CIPLA LIMITED

Registered Office: Mumbai Central, Mumbai - 400 008.
Tel.: (022) 23025272, Fax: (022) 23008101
Email: cosecretary@cipla.com, Website: www.cipla.com

To the Members,
Cipla Limited

As required under the provisions of section 302 of the Companies Act, 1956, the following is the abstract of the terms and conditions of appointment of managerial personnel.

It has been unanimously decided by the Board of Directors (the "Board") at the meeting held on 13th March 2014 to appoint Mr. Rajesh Garg, as an Additional Director of the Company with effect from 1st April 2014. It has also been unanimously decided to appoint Mr. Rajesh Garg as Whole-time Director of the Company designated as "Executive Director and Global Chief Financial Officer" for a period of five years commencing from 1st April 2014 and concluding on 31st March 2019 and on the terms and conditions as stipulated in the employment agreement.

Mr. Rajesh Garg, aged 46 years has a BE from Punjab University and an MBA from Manchester Business School and University of Chicago, Graduate School of Business. He has rich work experience of over 22 years from diverse industries such as FMCG, Manufacturing and Retail industry across North & South America, Europe, Asia and India. The Company had initially appointed Mr. Rajesh Garg as Global Chief Financial Officer of the Company with effect from 3rd June 2013 ("Joining Date"). He is not related to any director of the Company. As on date, he does not hold any equity share in the Company.

The terms and conditions of Mr. Rajesh Garg's employment, including remuneration (as stipulated in the said employment agreement) is abstracted below. The remuneration set out below is within the ceiling limits laid down in sections 198 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable).

A Fixed Salary: Mr. Rajesh Garg shall be entitled to an annual salary of ₹ 3,81,92,004 ("Fixed Salary"). The Fixed Salary is gross of income tax and any contribution to be made under the provisions of the Employee Provident Fund and Miscellaneous Provisions Act, 1952.

B Sign-on Bonus: Mr. Rajesh Garg shall be paid an amount of ₹ 50,00,000 payable on the completion of 12 months from the Joining Date.

C Variable Bonus: Mr. Rajesh Garg's target variable bonus is ₹ 1,05,00,000 per financial year which shall be paid if Mr. Rajesh Garg achieves certain agreed quantitative and qualitative Key Performance Indicators (KPIs). In any given year, the actual variable bonus that would be paid to Mr. Rajesh Garg will vary from 0 to 100% of the Fixed Salary, depending on Mr. Rajesh Garg's performance evaluated against the KPIs. Any variable bonus shall be paid at the discretion of the Company.

D Accommodation: Company provided leased housing of a value of up to ₹ 7,00,000 per month or House Rent Allowance in lieu thereof. This amount has been included in the Fixed Salary. In the event the actual value of company provided leased accommodation is lower, the difference between the aforesaid amount of ₹ 7,00,000 and actual lease payment shall be paid over as salary to Mr. Rajesh Garg.

E Other Perquisites:

- Life insurance for Mr. Rajesh Garg and health insurance for Mr. Rajesh Garg and his immediate family. Appropriate directors and officers insurance policy for Mr. Rajesh Garg.
- Appropriate corporate club membership for Mr. Rajesh Garg.

F Stock Options: Mr. Rajesh Garg is entitled for stock options in accordance with the Employee Stock Option Scheme 2013-B ("ESOS 2013-B") dated 16th September 2013, which has received the approval of the shareholders of the Company. ESOS 2013-B entitles Mr. Rajesh Garg to 5,22,194 equity shares of the Company over a period of 5 years from the grant date (16th September, 2013).

G The Board may (based on merit and other relevant factors) subject to the limits on remuneration of directors specified under applicable laws, approve such increments to the remuneration and benefits as it deems fit from time to time.

H The Board is authorised to fix actual remuneration and revise it from time to time within the aforesaid ceilings.

I If in any financial year during the currency of tenure of Mr. Rajesh Garg, the Company has no profits or its profits are inadequate, Mr. Rajesh Garg shall be entitled to minimum remuneration by way of fixed salary, perquisites and allowances not exceeding the ceiling limit specified under paragraph 1 of section II, Part II of Schedule XIII to the Companies Act, 1956 and in addition thereto, the appointee shall also be eligible to the perquisites and allowances not exceeding the limits specified under paragraph 2 of section II, Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be specified by the Central Government from time to time as minimum remuneration.

J This appointment as Whole-time Director is liable for termination by either party giving six month's prior notice in writing to the other or pro-rata Fixed Salary in lieu of notice.

The appointment of Mr. Rajesh Garg as Whole-time Director of the Company as aforesaid is subject to the approval of the shareholders of the Company in a general meeting.

Agreement executed between the Company and Mr. Rajesh Garg for his appointment as Whole-time Director is available for inspection at the Registered Office of the Company [Registered Office with effect from 1st April 2014 : Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, Tel.: (022) 24826000, Fax : (022) 24826893] on all working days between 10.00 a.m. and 12.30 p.m.

MEMORANDUM OF INTEREST

Except Mr. Rajesh Garg, none of the Directors of the Company are concerned or interested in the above mentioned appointment.

By order of the Board
For **Cipla Limited**

Mumbai
28th March 2014

Mital Sanghvi
Company Secretary

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अन्तर्देशीय पत्र कार्ड

INLAND LETTER CARD

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भेजनेवालेका नाम और पता

(SENDER'S NAME AND ADDRESS)

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