

DR REDDY'S LABORATORIES LTD.

DR. REDDY'S EMPLOYEES STOCK OPTION SCHEME, 2002.

1. Short title, extent and commencement:

- a) This Plan may be called the "Dr Reddy's Laboratories Stock Option Scheme, 2002".
- b) It applies only to the bonafide Employees of the Company and employees of all Subsidiaries, whether now or hereafter existing.
- c) It shall be deemed to have come into force on the date of approval of the scheme by the board.

2. Object:

The object of the plan is to:

- Incentivise performance towards creating better values for shareholders.
- Attract and retain desired talent in the company, by offering substantial wealth creation opportunity for employees.
- Create a culture of enterprise and build very strong commitment amongst employees towards critical goals/ milestones of the company.

3. Definitions:

In this Plan, unless the context otherwise requires,

- a) "Administrator" means the Compensation Committee established under Section 5 and which shall be administering the Plan in accordance with Section 6 hereof.
- b) "Applicable Laws" means the legal requirements relating to stock Option plans, including, without limitation, the tax, securities or corporate laws of India, any conditions stipulated by stock exchanges on which the Shares are listed or quoted.
- c) "Board" means the Board of Directors for the time being of the Company.
- d) "Company" means Dr Reddy's Laboratories Ltd.
- e) "Compensation Committee" means the Compensation Committee constituted by the Board
- f) "Director" means a member of the Board
- g) "Disability" shall mean "Permanent total Disability" as may be defined by the Compensation Committee.



- h) "Eligible Employee" means an Employee who qualifies for issue of Options under this Plan and who fulfils the minimum condition of one year of service and other conditions as decided in the appraisal process or such other employees as may be decided by the compensation committee from time to time within in the frame work of Securities Exchange Board of India (SEBI) guidelines

Provided that, employees and directors who are either promoters or belong to the promoter group as defined in SEBI Guidelines shall not be eligible under this Plan. At present the following shall not be eligible.

Dr K Anji Reddy
Mr G V Prasad
Mr K Satish Reddy

Further provided that any person holding 2% of the outstanding share capital of the Company's equity Shares at any time after the commencement of this Plan shall not be eligible under this Plan.

- i) "Employee" means any person, including officers who are in the permanent employment of the company; Directors, appointed by the Company ; or any Parent or Subsidiary of the Company. An Employee shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.
- j) "Employee Compensation" means the total cost incurred by the Company towards Employee Compensation including basic salary, dearness allowance, other allowances, bonuses and commissions, and the value of all perquisites provided, but does not include the fair value of the Options granted under any Option Plan.
- k) "Exercise" is the act of a written application being made by the Eligible Employee to the Company to have the Options vested in him issued as Shares upon payment of the Exercise Price. Exercise can take place as specified after Vesting.
- l) "Exercise Period " means, the period after 12 months of the date of issue of Options to the Eligible Employee but within 60 months from the date of Vesting of the Options by the Company. On the expiry of the Exercise Period, any Options that have not been exercised will lapse and cease to be valid for any purpose.
- m) "Exercise Price" means, such amount as may be decided by the Compensation Committee at the time of grant of options that shall be paid by an Optionee at the time of Exercise.
- n) "Fair Market Value" of a share on a given date means the weighted average closing price for 30 days prior to the grant, in the stock exchange where there is highest trading volume during that period.
- o) "Option" means a stock Option granted pursuant to the Plan, comprising of a right but not an obligation granted to an Employee to apply for and be allotted Shares of the Company at the Exercise Price determined earlier, during or within the Exercise Period, subject to the requirements of Vesting.



- p) "Option Agreement" means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan. The Agreement is included as Annexure I.
- q) "Optionee" means the holder of an outstanding Option granted pursuant to this Plan
- r) "Plan" mean this Dr Reddy's Laboratories Stock Option Scheme, 2002.
- s) "Qualifying Date" means the 31st day of March of every year or the last day of the financial year of the Company, or such date as the Compensation Committee may decide. However, the Compensation Committee may relax the Qualifying Date condition on a case to case basis.
- t) "Shares" mean, the equity Shares of the Company with a nominal par value of Rs.5/- (Rupees five only) which have no preference in respect of dividends or in respect of amounts payable in the event of any voluntary liquidation or winding up of the Company.
- u) "Subsidiary" means a Subsidiary of the Company, whether now or hereafter existing as defined under Section 4 of the Companies Act, 1956.
- v) "Vesting" means the event of the Option granted under this Plan becoming effective eligible to be exercised and shall occur on such date/s or after such period, not earlier than the expiry of 12 months from the date of issue of the Options to the Eligible Employee or as may be determined by the Compensation Committee.

4. Stock subject to the Plan

- a) Subject to the provisions of section 17 of the Plan the maximum aggregate number of Shares on which Options may be granted under the Plan, are 2295478 Shares or 3% of the total issued equity shares. The Shares may be authorised but unissued, or unacquired.
- b) If an Option expires or becomes unexercisable without having been exercised in full, the Shares, which were subject thereto, shall become available for future grant under the Plan (unless the Plan has been terminated). However, Shares that have actually been issued under the Plan upon Exercise of an Option, shall not be returned to the Plan and shall not become available for future distribution under the Plan.

5. Establishment of the Compensation Committee

- a) The Board shall, as soon, as may be possible, after the date of coming into force of this Plan, constitute a Committee by the name of the "Compensation Committee".
- b) The Compensation Committee shall consist of such number of members not exceeding seven (7), a majority of whom shall be independent directors, as the Board may deem fit.



6. Administration of the Dr Reddy' Stock Option Scheme, 2002

- (a) The Plan shall be administered by the Compensation Committee appointed by the Board, which Committee shall be constituted to comply with Applicable Laws.
- (b) Subject to the provisions of the Plan, and subject to the approval of any relevant authorities, the Compensation Committee shall have the authority in its discretion:
 - i) to determine Exercise Price;
 - ii) to select the Employees to whom Options may from time to time be granted hereunder;
 - iii) to determine the number of Shares to be covered by each such Option granted hereunder;
 - iv) to determine the Vesting period and the Exercise Period.
 - v) to approve forms of agreement for use under the Plan;
 - vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - vii) to prescribe, amend and rescind rules and regulations relating to the Plan; and
 - viii) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan.
- (c) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.

7. Eligibility

- a) Employees of Grades PR, VP and GM shall be eligible for grants under the Plan.
- b) Employees of EX-1 with an annual performance rating of "A" shall be eligible for grants under the Plan.
- c) Employees who are members of teams considered critical to the success of the company " shall be eligible for grants under the Plan.
- d) New hires who are considered critical to the success of the company " shall be eligible for grants under the Plan.

8. Appraisal of Eligible Employees:

As soon as may be possible after the Qualifying Date, the Compensation Committee shall, based on the various criteria for selection of the Eligible Employees during the year (which criteria shall be decided from time to time by the Compensation Committee for assessing the contribution of the Employees) decide on the Eligible Employees who qualify under the Plan and the number of Options of the Company that may be issued to them.



9. **Grant of Options and Grant Frequency**

- a) The Compensation Committee may grant to such Eligible Employees as it may in its absolute discretion select, Options of the Company on the terms and conditions and for the consideration as it may decide. The grant size shall be based on the ranges indicated in the following table.

Grade	Designations	Number
6B	President	To be decided by the compensation committee on a case-to-case basis
5A to 6A	Executive Vice President Senior Vice President Vice President	Up to 10,000 options
4A to 4B	Senior Directors and Directors	Up to 5,000 options
3B	Associate Directors	Up to 3,000 options
3A and below	Other employees	Up to 2,000 options
	As applicable	Gap between desired positioning on Total Cost to the Company (excluding stock options) and Joining compensation.

The date of grant of an Option shall, for all purposes, be the date on which the Compensation Committee makes the determination granting such Option, or such other date as is determined by the Compensation Committee. Notice of the determination shall be given to each Employee to whom an Option is so granted within a reasonable time after the date of such grant

- b) The Compensation Committee shall grant options under the Plan on an annual basis. However the compensation committee may grant the options on such other dates as it deems fit.

10. **Vesting Period**

The administrator shall decide the vesting period of the options granted under the plan.

11. **Term of Plan and Option:**

- a) The Plan shall become effective upon its adoption by the Board. It shall continue in effect for a term of ten (10) years unless all the Options granted under the Plan are exercised or have been extinguished or unless the Plan is terminated under Section 20 of the Plan.
- b) The term of each Option shall be stated in the Option Agreement; provided, however, that the term shall be no more than five (5) years from the date of Vesting thereof.

12. **Option Exercise Price and Consideration:**

- a) The Exercise Price for each option shall be determined by the Administrator at the time of grant of options.



The stock options can be grants in two categories:

Category A: 300,000 stock options out of the total of 2,295,478 reserved for grant of options having an exercise price equal to the fair market value of the underlying equity shares on the date of grant; and

Category B: 1,995,478 stock options out of the total of 2,295,478 reserved for grant of options having an exercise price equal to the par value of the underlying equity shares (i.e., Rs.5 per option).

The fair market value of a share on each grant date falling under Category A above is defined as the weighted average closing price for 30 days prior to the grant, in the stock exchange where there is highest trading volume during that period.

Notwithstanding the foregoing, the Compensation Committee may, after getting the approval of the shareholders in the annual general meeting, grant options with a per share exercise price other than fair market value and par value of the equity shares.

- b) The consideration to be paid for the Shares to be issued upon Exercise of an Option, including the method of payment, shall be determined by the Compensation Committee at the time of grant. Such consideration may consist of (1) cash, (2) check, (3) promissory note (4) consideration received by the Company under a cash-less Exercise program implemented by the Company in connection with the Plan, or (5) any combination of the foregoing methods of payment.

13. Individual Limits for Grant of Options:

No Employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling 0.5% of the outstanding issued share capital as on the date of grant, (excluding outstanding Options and conversions).

Notwithstanding the foregoing, pursuant to a specific special resolution passed by the members in General Meeting, the Compensation Committee may grant to the Employee/s mentioned in such special resolution, Options to purchase Shares exceeding or equal to 1% of the of the outstanding issued share capital as on the date of the grant, (excluding outstanding Options and conversions).

14. Exercise of Option and Rights as a Shareholder:

- a) Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Compensation Committee and set forth in the Option Agreement. Unless the Compensation Committee provides otherwise, the Vesting of Options granted hereunder shall be tolled during any unauthorised unpaid leave of absence. An Option may not be exercised for a fraction of a share.



- b) An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of Exercise (in accordance with the Option Agreement) from the person entitled to Exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Compensation Committee and permitted by the Option Agreement and the Plan. Shares issued upon Exercise of an Option shall be issued in the name of the Optionee. Until the Shares are allotted, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the Exercise of the Option. The Company shall allot such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.
- c) The share shall be allotted in the dematerialized mode only. The responsibility of opening of the dematerialized account lies with the optionee.

15. Termination of Relationship as an Employee:

- a) If an Optionee ceases to be an Employee, by reason of resignation subject to the specific approval of the Compensation Committee in each case, such Optionee may Exercise his or her Option within such period of time as is specified in the Option Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months following the Optionee's termination. If, after termination, the Optionee does not Exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan. If, on the date of termination, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall again become available for issuance under the Plan.
- b) In the event that an Optionee retires from service while being an employee, on attaining the age of retirement or superannuation, all Options granted to him and Vested in him, may be exercised in the normal course as if the Optionee were continuing in employment. If, on the date of super-annuation, the Optionee is not vested as to his or her entire Option, the unvested Options shall vest immediately.

16. Death or Disability of Optionee:

If an Optionee dies while an Employee, or ceases to be an Employee as a result of the Optionee's Disability, all Vested Options shall be exercised within such period of time as is specified in the Option Agreement. (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee or Optionee's estate or by a person who acquires the right to Exercise the Option by bequest or inheritance. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's death or Disability. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan. . If, on the date of death or disability, the Optionee is not vested as to his or her entire Option, the unvested Options shall vest immediately.



17. Adjustments Upon Changes in Capitalization, Merger, Asset Sale, Share Split, Bonus Issue or Rights Issue:

- a) Changes in Capitalization: Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the number of Shares, which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of Shares of stock of any class, or securities convertible into Shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of the Shares subject to an Option.
- b) Dissolution or Liquidation: In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for an Optionee to have the right to Exercise his or her Option until 15 days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the Option would not otherwise be exercisable. To the extent it has not been previously exercised, an Option will terminate immediately prior to the consummation of such proposed action.
- c) Merger or Asset Sale: In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, the Optionee shall fully vest in and have the right to Exercise the Option as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Administrator shall notify the Optionee in writing that the Option shall be fully exercisable for a period of 15 days from the date of such notice, and the Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the merger or sale of assets, the Option confers the right to purchase or receive, for each Share subject to the Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Shares for each Share held on the effective date of the transaction (and if the holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets is not solely equity Shares (or their equivalent) of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the Exercise of the Option, for each Share subject to the Option, to be solely equity Shares (or their equivalent) of the successor corporation or its Parent equal in



Fair Market Value to the per Share consideration received by holders of Share in the merger or sale of assets.

d) In the event the Company, at any time after the grant of Options but prior to exercise, makes split or consolidation of the outstanding Shares, the Board of Directors may, [subject to prior approval of the shareholders in general meeting], make appropriate adjustments in the number of Shares covered by each outstanding Options.

e) In the event of the company issuing bonus shares, the following changes shall be made:

◆ The Exercise Price and grant size of both Vested and unvested Options shall be adjusted.

◆ The following adjustment shall be made to the grant size:

Adjusted grant size of Options = Unadjusted grant size of Options x (No. of Shares + No. of bonus shares) ÷ No. of Shares

◆ The following adjustment shall be made to the Exercise Price

Adjusted Exercise Price of Options = Unadjusted Exercise Price of Options x No. of Shares ÷ (No. of Equity Shares + No. of bonus Shares)

f) In the event of the company issuing rights shares, the following changes shall be made:

◆ The Exercise Price and grant size of both vested and unvested options shall be adjusted.

◆ The following adjustment shall be made to the grant size:

Adjusted grant size of Options = Unadjusted grant size of Options x (No. of Shares + No. of Rights Shares) ÷ No. of Shares

◆ The following adjustment shall be made to the Exercise Price

Adjusted Exercise Price of Options = {(No. of Shares x Unadjusted Exercise Price of Options) + (No. of Rights Shares x Rights Price)} ÷ (No. of Shares + No. of Rights Shares)

18. Non-Transferability of Options:

The Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee



19. Terms and Conditions of the Shares:

All Shares allotted on Exercise of Options will rank pari-passu with all other equity Shares of the Company for the time being in issue (save as regards any right attached to such Shares by reference to a record date prior to the date of allotment).

20. Amendment and Termination of the Plan:

- a) The Compensation Committee may at any time amend, alter, suspend or terminate the Plan.

Provided that the Company obtains shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

- b) No amendment, alteration, suspension or termination of the Plan shall impair the existing rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to Exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

21 Governing Law:

This Scheme will be governed by guidelines issued by SEBI and all other laws as applicable from time to time.

22. General:

- a) This Plan shall not form part of any contract of employment between the Company and the Employee. The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in it and nothing in this Plan shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- b) This Plan shall not confirm on any person any legal or equitable rights (other than that to which he would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.

* * *



Annexure –I

STOCK OPTION AGREEMENT

PART A – NOTICE OF GRANT OF OPTIONS

Unless otherwise defined herein, the terms defined in the Dr. Reddy's Employee Stock Option Scheme, 2002 (Plan) shall have the same meanings in this Option Agreement. In the absence of any definition in the Plan, the definitions of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 will apply.

Name and Address

You have been granted options to purchase Equity Shares of the Company, subject to the terms and conditions of the scheme and the following terms and conditions:

1. Particulars of options

Number of Options Granted	
Date of Grant	
Vesting Commencement Date	
Exercise Price per Equity Share	
Total Number of Equity Shares Granted	
Total Exercise Price	
Term/Expiration Date	

2. Vesting Schedule

Vesting Date	Vesting of the Options in the Awardee

3. Termination Period:

Subject to Applicable Laws, this vested Option may be exercised for _____ months after the Optionee ceases to be an employee. Subject to Applicable Laws, upon the death or Disability of the Optionee, these Options may be exercised for _____ after Optionee ceases to be an employee. In no event shall this Option be exercised later than the Term/Expiration Date as provided above.

PART B – TERMS AND CONDITIONS

1. Grant of Option.

The Company hereby grants to the Optionee named in the Notice of Grant attached as Part I of this Agreement (the "Optionee") an option (the "Option") to purchase the number of Equity Shares, as set forth in the Notice of Grant, at the exercise price per share set forth in the Notice of Grant (the "Exercise Price"), subject to the terms and conditions of the Plan, which is incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan shall prevail.



2. Exercise of Option.

- a) Right to Exercise. This Option is exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Grant and the applicable provisions of the Plan and this Option Agreement.
- b) Method of Exercise. This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit A (the "Exercise Notice"), which shall state the election to exercise the Option, the number of Equity Shares in respect of which the Option is being exercised (the "Exercised Equity Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be completed by the Optionee and delivered to the Chief Financial Officer of the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Equity Shares. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.
- c) A minimum 25% of all options vesting together under one grant shall have to be exercised together.
- d) Options can be exercised only during four exercise windows in a year. The Exercise window shall be a duration of one week beginning the first Monday after announcement of Quarterly or Half-yearly or Annual results, as the case may be.

No Equity Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with Applicable Laws.

3. Method of Payment.

Payment of the aggregate Exercise Price shall be by any of the following or a combination thereof, at the election of the Optionee, provided that the Compensation has approved of such method:

- a) cash; or
- b) cheque; or
- c) Any other mode as may be approved by the compensation committee.

4. Non-Transferability of Option.

This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by the Optionee. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.



5. Term of Option.

This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

6. Entire Agreement; Governing Law.

The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee. This agreement is governed by the Applicable Laws of the Republic of India.

7. No Guarantee of Continued service.

Optionee acknowledges and agrees that the grant or vesting of equity shares pursuant to the vesting schedule hereof is earned only by continuing as an employee at the will of the company (and not through the act of being hired, being granted an option or purchasing equity shares hereunder). Optionee further acknowledges and agrees that this agreement, the transactions contemplated hereunder and the vesting schedule set forth herein do not constitute an express or implied promise of continued engagement as an employee for the vesting period, for any period, or at all, and shall not interfere with optionee's right or the company's right to terminate optionee's relationship as an employee at any time, with or without cause. Nor this agreement would alter or modify the employment agreement of the Optionee with the company.

By your signature and the signature of the Company's representative below, you and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Option Agreement. Optionee has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all provisions of the Plan and Option Agreement. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Option Agreement. Optionee further agrees to notify the Company upon any change in the residence address indicated below.

OPTIONEE
NAME:
SIGNATURE:

DR. REDDY'S LABORATORIES LIMITED
By: Mr. G. V. Prasad
SIGNATURE:

Date :
Address

Date:



DR. REDDY'S LABORATORIES LTD.
DR. REDDY'S EMPLOYEES STOCK OPTION SCHEME, 2002
 NOTICE OF EXERCISE OF STOCK OPTIONS

Date: _____

The Governance & Compensation Committee
 Dr. Reddy's Laboratories Ltd.
 7-1-27, Ameerpet, Hyderabad – 500 016, India

1. **Exercise of Option.** Effective as of the date of this notice, the undersigned ("Purchaser") hereby elects to purchase below mentioned Equity Shares of Dr. Reddy's Laboratories Ltd. (the "Company") under and pursuant to the Dr. Reddy's Employees Stock Option Scheme, 2002 (the "Plan") and the relevant Stock Option Agreement as per the following details:

A) Date of Grant	:	
B) Date of Vesting	:	
C) Options exercised	:	
D) Exercise Price	:	
E) Total Purchase price (C x D)	:	

2. **Delivery of Payment.** Purchaser herewith delivers to the Company the full purchase price for the Equity Shares
3. **Representations of Purchaser.** Purchaser acknowledges that Purchaser has received, read and understands the Plan the relevant Stock Option Agreement and agrees to abide by and be bound by their terms and conditions.
4. **Details of the Purchaser.** The details of the Purchaser are as set forth below:

Name (in full) & Employee Code	:	
Father's Name	:	
Residential Address	:	
Residential Status (tick one)	:	Resident Indian / Non Resident Indian / Foreign National
Permanent Account (PAN) No.	:	
Demat A/c No. (Client Id)	:	
Name of Depository Participant (DP)	:	
Depository Participant (DP) ID	:	
Name of Depository (tick one)	:	NSDL / CDSL

5. Details of Payment

A) Cheque / Demand Draft No.	:	
B) Dated	:	
C) Drawn on (Bank)	:	
D) Branch	:	
E) Amount (Rs.) [same as 1(E) above]	:	

I hereby authorize the Company to deduct all taxes, as may be applicable on exercise / allotment of shares, as aforesaid and recover the same from the salary payable to me.

Signature of the Employee

Note: The employee name should be the first name in the demat account

