

Cipla

Seventy-Seventh Annual Report

2012-2013

As in the past, Cipla has made a special effort to produce this report at a low cost, without compromising its quality or contents leading to a saving of ₹27 lakhs. This amount has been donated to Cipla Foundation.

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Cipla Limited

Founder

Dr. K.A. Hamied
(1898-1972)

Chairman

Dr. Y.K. Hamied

Managing Director

Mr. M.K. Hamied

Chief Executive Officer

Mr. Subhanu Saxena

Whole-time Director

Mr. S. Radhakrishnan

Non-Executive Directors

Dr. H.R. Manchanda

Mr. Ramesh Shroff

Mr. V.C. Kotwal

Mr. M.R. Raghavan

Mr. Pankaj Patel

Dr. Ranjan Pai

Bankers

Bank of Baroda

Canara Bank

Corporation Bank

Indian Overseas Bank

Standard Chartered Bank

The Hongkong & Shanghai Banking
Corporation Limited

Union Bank of India

Auditors

V. Sankar Aiyar & Co.

R.G.N. Price & Co.

Registered Office

Mumbai Central, Mumbai 400 008

Website

www.cipla.com

NOTICE

NOTICE is hereby given that the SEVENTY-SEVENTH ANNUAL GENERAL MEETING of CIPLA LIMITED will be held at Y.B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai-400 021, on Thursday, 22nd August 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March 2013, the Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March 2013.
3. To appoint a Director in place of Mr. M.R. Raghavan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pankaj Patel who retires by rotation and being eligible, offers himself for re-appointment.
5. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. Ramesh Shroff, who retires by rotation and does not seek re-appointment.
6. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

“RESOLVED THAT M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Reg. No. 109208W) together with M/s. R.G.N. Price & Co., Chartered Accountants (Firm Reg. No. 002785S), be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting upon such remuneration, taxes and out of pocket expenses, as may be fixed by the Board of Directors of the Company in mutual consultation with the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to appoint Auditors for the Company's branch office(s) (whether now or as may be established) in terms of section 228 of the Companies Act, 1956 in consultation with the Auditors of the Company to examine and audit the accounts for the financial year ending on 31st March 2014 upon such remuneration, terms and conditions as the Board of Directors may deem fit.”

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Subhanu Saxena be and is hereby appointed as a Director of the Company with effect from the commencement of this Annual General Meeting.”

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT subject to the approval of the Central Government and in pursuance of the provisions of sections 269, 198, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (“the Act”), the Company in general meeting hereby approves, confirms and ratifies the appointment of Mr. Subhanu Saxena as the Managing Director of the Company designated as “Managing Director and Global Chief Executive Officer”, with the benefit of continuity of service of Mr. Subhanu Saxena as agreed to by the Board and the appointee, for a period of five years commencing from 16th July 2013 and concluding on 15th July 2018 and on the terms and conditions as stipulated in employment agreement dated 15th July 2013 between the Company and Mr. Subhanu Saxena, which agreement be and is hereby approved, ratified and confirmed. The terms and conditions of Mr. Subhanu Saxena's employment, including remuneration (as stipulated in the said employment agreement) is abstracted below:

- A. Annual Basic Salary: USD 1,500,000 (equivalent to approximately ₹8,98,50,000 at the prevailing currency exchange rates as on date). Additionally, in the event that Mr. Subhanu Saxena becomes liable to payment of tax in any foreign country on account of extended overseas travel undertaken by Mr. Subhanu Saxena on behalf of the Company, the Company will be obliged to gross-up such amount of tax.
- B. Sign on Bonus of USD 500,000 (equivalent to approximately ₹2,99,50,000 at the prevailing currency exchange rates as on date) payable on completion of 12 months of service.

NOTICE *contd.*

- C. Variable Bonus: Mr. Subhanu Saxena's target variable bonus is USD 750,000 (equivalent to approximately ₹4,49,25,000 at the prevailing currency exchange rates as on date), per financial year which shall be paid if Mr. Subhanu Saxena achieves certain agreed quantitative and qualitative Key Performance Indicators (KPIs). In any given year, the actual variable bonus that would be paid to Mr. Subhanu Saxena will vary from 0 to 100% of the Annual Basic Salary, depending on Mr. Subhanu Saxena's performance evaluated against the KPIs.
- D. Currency Rate Adjustment: Mr. Subhanu Saxena's remuneration is denominated in US dollars in the said employment agreement and is to be converted to INR on the basis of the exchange rate prevailing on the date immediately preceding the date of payment. To account for significant exchange rate fluctuations (of more than 10% on an annual basis with reference to a reference rate of USD 1 = ₹54), a mechanism has been agreed and set out in the employment agreement.
- E. Accommodation and Car: Mr. Subhanu Saxena is entitled to leased housing in Mumbai (including any utilities such as gas, electricity, water charges, etc) together with a leased car along with a chauffeur, upto an aggregate limit of ₹1,59,60,000 per annum. Fuel cost to be reimbursed at actuals.
- F. Other Perquisites:
 - a. Life insurance for Mr. Subhanu Saxena and health insurance for Mr. Subhanu Saxena and his immediate family. Appropriate directors and officers insurance policy for Mr. Subhanu Saxena.
 - b. Appropriate corporate club membership for Mr. Subhanu Saxena and his family.
 - c. Family travel allowance in the form of 4 (four) return business class air-tickets between Europe and Mumbai on an annual basis.
- G. Stock Options: Mr. Subhanu Saxena is entitled for stock options in accordance with the Employee Stock Option Scheme dated 9th April 2013 ("ESOS 2013"), which has received the approval of the shareholders of the Company. ESOS 2013 entitles Mr. Subhanu Saxena to 10,00,000 equity shares of the Company over a period of 5 years from the grant date.
- H. The total remuneration including perquisites shall not exceed the limits specified in Schedule XIII to the Act.
- I. The Board is authorised to fix actual remuneration and revise it from time to time within the aforesaid ceilings.
- J. If in any financial year during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the appointee shall be entitled to minimum remuneration by way of basic salary, perquisites and allowances not exceeding the ceiling limit specified under paragraph 1 of section II, Part II of Schedule XIII to the Act and in addition thereto, 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 Act or such other limits as may be specified by the Central Government from time to time as minimum remuneration.
- K. This appointment as Managing Director is liable for termination by either party giving six months' notice in writing to the other or pro-rata Basic Salary in lieu of notice.

RESOLVED FURTHER THAT in the event of the approval of the Central Government stipulating any changes with respect to the payment of remuneration to the appointee, the Board of Directors of the Company be and is hereby authorised to vary the remuneration in accordance therewith to the extent and in the manner as may be agreed to by the appointee.

AND RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the resolution hereof."

- 9. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as a Special Resolution:
"RESOLVED THAT in pursuance of sections 198, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 ("the Act"), the Company hereby approves, ratifies and confirms the appointment of Mr. M.K. Hamied as Whole-time Director of the Company designated as "Executive Vice-Chairman" for a period of two years commencing on 16th July 2013 and ending on 15th July 2015 with the benefit of continuity of service subject to the remuneration not exceeding the limits laid down under sections 198 and 309 of the Act and on mutually agreed terms and conditions stated hereunder and also as set out in the letter of appointment dated 15th July 2013 issued by the Company constituting the contract of appointment which contract be and is hereby approved, ratified and confirmed:

NOTICE *contd.*

- A. Salary: ₹10,00,000 p.m. with liberty to the Board of Directors to sanction such increase as it may in its absolute discretion determine from time to time provided that the salary does not exceed ₹20,00,000 p.m. during the tenure.
- B. Accommodation: Rent-free furnished accommodation or 60% of the salary as house rent allowance in lieu of accommodation. The appointee shall also be eligible for maintenance of accommodation including furniture, fixtures and furnishings and reimbursement of expenses incurred on gas, electricity and water.
- C. Perquisites: The appointee shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called "perquisites") such as medical reimbursement, leave travel assistance/allowance, membership fees of clubs, hospitalisation and accident insurance and any other perquisites as per the policy/rules of the Company in force or as may be approved by the Board from time to time.

In addition to the above, the appointee shall also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

(i) Company maintained car(s) with driver(s) or cash equivalent thereof; (ii) Telecommunication facilities at residence; (iii) Company's contribution to Provident Fund and Superannuation Fund; (iv) Payment of gratuity and other retiral benefits and (v) Encashment of leave.

- D. Commission: The appointee shall also be entitled to, in addition to the aforesaid salary and perquisites, commission as may be fixed by the Board after profits of the Company are ascertained each year subject to minimum of ₹1,00,00,000 each year so however the overall remuneration for all the managerial personnel does not exceed the limits prescribed under sections 198 and 309 of the Act and Schedule XIII as may be applicable from time to time with liberty to pay such commission in one or more installments entirely at the discretion of the Board.
- E. The Board is authorised to fix actual remuneration and revise it from time to time within the aforesaid ceilings.
- F. If in any financial year during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the appointee shall be entitled to minimum remuneration by way of basic salary, perquisites and allowances not exceeding the ceiling limit specified under paragraph 1 of section II, Part II of Schedule XIII to the Act and in addition thereto, he 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 Act or such other limits as may be specified by the Central Government from time to time as minimum remuneration.
- G. This appointment as Whole-time Director is liable for termination by either party by giving three months' notice in writing to the other.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ashok Sinha be and is hereby appointed as a Director of the Company with effect from the commencement of this Annual General Meeting liable to retire by rotation."

- 11. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT in modification of Resolution No. 6 passed at the Annual General Meeting of the Company held on 25th August 2010 and pursuant to the provisions of section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force) and as approved by the Board of Directors of the Company ("Board") and subject to the approval of Central Government, the Company in general meeting hereby accords its prior consent to the revision in the terms of remuneration of Mr. Kamil Hamied, a relative of Mr. M.K. Hamied, Director of the Company designated as "Chief Strategy Officer" (or any other designation and role which the Board/Committee of the Board may decide from time to time) by way of an increase in the payment of monthly salary (inclusive of all allowances and perquisites), with effect from 1st September 2013, for the remainder of the tenure of his appointment i.e. upto 25th August 2015, being not more than ₹25,00,000 as may be and in the manner finalized by the Board in consultation with the appointee.

NOTICE *contd.*

RESOLVED FURTHER THAT in addition to the aforesaid monthly salary, Mr. Kamil Hamied be also entitled to a performance bonus not exceeding 25% of his annual salary depending on his performance.

RESOLVED FURTHER THAT the Board be and is hereby authorised to represent the Company before the Central Government and to agree to or accept any variations in the terms of the appointment as may be suggested by the Central Government.

AND RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the resolution hereof."

12. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT in modification of Resolution No. 7 passed at the Annual General Meeting of the Company held on 25th August 2011 and pursuant to the provisions of section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force) and as approved by the Board of Directors of the Company ("Board") and subject to the approval of Central Government, the Company in general meeting hereby accords its prior consent to the revision in the terms of remuneration of Mrs. Samina Vaziralli, a relative of Mr. M.K. Hamied, Director of the Company designated as "Head Strategic Projects – Cipla New Ventures" (or any other designation and role which the Board/Committee of the Board may decide from time to time) by way of an increase in the payment of monthly salary (inclusive of all allowances and perquisites), with effect from 1st September 2013, for the remainder of the tenure of her appointment i.e. upto 31st July 2017, being not more than ₹20,00,000 as may be and in the manner finalized by the Board in consultation with the appointee.

RESOLVED FURTHER THAT in addition to the aforesaid monthly salary, Mrs. Samina Vaziralli be also entitled to a performance bonus not exceeding 25% of her annual salary depending on her performance.

RESOLVED FURTHER THAT the Board be and is hereby authorised to represent the Company before the Central Government and to agree to or accept any variations in the terms of the appointment as may be suggested by the Central Government.

AND RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the resolution hereof."

13. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956, as amended or modified from time to time, the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended or modified from time to time (hereinafter referred to as "SEBI Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Company be and are hereby accorded respectively to the Employee Stock Option Scheme 2013-A ("ESOS 2013-A") and to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time up to a total of 84,44,528 stock options to the benefit of such employees who are in permanent employment of the Company, including any Director of the Company, whether whole-time or otherwise, except an employee/director who is a promoter or belongs to the promoter group as defined in SEBI Guidelines and a director who either by himself or through his relative/any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, under ESOS 2013-A exercisable into equal number of equity shares of face value of ₹2 each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the law or guidelines issued by the relevant authorities.

NOTICE *contd.*

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOS 2013-A or allot equity shares to a Trust which may be set-up by the Board to administer ESOS 2013-A or any other schemes of the Company and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s), including rights issues, bonus issues, merger, sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 84,44,528 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under ESOS 2013-A shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹2 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board is be and is hereby authorised, to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable in connection with formation, funding, including any contribution to be made by the Company, administration, operation, etc. of a Trust, incur any and all such expenses, in relation to or for implementing the ESOS 2013-A, listing of the shares allotted under the ESOS 2013-A on the Stock Exchanges where the shares of the Company are listed as per the provisions of the Listing Agreement with the Stock Exchanges concerned, the SEBI Guidelines and other applicable laws and regulations.

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in ESOS 2013-A as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

14. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956, as amended or modified from time to time, the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended or modified from time to time, (hereinafter referred to as “SEBI Guidelines”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time to the benefit of such employees who are in permanent employment of the subsidiary companies, including any Director of the subsidiary companies, whether whole-time or otherwise, whether working in India or outside India, options within the overall ceiling of 84,44,528 as mentioned in Resolution No. 13 above, under Employee Stock Option Scheme 2013-A (“ESOS 2013-A”), exercisable into equal number of equity shares of face value of ₹2 each fully paid up, in one or more tranches, on such terms and conditions and in such manner as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOS 2013-A or allot equity shares to a Trust which may be set-up by the Board to administer ESOS 2013-A or any other schemes of the Company and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s), including rights issues, bonus issues, merger, sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 84,44,528 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

NOTICE *contd.*

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under ESOS 2013-A shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹2 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised, to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable in connection with formation, funding, including any contribution to be made by the Company, administration, operation, etc. of a Trust, incur any and all such expenses, in relation to or for implementing the ESOS 2013-A, listing of the shares allotted under the ESOS 2013-A on the Stock Exchanges where the shares of the Company are listed as per the provisions of the Listing Agreement with the Stock Exchanges concerned, the SEBI Guidelines and other applicable laws and regulations.

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in ESOS 2013-A as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

15. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956, as amended or modified from time to time, the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended or modified from time to time, (hereinafter referred to as “SEBI Guidelines”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Company be and are hereby accorded respectively to the Employee Stock Option Scheme 2013-B (“ESOS 2013-B”) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time upto a total of 5,22,194 stock options to Mr. Rajesh Garg, Global Chief Financial Officer and permanent employee of the Company, under ESOS 2013-B exercisable into equal number of equity shares of face value of ₹2 each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the law or guidelines issued by the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOS 2013-B or allot equity shares to a Trust which may be set-up by the Board to administer ESOS 2013-B or any other schemes of the Company and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s), including rights issues, bonus issues, merger, sale of division and others, if any additional equity shares are issued by the Company to the employee, i.e. Mr. Rajesh Garg, for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 5,22,194 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the employee, i.e. Mr. Rajesh Garg, under the ESOS 2013-B shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹2 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employee.

RESOLVED FURTHER THAT the Board be and is hereby authorised, to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable in connection with formation, funding, including any contribution to be made by the Company, administration, operation, etc. of a Trust, incur any and all such expenses, in relation to or for implementing the ESOS 2013-B, listing of the shares allotted under the ESOS 2013-B on the Stock Exchanges where the shares of the Company are listed as per the provisions of the Listing Agreement with the Stock Exchanges concerned, the SEBI Guidelines and other applicable laws and regulations.

NOTICE *contd.*

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in ESOS 2013-B as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

16. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and any other law for the time being in force, and in accordance with the provisions of Articles of Association of the Company, approval of the Company be and is hereby accorded for payment of commission not exceeding in the aggregate, 1% per annum of the Company’s net profit, computed in the manner laid down by sections 198, 349 and 350 of the Act, to the Non-Executive Directors of the Company or to some or any of them, in such proportion, as may be decided by the Board of Directors from time to time, for a period of five years commencing from 1st April 2013.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.”

By Order of the Board of Directors

Mumbai, 15th July 2013

Mital Sanghvi
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

2. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is annexed hereunder and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 8th August 2013 to Thursday, 22nd August 2013, both days inclusive.
4. The dividend for the year ended 31st March 2013 as recommended by the Board, if sanctioned at the Meeting, will be paid to those members whose names appear in the Company’s Register of Members on Wednesday, 7th August 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
5. Members holding shares in physical form are requested to forward all applications for transfers and all other shares-related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company at the following address:

Karvy Computershare Private Limited
(Unit: Cipla Limited)
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad-500 081.
Tel: (040) 2342 0818 / (040) 4465 5201
Fax: (040) 2342 0814