. 250 Crore (Rupees Two Hundred and Fifty Crore Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors/ legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses (Transaction Costs) (hereinafter referred to as Maximum Buy-back Size), which is 17.90% and 16.83% of the total paid-up equity capital and free reserves (including securities premium account) as per the latest available audited financial statements of the Company for the financial year ended March 31, 2019, on standalone and consolidated basis, respectively, through the Tender Offer route as prescribed under the SEBI Buyback Regulations (the process being referred hereinafter as Buy-back), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date to be decided at a later stage, including those who are promoters, members of promoter group and persons acting in concert (it being understood that the promoter, promoter group, and persons acting in concert will be such persons as have been disclosed under the shareholding pattern filed by the Company from time to time under SEBI Listing Regulations and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

Since the Buy-back is more than 10% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company, in terms of Section 68(2)(b) of the Companies Act, 2013, it is necessary to obtain the consent of the members of the Company by way of a Special Resolution, for the Buy-back. Further, as per Section 110 of the Act read with Rule 22(16)(g) of the Companies (Management and Administration) Rules, 2014, the consent of the members of the Company for the Buy-back may be required to be obtained by means of Postal Ballot (including e-voting). Accordingly, the Company is seeking your consent for the aforesaid proposal as stated in the resolution.

Requisite details relating to the Buy-back are given below:

- a. **Necessity for the Buy-back:** The Buy-back of Equity Shares, through Tender Offer route is being implemented in keeping with the Company's desire to enhance overall shareholders' value. The Buy-back would lead to reduction in outstanding number of Equity Shares and may consequently increase earnings per Equity Share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value. With the above objective in mind, the Board of Directors of the Company at its meeting held on 21st January, 2020, subject to consent of members, has approved Buy-back of up to 1,25,00,000 Equity shares of face value of Re. 1/- each (representing 4.92% of the total paid-up equity share capital of the Company) at a price of Rs. 200/- per Equity Share payable in cash for a total consideration not exceeding Rs. 250 Crores, excluding Transaction Costs.

The Buy-back is a more efficient form of distributing surplus cash to the equity shareholders compared to other alternatives including interim dividend, inter-alia, for the following reasons:

- i. The Buy-back gives an option to the equity shareholders to either participate in the Buy-back and receive cash in lieu of Equity Shares accepted under the Buy-back or not participate in the Buy-back and enjoy a resultant increase in their percentage of shareholding in the Company post the Buy-back;

- ii. The Buy-back would help in improving certain key financial ratios of the Company;
 - iii. The Buy-back which is being implemented through the Tender Offer route as prescribed under the SEBI Buyback Regulations, would involve a reservation for small shareholders as defined in the SEBI Buyback Regulations. As defined in the SEBI Buyback Regulations, a small shareholder is a shareholder who holds Equity Shares having market value, on the basis of closing price on the recognized stock exchange in which highest trading volume in respect of such Equity Shares, as on the Record Date, of not more than Rs. 2.00 lakhs (Rupees two lakhs).
- b. The maximum amount required under the Buy-back and its percentage to the total paid-up capital and free reserves:** The maximum amount required under the Buy-back will not exceed Rs. 250 crore (Rupees Two Hundred and Fifty Crore Only), excluding Transaction Costs, representing 17.90% and 16.83% of the total paid-up equity capital and free reserves (including securities premium account) as per the latest available audited financial statements of the Company for the financial year ended March 31, 2019, on standalone and consolidated basis, respectively.
- c. Maximum Buy-back Price and the basis of arriving at the Maximum Buy-back Price:** The Equity Shares are proposed to be bought back at a price of Rs. 200/- per Equity Share. The Maximum Buy-back Price of Rs. 200/- per Equity Share represents a (i) Premium of 55.35% and 55.56% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during the three months preceding the date of the board meeting to consider the proposal of the Buyback (ii) Premium of 43.65% and 43.02% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during the two weeks preceding the date of the board meeting to consider the proposal of the Buyback and (iii) Premium of 35.92% and 35.87% over the closing market price of the equity shares on BSE and NSE, respectively, preceding the date of the board meeting to consider the proposal of the Buyback.
- d. Maximum Number of Equity Shares that the Company proposes to Buy-back:** The Company proposes to Buy-back up to 1,25,00,000 (One Crore Twenty-Five Lakhs) fully paid-up Equity Shares of face value of Re. 1/- (Rupee One only) each.
- e. Time limit for completing the Buy-back:** The Buy-back, subject to the regulatory consents and approvals, if any, is proposed to be completed within 12 months from the date of passing of special resolution, as detailed herein, by the Members.
- f. Method to be adopted for the Buy-back:** The Buy-back shall be on a proportionate basis from the equity shareholders / beneficial owners of the Equity Shares of the Company through the "Tender Offer" route, as prescribed under the SEBI Buyback Regulations. As required under the SEBI Buyback Regulations, the Company will announce a Record Date for determining the names of the equity shareholders who will be eligible to participate in the Buy-back. In due course, the equity shareholders on the Record Date will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement of the equity shareholder for participating in the Buy-back.

The Equity Shares to be bought back as part of the Buy-back is divided into two categories: i. Reserved category for small shareholders; and ii. General category for all other shareholders. In accordance with Regulation 6 of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back or such number of Equity Shares, entitled as per the shareholding of small shareholders, as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buy-back. On the basis of the holding on the Record Date, the Company will determine the entitlement of each shareholder including small shareholder to tender their shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the Buy-back applicable in the category to which such shareholder belongs. The participation of the equity shareholders of the Company in the Buy-back will be voluntary. Equity shareholders may also tender a part of their entitlement. Equity shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other equity shareholders, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buy-back entitlement to tender Equity Shares in the Buy-back. The maximum tender under the Buy-back by any equity shareholder cannot exceed the number of Equity Shares held by the equity shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in SEBI Buyback Regulations.

The settlement of the tenders under the Buy-back will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time and other relevant rules and regulations.

Subject to shareholders' approval hereunder, detailed instructions for participation in the Buy-back as well as the relevant Schedule of Activities will be included in the Letter of Offer which will be sent in due course to the equity shareholders as on the Record Date. The Buy-back from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Portfolio Investors (FPIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any. All such applicable approvals shall be taken by such non-residents, OCBs, FPIs and foreign shareholders.

g. (i) Aggregate shareholding of the Promoters of the Company (Promoter and Promoter Group) as on the date of the Board meeting and this Postal Ballot Notice, i.e., 21.01.2020:

Name of the Shareholder belonging to the Promoter and Promoter Group	Number of Fully Paid up Equity Shares Held	% of Fully paid up Equity Shares
Krishna Prasad Chigurupati	9,03,29,927	35.53%
Uma Devi Chigurupati	99,02,860	3.89%
Priyanka Chigurupati	19,57,598	0.77%
Pragnya Chigurupati	19,73,020	0.78%
Suseela Devi Chigurupati	1,66,000	0.06%
Santhi Sree Ramanavarapu	9,17,200	0.36%
Tyche Investments Pvt Ltd.	38,07,096	1.50%
Yedaguri Nikhila Reddy	29,500	0.01%
Total Shareholding of Promoters	10,90,83,201	42.90%

(ii) Aggregate shareholding of the Directors of Promoters and of persons who are in control of the Company as on the date of the Board meeting and this Postal Ballot Notice, i.e., January 21, 2020: No Directors of Promoters and of persons who are in control of the Company holds any Equity Shares of the Company, except Mr. Krishna Prasad Chigurupati and Mrs. Uma Devi Chigurupati, details of which are as under:

Name of Shareholder	No. of Equity Shares	% Shareholding
Krishna Prasad Chigurupati	9,03,29,927	35.53%
Chigurupati Uma Devi	99,02,860	3.89%
Total	10,02,32,787	39.42%

h. Aggregate number of Equity Shares purchased or sold as well as minimum and maximum price at which such purchases and sales were made along with relevant dates by Promoters and Promoter Group and Directors of Promoters and of persons who are in control of the company for a period of six months preceding the date of the Board Meeting i.e. January 21, 2020 at which the Buy-back was approved till the date of this notice: No Equity Share was purchased or sold by Promoters and Promoter Group and Directors of Promoters and of persons who are in control of the Company for a period of six months preceding the date of the Board Meeting i.e. January 21, 2020 at which the Buy-back was approved till the date of this notice.

i. Intention of the Promoters and Promoter Group of the Company to tender Equity Shares in the Buy-back:

In terms of the SEBI Buyback Regulations, the Promoters and Promoter Group of the Company, have the option to participate in the Buy-back. In this regard, the Promoter and Promoter Group entities and persons in control of the Company have expressed their intention to participate in the Buy-back. Each promoter entity intends to offer up to their respective shareholding as on the Record Date, or such lower number of shares as required in compliance with the SEBI Buyback Regulations / terms of the Buy-back. The promoter entities have not been involved in any transactions and there has been no change in their holdings for the last six months prior to the date of the Board Meeting at which the Buyback was approved and from the date of the Board Meeting till the date of this notice.

Details of the date and price of acquisition of the Equity Shares held by the Promoters, who are participating in the Buy-back are given below:

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Krishna Prasad Chigurupati				
30-03-1994	Purchase	3,04,182	10.00	10
10-10-1994	Purchase	3,74,700	10.00	10
15-11-1995	Purchase	3,79,450	20.00	10
14-08-1996	Purchase	1,200	22.00	10
16-10-2000	Sale	77,400	23.00	10
09-06-2001	Shares acquired upon merger of Triton Laboratories Limited	13,63,667	0.00	10
15-05-2002	Purchase	14,02,524	14.26	10
14-06-2002	Purchase	10,51,894	14.26	10
26-12-2002	Sale	10,000	29.00	10
30-12-2002	Sale	1,00,000	29.28	10
31-12-2002	Sale	1,45,000	30.28	10
01-01-2003	Sale	50,000	31.05	10
02-01-2003	Sale	2,00,000	35.92	10
03-01-2003	Sale	2,50,000	40.50	10
07-01-2003	Sale	1,00,000	40.10	10
08-01-2003	Sale	1,00,000	38.50	10
09-01-2003	Sale	45,000	38.15	10
13-05-2003	Sale	2,00,000	48.18	10
14-05-2003	Sale	3,00,000	50.73	10
19-01-2007	Purchase	1,94,037	102.50	10
26-03-2007	Transferred as Gift	42,000	0.00	10
03-05-2007	Transferred as Gift	44,000	0.00	10
19-06-2007	Purchase	10,00,180	102.50	10
03-04-2008	Purchase	50,000	90.98	10
03-05-2008	Purchase	25,000	90.64	10
03-07-2008	Purchase	7,000	86.71	10
13-03-2008	Purchase	4,000	83.75	10
14-03-2008	Purchase	4,736	81.08	10
17-03-2008	Purchase	4,000	79.25	10
18-03-2008	Purchase	264	71.97	10
28-03-2008	Sale	6,82,927	102.50	10
30-06-2008	Transferred as gift	50,000	0.00	10
15-07-2008	Purchase	28,512	47.90	10
16-07-2008	Purchase	5,18,960	50.00	10
17-07-2008	Purchase	2,778	52.96	10
18-07-2008	Purchase	2,061	52.96	10
28-07-2008	Purchase	642	52.96	10
29-07-2008	Purchase	2,420	52.96	10
30-07-2008	Purchase	3,27,565	52.96	10
06-10-2010	Purchase	55,000	103.24	10
12-10-2010	Purchase	2,50,000	107.38	10
13-10-2010	Purchase	75,000	106.20	10
01-11-2010	Purchase	1,67,173	92.17	10
03-11-2010	Purchase	2,877	92.97	10
15-02-2011	Purchase	4,043	92.17	10
16-02-2011	Purchase	3,438	92.17	10
17-02-2011	Purchase	10,987	90.47	10
24-03-2011	Purchase	1,50,000	92.41	10
29-03-2011	Purchase	2,90,000	93.00	10
10-05-2011	Purchase	2,20,000	91.00	10
30-03-2012	Purchase	6,53,700	79.09	10
02-07-2013	Purchase	9,33,364	130.33	10

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
12-08-2013	Purchase	4,511	132.78	10
	Sub Total	74,73,538		
24-03-2015	Split (from Rs. 10/- to Re. 1/-)	7,47,35,380		
31-10-2015	Purchase	40,95,230	84.91	1
12-02-2016	Received as gift	4,00,000	0.00	1
16-02-2017	Sale	75,51,000	122.00	1
09-10-2017	Purchase	2,85,450	125.42	1
24-11-2017	Purchase	1,43,463	125.50	1
22-03-2018	Purchase	2,32,21,404	101.85	1
08-03-2019	Sale	50,00,000	101.08	1
	Total	9,03,29,927		

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Uma Devi Chigurupati				
10-10-1994	Purchase	3,61,000	10.00	10
15-11-1995	Purchase	20,000	20.00	10
09-06-2001	Shares acquired upon merger of Triton Laboratories Limited	2,11,400	0.00	10
21-05-2004	Purchase	1,65,600	83.00	10
	Sub Total	7,58,000		
24-03-2015	Split (from Rs. 10/- to Re. 1/-)	75,80,000		
09-10-2017	Purchase	30,000	126.27	1
24-11-2017	Purchase	15,200	125.40	1
20-12-2017	Received as gift	22,77,660	0.00	1
	Total	99,02,860		

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Priyanka Chigurupati				
18-07-1991	Purchase	1,875	10.00	10
13-02-1992	Purchase	25,000	10.00	10
20-02-1995	Purchase	2,500	10.00	10
15-11-1995	Purchase	5,750	20.00	10
09-06-2001	Shares acquired upon merger of Triton Laboratories Limited	30,687		10
21-05-2004	Purchase	82,800	83.00	10
26-03-2007	Received as gift	21,000	0.00	10
30-06-2008	Received as gift	25,000	0.00	10
	Sub Total	1,94,612		
24-03-2015	Split (from Rs. 10/- to Re. 1/-)	19,46,120		
03-11-2015	Purchase	150	147.41	1
08-12-2015	Purchase	101	147.41	1
18-12-2015	Purchase	385	156.02	1
06-05-2016	Purchase	300	126.21	1
23-05-2016	Purchase	300	129.12	1
01-09-2016	Purchase	542	129.02	1
10-01-2017	Purchase	2,500	104.80	1
03-10-2017	Purchase	3,500	114.00	1
11-06-2018	Purchase	3,700	80.85	1
	Total	19,57,598		

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Praygna Chigurupati				
18-07-1991	Purchase	1,875	10.00	10
13-02-1992	Purchase	25,000	10.00	10
20-02-1995	Purchase	2,500	10.00	10
15-11-1995	Purchase	7,050	20.00	10
09-06-2001	Shares acquired upon merger of Triton Laboratories Limited	30,687	0.00	10
21-05-2004	Purchase	82,800	83.00	10
26-03-2007	Received as gift	21,000	0.00	
30-06-2008	Received as gift	25,000	0.00	
	Sub Total	1,95,912		
24-03-2015	Split (from Rs. 10/- to Re. 1/-)	19,59,120		
20-11-2015	Purchase	400	150.28	1
10-01-2017	Purchase	4,800	104.41	1
02-11-2018	Purchase	3,875	103.74	1
16-11-2018	Purchase	4,825	100.73	1
	Total	19,73,020		

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Suseela Devi Chigurupati				
02-11-1992	Purchase	100	10	10
20-02-1995	Purchase	1,500	10	10
15-11-1995	Purchase	12,300	20	10
20-02-2007	Purchase	1,100	100.85	10
16-02-2011	Purchase	1,000	92.17	10
21-11-2012	Purchase	500	158.5	10
14-02-2014	Transferred as gift	10,000	0.00	10
11-07-2014	Received vide transmission	10,100	0.00	10
	Sub Total	16,600		
24-03-2015	Split (from Rs. 10/- to Re. 1/-)	1,66,000		1
	Total	1,66,000		

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Shanthi Sree Ramanavarapu				
30-10-2014	Received vide transmission	83,500	0.00	10
10.11.2014	Purchase	200	781.90	10
24.11.2014	Purchase	100	785.50	10
	Sub Total	83,800		
24-03-2015	Split (from Rs. 10/- to Re. 1/-)	8,38,000		
29-07-2015	Purchase	10,000	118.84	1
21-08-2015	Purchase	1,000	124.42	1
24-08-2015	Purchase	4,000	115.85	1
25-08-2015	Purchase	1,800	103.23	1
31-08-2015	Purchase	10,000	125.43	1
02-09-2015	Purchase	3,000	121.06	1
03-09-2015	Purchase	5,000	122.17	1
04-09-2015	Purchase	10,000	117.85	1
08-09-2015	Purchase	1,600	106.54	1
10-09-2015	Purchase	100	110.12	1
15-09-2015	Purchase	2,000	115.85	1
16-09-2015	Purchase	5,000	116.00	1
21-09-2015	Purchase	1,500	121.14	1

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
22-09-2015	Purchase	7,000	132.65	1
23-09-2015	Purchase	3,000	134.36	1
24-09-2015	Purchase	3,400	142.78	1
10-11-2015	Purchase	5,000	145.58	1
04-12-2015	Purchase	2,500	154.70	1
07-12-2015	Purchase	2,500	155.81	1
09-12-2015	Purchase	800	149.67	1
	Total	9,17,200		

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Tyche Investments Private Limited				
15.08.2001	Purchase	66,200	12.56	10
	Sub Total	66,200		
24-03-2015	Split (from Rs. 10/- to Re. 1/-)	6,62,000		
30-03-2016	Purchase	72,55,000	95.30	1
28-12-2016	Purchase	39,17,454	95.30	1
16-02-2017	Purchase	75,51,000	122.00	1
23-03-2017	Purchase	74,83,546	95.30	1
09-10-2017	Purchase	1,06,000	126.42	1
24-11-2017	Purchase	53,500	126.11	1
22-03-2018	Sale	2,32,21,404	101.85	1
	Total	38,07,096		

Date of Transaction	Nature of Transaction	Number of Equity Shares	Consideration (per Share)	Face Value
Yedaguri Nikhila Reddy				
30-12-2015	Purchase	29,500	149.80	1
	Total	29,500		

The Buyback will not result in any benefit to the Promoters or any Directors of the Company except to the extent of cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as Equity Shareholders of the Company and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the Equity Share Capital of the Company post Buyback.

- j. No Defaults:** The Company confirms that there are no defaults made or subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of term loans/interest payable thereon to any financial institution or Banks.
- k. Confirmation that the Board of Directors have made full enquiry into the affairs and prospects of the Company and that they have formed the opinion to the effect that the Company, after Buy-back will continue to be able to meet its liabilities and will not be rendered insolvent:** The Board of Directors of the Company have made full enquiry into the affairs and prospects of the Company and have formed the opinion:
- That immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts;
 - That as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot approving the Buy-back will be declared, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or as the case may be, within a period of one year from the date on which the results of the Postal Ballot will be declared;

- iii. In forming an opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 as applicable (including prospective and contingent liabilities);
- iv. That the debt equity ratio of the Company after the Buy-back will be within the limit of 2:1 as prescribed under the Act.

1. Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency

The text of the Report dated January 21, 2020 of B S R & Associates LLP, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

The Board of Directors
Granules India Limited
2nd Floor, 3rd Block,
My Home Hub, Madhapur,
Hyderabad – 500081
Telangana

Statutory Auditor's Report in respect of the proposed buy-back of equity shares by Granules India Limited ('the Company') in terms of clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "SEBI buy-back Regulations").

1. This report is issued in accordance with the terms of the addendum dated 16 January 2020 to our engagement letter dated 11 July 2019.
2. The Board of Directors of the Company have approved a proposal for buy-back of equity shares by the Company at its meeting held on 21 January 2020, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013, as amended ('the Act') and the SEBI buy-back Regulations.
3. We have been requested by the management of the Company (the 'Management') to provide a report on the accompanying statement of permissible capital payment (including premium) ('Annexure A') as at 31 March 2019 (hereinafter referred together as the 'Statement'). This Statement is prepared by the Management, which we have initialed for identification purposes only.

Management's Responsibility

4. The preparation of the Statement in accordance with Section 68(2) of the Act, and the compliance with the SEBI buy-back Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment (including premium), the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's responsibility

5. Pursuant to the requirements of the SEBI buy-back Regulations, it is our responsibility to provide reasonable assurance:
 - i) whether we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended 31 March 2019;
 - ii) if the amount of permissible capital payment (including premium) as stated in Annexure A for the proposed buy-back of equity shares, has been properly determined considering the audited standalone and consolidated financial statements of the Company as at and for the year ended 31 March 2019 in accordance with Section 68(2) of the Act; and the proviso to Regulation 5(i)(b) of the SEBI buy-back regulations; and
 - iii) if the Board of Directors in their meeting held on 21 January 2020, have formed the opinion as specified in clause (x) of Schedule I to the SEBI buy-back Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date.

6. The standalone and consolidated financial statements referred to in paragraph 5 above, which we have considered for the purpose of this report, have been audited by us, on which we have issued an unqualified audit report dated 9 May 2019. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on inquiries conducted and our examination as above, we report that:
 - i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements of the Company as at and for the year ended 31 March 2019, which have been approved by Board of Directors of the Company on 9 May 2019;
 - ii) The amount of permissible capital payment (including premium) towards the proposed buy back, up to 1,25,00,000 equity shares, as computed in the Statement attached herewith as Annexure A, in our view, has been properly determined in accordance with Section 68(2) of the Act and the proviso to Regulation 5(i)(b) of the SEBI buy-back regulations. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements of the Company as at and for year ended 31 March 2019; and
 - iii) The Board of Directors of the Company, in their meeting held on 21 January 2020 have formed their opinion as specified in clause (x) of Schedule I to the SEBI buy-back Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated 21 January 2020.

Restrictions on use

10. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Companies Act, 2013 and the SEBI buy-back Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers, each for the purpose of extinguishment of equity shares in pursuance to the provisions of Section 68 and other applicable provision of the act and the SEBI buy-back Regulations and may not be suitable for any other purpose.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

Sriram Mahalingam

Partner

Membership No: 049642

UDIN: 20049642AAAAAH3398

Place: Hyderabad

Date: January 21, 2020

Annexure A- Statement of Permissible Capital Payment

Computation of amount of permissible capital payment (including premium) towards buyback of equity shares in accordance with Section 68 of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

(Amounts in INR Lakhs)

Particulars	Standalone	Consolidated
Paid up equity capital as at 31 March 2019(A)	2,542.48	2,542.48
Free reserves as at 31 March 2019*:		
- Securities premium reserve	62,520.54	62,520.54
- General reserve	30,786.74	30,786.74
- Retained earnings	43,768.43	52,715.35
Total free reserves (B)	137,075.71	146,022.63
Total paid up equity capital and free reserves (A+B)	139,618.19	148,565.11
Maximum amount permissible for buyback under Section 68 of the Act, i.e. 25% of the total paid up capital and free reserves	34,904.55	37,141.28

*Free reserves as defined in Section 2(43) of the Act read along with Explanation II provided in Section 68 of the Act.

Note:

1. The aforesaid balances have been extracted accurately from the audited standalone and consolidated financial statements of the Company for the year ended 31 March 2019.
2. As per Section 68, free reserves include securities premium for the purposes of the aforesaid computation.
3. The aforesaid statement has been prepared in connection with the proposed buy-back of 1,25,00,000 equity shares at a price of INR 200 per share aggregating to INR 25000 lakhs. The shares proposed for buy-back have been determined in accordance with the provisions of the Companies Act, 2013 including Section 68 and the SEBI Buyback Regulations.
4. The Board of Directors have in their meeting dated 21 January 2020, formed opinion on reasonable grounds that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.

In the opinion of the Board, the proposal for Buy-back is in the interest of the Company and its equity shareholders. The Directors, therefore, recommend passing of the Special Resolution as set out in the Notice for your approval.

None of the Directors and Key Managerial Personnel(s) of the Company and their respective relatives may be deemed to be concerned or interested, financially or otherwise, in the above resolution, except to the extent of their respective interest as holders of Equity Shares, if any, in the Company.

The Board recommends passing of the said Resolution, as set out at item No. 1 in the Notice, as a Special Resolution, in the interest of the Company.

By Order of the Board of Directors
FOR GRANULES INDIA LIMITED

CHAITANYA TUMMALA
Company Secretary
Hyderabad, January 21, 2020

Registered Office:
02nd Floor, 03RD Block,
My Home Hub, Madhapur
Hyderabad – 500 081