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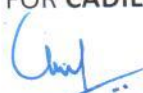
<p>BSE Limited 1st Floor, P.J. Towers Dalal Street <u>Mumbai – 400 001</u></p> <p>Kind Attn.: Mr. Sanjay Golecha / Mr. Gopalkrishnan</p> <p>Code: 532321</p>	<p>National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East) <u>Mumbai – 400 051</u></p> <p>Kind Attn.: Famroze Pochara Asst. Vice President</p> <p>Symbol: CADILAHC</p>
<p>Date: August 5, 2016</p>	
<p>Sub.: Annual Report for the Financial year 2015-16.</p>	

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forwarding herewith the Annual Report of the Company for the Financial Year ended on March 31, 2016.

We request your good office to receive the same in order.

Thanking you,

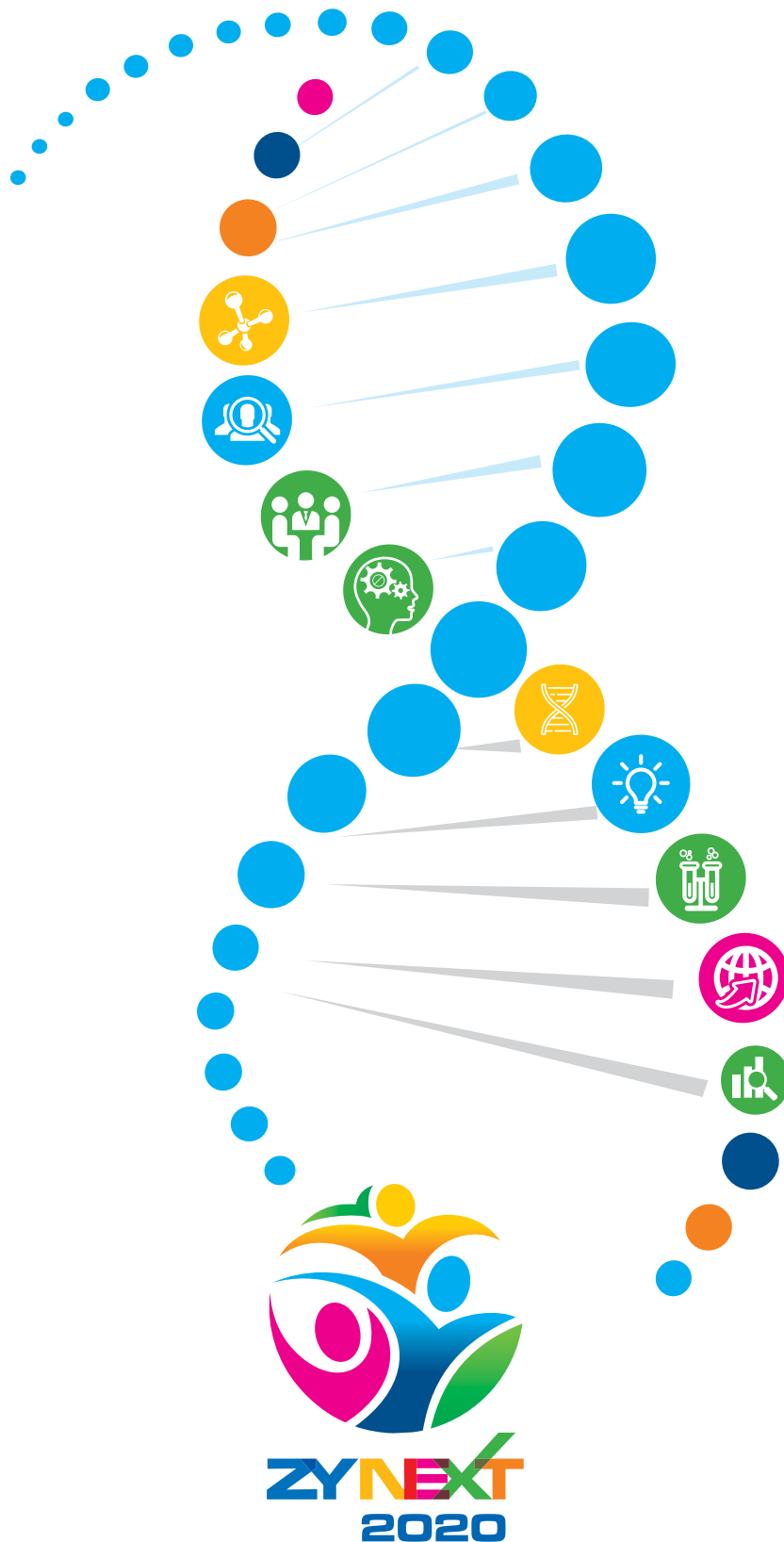
Yours faithfully,
FOR CADILA HEALTHCARE LIMITED



UPEN H. SHAH
COMPANY SECRETARY



Encl.: as above



WHAT NEXT

WHAT NEXT?

The answer to this all important question is enshrined in our vision and embedded in our strategy for tomorrow.

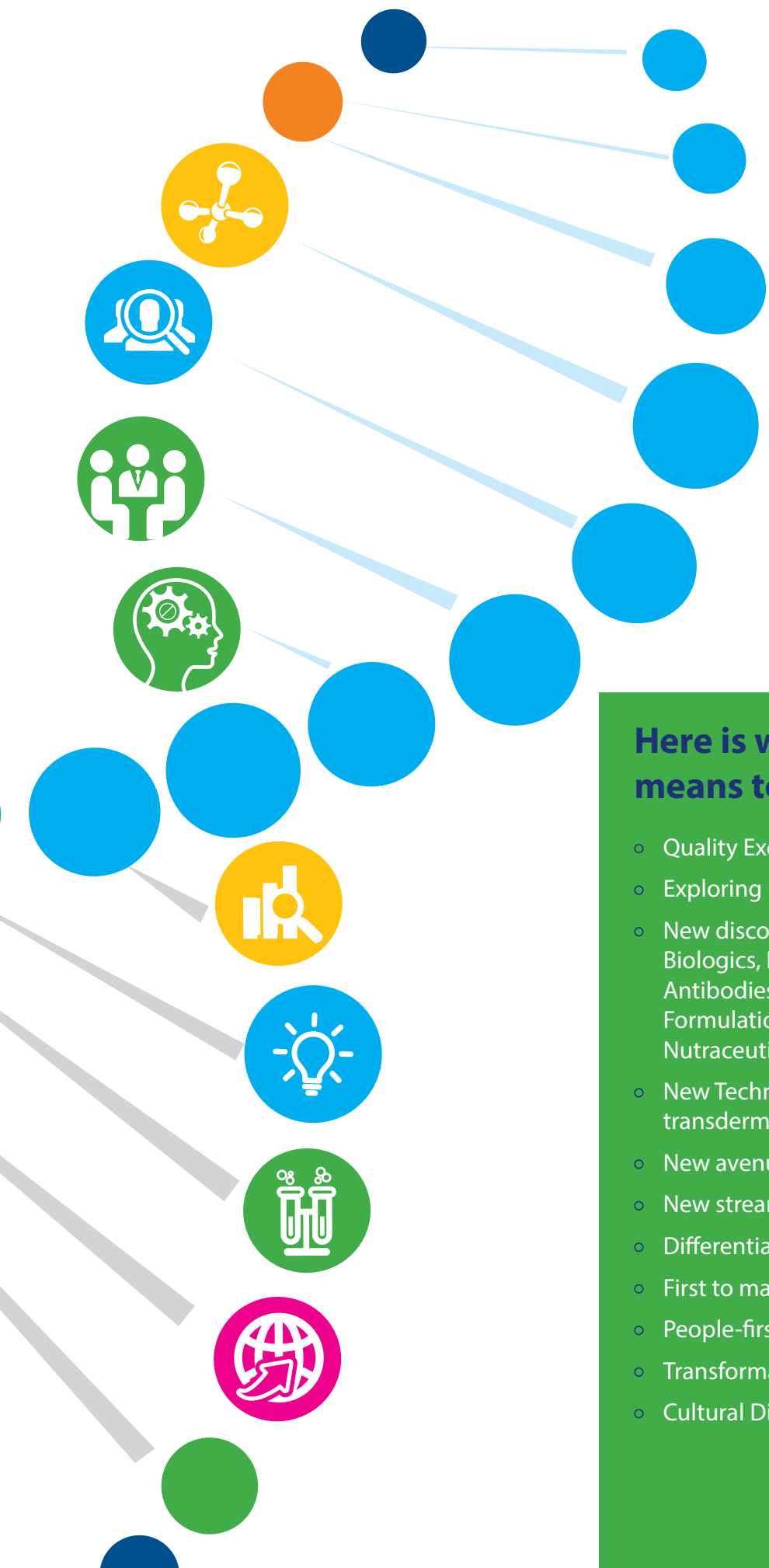
At Cadila Healthcare, we have always believed in being future ready. The future has already begun and tomorrow has already started.

OUR ANSWER TO WHAT NEXT IS



ZyNext 2020 is all about being future ready. It is both our roadmap and our blueprint for the next strategic horizon and goal. It details the steps of our journey over the next four years.





Here is what ZyNext 2020 means to us :

- Quality Excellence
- Exploring new markets
- New discoveries and Innovation (Vaccines, Biologics, NMEs, Peptides, Monoclonal Antibodies, Controlled Substances, Formulation Development, API Research, Nutraceuticals and Wellness Products)
- New Technologies (New Dosage Forms - transdermals, aerosols, inhalables)
- New avenues for growth
- New streams of business
- Differentiated strategies
- First to market
- People-first approaches
- Transformational journeys
- Cultural Diversity



Mr. Ramanbhai B. Patel

Founder Chairman, Zydus Cadila
August 19, 1928 - September 19, 2001

“For my part, I had a dream to contribute to the process of nation-building, becoming an innovator and a successful entrepreneur. Over the years, I put my heart and soul into realising this dream and was also fortunate to have people join me and share this vision. I am happy to have been able to give a concrete shape to my dreams and build the edifice of an enterprise, which I am sure will continue to transform itself in response to the changing times.”

As the Company prepares itself for the leap into the future, it explores innovative pathways guided by its Founder’s vision.



CORPORATE INFORMATION

FOUNDER

Late Ramanbhai B. Patel

BOARD OF DIRECTORS

Pankaj R. Patel

Chairman & Managing Director

Dr. Sharvil P. Patel

Deputy Managing Director

DIRECTORS

Mukesh M. Patel

Humayun Dhanrajgir

Nitin Raojibhai Desai

Dharmishta N. Rawal

Apurva S. Diwanji*

* [w.e.f. May 13, 2016]

CHIEF FINANCIAL OFFICER

Nitin D. Parekh

COMPANY SECRETARY

Upen H. Shah

REGISTERED AND CORPORATE OFFICE

"Zydus Tower", Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad - 380 015

STATUTORY AUDITORS

M/s. Mukesh M. Shah & Co.
Chartered Accountants
Ahmedabad

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited,
No. 303, 3rd Floor, Shoppers Plaza-5,
Nr. Government Society,
Opp. Municipal Market,
Behind Shoppers Plaza II,
Off C. G. Road, Navrangpura,
Ahmedabad - 380 009

WORKS FORMULATION UNITS

Survey No. 417, 419 & 420,
Sarkhej Bavla N. H. No. 8A
Village - Moraiya, Taluka - Sanand,
District - Ahmedabad - 382 210

Kundaim Industrial Estate,
Ponda, Goa - 403 115

Village - Swaraj Majra, Baddi,
District - Solan,
Himachal Pradesh - 173 205

API UNITS

Block No. 265/266, Village: Changodar,
Sarkhej Bavla N. H. No. 8A, GIDC Estate,
Ankleshwar, Gujarat

Dabhasa, Taluka - Padra,
District - Vadodara

Block No. 162, Ekalbara Umraya Road,
Village - Dabhasa, Taluka - Padra,
District - Vadodara

TOPICAL UNIT

Plot No. 254-255, Opp. Laxmi Narayan
Petrol Pump, Sarkhej Bavla N. H. No. 8A,
Changodar Road, Taluka - Sanand,
District - Ahmedabad - 382 210

BIOLOGICS UNIT

Survey No. 40P, 23, 25P, 42, 37.
Opp. Ramdev Masala,
Sarkhej-Bavla N. H. No. 8A,
Changodar, District - Ahmedabad

SEZ UNIT

Plot No. 1 / 1A & 2,
"PHARMEZ"
(Special Economic Zone),
Matoda, Sarkhej-Bavla N. H. 8A,
Taluka - Sanand,
District - Ahmedabad - 382 213

RESEARCH CENTRE

Survey No. 396 / 403,
Sarkhej Bavla N. H. No. 8A,
Moraiya - Ahmedabad - 382 213

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HIGHLIGHTS OF OPERATIONS - 2015-16



FORMULATIONS BUSINESS - KEY MARKETS

US Formulations

- Crossed US\$ 600 Mio. in sales for the first time during the year. In INR terms, the business posted sales of Rs. 40,215 Mio., up by 19%.
- Filed 30 ANDAs with the USFDA during the year, taking the cumulative ANDA filings to 269.
- Received approval for 10 ANDAs (including the first ANDA approval from the formulations facility located in Ahmedabad SEZ and the first ANDA approval from own filings made from the Nesher facility in the US) during the year, taking the cumulative ANDA approvals to 103.
- Launched 3 new products in the US market, including one from the Nesher facility.

India Formulations

- Ranked among the top 3 players in the market in the Cardiology, Gynecology and Pain Management therapy areas while in the Gastro Intestinal, Respiratory and Dermatological space, ranked among the top 5 players in the market.
- Launched over 40 new products, including line extensions, of which 10 were first in India. These included the launch of Vaxiflu S, an H1N1 vaccine and Tenglyn (Teneligliptin 20 mg tablets), the most affordable gliptin for diabetics in India.
- Posted sales of Rs. 29,732 Mio., up by 11.1%.

Latin America Formulations

- Launched 2 new products both in Brazil and Mexico during the year.
- In Brazil, filed 5 new product dossiers and received approval of 4 new product dossiers from the regulatory authority ANVISA during the year.
- In Mexico, received approval for 12 dossiers during the year, taking the cumulative number of approvals to 36.
- Registered sales of Rs. 2,177 Mio.

Emerging Markets Formulations

- Launched 8 new products in different markets of Asia Pacific, Africa and Middle East during the year. This included the launch of "Pegihep" (Pegylated Interferon alpha 2b) in Myanmar, the first biosimilar launch in the emerging markets.
- Posted sales of Rs. 4,760 Mio. during the year, up by 17%.

OTHER BUSINESSES AND ALLIANCES

Europe Formulations

- Rationalized the product portfolio both in France and Spain by expanding the business of in-house products.
- Launched 3 new products in France (2 from India) and 4 new products in Spain (all from India).
- Posted sales of Rs. 2,956 Mio.

Consumer Wellness

- Sugar Free maintained leadership position in the artificial sweetener category with a market share of 93.7%, an increase of 120 basis points over the last year.
- In the skincare category, both EverYuth peel off and EverYuth scrub maintained leadership position with a market share of 92.1% and 30.7% respectively.
- Registered sales of Rs. 4,570 Mio., up by 3% and net profit of Rs. 1,017 Mio., up by 10% on a like-to-like basis.

Animal Health

- Acquired select brands and manufacturing operations in India from the Indian subsidiary of Zoetis Inc., a global animal healthcare company.
- Received the "Animal Pharm Award for the best company in India/Africa/Middle East 2015" from the world's leading pharma news publication, Animal Pharma, UK.

- Launched 8 new products in India.
- Posted sales of Rs. 3,199 Mio., with a growth of 3% during the year.

API

- Filed 6 DMFs with the USFDA, taking the cumulative US DMF filings to 122.
- Posted sales of Rs. 3,647 Mio.

JVs & Alliances

- Zydus Takeda JV received the Best Energy Efficient Unit Award at the national level from the Confederation of Indian Industry.
- Zydus Hospira JV successfully completed inspections by the regulatory authorities of Japan and Korea.
- Received approval from the USFDA for 2 ANDAs and 1 NDA which were filed on behalf of the partners.
- Posted sales of Rs. 5,342 Mio., up by 13%.

NEW INITIATIVES

Biosimilars

- Initiated Phase III clinical trials for one more monoclonal antibody (mAb) and received the regulatory approval to initiate Phase III clinical trials for one more biosimilar product.
- Continued to file the dossiers of first generation biosimilars in the emerging markets.
- On the novel biologics front, initiated the next phase of clinical trials for Rabimabs.

Vaccines

- Received marketing authorization from DCGI for two vaccines, out of which, one has been launched in India.
- Successfully completed the last stage of clinical testing for four vaccines and submitted them to DCGI for marketing authorization in India. Apart from this, thirteen vaccines are in different stages of clinical trials.

NCE

- Received approval from the USFDA to initiate Phase II clinical trials for Saroglitazar in patients with severe hypertriglyceridemia.

- Completed Phase I clinical trials in United States for ZYDPLA 1, a novel, next generation, orally active small molecule DPP-4 inhibitor to treat Type 2 diabetes.
- Completed Phase I clinical trials in Australia for ZYAN 1, a HIF-PH for treating anaemia.
- Filed an IND with DCGI for ZYTP 1, a novel Poly (ADP-ribose) Polymerase (PARP) inhibitor. This was the first IND filed in the oncology segment.

MANUFACTURING OPERATIONS

- Four formulations facilities viz. oral solid dosage facility, oncological injectable facility (of Alidac Pharmaceuticals Ltd., a 100% subsidiary of the Company) and transdermal facility (of Zydus Technologies Ltd., a subsidiary of the Company) located in Ahmedabad SEZ and oral solid dosage facility located at Baddi received Establishment Inspection Report (EIR) from the USFDA.
- Moraiya formulations facility successfully completed the ANVISA inspection.
- Moraiya formulations facility received the India Pharma Award from UBM India for EHS Excellence.
- Sikkim formulations facility received "Silver Certificate of Merit" from Frost & Sullivan at India Manufacturing Excellence Awards 2015.

FINANCIAL HIGHLIGHTS

- Total income from operations was up by 14% y-o-y to Rs. 98.4 bn., from Rs. 86.6 bn., last year.
- Earnings before interest, depreciation and tax grew by 36% to Rs. 23.8 bn., from Rs. 17.6 bn., last year. The EBIDTA margin as % to total income from operations improved by 3.9% to 24.2% from 20.3% last year.
- Net profit was up by 32% to Rs. 15.2 bn., from Rs. 11.5 bn., last year. The net profit margin as % to total income from operations improved by 2.2% to 15.5% from 13.3% last year.
- Return on net worth improved to 31.7% during the year compared to 30.1% registered in last year.

CHAIRMAN'S MESSAGE



"The theme of this year's report 'What's Next' captures the Company's overriding objective: to continually look ahead and build a sustainable and ethical Company that, through its initiatives and contributions, generates enduring value for the communities that it is a part of."

Dear Shareholders,

Your Company continued to make progress and delivered strong results in the year under review which has been detailed out in various sections of this report. In this section, I'd like to share with you why the year was important for us and how it will have a bearing on our future.

Planting the seeds for future growth

FY16 was a pivotal year when we looked at the enterprise of the future and took stock of where we wish to be in the next four years and what we need to do to get there. So quite simply, we asked ourselves, "What Next?" This was the start of a new growth journey and we set out to explore a Prism of Possibilities. We continue to believe that our Company has the diversity and mix of skills, experience, independence and knowledge required in order for the Company to be able to reach its goals successfully.

Over the past few years, the pace of progress has accelerated and we have introduced effective new technologies for improving accessibility of healthcare therapies across geographies. As we continue to add value through innovation and optimise our resources, we remain committed to our goal of bridging unmet healthcare needs and providing therapies that address both accessibility and affordability.

We asked ourselves -



We asked ourselves all these questions and more in our overarching goal of ZyNext 2020.

To be better positioned to do this, we will need to look at differentiated strategies, think creatively, move with agility and stay in the action mode.

There is a clear understanding at Zydus of how important it is to grow, evolve and continuously raise the bar of excellence at the marketplace and that is why the quest for ongoing improvement is integrated into our business strategy.

We will continue to strengthen our ability to meet our goals - a reflection of our people's commitment to harness their energies and passion to create a better tomorrow.

As we look ahead, the strategy is clear and our goal is to execute it well. With a strong management team and more than 19,000 people - we believe that we can make this possible.

The future belongs to those who can innovate

Innovation has been the core of our being. The journey of discovery and innovation that began with our Late Founder Chairman, Mr. Ramanbhai B. Patel, has become one of the most important pillars of our organisation. We at Zydus, have been putting innovation and technology to work to make our growth journey more meaningful.

In keeping with our vision to become a research-driven pharma company by 2020, we have stayed invested in research and have been making brisk progress with a robust pipeline of innovative medicines, including small molecule NCEs, biosimilars, novel biologics vaccines and novel formulations.

Lipaglyn, our NCE and a first-in-class medicine to treat diabetic dyslipidemia, has been delivering excellent results and has benefitted more than 300,000 patients since its launch in September 2013. We are also looking at developing this product globally for several other indications and data on these studies have been presented at prestigious scientific and medical conferences like American Association of Clinical Endocrinologists (AACE) and American Diabetes Association (ADA). Recently, our group received approval from the USFDA to initiate a Phase 2 clinical trial of Saroglitazar in patients with Non-Alcoholic Steatohepatitis (NASH) of the liver and additional Phase III trials are ongoing in non-alcoholic steatohepatitis (NASH), lipodystrophy, severe hypertriglyceridemia and a few additional indications. A post-marketing Phase-IV study is also currently underway in patients suffering from hypertriglyceridemia in India.

Our research programme is also aimed at finding better cures for people living with various kinds of inflammation, like rheumatoid arthritis, Ankylosing spondylitis, psoriasis, ulcerative colitis, Crohn's disease

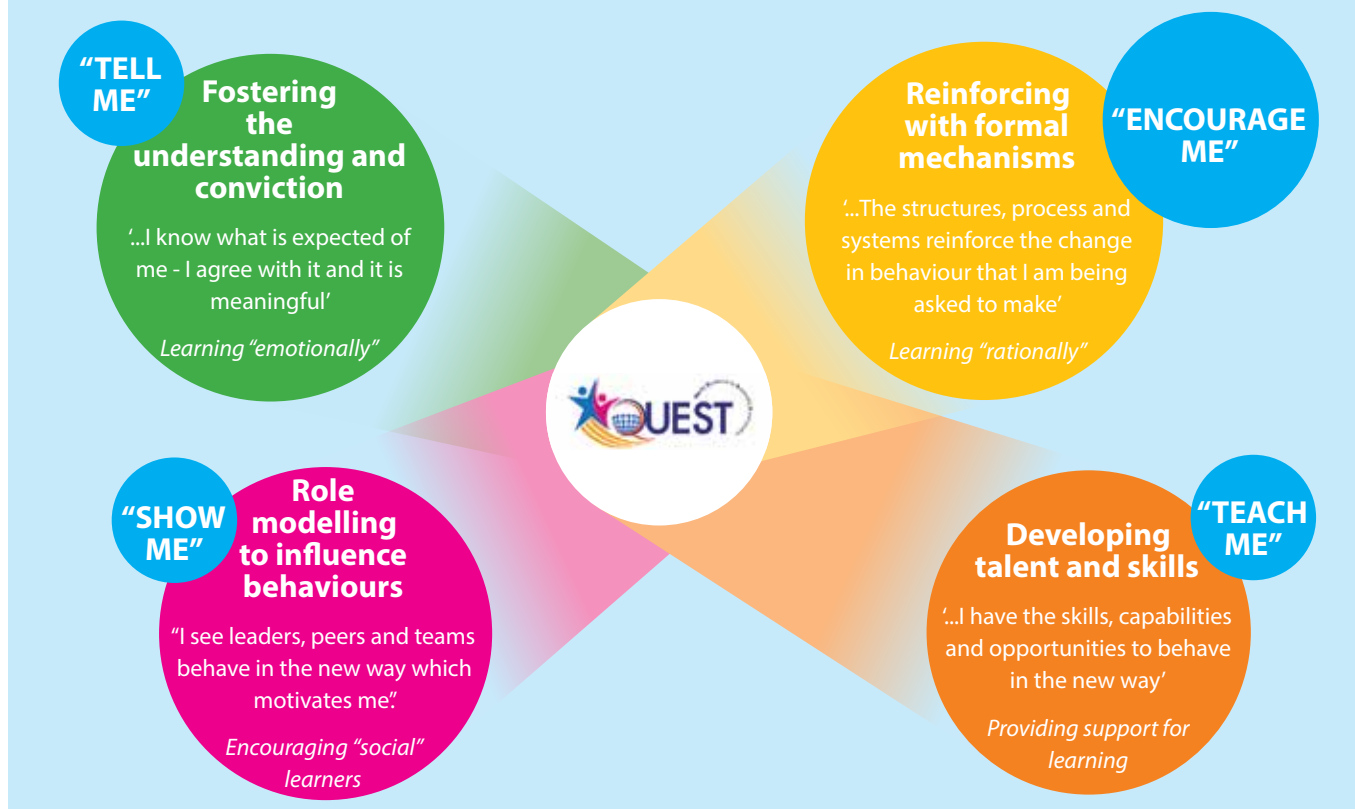
as well as chronic pain. We remain committed to increasing patient access to high-quality biosimilars at affordable costs. It is this commitment that spurred the launch of Exemptia, the world's first biosimilar for Adalimumab, the largest selling therapy worldwide for inflammatory arthritis. We have built one of the largest biosimilars pipelines in India and currently market eight biosimilars products in India and have 20 biosimilars in various stages of development.

Our Vaccine Technology Centre (VTC) has been developing vaccines for the basic vaccine programmes such as Diphtheria, Pertussis, Tetanus, Haemophilus Influenzae type B, Hepatitis B, Measles, Mumps, Rubella, Varicella, Influenza and Typhoid fever. In addition, VTC is developing new vaccines such as Human Papilloma Virus, Leishmaniasis, Malaria, Haemorrhagic Congo Fever, Ebola and Japanese Encephalitis and many such vaccines which are not yet produced either in India or elsewhere in the world.

Quest: Institutionalising a Culture of Quality

At various stages of our growth, we have been looking at key elements that will become leitmotif or a recurrent theme in our journey. PRISM, our cost optimisation is one such programme which continues to run successfully since its launch in 2002. SLIM - a Strategic, Lean and Integrated Manufacturing initiative, which started off in a small way in 2007 is today a power engine of continuous improvement with nearly 3000 ideas and 700 members powering it across 20 locations. In 2015, we looked at how Quality in its various dimensions can become a part of our being at Zydus. Thus began Quest - an exploration that will change the way we think and work. With nearly 50 circles across three manufacturing locations, covering 4500 people and a bank of over 500 ideas prioritised for implementation, the programme is well entrenched in the organisation. QUEST - Quality Excellence by Sustainable Transformation is an all important step towards the larger cause of making Quality a way of life at Zydus.

QUEST: The Groundwork for Culture Change



Zydus First, Zydans First

With each journey of growth, we have been making headway in building a diverse and inclusive culture at Zydus. There is always room for improvement, of course, which is why each of us at Zydus who is actively driving the Company forward, believes and espouses the thought: Zydus First, Zydans First.

I'm also grateful to my colleagues for their tireless efforts to support and propel forward the good work going on across the organization. The goal of our teams is to help create a successful business enterprise of tomorrow and to make that possible in the most engaging and enduring way.

I'm truly proud of the progress our Company has made, as well as of the commitment and determination of Zydans to keep us moving forward on this journey. With an increased focus on innovation, strategy, execution and talent development, we are better organized to serve healthcare needs. Riding high on these factors, we will continue to drive stronger growth and enhance shareholder value.

Pankaj R. Patel

June 22, 2016

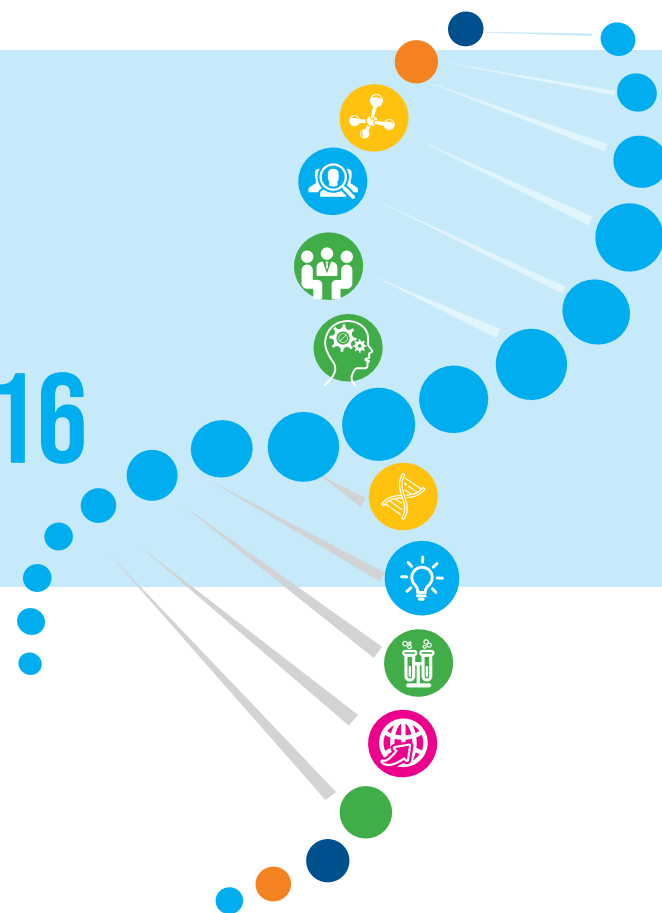
MANAGEMENT'S DISCUSSION & ANALYSIS - 2015-16

ECONOMY AND INDUSTRY OVERVIEW

Global Economy and Pharmaceutical Industry

The global economy continued to grow at a slower pace and as against 2.6% in 2014, it grew at 2.4% in 2015. This lacklustre growth was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade and capital flows. In developing countries, the growth registered during 2015 was 4.3%, down from 4.9% registered during 2014. Growth prospects for most of the developing countries remained gloomy during the year 2015 with the exception of South Asian and some commodity importing countries of East Asia. Continuing economic rebalancing in China and resultant slowing down of the growth, external and domestic challenges in Brazil and Russia and declining commodity prices affecting the commodity exporters were the main reasons for the slowdown of growth in the developing countries.

In a development unprecedented since the 1980s, most of the largest emerging economies in each region have been slowing simultaneously for three consecutive years. Low income countries of the world, on the other hand, witnessed robust growth in 2015, albeit slowing to 5.1% from 6.1% in 2014. In contrast to developing countries, the recovery in major high-income countries gained traction during 2015 and has been increasingly driven by stronger domestic demand. However, high-income countries face the risk of a slowdown in the light of the effect on the United States of dollar appreciation and the impact on Japan of slowing trade in Asia. Oil prices dropped below US\$ 40 per barrel towards the end of 2015 due to high stocks in OECD economies, ample global supplies and expectations of slower global demand (Source: Global Economic Prospects, January 2016 by World Bank).



The global pharmaceutical market is estimated to have grown in mid-single digit in 2015, which is in line with the growth registered in last 5 years, and reached a size of over US\$ 1 trillion. Emerging markets of Asia, Africa and Latin America are expected to have grown at a faster pace compared to the overall global pharmaceutical market. North America, the world's largest pharmaceutical market, is expected to have grown in line with the global market, while the growth of the pharmaceutical markets of Europe and Japan is expected to be lower than the overall global pharmaceutical market growth (Source: Industry Estimates).

Generics market is estimated to have grown faster than the overall pharmaceutical market and crossed the revenues of around US\$ 200 bn. United States remained the world's largest generics market accounting for around 30% market share (Source: Industry Estimates).

Indian Economy and Pharmaceutical Industry

If the financial year 2014-15 was the year of revival for the Indian economy, then the financial year 2015-16 was the year of gaining growth momentum as the Indian economy is estimated to have grown by 7.6% during the financial year 2015-16 after growing at 7.2% during the preceding financial year. Drivers of the growth were the service sector and industrial sector which grew by 9.2% and 7.3% respectively during the year. Growth in the agriculture,

forestry and fishing sectors though flattish at 1.1% marked an improvement over the previous financial year when the sector declined by 0.2% (Source: Monthly Economic Report, March 2016, as published by the Ministry of Finance, Govt. of India).

WPI inflation, the measure of increase in the prices of commodities, remained negative throughout the financial year. The decline in inflation was the highest during the middle part of the financial year as the months of August 15 and September 15 registered WPI inflation of -5.1% and -4.6% respectively. WPI inflation averaged about -2.5% during the financial year 2015-16 as compared to 2% during the financial year 2014-15 (Source: Monthly Economic Report, March 2016, as published by the Ministry of Finance, Govt. of India).

In terms of currency movements, Indian Rupee which started the financial year at around 63 per US dollar depreciated gradually during the year and ended the year at around 67 per US dollar. In terms of performance of Indian Rupee vis-à-vis other currencies, it appreciated against the Euro and Japanese Yen while it depreciated against the Pound Sterling during the year 2015-16 (Source: Monthly Economic Report, March 2016, as published by the Ministry of Finance, Govt. of India).

Indian Pharmaceutical Market began the financial year 2015-16 on a high note as it grew by 14.8% during the first quarter of the financial year and continued the momentum which was built during the previous financial year. Though the growth slowed down a bit in the second quarter of the financial year 2015-16, third quarter saw the growth returning as the market registered the growth similar to the level registered during the first quarter of the financial year 2015-16. The fourth quarter of the financial year witnessed slowdown in the growth as the market faced the regulatory ban by the government from the month of March, 2016 of a large number of fixed dose combinations, on the ground that they are irrational, thus impacting the sales of these products. As a result, the market grew by just 6.4% during the month of March 2016. Overall, the Indian Pharmaceutical Market grew by 12.6% during the financial year. Out of the total market growth, around one fourth was led by new product introductions while the remaining growth was divided almost equally between the volume expansion and price increase (Source: AWACS Report MAT March 2016).

Anti-infectives was the largest therapeutic area, accounting for around 15% of the market while the anti-diabetic was the fastest growing therapeutic area during the year with a growth of around 21% (Source: AWACS Report MAT March 2016).

YEAR 2015-16 FOR THE COMPANY

The year gone by was a year of mixed fortunes for the Company as there were positive performances on various fronts and some challenges in a few areas. While its India formulations business

showed improvement in growth every quarter, its US business faced regulatory challenge in the form of warning letter issued by the USFDA on its formulations facility in Moraiya, impacting approvals of new products from that site, though it continued to receive new product approvals from other manufacturing sites. In spite of this challenge, the US business continued to grow on the back of strong performance of existing products. Currency depreciation impacted the performance of its business in key emerging markets, especially Brazil and South Africa, though it continued to grow on a constant currency basis in these markets.

Overall, the consolidated revenues of the Company grew by 14% and consolidated net profit grew by 32% during the year. Analysis of the performance of different business verticals, which collectively contributed to the consolidated performance, is given below.

FORMULATIONS BUSINESS - KEY MARKETS

US Formulations

US is the world's largest pharmaceutical market, both for branded and generics drugs, accounting for around one third of the global market (Source: Industry Estimate). The Company is present in the generic pharmaceuticals market through its wholly owned subsidiary, Zydus Pharmaceuticals (USA) Inc.

As per the IMS MAT March, 16 report, the Company is ranked amongst the top 10 generics companies in the US based on prescriptions.

During the year 2015-16, the Company's business in the US, the largest contributor to the consolidated revenues, crossed US\$ 600 Mio. in sales for the first time. In Indian Rupee terms, the US business posted sales of Rs. 40,215 Mio. during the year, up by 19%. The Company is ranked amongst the top 3 players for around three fourth of the products being marketed by it in the US.

// During the year 2015-16, the Company's business in the US, the largest contributor to the consolidated revenues, crossed US\$ 600 Mio. in sales for the first time. //

The Company launched 3 new products in the US market during the year. In terms of ANDA filings, 30 more ANDAs were filed with the USFDA during the year, taking the cumulative number of ANDA filings to 269. In terms of approvals, the Company received 10 more ANDAs approvals during the year, taking the cumulative number of ANDA approvals to 103. This includes the first ANDA approval from the formulations facility located in Ahmedabad SEZ and the first ANDA approval from its own filings made from the Neshor facility in the US.

Going forward, the Company's focus will continue to be on launching complex, difficult-to-make oral solids and formulations of other dosage forms like injectables, nasals, creams and ointments in order to enhance its share in the US generics market.

India Formulations

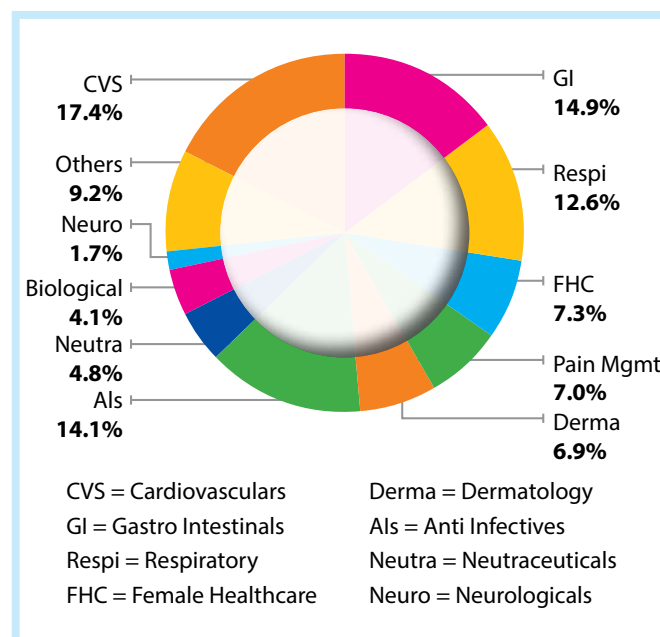
Company's formulations business in India, currently the second largest contributor to the consolidated revenues, showed gradual improvement in growth during the year despite the challenges in the form of lower growth of mature brands and the National Pharmaceutical Pricing Authority's notification to reduce the prices of a few more drugs.

The Company is among top 3 players in the market in the Cardiology, Gynecology and Pain Management therapy areas while in the Gastro Intestinal, Respiratory and Dermatological space, the Company is ranked among the top 5 players in the market. 15 of the Company's brands feature among the top 300 pharmaceutical brands in India (Source: AWACS Report, MAT March 2016). The Company continued its thrust on adding new products to its portfolio and launched more than 40 new products, including line extensions, during the year, of which, 10 were first-in-India launches. These included the launch of Vaxiflu S, an H1N1 vaccine and Tenglyn (Teneligliptin 20 mg tablets), the most affordable gliptin for diabetics in India. Tenglyn is priced at just Rs. 7 per tablet which

is almost one sixth the price at which the gliptins were initially launched in India.

Overall, the Company's formulations business in India posted sales of Rs. 29,732 Mio. during the year, up by 11.1 % from Rs. 26,772 Mio. last year.

Therapeutic area-wise break up of branded formulations sales in India:



Latin America Formulations

Latin American pharmaceutical market is one of the fastest growing pharmaceutical markets in the world and has been growing in double digits over the last few years vis-à-vis the mid-single digit growth registered by the global pharmaceutical market (Source: Industry Estimates). Continued urbanization, increased access to education and the increase in the average household income are some of the factors which led to the growth of the Latin American pharmaceutical market which is currently valued at around US\$ 80 bn. Growing proportion of the middle-class with a greater spending power, who are getting older and wealthier by the day, are driving the pharmaceutical sales in Latin America.

Brazil, the largest pharmaceutical market in Latin America, offers significant potential on account of its expanding middle class with greater spending power and the increased government spending on healthcare. Despite the slowdown in the overall economy, the Brazilian Pharma market grew by 14% (Source: IMS MAT March 2016 Report).

The Company's business in Brazil faced a few challenges during the year, mainly in the form of the depreciation of Brazilian Reals and lack of significant number of new product approvals from the

“ The Company continued its thrust on adding new products to its portfolio and launched more than 40 new products, including line extensions, during the year, of which, 10 were first-in-India launches. ”

regulatory authority. During the year, the Company launched 2 new products in the market. In terms of approvals, the Company received approval of 4 new products dossiers. 5 new product dossiers were also submitted with ANVISA during the year.

In Mexico, the second largest pharmaceutical market in Latin America, valued at around US\$ 9 bn. (Source: Industry Estimates), the branded generics market is undergoing corrections due to the emergence of generic generics market. The Company is present in Mexico through its subsidiary Zydus Pharmaceuticals Mexico S.A. de C.V.

During the year, the Company launched 2 new products in the Mexican market, taking the cumulative number of launches to 16. The Company filed 1 new product dossier with the regulatory authority COFEPRIS, taking the cumulative number of filings to 43 and received approval for 12 dossiers, taking the cumulative number of approvals to 36.

Going forward, in Mexico, the Company intends to focus on the CNS therapeutic area in the branded space and consolidate generic generics and tender market as an opportunistic business. The Company will continue its thrust on launching new products in the Mexican pharmaceutical market.

Overall, the Company's business in Latin America posted sales of Rs. 2,177 Mio. during the year. In constant currency terms, the Latin American business grew by over 20%.

Emerging Markets Formulations

The Company operates in different markets of Asia Pacific, Africa and Middle East with leadership position in several of these markets. The Company continued to focus on brand building initiatives and strengthening the branded generics portfolio in these key markets to ensure sustainable growth both in revenues and profits. The Company launched 8 new products in different markets of Asia Pacific, Africa and the Middle East during the year. This included the launch of "Pegihep" (Pegylated

Interferon alpha 2b) in Myanmar, the first biosimilar launch by the Company in the emerging markets.

Overall, the Company's business in the emerging markets of Asia Pacific, Africa and the Middle East posted sales of Rs. 4,760 Mio., an increase of 17% during the year.

OTHER BUSINESSES AND ALLIANCES

Europe Formulations

The Company has a presence in the generics markets in France and Spain. The year gone by turned out to be a challenging one for the Company in Europe as both the generics markets registered low to mid-single digit growth. The French generics market grew only marginally by 1% (Source: GERS Report MAT February 2016) due to the price reductions imposed by the government. The market is characterized by increased competition as companies compete for a share in the static market and tough pricing scenario as the government keeps on reducing prices to keep healthcare costs down. However, the French Government has identified a few actions to support generics penetration, which may provide some relief from pricing pressure through volume growth going forward. The Spanish generics market, which is highly competitive, grew by 5% (Source: IMS Report MAT Feb-16) during the year.

During the year, the Company rationalized its product portfolio both in France and Spain by expanding the business of in-house products' portfolio. This strategy impacted the growth in revenues but resulted in improved profitability. The Company launched 3 new products in France (2 from India) and 4 new products in Spain (all from India). Going forward, in both the markets, the focus will continue to be on increasing the proportion of products supplied from India, so as to remain competitive in these markets.

Overall, the Company's business in Europe posted sales of Rs. 2,956 Mio. during the year.

Consumer Wellness

Zydus Wellness Limited, a subsidiary of the Company, operates in the consumer wellness space having three established brands namely Sugar Free, a low calorie sugar substitute, EverYuth, a range of skincare products and Nutralite, a cholesterol free table spread.

The focus for the year was to revive growth rates on the back of volume led initiatives. As the year progressed, the Company saw an improvement in the growth rates of Sugar Free and a turnaround in the peel off face mask business.

In terms of performance of brands, Sugar Free maintained its leadership position in the artificial sweetener category with a market share of 93.7%, which is an increase of 120 basis points over

// During the year, the company launched Pegihep (Pegylated Interferon alpha 2b) in Myanmar, the first biosimilar launch by the Company in the emerging markets. //

the last year. EverYuth had a significant turnaround in its peel off mask category during the year on the back of new communication focused on special occasions. EverYuth peel off maintained its number one position with a market share of 92.1%, which is an increase of 80 basis points. In the scrub category, EverYuth maintained its leadership position with a market share of 30.7% (Source: A.C. Nielsen MAT March'16 report). To further build and strengthen the credentials of Nutralite brand in the health and food space, support across different communication mediums was provided throughout the year including the new television campaign to communicate functional benefits of the brand.

During the year, Zydus Wellness Ltd. registered sales of Rs. 4,570 Mio., up by 3.2% and net profit of Rs. 1,017 Mio. Net profit on a like-to-like basis after excluding the impact of excise duty refund received during the previous financial year grew by 10%.

Animal Health

With a long presence in the veterinary business, the Company ranks amongst the leading animal health companies of India. During the year, the Company acquired select brands and manufacturing operations in India from the Indian subsidiary of Zoetis Inc., a global animal healthcare company. The Company further strengthened its position in the Indian market by launching 8 new products during the year. The Company received the "Animal Pharm Award for the best company in India/Africa/Middle East 2015" from the world's leading pharma news publication, Animal Pharma, UK. Bremer Pharma GmbH, the German subsidiary of the Company runs the global animal health business. It has presence in more than 50 markets across the world. The Company is in the process of penetrating into newer markets while strengthening its current product portfolio in the existing markets.

On a consolidated basis, the Company's animal health business posted sales of Rs. 3,199 Mio. with a growth of 3% during the year.

“ During the year, the Company received the 'Animal Pharm Award for the best company in India/Africa/Middle East 2015' from the world's leading pharma news publication, Animal Pharma, UK. ”

APIs

The Company's APIs and intermediates' business is the foundation for the formulations business of the Company globally as it ensures the uninterrupted supply of key input materials to the formulations manufacturing plants in a timely and cost efficient manner so as to enable them to serve the customers in different markets efficiently. API business also fulfills the requirements of external customers by supplying them APIs and intermediates in a timely manner and at the most competitive prices. During the year, the Company filed 6 more DMFs with the USFDA, taking the cumulative number of filings to 122. The Company's API business posted sales of Rs. 3,647 Mio. during the year.

JVs and Alliances

A. Zydus Takeda Healthcare Pvt. Ltd.

Zydus Takeda is a 50:50 JV between the Company and Takeda Pharmaceuticals Co. Ltd., Japan. The JV manufactures a range of generic APIs covering various therapeutic categories and exports exclusively to the JV partner for its generic portfolio. During the year, the JV received the Best Energy Efficient Unit Award at the national level from the Confederation of Indian Industry. The JV was recognized as one of the Best Units for Excellence in Environment by Maharashtra Pollution Control Board.

B. Zydus Hospira Oncology Pvt. Ltd.

Zydus Hospira is a 50:50 contract manufacturing JV between the Company and Hospira Inc., USA, which manufactures oncology injectable products for marketing by both the JV partners in the respective markets assigned to them. The JV commenced the supply of one more product for the US market during the year, taking the cumulative number of products being supplied for the US market to 7. During the year, the JV successfully completed inspections by the regulatory authorities of Japan and Korea. The JV also successfully completed inspection from the ISO/OHSAS during the year.

C. Bayer Zydus Pharma Pvt. Ltd.

Bayer Zydus Pharma, a 50:50 JV between the Company and Bayer Schering Pharma AG, markets finished pharmaceutical formulations in India. The JV has successfully completed its fifth year of commercial operations. The JV has a strong portfolio in the area of women's healthcare, metabolic disorders, diagnostic imaging, cardiovascular diseases, anti-diabetic treatments and oncology, where it focuses on increasing its market share. The JV holds leadership positions in the represented markets of women healthcare and diagnostic imaging therapeutic areas (Source: Industry Estimates).

D. Alliances with partners

The Company received approval from the USFDA for 2 ANDAs which were filed on behalf of partners. One NDA, which was filed on behalf of a partner was also approved by the USFDA during the year. Overall, the Company's JVs and Alliances posted sales of Rs. 5,342 Mio. during the year, which was up by 13%.

NEW INITIATIVES

Biologics

The Company is developing a pipeline of 20 biologics, comprising 14 biosimilars and 6 novel biological products.

During the year, the Company initiated Phase III clinical trials for one more monoclonal antibody (mAb) and received regulatory approval to initiate Phase III clinical trials for one more product. The Company continued to file the dossiers of first generation biosimilars in the emerging markets. On the novel biologics front, the Company initiated the next phase of clinical trials for Rabimabs.

During the year, the Company received WHO-GMP certificate for the newly commissioned finished dosage manufacturing facility.

Vaccines

During the year, the Company received marketing authorization from DCGI for two vaccines out of which one has been launched in India. The Company successfully completed the last stage of clinical testing for four vaccines and submitted them to DCGI for marketing authorization in India. Apart from this, thirteen vaccines are in different stages of clinical trials.

NCE Research

The Company's state-of-the-art Zydus Research Centre (ZRC) spearheads the Company's New Chemical Entity (NCE) research activities. The Centre has the capability of taking a drug right from the concept stage to human trials. The priority focus areas of NCE research are cardio-metabolic disorder, inflammation, pain and oncology.

During the year, the Company received approval from the USFDA to initiate Phase II clinical trials for Saroglitazar in patients with severe hypertriglyceridemia. The Company completed Phase I clinical trials in United States for ZYDPLA 1, a novel, next generation, orally active small molecule DPP-4 inhibitor to treat Type 2 diabetes. The Company also completed Phase I clinical trials in Australia for ZYAN 1, a HIF-PH for treating anemia. An IND was filed with DCGI for ZYTP 1, a novel Poly (ADP-ribose) Polymerase (PARP) inhibitor during the year. This was the first IND filed by the Company in the oncology segment.

INTELLECTUAL PROPERTY RIGHTS

The Company's efforts in the development of new molecules, newer delivery systems, processes and technologies have continued. The Company's research and development centres have filed over 40 patents in the US, Europe and other countries during the year, taking the cumulative number of filings to 1190.

The Company successfully completed the site transfer of 5 products (from Moraiya to Baddi) for US market during the year, taking the cumulative number of such site transferred products to 12.

MANUFACTURING OPERATIONS

The manufacturing capabilities enable the Company to provide high quality products at the most competitive prices and in a timely manner to its customers across the globe, thus ensuring continuous growth and success of the Company.

During the year, four formulations facilities viz. oral solid dosage facility, oncological injectable facility (of Alidac Pharmaceuticals Ltd., a 100% subsidiary of the Company) and transdermal facility (of Zydus Technologies Ltd., a subsidiary of the Company) located in Ahmedabad SEZ and oral solid dosage facility located at Baddi received Establishment Inspection Report (EIR) from the USFDA. Moraiya formulations facility successfully completed the ANVISA inspection during the year. The Company successfully completed the site transfer of 5 products (from Moraiya to Baddi) for the US market during the year, taking the cumulative number of such site transferred products to 12.

During the year, Moraiya formulations facility received the India Pharma Award from UBM India for EHS Excellence. Sikkim formulations facility received "Silver Certificate of Merit" from Frost & Sullivan at India Manufacturing Excellence Awards 2015. The Company received the Award for Excellence in Cost Management from the Institute of Cost Accountants of India.

ENVIRONMENT, HEALTH AND SAFETY

The Company is fully committed to and continuously endeavors to achieve environment, health and safety excellence across all the units. The Company continued to invest substantial resources towards sustaining and continuously improving the standards of environment, occupational health and safety as the Company believes that its responsibility towards the society and the environment extends beyond that laid down by the regulatory authorities. At present, seventeen units of the Company are accredited with ISO 14001 and OHSAS 18001.

// The EBITDA margin as % to total income from operations improved by 3.9% to 24.2% from 20.3% last year. //

CONSOLIDATED FINANCIAL HIGHLIGHTS

Given below are the financial highlights of the year gone by.

Total operating revenues

The total income from operations grew by 14% to Rs. 98,376 Mio., in 2015-16 from Rs. 86,513 Mio., last year.

Profits and margins

The EBITDA (Earnings before Interest, Depreciation, Taxation and Amortization) grew by 36% to Rs. 23,829 Mio., from Rs. 17,557 Mio., last year. The EBITDA margin as % to total income from operations improved by 3.9% to 24.2% from 20.3% last year. Net profit was up by 32% to Rs. 15,226 Mio., from Rs. 11,506 Mio., last year. The net profit margin as % to total income from operations improved by 2.2% to 15.5% from 13.3% last year. Earnings per share also grew in line with the net profit and stood at Rs. 14.90 for the year.

Net Worth

The consolidated net worth increased to Rs. 53,519 Mio., at the end of March 2016, up by 26% from Rs. 42,516 Mio., at the end of March 2015.

The reserves and surplus increased by Rs. 11,003 Mio., to Rs. 52,495 Mio., at the end of the year 2015-16 from Rs. 41,492 Mio., last year. Book value per share increased to Rs. 52.3 as on March 31, 2016 from Rs. 41.61 last year.

The return on adjusted net worth (RONW = Net profit excluding exceptional items net of tax/Average net worth adjusted for deferred expenses and exceptional items) improved during the year and stood at 31.7% compared to 30.1% registered in last year.

Debt

The consolidated net debt (adjusted for cash and bank balances) of the Company as on 31st March, 2016 stood at Rs. 17,467 Mio., against Rs. 19,814 Mio., last year. Net debt-equity ratio improved to 0.33:1 as on March 31, 2016 as against 0.47:1 as on March 31, 2015.

Fixed Assets and Capital Expenditure

The consolidated gross block (including capital work in progress) at the end of the year was Rs. 68.9 bn., up by about Rs. 9.5 bn., from Rs. 59.4 bn., last year. Net capital expenditure (excluding goodwill, but including capital work in progress) during the year was Rs. 9,477 Mio. The capex during the year was incurred mainly for creation of new facilities, up-gradation and capacity expansion of existing facilities and acquisition of assets from the Indian subsidiary of Zoetis Inc., a global animal healthcare company.

Capital employed and operating efficiency

The total Capital Employed (CE), adjusted for exceptional items and deferred expenses, at the end of the year was Rs. 78.6 bn., up from Rs. 69.6 bn., at the end of the previous year. The increase in capital employed was mainly due to the increase in the net worth. Return on Capital Employed (ROCE = Adjusted earnings before interest net of tax/Average CE) improved during the year and stood at 21% compared to 18.3% registered in last year.

RISK IDENTIFICATION, RISK MITIGATION AND INTERNAL CONTROLS

The Company is a leading pharmaceutical company in India. Primary business activities of the Company include manufacturing of pharmaceutical products, both active pharmaceutical ingredients and finished dosage formulations, marketing of the same in developed and emerging markets across the globe and carrying out research and development of pharmaceutical products to build the pipeline for the future. On the R&D front, the Company invests its resources in basic new drug discovery research, several newer technology platforms such as transdermals and biosimilars and generic product development activities. The variety of business activities being performed and the geographies being served by the Company poses various risks and challenges, which are explained below.

Risk related to economic and political environment across the world

The Company operates in various developed and emerging markets across the world. Each such market has its own challenges like economic instability, political uncertainty etc. Any adverse development in any of these markets can affect the business of the Company in those markets. The Company periodically evaluates the various developments happening in those markets to identify the risk, if any, arising from such developments.

Risk of competition, price pressure and Government controls on prices

The Company is present in the generics segment of pharmaceutical markets in different countries. In the generics market, the individual player has hardly any pricing power due to the presence of a large number of players who

compete with each other to increase their respective market shares. This competition often puts pressure on the pricing of the products being sold by the Company. In some of the countries, the Company is mandated by law to reduce the prices of the products as the governments of these countries resort to periodic price reductions to keep the healthcare costs down.

Risk of regulatory actions due to non-compliance of quality standards

Stringent regulations and quality standards are prescribed by the regulatory authorities across the globe for the pharmaceutical products and their manufacturing and supply chain processes in order to protect the interests of the patients. Any deviation from the prescribed regulations or any variation in the quality from the prescribed standards may lead to punitive actions by the regulatory authorities.

The Company maintains a constant vigil on the quality standards of all its products, their manufacturing and supply chain processes and continuously strives to improve them, so as to ensure high level of quality standards and regulatory compliance, often superior to those required.

Risk of litigation related to quality of products, intellectual properties and other litigations

Litigation is one of the significant risks in the Pharmaceutical Industry. Litigation may arise if the quality of the products being supplied by the Company does not match the prescribed standards or if the Company infringes the intellectual property rights of other players. The Company may be sued if the products and processes of the Company infringe upon the products and processes of the patent holders.

The Company takes 'Product Liability Insurance' wherever necessary, as a safeguard against potential claims regarding quality of the products. The Company has also established a stringent review mechanism to critically evaluate various parameters related to possible infringement of intellectual property rights of the patent holders before developing and filing product dossiers for global markets.

Risk of delays in approval of new product registrations in various markets

In a generic pharmaceutical industry, continued business growth is contingent upon the timely approval of new product registrations filed with the regulatory authorities of respective markets. Any significant delay in such approvals beyond normal time taken by the regulatory authorities may impact the growth prospects of the Company in such generics markets.

The Company has established a stringent mechanism to review the new product dossiers submitted with the regulatory authorities to ensure quality of such dossiers. The Company has also established a system of providing speedy response to the queries raised by the regulatory authorities on the product dossiers so as to expedite the approvals.

Risk of international operations including foreign exchange risk

The Company operates in different developed and emerging markets across the globe. The Company does the business in these markets in the respective currencies of those markets which will be different from the reporting currency of the Company which is the Indian Rupee. This exposes the Company to the fluctuations in the rates that may occur in the currencies of these markets vis-à-vis the Indian Rupee. The Company has designed a judicious debt mix policy and also utilizes natural hedge available to it from its export earnings to mitigate foreign exchange risk on payments.

Risk Management and Internal Control Systems

Though it is not possible to completely eliminate various risks associated with the business of the Company, efforts are made to minimize the impact of such risks on the operations of the Company. For this, the Company has established a well-defined process of risk management which includes identification, analysis and assessment of various risks, measurement of probable impact of such risks, formulation of the risk mitigation strategies and implementation of the same so as to minimize the impact of such risks on the operations of the Company. An enterprise wide risk evaluation and validation process is carried out regularly and the review of the risk management policy is also carried out at regular intervals by the Risk Management Committee and the Board of Directors so as to ensure that the new risks which might have arisen or the impact of the existing risks which might have increased are identified and a proper strategy is put in place for mitigating such risks. The Company has put in place various internal controls for different activities so as to minimize the impact of various risks. Also, as mandated by the Companies Act, 2013, the Company has implemented the Internal Financial Control (IFC) framework to ensure proper internal controls over financial reporting. Apart from this, a well-defined system of internal audit is in place so as to independently review and strengthen these internal controls. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of the internal controls.

CORPORATE SOCIAL RESPONSIBILITY



The Company's CSR initiatives are spearheaded by the Ramanbhai Foundation. Zydus Srishti encourages employee volunteerism and is completely an in-house effort. The team carries out initiatives in the field of education, health and research. The focus through these programs is to develop communities which we are a part of, through inclusive education and creating knowledge platforms for the research community.



The first batch of medical students from GCSMCH are ready to serve the community

In line with its policy, the Company has contributed towards education, healthcare and social outreach programs and a majority of its CSR spending in the previous financial year have been in these areas. The Company has contributed to the GCS Medical College, Hospital and Research Centre (GCSMCH) which has been set up in public-private partnership by the Gujarat Cancer Society (GCS) and the Government of Gujarat. GCS has been providing comprehensive cancer care and treatment over the last five decades to the less privileged and economically disadvantaged sections of the society.

During the year, the GCS Medical College, Hospital and Research Centre successfully completed inspection conducted by the Medical Council of India for the fifth consecutive year. The year marked an important milestone as the first batch of medical students (MBBS) passed out of the College in 2016. Of these, two students were amongst the University toppers.

GCSMCH is committed to providing advanced medical care to the needy and underprivileged citizens at the most affordable costs. During the year, the number of patients provided care in the OPD touched 1000 per day. 90% of these patients were from economically disadvantaged backgrounds. The GCS Hospital now has 11 operation theatres fully operational, making it one of the most comprehensive and self-sustaining healthcare centers of world-class standards.



Committed to developing the communities with health and care

Contributing to the communities that it forms a part of, the group conducts rural healthcare camps at villages close to its facilities. Each year, Zydus organise themselves into groups to co-ordinate with the doctors, register the patients and update their medical history, assist the doctors and dispense free medicines. Every year, the group's specialty divisions run campaigns and create health alerts to educate community members and employees on various disorders and the steps to lead a healthier life.



Contributing to the foundations of learning and building better communities through education

As part of the activities in the field of education, the group has supported the Zydus School for Excellence which was established as a community initiative of The Ramanbhai Foundation. The school was the brainchild of the Founder Chairman, Late Mr. Ramanbhai Patel, who believed that a school is not just a place where young minds come to learn, but it's an institution where character is built and a fountainhead, where children can constantly seek creative expressions for their endeavours. The school now has two campuses with 2400 students and more than 150 educators. During the year, the students of the school won several awards for academic, co-curricular as well as excellence in sports.

The Ramanbhai Patel College of Pharmacy, RPCP was established in 2004 at Changa in memory of the Late Founder Chairman to promote excellence in pharmacy education and to prepare young men and women to meet the challenges of industrial pharmacy and pharmacy practice. The College offers Bachelors of Pharmacy and Masters of Pharmacy in Pharmaceutical Technology. With an excellent faculty, the college is one of the most reputed institutes in pharmacy education.

HUMAN RESOURCES



Creating a future ready organisation

As the organisation takes a leap into the future with ZyNext 2020, Team HR has been playing an important role as a strategic partner in this transformational journey.

The HR initiatives have been focussed on -

- Retaining the speed, agility and flexibility that forms the very core of the organisation
- Retaining diversity of different local cultures while harmonising processes and managing a workforce spread across the globe working towards a unified goal.
- Novel approaches to create a robust talent pipeline and tapping young talent and creating a global talent pool by continuously building the right bench strength to meet the organisation's talent needs.
- Institutionalising a Quality Culture programme across the organisation.

- Creating an attractive employer brand image to attract talent as the organisation consolidates its position in a highly competitive and fast changing landscape.

Leadership development continued to be a thrust area and during the year, the leadership bandwidth was expanded.

During the year, IIM - ADAPT, the two year General Management Programme at IIMA for leadership role holders across various businesses which began in February 2014 was successfully completed. The valedictory of the programme was conducted in March 2016, where the participants undertook 'action learning projects'.

Team HR has been looking at Capability Building to see how the learning potential of individuals and teams can be maximised for organisational effectiveness and performance.

In recognition of the initiatives in talent acquisition, the team received prestigious awards including the Excellence in Talent Sourcing and Staffing - Society for Human Resource Management (SHRM) HR Awards 2015 and the TA leadership League Award 2015 for Best in Talent Assessment Methodologies from People Matters.

AWARDS & ACCOLADES



Mr. Pankaj R. Patel, Chairman and Managing Director, Cadila Healthcare received the Award from Hon'ble Minister for Chemicals & Fertilizers, Shri Ananth Kumar.

The Company received several awards in recognition of its innovation programme during the year under review.

It was awarded the Overall India Pharma Excellence Award and the India Pharma Innovation of the Year Award from the Department of Pharmaceuticals, Government of India.

The group also won the CII Industrial Innovation Grand Jury Award of being the Most Innovative Company of the Year and declared the most Innovative Pharmaceutical Company by Thomsun Reuters.

Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2016.

SECTION A [GENERAL INFORMATION ABOUT THE COMPANY]:

1.	Corporate Identity Number (CIN) of the Company			L24230GJ1995PLC025878
2.	Name of the Company			Cadila Healthcare Limited
3.	Address of the Registered Office of the Company			“Zydus Tower”, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015
4.	Website			www.zyduscadila.com
5.	Email id			upen.shah@zyduscadila.com
6.	Financial year reported			2015-16
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):			
	Group	Class	Sub Class	Description
	210	2100	21001	Drugs and Pharmaceuticals.
8.	Key products/Services:			The Company manufactures and markets a wide range of healthcare products.
9.	Locations where business activity is undertaken by the Company			The Company’s businesses and operations are spread across different geographies. There are 16 locations in India, where the manufacturing and research and development activities are carried out, details whereof are provided in this annual report. Details of business performance in Indian markets as well as International markets are reported as a part of the Management Discussion and Analysis Report, which forms part of this Annual Report.
10.	Markets served by the Company – Local/State/ National/International			As a global healthcare provider, the Company has a significant presence nationally and globally.

SECTION B [FINANCIAL DETAILS OF THE COMPANY]:

Paid-up Capital (INR)	1,024 millions
Total turnover (INR)	65,329 millions
Total profit after taxes (INR)	19,773 millions

SECTION C [OTHER DETAILS]:

List of activities in which expenditure on CSR has been incurred and total spending as a percentage of profits after tax:

The Company has spent Rs. 164.59 mio towards Corporate Social Responsibility [CSR], being 2% of average profit for previous three years, computed as prescribed under the Companies Act, 2013 on Swachhata Abhiyan, education and healthcare, including preventive healthcare. Annual Report on CSR activities is attached to the Directors' Report.

The Company is a global pharmaceutical Company with subsidiaries in India and across the world. The Company has 33 subsidiary Companies, including 24 subsidiaries outside India. Names of the subsidiary Companies are provided in the statement of salient features of the subsidiary Companies under section 129(3) of the Companies Act, 2013 and Rules made thereunder, which is a part of this Annual Report. Each of the Company's subsidiaries abides by the law of the respective land, where it operates in a responsible manner. The subsidiary companies' Business Responsibility [BR] initiatives are aligned with those of the Company.

SECTION D [BR INFORMATION]:

1. Details of Director/Directors responsible for BR:

- a) Details of the Director/Directors responsible for implementation of the BR Policy/policies:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00131852
2	Name	Mr. Pankaj R. Patel
3	Designation	Chairman and Managing Director

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6.	Financial year reported			2015-16
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Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00131852
2	Name	Mr. Pankaj R. Patel
3	Designation	Chairman and Managing Director

b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Mr. Upen H. Shah
3.	Designation	Company Secretary and Compliance Officer
4.	Telephone Number	079 – 268 68 100
5.	E-mail ID	<u>upen.shah@zyduscadila.com</u>

2. Principle-wise (as per NVGs) BR Policy/Policies:

Alignment to National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)

NVG Principle	Chapter in BR Report	Page No.	Details in Annual Report
Business should conduct and govern themselves with Ethics, Transparency and Accountability.	Corporate Governance Structure	21	Yes
Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Quality Principles and Credo for Value Creation	21	Yes
Businesses should promote the well-being of all employees.	Building people to build our business	17, 21	Yes
Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Zydus Srishti	16, 22	Yes
Businesses should respect and promote human rights.	Human Rights	22	Yes
Businesses should respect, protect, and make efforts to restore the environment.	Environment Health and Safety	13, 22	Yes
Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Policy advocacy	22	Yes
Business should support inclusive growth and equitable development.	Zydus Srishti	16, 23	Yes
Business should engage with and provide value to their customers and consumers in a responsible manner.	The Zydus Way manufacturing and marketing of healthcare products	9, 23	Yes

3. Principle-wise [as per NVGs] BR Policy/Policies:

a) Details of compliance [Reply in Y/N]:

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for?	Y	Y	Y	Y	Y ¹	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy confirm to any national/international standards?	The Company is abiding by the various laws and while framing the policies, the Company takes into account the best practices and national and international standards.								

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y ²	Y ³	N	N	Y	N	Y	Y ⁴
All statutory policies are approved by the Board of Directors, whereas other policies are signed by the Chairman and Managing Director or the respective business/unit head.										
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
The policies are implemented and being reviewed regularly by the respective business/unit head.										
6	Indicate the link for the policy to be viewed online?	www.zyduscadila.com http://zydusehs								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, all the policies are communicated to the employees via internal portal, where each employee has an access and the external stakeholders through Company's website. [www.zyduscadila.com]								
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, respective business/unit heads attend to any grievances pertaining to their department and address the grievances. The Company has formed a Stakeholders' Relationship Committee to redress any grievances of shareholders and investors. Product related grievances are also resolved by the respective business heads to whom the product pertains to.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company regularly carries out an independent audit on working of policy on Environment. CSR expenditure is also audited by the Company's statutory auditors.								

- The Policy is embedded in the Company's Code of Conduct, HR policies and various other HR practices.
- The Policy is embedded in the Company's Quality and Environmental Policies, which inter-alia relate to safe and sustainable products.
- The policies for the well being of employees are for internal circulation to the employees and approved by the Managing Director.
- The Company fulfills the requirements by introducing innovative products and services. The Company has a customer complaint redressal system.

b) If answer to the questions at serial number 1 against any principle, is "No", please explain why: [Tick upto 2 options]

In the table under [a] above, the Company does not have policy under Principle 7 with respect to public policy, though the Company understand the principle, but the Company indirectly raises its voice through Chamber of Commerce, FICCI, ASSOCHAM, Industry Associations, etc.

4. Governance related to BR:

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.**

The BR performance of the Company is regularly monitored by the Company and reviewed by the Chairman and Managing Director and respective departmental heads.

- b) **Does the Company publish BR or sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

The Company publishes BR Report as a part of Annual Report. The Company publishes BR report annually. Report is posted on the Company's website – www.zyduscadila.com

SECTION E [PRINCIPLE-WISE PERFORMANCE]:

Principle 1: [Business should conduct and govern themselves with Ethics, Transparency and Accountability]

The Company firmly believes and adheres to transparent, fair and ethical governance practices.

The Board of Directors has approved a Code of Business Conduct and Ethics, which is applicable to all Board Members and employees of the Company. This is reviewed and reported annually. The Company also has a Whistle Blower Policy approved by the Board and is applicable to all employees of the Company. Further, our major suppliers are also required to agree and to confirm to the code of responsible business conduct. The Company has also prescribed a Code of Ethics for its employees, which is very detailed and every employee has to sign and affirm its compliance. Though the Code of Business Conduct and Ethics for Directors and Senior Management Personnel is posted on the Company's website, the internal code of conduct is available on portal, which is accessible to all employees.

Details relating to shareholders' complaints are provided in Corporate Governance Report, which is a part of this Annual Report. However, there was no stakeholder complaint in the reporting period with regard to ethics, bribery and corruption.

Principle 2: [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.]

All our manufacturing facilities are inspected/approved by the leading regulatory agencies of US, Brazil, U.K., India, etc. The approvals are given after a thorough audit of standard operating procedures and protocols. Hence utmost care is taken to ensure that products confirm to stringent quality standards and bio-stability of products is also submitted during the periodic audits. All these manufacturing plants also have received environment audit certifications from ISO and OHSAS.

The Company produces large number of diverse formulations and APIs at various manufacturing sites and therefore ascertaining per

unit of product consumption of energy, water and raw material, etc. is not possible.

The Company has identified approved vendors for procuring materials and a Standard Operating Procedure is in place for sourcing raw materials. This includes sample approvals, performance trials, plant audit and regulatory clearances. Majority procurement of materials is from the approved manufacturers.

The Company procures goods and services from the local and small producers for its manufacturing premises and offices. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation. Adequate guidance and counseling are also provided to them about system and procedures for regulated markets.

The waste generated in the Company's operations is either recycled or disposed off safely. Every manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste below the norms prescribed by respective pollution control boards.

Important raw materials and solvents are recovered and recycled. It is a part of operational management. Full-fledged Solvent Recovery Plant at our API manufacturing sites recovers solvents generated during the process of manufacturing. The Company reuses appx. 50% of solvents generated in the manufacturing process.

Principle 3: [Businesses should promote the well-being of all employees.]:

- Please indicate the total number of employees and the number of contractual employees, woman employees and permanent employees with disabilities:

The Company does not discriminate among existing employees or during the process of recruitment on the grounds of religion, race, color, gender and disability. The Company provides equal opportunities to all employees. Key employee data as on March 31, 2016 is provided in the below table.

Sr. No.	Category of Employees	No. of Employees
1.	Management staff	6902
2.	Marketing field staff	7121
3.	Others	2128
4.	Total	16153
From the total:		
5.	Contractual employees	2561
6.	Permanent Woman employees	405
7.	Permanent employees with disabilities	24

- The Company has a recognised employees association and 4.40% of our permanent employees are members of this association. The Company has not received any complaint relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year.
- The permanent and contractual employees at the Company's

manufacturing site, Research and Development Centre and other corporate offices are provided training on relevant Environment, Health and Safety aspects. Further all other employees are given soft skill up-gradation training to improve their skills as may be relevant to the respective functions. 50.85% employees were imparted training for skill development, EHS, etc. from the total strength.

Principle 4: [Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized]:

The Company has mapped its internal and external stakeholders. We recognize employees, business associates, joint venture partners, suppliers, vendors, NGOs, communities, shareholders/investors, regulatory authorities and other governmental bodies and intermediaries as our key stakeholders.

The Company has also identified disadvantaged, vulnerable and marginalized stakeholders. The Senior Management of the Company also devotes their time and resources to various agencies involved in education and health arena. The Company works actively to enhance the employability of youth, leading to income generation and economic empowerment in the marginalized section of the communities.

The shop floor workers in our manufacturing premises are from the economically disadvantaged groups and local communities. The company invests in their skill development and upgradation, health check-ups and ensures other quality of life parameters. We have processes in place to ensure upholding of the rights of our employees and protect them against any form of discrimination.

Principle 5: [Businesses should respect and promote human rights]:

The Company is committed to promotion of human rights and is adhered to in spirit and deed. This extends to all areas of business operations and various stakeholder groups. The Company is also committed to provide equal opportunities at all levels, safe and healthy workplaces and protecting human health and environment. The Company strives to provide a non-discriminatory and harassment-free workplace for all its employees and contract staff. The Factories Act, 1948 provides the overarching framework for the Company's policy on human rights for the employees working at different factories. The Company provides equal opportunities to all its employees to improve their skills and capabilities. The company also has a policy in place to foster a professional, open and trusting workplace and safeguard the interests of its women employees. The Company provides help to its neighbouring communities to improve their education, cultural, economic and social well-being.

There were no stakeholder complaints in the reporting period pertaining to human rights.

Principle 6: [Business should respect, protect, and make efforts to restore environment]:

The Company is committed towards conservation of the environment and compliance with all requirements related to

Environment, Health and Safety. We have been looking at these initiatives beyond statutory compliance with a focus on the 4 Rs – Reduce, Reuse, Recycle and Recover for valuable resources. The Company has been engaging and involving every stakeholder across the Company in creating a unique culture in Environment, Health and Safety.

The Company continues to invest substantial resources towards sustaining and continuously improving standards of environment, occupational health and safety. Competent EHS cell has been instituted at each facility to cater the day to day EHS related activities.

To gratify the EHS as a whole with systematic approach, fifteen company units are accredited for ISO 14001 and thirteen company units are accredited for OHSAS 18001.

Towards green initiatives, the Company is reusing the hazardous waste by the activity of co-processing, water conservation, solvent recovery, using energy efficient techniques, developing green belt, etc.

To develop safety at work place, the Company has started implementation of Process Safety Management (PSM) and Behavior Based Safety Management tools across the units and as a part of Environment Management System and stringent monitoring, the Company has installed TOC monitoring system at its API units.

To bring the information asymmetry amongst the EHS group members, the Company has a dedicated EHS portal and from time to time documents are posted for internal review and compliance, which include EHS management, SOPs, guidelines, checklists, etc. The Company also organizes EHS group discussions as a part of awareness and updation on regular basis.

The Company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.

Principle 7: [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]:

The Company is a member of following Chambers and Associations:

- A. The Indian Drug Manufacturers Association,
- B. Federation of Indian Chambers of Commerce and Industry [FICCI],
- C. Gujarat Chamber of Commerce & Industry,
- D. Indian Pharmaceutical Alliance; and
- E. Pharmexcil, Hyderabad

The Company interacts with Government/Regulatory Authorities on any public policy framework through apex industry institutions, like Indian Pharmaceutical Alliance, Federation of Indian Chambers of Commerce and Industry, The Indian Drug Manufacturers Association, Pharmexcil and Gujarat Chamber of Commerce and Industry. The Company puts forth its views on new standards or regulatory developments pertaining to the pharmaceutical

manufacturing industry, broadly in the areas concerning access to medicines, best practices, corporate governance, corporate social responsibility, etc.

Principle 8: [Businesses should support inclusive growth and equitable development]:

The Company's CSR initiatives are spearheaded by the Ramanbhai Foundation. Zydus Shrishti encourages employee volunteerism and is completely an in-house effort. The team carries out initiatives in the field of education, health and research. The focus through these programs is to develop communities which we are a part of, inclusive education and creating knowledge platforms for the research community.

In line with its policy, the Company has contributed towards education, healthcare and social outreach programs and a majority of its CSR spending in the previous financial year has been in these areas. The Company has contributed to the Gujarat Cancer Society [GCS]. GCS has set up a GCS Medical College, Hospital and Research Centre [GCSMCH] in public private partnership by the Gujarat Cancer Society [GCS] and the Government of Gujarat. GCS has been providing comprehensive cancer care and treatment over the last five decades to the less privileged and economically disadvantaged sections of the society.

During the year, the GCS Medical College, Hospital and Research Centre successfully completed inspection conducted by the Medical Council of India for the fifth consecutive year. The year marked an important milestone as the first batch of medical students [MBBS] passed out of the College in 2016. Of these, two students were amongst the University toppers.

GCSMCH is committed to providing advanced medical care to the needy and underprivileged citizens at the most affordable

costs. During the year, the number of patients provided care in the OPD touched 1000 per day. 90% of these patients were from economically disadvantaged backgrounds. The GCS Hospital now has 11 operation theatres fully operational, making it one of the most comprehensive and self-sustaining healthcare centers of world class standards. A report in the prescribed format on CSR activities carried out by the Company forms a part of this Annual Report.

Principle 9: [Businesses should engage with and provide value to their customers and consumers in a responsible manner]:

All the customer complaints which were received in the reporting period have been resolved and there are no complaints or consumer cases pending as on the end of the financial year. There are no cases filed by any customer or consumer against the Company as at the end of financial year 2015–16.

The Company displays all product information on the product label, which is mandatory and as may be required for the use of the products by the consumers.

The Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behavior. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner.

The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell is set up to track, review and act on any adverse event complaints. Post marketing surveillance is also carried out by the marketing team to track and monitor the efficacy and safety of the products.

FINANCIAL SECTION

2015-16

Directors' Report

Your Directors are pleased to present the 21st Annual Report and the Financial Statements for the financial year ended on March 31, 2016.

FINANCIAL RESULTS:

The standalone financial performance of the Company, for the year ended on March 31, 2016 is summarized below:

(INR-Millions)

Particulars	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Sales and Other Income	71,694	54,696
Profit before Finance Costs, Depreciation, Impairment and Amortization and Tax Expense (PBITD)	26,771	17,193
Less: Depreciation, Impairment and Amortization	2,212	2,119
Profit Before Finance Costs and Tax Expense (PBIT)	24,559	15,074
Less: Finance Costs	224	428
Profit Before Tax [PBT]	24,335	14,646
Less: Tax Expense	4,562	1,935
Profit After Tax	19,773	12,711
Add: Profit brought forward from the previous year	26,921	17,366
Less: Additional depreciation upon revision in useful lives of tangible assets	–	249
Profit available for appropriation, which is appropriated as follows:	46,694	29,828
Interim Dividend	3,276	–
Proposed Dividend	–	2,457
Corporate Dividend Tax on Dividend [Net of CDT Credit]	608	450
Balance carried to Balance Sheet	42,810	26,921
Total	46,694	29,828
Earnings per share [EPS] [Face Value of shares of Rs. 1 each]	19.31	12.42

The Company proposes to retain an amount of Rs. 46,694 millions in the Statement of Profit and Loss.

RESULTS OF OPERATIONS:

During the year under review, the consolidated gross sales grew by 11.6%. On standalone basis, the Company has achieved gross sales of Rs. 65,329 millions, showing a growth of 37.14% compared to the previous year. The PBITD increased by 55.7% to Rs. 26,771 millions and the Profit Before Tax increased by 66.2% to Rs. 24,335 millions. The Profit After Tax has increased to Rs. 19,773 millions as compared to Rs. 12,711 millions in the previous year and the EPS has increased from Rs. 12.42 in the previous year to Rs. 19.31. A detailed analysis of performance for the year has been covered in the Management Discussion and Analysis, which forms part of the Annual Report.

INTERIM DIVIDEND:

During the year under review, your Directors had declared and paid an interim dividend of Rs. 3.20 per equity share of face value Rs. 1 each to the shareholders holding shares in physical form and whose names were listed on the Register of Members of the Company as on March 18, 2016, being the Record Date fixed for the purpose. Those shareholders holding shares in electronic form were paid dividend as per the beneficiary data provided by the Depositories.

Your Directors did not recommend final dividend. The dividend payout ratio for the current year [inclusive of corporate dividend tax on dividend distribution] is 19.6%.

During the year, the unclaimed dividend pertaining to the dividend for the year ended March 31, 2008 was transferred to Investors Education and Protection Fund after giving notice to the Members to claim their unpaid/unclaimed dividend.

SUB-DIVISION OF EQUITY SHARES:

The Board of Directors at its meeting held on August 12, 2015 approved a proposal to sub-divide the face value of equity shares of the Company from Rs. 5 to Rs.1 per share. The Company received approval of the shareholders through postal ballot for sub-division of shares on September 22, 2015.

The record date fixed for sub-division of shares was October 8, 2015. Shareholders with equity shares of Rs. 5 each of the Company in electronic form received direct credit of the sub-divided shares of Rs.1 each of the Company to their depository account. The Company issued new composite share certificate of Rs.1 each in place of the old share certificates, for shareholders holding shares in physical form. 204,748,520 equity shares of face value Rs. 5 each were sub-divided into 1,023,742,600 equity shares of face value

Rs.1 each and there is no change in the paid-up share capital of the Company consequent upon sub-division of the face value of the equity shares.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

MDA, for the year under review, as stipulated under clause 49 of the Listing Agreement / the Listing Regulations, 2015 with the Stock Exchanges is presented in a separate section, which forms a part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standard - AS-21 on Consolidation of Financial Statements read with Accounting Standard - AS-23 on Accounting for Investments in Associates and Accounting Standard - AS-27 on Financial Reporting of Interest in Joint Ventures and as provided under the provisions of the Companies Act, 2013 [hereinafter referred to as "Act"] read with Schedule III to the Act and Rules made thereunder and the Listing Agreement/the Listing Regulations, 2015, the audited Consolidated Financial Statements are provided in the Annual Report, which show the financial resources, assets, liabilities, income, profits and other details of the Company, its associate companies and its subsidiaries after elimination of minority interest, as a single entity.

SUBSIDIARY COMPANIES:

As provided in section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

During the year, Zydus Healthcare, Sikkim a partnership firm was converted into a public limited Company in the name of Zydus Healthcare Limited under the provisions of the Companies Act, 2013 and then it was merged into German Remedies Limited, a wholly owned subsidiary Company pursuant to a Scheme of Amalgamation approved by the Hon'able High Court of Gujarat at Ahmedabad and therefore the investment of the Company into Zydus Healthcare, a partnership firm and Zydus Healthcare Limited consequent upon conversion was extinguished and in lieu thereof German Remedies Limited will issue the equity shares to the Company as per the share exchange ratio determined by an independent valuer.

As provided under section 129[3] of the Act and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the format prescribed under the rules is attached to the financial statements. The policy relating to material subsidiaries as approved by the Board may be accessed on the Company's website at the link: <http://zyduscadila.com/wp-content/uploads/2015/05/Policy-on-Material-Subsidiary.pdf>.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of loans, guarantees and investments covered under section 186 of the Act are given in the notes to the financial statements.

RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. As provided under section 134[3][h] of the Act and Rules made thereunder disclosure of particulars of material transactions with related parties entered into by the Company in the prescribed format is annexed to this report as **Annexure - A**. Disclosures on related party transactions are set out in Note No. 39 to the financial statements.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://zyduscadila.com/wp-content/uploads/2015/05/Policy-on-Related-Party-Transactions.pdf>

DIRECTORS:

i) Appointment of Independent Director:

The Board of Directors has appointed Mr. Apurva S. Diwanji [DIN - 00032072] as an Independent Director of the Company from May 13, 2016 to May 12, 2021, subject to approval of the shareholders. Mr. Apurva S. Diwanji was appointed as an Additional Director, who shall hold office upto the ensuing Annual General Meeting.

The Board of Directors at its meeting held on May 13, 2016 has also appointed Mr. Apurva S. Diwanji as a member of the Audit Committee and Nomination and Remuneration Committee.

The terms and conditions of appointment are placed on the website of the Company www.zyduscadila.com.

ii) Retirement by rotation:

In accordance with the provisions of section 152[6] of the Act and in terms of the Articles of Association of the Company, Dr. Sharvil P. Patel, Deputy Managing Director [DIN - 00131995] will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Board of Directors of the Company has, subject to the approval of the shareholders at the ensuing Annual General Meeting re-appointed Mr. Pankaj R. Patel, as Managing Director of the Company for a period of five years with effect from September 1, 2016.

iii) Declaration of independence:

The Company has received declarations of independence as stipulated under section 149[7] of the Act and Regulation 16[b] of the Listing Regulations, 2015 from Independent Directors confirming that they are not disqualified from appointment/continuing as an Independent Director.

iv) Profile of Directors seeking appointment/re-appointment:

As required under Regulation 36 [3] of the Listing Regulations, 2015, particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are annexed to the notice convening 21st Annual General Meeting.

v) Key Managerial Personnel:

The following persons are the Key Managerial Personnel:

1. Mr. Pankaj R. Patel, Chairman and Managing Director,
2. Dr. Sharvil P. Patel, Deputy Managing Director,
3. Mr. Nitin D. Parekh, Chief Financial Officer and
4. Mr. Upen H. Shah, Company Secretary.

There is no change in the Key Managerial Personnel during the year.

vi) Board Evaluation:

Pursuant to provisions of the Act and Rules made thereunder and as provided in Schedule IV to the Act and the Listing Regulations, 2015, the Nomination and Remuneration Committee/Board has carried out the annual performance evaluation of itself, the Directors individually as well as the evaluation of its committees. The manner in which the evaluation was carried out has been provided in the Corporate Governance Report, which is a part of this Annual Report.

vii) Nomination and Remuneration Policy:

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report, which is a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of section 134[3][c] of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- (a) that in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (b) that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2016 and of the profit of the Company for the year ended on that date,
- (c) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- (d) that the annual financial statements have been prepared on going concern basis,

(e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

(f) that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

BOARD MEETINGS:

Information of meetings of the Board of Directors is given in Corporate Governance Report, forming part of this report.

AUDIT COMMITTEE:

As provided in section 177[8] of the Act, the information about composition of Audit Committee and other details are given in Corporate Governance Report, forming part of this report. The Board has accepted the recommendations of the Audit Committee. The Audit Committee is comprising of Mr. Nitin R. Desai, as Chairman and Mr. Humayun Dhanrajgir, Mr. Mukesh M. Patel and Ms. Dharmishta N. Rawal as members.

CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under clause 49 of the Listing Agreement/Listing Regulations, 2015. A separate section on detailed report on the Corporate Governance practices followed by the Company under the Listing Agreement/Listing Regulations, 2015 along with a certificate from the statutory auditors, confirming the compliance forms a part of this Annual Report.

AUDITORS:

i) Statutory Auditors and Audit Report:

The Company's Auditors M/s. Mukesh M. Shah & Co., Chartered Accountants, (Firm Registration No. 106625W) have completed more than ten years as Statutory Auditors of the Company. In accordance with the provisions of section 139 of the Act and Rules made thereunder, they can continue as Auditors for a further period of one year i.e. upto March 31, 2017. On the recommendation of the Audit Committee, it is proposed to appoint them from the conclusion of 21st Annual General Meeting till the conclusion of 22nd Annual General Meeting.

M/s Mukesh M. Shah & Co., Chartered Accountants have informed to the Company that their appointment, if made, would be within the limits prescribed under section 141 of the Act. They have also furnished a declaration confirming that their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company.

The Board has duly reviewed the Statutory Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/clarification by the Board of Directors as provided under section 134 of the Act.

ii) Cost Auditors:

Pursuant to provisions of section 148[3] of the Act read with the Companies [Cost Records and Audit] Amendment Rules, 2014, the cost audit records maintained by the Company in respect of the Pharmaceuticals Products are required to be audited. The Board had, on the recommendation of the Audit Committee, appointed M/s Dalwadi & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2016-17 on a remuneration of Rs. 1.20 mio. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s Dalwadi & Associates is included at Item No. 8 of the Notice convening 21st Annual General Meeting.

iii) Secretarial Auditors and Secretarial Audit Report:

Pursuant to provisions of section 204 of the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, the Board has appointed M/s Manoj Hurkat and Associates, a firm of Company Secretaries in Whole-time Practice to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report is annexed herewith as **Annexure - B**. The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/clarification by the Board of Directors as provided under section 134 of the Act.

BUSINESS RESPONSIBILITY REPORTING:

As per Regulation 34[2][f] of the Listing Regulations, 2015, a separate section on Business Responsibility Reporting forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY [CSR]:

Your Company, being a Pharmaceutical Company, having objective as "Dedicated to Life" has contributed for healthcare, education and research in cancer as a part of initiatives under "Corporate Social Responsibility" for the year under review. Pursuant to section 135 of the Act and the relevant rules, the Board has constituted a Corporate Social Responsibility [CSR] Committee under the Chairmanship of Mr. Pankaj R. Patel. The other members of the Committee are Dr. Sharvil P. Patel and Ms. Dharmishta N. Rawal. CSR Policy has been framed and placed on the Company's website. Other details of the CSR activities, as required under section 135 of the Act, are given in the CSR Report as **Annexure - C**.

BUSINESS RISK MANAGEMENT:

Pursuant to provisions of section 134[3][n] of the Act and requirement under clause 49 of the Listing Agreement/

Listing Regulations, 2015, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, which forms a part of this Annual Report.

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate them. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks. The Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

Discussion on risks and concerns are covered in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company has designed and implemented a process driven framework for Internal Financial Controls [IFC] within the meaning of the explanation to section 134[5][e] of the Act. For the year ended on March 31, 2016, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:**i) Vigil Mechanism/Whistle Blower Policy:**

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Whistle Blower Policy is disclosed on the website of the Company.

ii) Zydus Business Conduct Policy:

The Company has framed "Zydus Business Conduct Policy" and is monitored by the Group President [Human Resources and Corporate Communication]. Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

EXTRACT OF ANNUAL RETURN:

As per the provisions of section 92[3] of the Act, an extract of the Annual Return in the prescribed form MGT-9 is attached to this report as **Annexure - D**.

COMPOSITION OF AUDIT COMMITTEE:

More details on the Committee are given in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES:

The information required under section 197 of the Act read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, is given in **Annexure - E**.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134[3][m] of the Act read with Rule 8[3] of the Companies [Accounts] Rules, 2014, is provided in the **Annexure - F** and forms a part of this Annual Report.

GENERAL DISCLOSURES:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134[3] of the Act and Rule 8 of the Companies [Accounts] Rules, 2014, to the extent the transactions took place on those items during the year.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

ACKNOWLEDGMENT:

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by the Consortium Banks. Your Directors also thank the Medical Profession, the Trade and Consumers for their patronage to the Company's products. Your Directors also place on record sincere appreciation of the continued hard work put in by the employees at all levels. The Directors also thank the Company's vendors, investors, business associates, Stock Exchanges, Government of India, State Government and various departments and agencies for their support and co-operation.

On behalf of the Board of Directors

Place : Ahmedabad
Date : May 13, 2016

Pankaj R. Patel
Chairman

Annexure - A**Form No. AOC – 2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section [1] of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the year, which were not at arm's length basis.

B. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Name of the Related Party and Nature of Relationship	Nature of contract/ arrangement or transaction	Duration of contract/ arrangement or transaction	Salient terms of the contract/arrangement or transaction, including value, if any.	Dates of approval by the Board of Directors	Amt. paid as advance, if any.
1.	Zydus Pharmaceuticals USA Inc., USA [ZPU] [Wholly owned subsidiary Company]	Supply and Distribution Agreement	On-going	Pricing of supply of products based on relevant guidelines of transfer pricing.	May 12, 2015	Nil

On behalf of the Board of Directors

Place : Ahmedabad
Date : May 13, 2016

Pankaj R. Patel
Chairman

Annexure - B

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
CADILA HEALTHCARE LIMITED
'Zydus Tower' Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad - 380015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CADILA HEALTHCARE LIMITED** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to May 14, 2015) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from May 15, 2015);
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Equity Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and the Ahmedabad Stock Exchange Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015.

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

- VI. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the provision of The Drugs and Cosmetics Act, 1940 as is specifically applicable to the Company.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events/actions has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The members of the Company granted their approval through Postal Ballot conducted vide Postal Ballot Notice dated April 8, 2015 inter alia:
 - a. For issuance of Equity shares/Convertible Bonds/ Debentures through Qualified Institutional Placement/ Depository Receipt/any other mode for an amount not exceeding Rs. 10000 Crores;
 - b. For enhancing the borrowing limits from Rs. 1500 Crores to Rs. 10000 Crores, over and above the limit under section 180(1)(c) of the Companies Act, 2013; and
 - c. For creation of charge on assets/properties of the Company up to the limits approved by the members under section 180(1)(a) of the Act.
2. The Ahmedabad Stock Exchange Limited has vide its Letter Ref. No. 77 dated June 15, 2015 approved the voluntary delisting of Equity shares of the Company w.e.f. June 17, 2015.

For, MANOJ HURKAT AND ASSOCIATES
Practicing Company Secretaries

Place : Ahmedabad
Date : May 13, 2016

Manoj R. Hurkat
Partner

[FCS No.: 4287. C P No.: 2574]

Note: This Report is to be read with our letter of even date which is annexed as **Annexure - I** and form an integral part of this Report.

Annexure - I

To
The Members of
CADILA HEALTHCARE LIMITED
'Zydus Tower', Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad – 380 015

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, MANOJ HURKAT AND ASSOCIATES
Practicing Company Secretaries

Place : Ahmedabad
Date : May 13, 2016

Manoj R. Hurkat
Partner
[FCS No.: 4287. C P No.: 2574]

Annexure - C**Annual Report on Corporate Social Responsibility [CSR] activities****1. Brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to a web-link to the CSR Policy and projects or programs.**

The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013 and is placed on the website of the Company. Visit the web-link <http://www.zyduscadila.com/wp-content/uploads/2015/05/Policy-on-csr.pdf> for more information on the CSR Policy.

The Company has outlined the following thrust areas in the CSR Policy:

- i) Swasthya – Health, Safety and Environment,
- ii) Shiksha and Sodh – Education, Knowledge Enhancement and Research, and
- iii) Saath – Social care, concern and outreach in times of emergencies.

The Board of Directors, on the recommendation of CSR Committee approved the CSR spending, apart from others, on providing financial support for creating additional infrastructure/renovations and other assistance to a Charitable Institution, which runs hospitals and medical college. The said institution provides hospital services to the patients and carries out medical research. The medical college provides education and facilities to the medical students. The objectives of the institution include, amongst others, to help and nurse the marginalized and economically weaker section people of the society.

2. Composition of the CSR Committee.

Mr. Pankaj R. Patel	– Chairman
Dr. Sharvil P. Patel	– Member; and
Ms. Dharmishta N. Rawal	– Member

3. Average net profits of the Company for last three financial years.

Rs. 8227.71 millions

4. Prescribed CSR expenditure [2% of the amount as in item No. 3 above].

Rs. 164.55 millions

5. Details of CSR spent during the financial year.

- a. Total amount to be spent during the financial year – **Rs. 164.55 millions.**
- b. Amount unspent, if any. - **Nil**
- c. Manner in which the amount spent during the financial year is detailed below:

(Rs. in mio)

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs [1] Local area or other, State; [2] Specify the state and district where project or programs were undertaken.	Amount outlay [Budget] Project or Programwise	Amount spent on the Projects or Programs Sub-heads: [1] Direct expenditure on projects of programs, [2] Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency *
1.	Healthcare	Promoting healthcare, including preventive healthcare	District: Allahabad State: Uttar Pradesh	20.00	20.00	20.00	Kamla Nehru Memorial Hospital, Allahabad
2.	Swachhta Abhiyan	Swachha Bharat Abhiyan	Ahmedabad Gujarat	0.03	0.03	0.03	Mukhyamantrishri Swachhata Nidi
3.	Healthcare	Contribution towards creating infrastructure and renovation at two Cancer Hospitals	Ahmedabad Gujarat	46.58	46.58	46.58	Gujarat Cancer Society
4.	Healthcare	Contribution towards free/concessional rate medicines and other services to the poor patients for their treatment at the Cancer Hospitals	Ahmedabad Gujarat	6.20	6.20	6.20	
5.	Healthcare	Contribution towards subsidized food and other consumables at the Cancer Hospitals	Ahmedabad Gujarat	50.13	50.13	50.13	
6.	Healthcare	Contribution towards purchasing new medical equipment, professional and consultation fees and fellowship fees for the Cancer Hospitals	Ahmedabad Gujarat	41.65	41.65	41.65	
Total				164.59	164.59	164.59	
<p>* Those CSR activities carried out through implementing agency was through support to Charitable Institutions.</p> <p>d. Responsibility Statement:</p> <p>The implementation and monitoring of Corporate Social Responsibility [CSR] Policy, is in compliance with CSR objectives and policy of the Company.</p> <p style="text-align: right;">On behalf of the Board of Directors [PANKAJ R. PATEL – Chairman – CSR Committee and Managing Director]</p>							

Annexure - D

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and other details	
CIN	L24230GJ1995PLC025878
Registration Date	May 15, 1995
Name of the Company	Cadila Healthcare Limited
Category/Sub-Category of the Company	Public Limited Company, Limited by shares
Address of the Registered Office and Contact details	"Zydus Tower", Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015. Phone +91-79-2686 8100 (20 lines) Fax +91-79-2686 2365 www.zyduscadila.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Limited, 303, 3rd Floor, Shoppers Plaza-5, Near Government Society, Opposite Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Navrangpura, Ahmedabad - 380009 Telephone: 079 – 26465179 Fax number: 079 2646 5179 Email: ahmedabad@linkintime.co.in

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
Pharmaceutical Products	2100	100%

III. Particulars of holding, subsidiary and Associate Companies:

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Dialforhealth India Limited	Zydus Tower, Satellite Cross Roads, Sarkhej – Gandhinagar Highway, Ahmedabad – 380 015	U85110GJ2000PLC037488	Subsidiary	100	2[87][iii]
2	Dialforhealth Unity Limited		U51390GJ2005PLC046314		55	
3	Dialforhealth Greencross Limited		U51397GJ2005PLC061284		100	
4	German Remedies Limited		U51900GJ1989PLC079501		100	
5	Zydus Technologies Limited		U24230GJ2009PLC056149		85	
6	Biochem Pharmaceutical Industries Limited	Unit No. 103, Akruti Star, 1st Floor, MIDC Central Road, MIDC, Andheri (East), Mumbai – 400 093	U24230MH2004PLC149397	Subsidiary	100	2[87][iii]
7	Alidac Pharmaceuticals Limited	Plot No. 1A, "Pharmez", Sarkhej-Bavla NH 8A, Village: Matoda Gujarat – 382 213	U24230GJ2005PTC046915		100	

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
8	Liva Pharmaceuticals Limited	Survey No. 434/6/B and 434/1/K, Village: Jarod, Taluka: Vaghodia, District – Vadodara – 391 510	U24100GJ2013PLC077080	Subsidiary	100	2[87][ii]
9	Zydus Wellness Limited	House No. 6 and 7, Sigma Commerce Zone, Near Iskon Temple, S. G. Highway, Ahmedabad 380 015.	L15201GJ1994PLC023490		72.08	
10	Zydus International Private Limited	FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co. Louth, Ireland	Not Applicable		100	
11	Zydus Healthcare SA (Pty.) Limited	Southdowns Office Park, 22, Karee Street, Centurion, Pretoria 0157.			100	
12	Zydus Pharmaceuticals USA Inc. (USA)	73 Route 31 N, Pennington, NJ 08536			100	
13	Zydus Healthcare USA LLC (USA)				100	
14	Zydus France SAS (France)	25, Batiment L, ZAC des Hautes Patures, Rue des Peupliers, 92752 NANTEREE, France			100	
15	Zydus Pharma Japan Co. Limited (Japan)	5-12, Shinjuku, 2-chome, Shinjuku-Ku, Tokyo-160 0022, Japan.			100	
16	Zydus Netherlands BV (The Netherlands)	1082 MD Amsterdam, Claude Debussylaan, 24, the Netherlands			100	
17	Zydus Noveltch INC., (USA)	1775, Williston Road, Suite 210, South Burlington, VT 05403.			85	
18	Zydus Nikkho Farmaceutica Ltda (Brazil)	Estrada Governador Chagas Freitas, 340, Ilha do Governador, Rio de Janeiro RJ, CEP 21932-820.			100	
19	Etna Biotech S.R.L., Italy	Stradale V. Lancia, 57, 95121, Catania-Italy			100	
20	Simayla Pharmaceuticals (Pty) Limited, South Africa	Peter Mokaba, Avenue 86, Potchefstroom 2531.			100	
21	Laboratorios Combix, S. L., Spain	C/Badajoz, 2, Pozuelo de Alarcon, 28223 Madrid, Spain			100	
22	Script Management Services (Pty.) Limited	Building 15, The Boardwalk Office Park, Haymeadow Street, Faerie Glen, Pretoria 0043.			100	
23	Zydus Pharmaceuticals Mexico, S. A. de C. V., Mexico	Carretera Picacho Ajusco 154, Oficina 601-B Col.			100	
24	Zydus Pharmaceuticals Mexico Service Company SA de CV,	Jardines en la Montana, Del. Tlalpan, C. P. 14210, Mexico D.F.				

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
25	Nesher Pharmaceuticals (USA) LLC	120, South Central Avenue, Clayton, Missouri-63105, State of Missouri	Not Applicable	Subsidiary	100	2[87][ii]
26	Bremer Pharma GmbH, Germany	Werkstr. 42, 34414 Warburg, Germany			100	
27	Zydus Lanka (Private) Limited	Level 26 & 34, East Tower, World Trade Centre, Echelon Square, Colombo 01, Sri Lanka			100	
28	ZAHL B.V., the Netherlands	1082 MD Amsterdam, Claude Debussylaan, 24, the Netherlands			100	
29	ZAHL Europe B.V., the Netherlands				100	
30	Hercon Pharmaceuticals LLC (USA) *[Sole Member Zydus Noveltech Inc.]	101 Sinking Springs Lane, Emigsville PA 17318, United States of America			*100	
31	Zydus Healthcare Philippines Inc., Philippines	C/o Zydus Healthcare Phils Inc., Unit Nos. 903 & 904, Corner 9th Avenue, 32nd Street, Fort Bonifacio Global City, Taguig, Philippine-1634.			100	
32	Zydus Worldwide DMCC	Unit No. 909, Armada Tower 2, Plot No. PH2-P2, Jumeirah Lakes Towers, Dubai, United Arab Emirates			100	
33	Zydus Discovery DMCC	Unit No. 908, Armada Tower 2, Plot No. PH2-P2, Jumeirah Lakes Towers, Dubai, United Arab Emirates			100	
34	Zydus Takeda Healthcare Private Limited	C-4, MIDC, Village: Pawne, Thane Belapur Road, Navi Mumbai – 400 705	U24231MH1999PTC119171	Associate	50	2[87]
35	Zydus Hospira Oncology Private Limited	Plot No. 3, Pharmez, Special Economic Zone, Sarkhej-Bavla Highway, Village – Matoda, Taluka – Sanand, Dist. Ahmedabad – 382210	U24230GJ2005PTC046246		50	
36	Bayer Zydus Pharma Private Limited	Bayer House, Central Avenue, Hiranandani Gardens, Powai Mumbai – 400 076	U24233MH2011PTC213118		50	

IV. SHAREHOLDING PATTERN (Equity share Capital Breakup as percentage of Total Equity)

I) Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year*				No. of Shares held at the end of the year #				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	153134446	–	153134446	74.79	765672230	–	765672230	74.79	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	3600	–	3600	–	18000	–	18000	–	–
e) Banks/Fl	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-Total (A)(1):	153138046	–	153138046	74.79	765690230	–	765690230	74.79	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks/Fl	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-Total (A)(2):	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	153138046	–	153138046	74.79	765690230	–	765690230	74.79	–
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	7531867	2883	7534750	3.68	37170787	14415	37185202	3.63	–0.05
b) Banks/Fl	414122	1344	415466	0.20	2288717	6720	2295437	0.22	+0.02
c) Central Govt.	350	–	350	–	1174758	–	1174758	0.11	+0.11
d) State Govt.(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	8764063	–	8764063	4.28	33946688	–	33946688	3.32	–0.96
g) FIIs	11902456	–	11902456	5.82	67135873	–	67135873	6.56	+0.74
h) Foreign Venture Capital funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-Total (B)(1):	28612858	4227	28617085	13.98	141716823	21135	141737958	13.84	–
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	10183335	8686	10192021	4.98	23487683	38180	23525863	2.30	-2.68
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 2 Lakh	8239611	1338965	9578576	4.68	42667487	5495070	48162557	4.70	+0.02
ii) Individual shareholders holding nominal share capital in excess of 2 Lakh	2609877	53880	2663757	1.30	12347265	–	12347265	1.21	-0.09

Category of Shareholders	No. of shares held at the beginning of the year*				No. of Shares held at the end of the year #				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nations	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	1875	-	1875	0.00	-
iv) NRI/OCBs	552816	6219	559035	0.27	2538764	26760	2565524	0.25	-0.02
v) Clearing Members/ Clearing House	-	-	-	-	506242	-	506242	0.05	+0.05
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investors (Corporate)	-	-	-	-	29205086	-	29205086	2.85	+2.85
ix) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	21585639	1407750	22993389	11.23	110754402	5560030	116314412	11.36	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	50198497	1411977	51610474	25.21	252471225	5581145	258052370	25.21	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	203336543	1411977	204748520	100.00	1018161455	5581145	1023742600	100.00	-

* Face Value of each Equity Share Rs. 5/-.

Face Value of each Equity Shares Rs. 1/-.

ii) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares *	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares #	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
Zydus Family Trust	153107446	74.78	-	765537230	74.78	-	-
Pripan Investment Pvt. Ltd.	3600	0.002	-	18000	0.002	-	-
Shivani Pankajbhai Patel Jtly. Pankajbhai Ramanbhai Patel	3000	0.001	-	15000	0.001	-	-
Pankajbhai Ramanbhai Patel Jtly. Pritiben Pankajbhai Patel	3000	0.001	-	15000	0.001	-	-
Pankajbhai Ramanbhai Patel (HUF)	3000	0.001	-	15000	0.001	-	-
Pritiben Pankajbhai Patel Jtly. Pankajbhai Ramanbhai Patel	3000	0.001	-	15000	0.001	-	-
Taraben Ramanbhai Patel Jtly. Pankajbhai Ramanbhai Patel	3000	0.001	-	15000	0.001	-	-
Ramanbhai B. Patel (HUF)	3000	0.001	-	15000	0.001	-	-
Pankajbhai Ramanbhai Patel Jtly. Pritiben Pankajbhai Patel (R. B. Patel Will Pankaj Trust)	3000	0.001	-	15000	0.001	-	-
Pankajbhai Ramanbhai Patel Jtly. Sharvil Pankajbhai Patel (P. R. Patel Smaller HUF)	3000	0.001	-	15000	0.001	-	-
Sharvil Pankajbhai Patel	3000	0.001	-	15000	0.001	-	-
Total	153138046	74.79	-	765690230	74.79	-	-

* Face Value of each Equity Share Rs. 5/-.

Face Value of each Equity Shares Rs. 1/-.

iii) Change in Promoters' Shareholding (Please specify, if there is no change):

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No change during the year except the face value per equity shares changed from Rs. 5/- per share to Rs. 1/- per share upon sub-division of equity shares.			
At the end of the year				

iv) Shareholding Pattern of top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Date wise increase/decrease		Cumulative shareholding	% of total share capital
		Date	Increase/decrease		
1.	Life Insurance Corporation of India	At the beginning of the year		6433925	3.14
		17.04.2015	-184981	6248944	3.05
		24.04.2015	-12866	6236078	3.05
		01.05.2015	-54556	6181522	3.02
		31.07.2015	-27881	6153641	3.01
		28.08.2015	-21223	6132418	3.00
		30.09.2015	-66338	6066080	2.96
		30.09.2015		*30330400	2.96
		Changes in the holdings as per the beneficiary position downloaded from the Depositories.			
		09.10.2015	-288675	30041725	2.93
		18.12.2015	-486344	29555381	2.89
		25.12.2015	-720397	28834984	2.82
		31.12.2015	-348897	28486087	2.78
		08.01.2016	-329066	28157021	2.75
		04.03.2016	155937	28312958	2.77
		31.03.2016	358730	28671688	2.80
		At the end of the year		28671688	2.80
2.	Government Pension Fund Global	At the beginning of the year		2280812	1.11
		17.07.2015	20016	2300828	1.12
		24.07.2015	14543	2315371	1.13
		Changes in the holdings as per the beneficiary position downloaded from the Depositories.			
		30.09.2015		*11576855	1.13
		13.11.2015	152031	11728886	1.14
		At the end of the year		11728886	1.14
3.	Franklin Templeton Investment Fund	At the beginning of the year		1804230	0.88
		24.04.2015	-13709	1790521	0.87
		08.05.2015	-70260	1720261	0.84
		15.05.2015	-9600	1710661	0.83
		22.05.2015	-45140	1665521	0.81
		09.10.2015		*8327605	0.81
		20.11.2015	-354298	7973310	0.78
		27.11.2015	-1225600	6747710	0.66
		04.12.2015	-1024200	5723510	0.56
		08.01.2016	506450	6229960	0.61
		15.01.2016	562150	6792110	0.66
		22.01.2016	2260000	9052110	0.88
		29.01.2016	1471400	10523510	1.03
		At the end of the year		10523510	1.03
4.	Barclays Merchant Bank (Singapore) Ltd.	At the beginning of the year		0	0.00
		09.10.2015	800000	800000	0.08
		16.10.2015	1559839	2359839	0.23
		23.10.2015	2169720	4529559	0.44
		30.10.2015	4604326	9133885	0.89
		At the end of the year		9133885	0.89

Sr. No.	Name of the Shareholder	Date wise increase/decrease		Cumulative shareholding	% of total share capital
		Date	Increase/decrease		
5.	HDFC Standard Life Insurance Company Limited	At the beginning of the year		2232056	1.09
		10.04.2015	-61697	2170359	1.06
		17.04.2015	-2800	2167559	1.06
		24.04.2015	-77048	2090511	1.02
		01.05.2015	1500	2092011	1.02
		08.05.2015	1532	2093543	1.02
		22.05.2015	-1000	2092543	1.02
		29.05.2015	-16000	2076543	1.01
		05.06.2015	25067	2101610	1.03
		12.06.2015	-40197	2061413	1.01
		19.06.2015	-34187	2027226	0.99
		26.06.2015	-60703	1966523	0.96
		10.07.2015	-239097	1727426	0.84
		24.07.2015	-96616	1630810	0.80
		31.07.2015	-19750	1611060	0.79
		07.08.2015	-15000	1596060	0.78
		14.08.2015	-6596	1589464	0.78
		28.08.2015	24650	1614114	0.79
		11.09.2015	-8383	1605731	0.78
		18.09.2015	-793	1604938	0.78
		25.09.2015	-24650	1580288	0.77
		30.09.2015	-26402	1553886	0.76
		09.10.2015	-263519	*7505911	0.73
		23.10.2015	-126192	7379719	0.72
		30.10.2015	-49965	7329754	0.72
		06.11.2015	-152536	7177218	0.70
		13.11.2015	-278500	6898718	0.67
		27.11.2015	-200976	6697742	0.65
		04.12.2015	-891557	5806185	0.57
		11.12.2015	-213880	5592305	0.55
		08.01.2016	-1256707	4335598	0.42
		15.01.2016	2500	4338098	0.42
		22.01.2016	555361	4893459	0.48
		29.01.2016	50000	4943459	0.48
		05.02.2016	300630	5244089	0.51
		12.02.2016	-3130	5240959	0.51
		19.02.2016	25000	5265959	0.51
		04.03.2016	25000	5290959	0.52
		11.03.2016	50000	5340959	0.52
		18.03.2016	59067	5400026	0.53
		25.03.2016	-100000	5300026	0.52
		At the end of the year		5300026	0.52

Changes in the holdings as per the beneficiary position downloaded from the Depositories.

Sr. No.	Name of the Shareholder	Date wise increase/decrease		Cumulative shareholding	% of total share capital
		Date	Increase/decrease		
6.	General Insurance Corporation of India	At the beginning of the year		1150000	0.56
		11.09.2015	-100000	1050000	0.51
		09.10.2015		*5250000	0.51
		06.11.2015	-53935	5196065	0.51
		22.01.2016	-35151	5160914	0.50
		29.01.2016	-64854	5096065	0.50
		05.02.2016	-96065	5000000	0.49
		12.02.2016	-100000	4900000	0.48
		26.02.2016	50000	4850000	0.47
		At the end of the year		4850000	0.47
		Changes in the holdings as per the beneficiary position downloaded from the Depositories.			
7.	Hashman Investment and Trading Company Private Limited	At the beginning of the year		0	
		08.05.2015	1715174	1715174	0.84
		05.06.2015	-75848	1639326	0.80
		12.06.2015	-31632	1607694	0.79
		19.06.2015	-11536	1596158	0.78
		26.06.2015	-21675	1574483	0.77
		10.07.2015	-119459	1455024	0.71
		09.10.2015		*7275120	0.71
		13.11.2015	-627888	6647232	0.65
		27.11.2015	-500000	6147232	0.60
		04.12.2015	-1604500	4542732	0.44
		At the end of the year		4542732	0.44
		Changes in the holdings as per the beneficiary position downloaded from the Depositories.			
8.	Vanguard Emerging Markets Stock Index Fund	At the beginning of the year		979310	0.48
		10.04.2015	-83229	896081	0.44
		17.04.2015	4356	900437	0.44
		08.05.2015	3900	904337	0.44
		14.08.2015	-4600	899737	0.44
		21.08.2015	-11040	888697	0.43
		28.08.2015	-21528	867169	0.42
		04.09.2015	-29440	837729	0.41
		11.09.2015	-15456	822273	0.40
		25.09.2015	-3988	818285	0.40
		30.09.2015	-11154	807131	0.39
		09.10.2015		*4035655	0.39
		18.12.2015	-21132	4014523	0.39
		25.12.2015	-10656	4003867	0.39
		15.01.2016	-29155	3974712	0.39
		22.01.2016	-26506	3948206	0.39
		29.01.2016	-17139	3931067	0.38
		05.02.2016	-57915	3873152	0.38
		12.02.2016	-19460	3853692	0.38
		11.03.2016	10780	3864472	0.38
		18.03.2016	-10414	3854058	0.38
		25.03.2016	-16899	3837159	0.37
		At the end of the year		3837159	0.37
		Changes in the holdings as per the beneficiary position downloaded from the Depositories.			

Sr. No.	Name of the Shareholder	Date wise increase/decrease		Cumulative shareholding	% of total share capital
		Date	Increase/decrease		
9.	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	At the beginning of the year		450000	0.22
		01.05.2015	10000	460000	0.22
		26.06.2015	30000	490000	0.24
		30.06.2015	20000	510000	0.25
		28.08.2015	12535	522535	0.26
		11.09.2015	7465	530000	0.26
		25.09.2015	15000	545000	0.27
		09.10.2015		*2725000	0.27
		13.11.2015	100000	2825000	0.28
		Changes in the holdings as per the beneficiary position downloaded from the Depositories.			
		04.12.2015	-52369	2772631	0.27
		18.12.2015	-2470	2770161	0.27
		31.12.2015	-34167	2735994	0.27
		08.01.2016	-35161	2735000	0.27
		29.01.2016	400000	3135000	0.31
		19.02.2016	100000	3235000	0.32
		26.02.2016	200000	3435000	0.34
		04.03.2016	100000	3535000	0.35
		At the end of the year		3535000	0.35
10.	Franklin Templeton Mutual Fund A/c Franklin India Bluechip Fund	At the beginning of the year		800000	0.39
		09.10.2015	4000000	4000000	0.39
		13.11.2015	-28262	3971738	0.39
		20.11.2015	-371738	3600000	0.35
		27.11.2015	-400000	3200000	0.31
		04.12.2015	-104737	3095263	0.30
		Changes in the holdings as per the beneficiary position downloaded from the Depositories.			
		18.12.2015	-4940	3090323	0.30
		31.12.2015	-68333	3021990	0.30
		08.01.2016	-1990	3020000	0.29
		15.01.2016	30000	3050000	0.30
		29.01.2016	400000	3450000	0.34
		At the end of the year		3450000	0.34

* Equity Shares of the Company with face value of Re.5/- each sub-divided into equity shares with face value of Rs. 1/- each w.e.f. October 8, 2015.

v) Shareholding of Directors and Key Managerial Personnel [KMP]:**A. Directors [Other than KMP]:**

Particulars	Mr. Mukesh M. Patel	Mr. Humayun Dhanrajgir	Mr. Nitin R. Desai	Ms. Dharmishta N. Rawal
At the beginning of the year:				
• Number of Shares	2400 @	Nil	88400 @	Nil
• % of total shares held	0.001	–	0.043	–
Date wise increase/decrease in shareholding:	Nil	Nil	Nil	Nil
At the end of the year:				
• Number of Shares	12000*	Nil	442000 *	Nil
• % of total shares held	0.001	–	0.043	–

@ Face Value of Rs. 5 per share

* Face value of Rs. 1 per share

Note: The face value of equity shares of Rs. 5 per share sub-divided into face value of Rs. 1 per share with effect from October 8, 2015

B Key Managerial Personnel:

Particulars	Mr. Pankaj R. Patel Chairman and Managing Director	Dr. Sharvil P. Patel Dy. Managing Director	Mr. Nitin D. Parekh Chief Financial Officer	Mr. Upen H. Shah Company Secretary
At the beginning of the year:				
• Number of Shares	153138046 @	3000 @	8000 @	715 @
• % of total shares held	74.79	0.001	0.003	0.00
Date wise increase/decrease in shareholding	Nil	Nil	Nil	-775 # [On different dates]
At the end of the year:				
• Number of Shares	765690230 *#	15000 #	40000 #	2800 #
• % of total shares held	74.79	0.001	0.003	0.001

* Includes shares held by Family Trust and HUF

@ Face Value of share Rs. 5 per share.

Face value of share Rs. 1 per share

Note: The face value of equity shares of Rs. 5 per share sub-divided into face value of Rs. 1 per share with effect from October 8, 2015

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

[Rs. in Mio]

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9229	5268	–	14497
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1	4	–	5
Total (i+ii+iii)	9230	5272	–	14502
Change in Indebtedness during the financial year				
Addition	706	11162	–	11867
Reduction	[4756]	[10453]	–	[15209]
Net Change	[4050]	708	–	[3342]
Indebtedness at the end of the financial year				
i) Principal Amount	3468	7687	–	11156
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	0.4	3.5	–	3.9
Total (i+ii+iii)	3469	7691	–	11160

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

[Amount Rs. in Lacs]

Sr. No.	Particulars of Remuneration	Mr. Pankaj R. Patel Managing Director	Dr. Sharvil P. Patel Deputy Managing Director	Total
	Gross Salary			
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1781.11	1199.60	2980.71
	b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	18.89	0.40	19.29
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Options	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- As % of profit	–	–	–
	- Others, specify....	–	–	–
5	Other, please specify	–	–	–
	Total (A)	1800.00	1200.00	3000.00
	Ceiling as per the Act	12390.00	12390.00	–

B. Remuneration to other Director:

1. Independent Directors:

[Amount Rs. in Lacs]

Particulars of Remuneration	Name of the Director			Total
	Mr. Humayun Dhanrajgir	Mr. Nitin R. Desai	Ms. Dharmishta N. Rawal	
- Fee for attending Board/Committee Meetings	2.40	1.60	3.00	7.00
- Commission	21.00	21.00	21.00	63.00
- Others, please specify	–	–	–	–
Total (B)(1)	23.40	22.60	24.00	70.00

2. Other Non-Executive Directors:

[Amount Rs. in Lacs]

Particulars of Remuneration	Name of the Director Mr. Mukesh M. Patel
- Fee for attending Board/Committee Meetings	3.40
- Commission	21.00
- Others, please specify	–
Total (B)(2)	24.40
Total (B)=(B)(1)+(B)(2)	94.40

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTG:**[Amount Rs. in Lacs]**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Nitin D. Parekh – Chief Financial Officer	Mr. Upen H. Shah – Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	326.54	29.61	356.15
	b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.29	0.70	0.99
	c) Profit in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2.	Stock Options	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	–	–
	- Others, specify.....	–	–	–
5.	Others, please specify – Retrials	–	–	–
	Total (C)	326.83	30.31	357.14

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		

On behalf of the Board of DirectorsPlace : Ahmedabad
Date : May 13, 2016**Pankaj R. Patel**
Chairman

Annexure - E**Particulars of remuneration as per section 197[12] of the Companies Act, 2013 read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.**

- a. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio of each Director to the median remuneration of the employee.
Mr. Pankaj R. Patel	600.00
Dr. Sharvil P. Patel	400.00
Mr. Humayun Dhanrajgir	7.00
Mr. Nitin R. Desai	7.00
Mr. Mukesh M. Patel	7.00
Ms. Dharmishta N. Rawal	7.00

- b. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Name of the Director, Chief Financial Officer [CFO] and the Company Secretary [CS]	% increase in the remuneration in the financial year
Mr. Pankaj R. Patel	20%
Dr. Sharvil P. Patel	20%
Mr. Humayun Dhanrajgir	20%
Mr. Nitin R. Desai	20%
Mr. Mukesh M. Patel	20%
Ms. Dharmishta N. Rawal	20%
Mr. Nitin D. Parekh, CFO	20.66%
Mr. Upen H. Shah, CS	17%

- c. The percentage increase in the median remuneration of employees in the financial year was 6.70%.
- d. There were 15441 permanent employees on the roll of the Company as on March 31, 2016.
- e. The profits after tax for the financial year ended on March 31, 2016 increased by 55.6%, whereas the average increase in remuneration of employees was 15.9%.
- f. The profits after tax for the financial year ended on March 31, 2016 increased by 55.6%, whereas the remuneration of Key Managerial Personnel, viz. [1] the Managing Director was increased by 20%, [2] the Deputy Managing Director by 20%, [3] Chief Financial Officer by 20.66% and [4] Company Secretary by 17%.
- g. The market capitalization of the Company was Rs. 32442 Crores as on March 31, 2016 as against Rs. 35663 Crores as on March 31, 2015.

Whereas, Price Earnings Ratio of the Company was 21.31% as on March 31, 2016 as against 31% as at March 31, 2015.

- h. The Company came out with Initial Public Offer [IPO] in February, 2000 at a price of Rs. 250 per share for face value of Rs. 5/- per equity share. During the year, the Company has split the face value of equity shares from Rs. 5/- per share at the time of IPO to Rs. 1/- per share. The market price of the share of the face value Re. 1/ as on March 31, 2016 was Rs. 316.95 on BSE Ltd. and Rs. 316.90 on the National Stock Exchange of India Limited. The variation in price is 633%, apart from the issue of bonus shares and dividends received by the shareholders. The variation in price is calculated after adjusting the effect of share split.
- i. The average annual increase in the salaries of the employees, other than managerial personnel was 15.9%, whereas the average increase in the managerial remuneration was 20% for the financial year. The higher increase in managerial remuneration was on the recommendation of Nomination and Remuneration Committee considering the performance of the managerial personnel and the Company.
- j. The members have, at the Annual General Meeting of the Company held on September 30, 2013 approved the payment of commission to the Non-Executive Directors within the ceiling of 1% of the Net Profits of the Company, subject to maximum of Rs. 15 mio in aggregate, as computed under the applicable provisions of the Act. The performance of the Company in terms of sales and profitability are the key parameters, apart from size of the Company and contributions of the Directors at the Board and Committee meetings.
- k. Ratio of remuneration of the highest paid Director to that of the employees who are not Directors but received remuneration in excess of the highest paid Director during the year was 0.87:1.
- l. The Company affirms remuneration is as per the Nomination and Remuneration Policy of the Company.
- m. The statement containing particulars of employees as required under section 197[12] of the Act read with Rule 5[2] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, is provided in a separate annexure forming part of this report. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board of Directors

Place : Ahmedabad
Date : May 13, 2016

Pankaj R. Patel
Chairman

Annexure – F

Information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo pursuant to section 134(1)(m) of the Companies Act, 2013 read with Rule No. 8 of the Companies [Accounts] Rules, 2014.

A. Conservation of Energy:

1. Steps taken and capital investment and impact on conservation of energy:

a. Particulars of major steps taken and capital investments made:

[Amount Rs. in Lacs]		
Sr. No.	Steps taken by installing following equipment/fittings	Capital Investments
i.	New Coal Fire Boiler at Ankleshwar API Unit	573.00
ii	New Chiller 120 Ton Refrigeration at SEZ Unit	49.68
iii	Replaced CFL/TB with LED lights at different Units	50.12
iv.	New 1.5 Ton Per Hour [TPH] at SEZ Unit	27.00
v.	Oxygen Controller in Boiler Flue Gas at Dabhasa Unit	11.00
vi.	Screw Blower in ETP Aeration Tank at Dabhasa Unit	10.00
vii.	PPPU pump for condensate recovery at Ankleshwar Unit	9.92
viii.	Variable Frequency Drive [VFD] at Baddi and Goa Units	9.00
ix.	Return Air Ducting for reduction of HVAC load at Zydus Research Centre	7.95
x.	Online Tube Cleaning System at Goa	7.00
xi.	Energy Efficient Motors at Ankleshwar Unit	6.07
Total		760.74

b. Impact on conservation of energy:

- Reduction in water, power and coal consumption,
- Reduction in consumption of petroleum products,
- Improvement in environment,
- Minimization of steam losses,
- Improved distillation System,
- Reduction of chemical usages,
- Improvement of efficiency of Boiler and DG Set,
- Increase in feed water temperature,
- Reduction in production cost; and
- Reduction in maintenance cost.

2. Steps taken by the Company for utilizing alternate sources of energy:

- Using solar energy,
- Reused waste treated water for gardening, urinal flush, etc. to save ground fresh water consumption,
- Harvesting rain water in the bore well; and
- PNG based Boiler operation instead of Diesel.

B. Technology Absorption:**1. Efforts made towards technology absorption:**

- Development of new formulations for existing and new active drug substances,
- Development of new processes/products for both local and international markets,
- Development of new methods to improve safety procedures, effluent control, etc.,
- Manufactured complex products like wurster coated products by using new technology,
- 2D bar-coding machine,
- High speed capsule filling machine to check fill-weight of each capsule using capacitance technology,
- Mechanical Vapour Recompression for evaporation of RO rejects,
- Modified Atmospherics Package for creating nitrogen environment,
- Fixing of three dehumidifiers for maintaining level of temperature at SEZ unit; and
- Online Auto Tube Brushing system for maintaining condenser approach.

2. Benefits derived:

- Successful commercial scale up of several new products,
- Improved processes and enhanced productivity,
- Reduced cycle time of complex wurster coated products,
- Strengthening quality standards,
- Maintained high ETP standards,
- Better solvent recovery, and
- Utilization of indigenous raw materials.

3. Details of technology imported in last three years:

No expenditure has been incurred on import of new technology during the last three financial years.

4. Expenditure incurred on Research and Development:

The Company has incurred expenditure of Rs. 6810 million under the head Research and Development.

C. Foreign Exchange Earnings and outgo:

During the year, the foreign exchange earned in terms of actual inflows was Rs.44881 million, whereas the foreign exchange in terms of actual outflows was Rs. 9069 million.

On behalf of the Board of Directors

Place : Ahmedabad
Date : May 13, 2016

Pankaj R. Patel
Chairman

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE CODE:

Cadila Healthcare Limited believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of clause 49 of the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations].

1. GOVERNANCE STRUCTURE:

Governance structure of the Company comprises of the Board of Directors and the Committees of the Board at the top level and the internal governance structure at the operational level. The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The organizational and governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities.

The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed.

The Chairman and Managing Director is in overall control and responsible for the overall working of the Company. He gives strategic directions, lays down the policy guidelines and ensures the implementation of the decisions of the Board and its committees.

The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

2. BOARD OF DIRECTORS:

The Chairman and Managing Director and Deputy Managing Director looks after the day-to-day business affairs of the Company, the Board of Directors reviews the overall business operations at least once in a quarter based on updates on the Company's performance provided by the Chairman and Managing Director/Deputy Managing Director.

A) Composition of the Board:

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meet with the requirements of the Code of Corporate Governance. The Board is headed by the Executive Chairman, Mr. Pankaj R. Patel, who is also the promoter Director. As on March 31, 2016, your Company's Board comprised of six Directors which include two Executive Directors and four Non-Executive Directors, including three Independent Directors, who have considerable experience in their respective fields. As required under the provisions of section 149[1] of the Companies Act, 2013 and Rules made thereunder and clause 49 of the Listing Agreement and regulation 17 of the Listing Regulations, the constitution of Board meets with the requirements stated therein. Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise.

B) Board Meetings/Director's Particulars:

In compliance with clause 49 of the Listing Agreement/regulation 17 of the Listing Regulations and as required under the Companies Act, 2013, the Board meets at least once in each quarter and the gap between any two Board meetings was not more than 120 days. During the year under review, seven board meetings were held on April 8, 2015, May 15, 2015, August 12, 2015, October 22, 2015, January 5, 2016, February 5, 2016 and March 8, 2016.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure, compliance with applicable laws and regulations. It monitors overall performance of the Company and reviews performance of its subsidiaries and joint ventures. The Agenda for the board meeting covers items set out as guidelines in clause 49 of the Listing Agreement/regulation 17 of Listing Regulations to the extent the same are applicable and relevant. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

The meetings of the Board of Directors are scheduled well in advance and usually held in Ahmedabad, where the Registered Office of the Company is situated. The Chief Financial Officer and the Company Secretary, in consultation with the Chairman and Managing Director, prepare detailed agenda for the meetings. Directors are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The draft minutes of the meeting approved by the Chairman is circulated to all the Directors within fifteen days after the conclusion of the meetings. Decisions taken at Board/Committee meetings are communicated to the concerned departments promptly for actions and an Action Taken Report on the status of the decisions taken at the Board/Committee meetings is being placed, for the information, to the Board/Committee members.

The Board of Directors has complete access to the information within the Company, which inter alia includes –

1. Annual revenue and capital expenditure plans/budgets,
2. Quarterly results and results of operations of Company, its joint ventures and subsidiaries,
3. All borrowings, investments, loans and guarantees,
4. Minutes of the meetings of the Board of Directors, Committees of the Board and the summary of minutes of the subsidiary Companies,

5. Details of any joint ventures, acquisitions of brands, trademarks or companies or any collaboration agreements,
6. Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems,
7. Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any,
8. Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company, and
9. Compliance or non-compliance of any regulatory, statutory nature or listing requirements and matters related to investors' service such as non-payment of dividend, delay in transfer of shares, etc.

The Independent Directors play an important role in the deliberations in Board Meetings and bring with them rich expertise in the field of pharmaceuticals, industry, marketing, accountancy, finance, taxation and other laws.

While constituting the Committee of Directors, the requirement that a Director shall not be a member of more than 10 committees and Chairman of not more than 5 committees have been ensured and complied with. None of the Independent Directors serves as an Independent Director in more than seven listed companies.

The following table gives the attendance of the Directors at the Board meetings of the Company and also the number of other Directorships held in Indian Public Limited Companies [other than the Company] and Chairmanship/membership in Board Committees of Public Limited Companies as at March 31, 2016.

Name of the Director	Category and Position	No. of Board Meetings held during the year	No. of Board Meetings attended	Whether attended last AGM Yes/No	Member (Chairman) ¹ of other Board Committees ²	No. of other Directorships held
Mr. Pankaj R. Patel ³	Chairman and Managing Director	7	7	Yes	2 (1)	3
Mr. Humayun Dhanrajgir	Non-executive and Independent Director	7	6	Yes	9(2)	7
Mr. Nitin R. Desai	Non-executive and Independent Director	7	4	Yes	1(1)	3
Mr. Mukesh M. Patel	Non-executive Director	7	7	Yes	7(4)	5
Ms. Dharmishta N. Rawal	Non-Executive and Independent Woman Director	7	7	Yes	1(0)	7
Dr. Sharvil P Patel ⁴	Deputy Managing Director	7	6	Yes	3(2)	4

1 Figures in () indicate the number of Board Committees of which a Director is a Chairman.

2 Other committee means Audit Committee and Shareholders/Stakeholders' Relationship Committee.

3 Promoter Director and father of Dr. Sharvil P. Patel.

4 Son of Mr. Pankaj R. Patel

5 The Board of Directors has appointed Mr. Apurva S. Diwanji as an Additional Independent Director at its meeting held on May 13, 2016.

C) Familiarization Programme:

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made thereunder and clause 49 of the Listing Agreement/regulation 25 the Listing Regulations, 2015.

Familiarization programme is posted on the website of the Company and any member can visit the Company's website by clicking the link - <http://www.zyduscadila.com/wp-content/uploads/2015/05/Familiarization-programmeMar15.pdf>

D) Evaluation:

During the year, the Nomination and Remuneration Committee/ Board have carried out evaluation of its own performance and the performance of the committees of the Board of Directors, individual Directors and the Chairman of the Board. The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. Performance of individual Directors and the Board Chairman was also carried out in terms of their respective attendance at Board/Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

3. COMMITTEES OF THE BOARD:

The Board currently has the following committees:

- Audit Committee;
- Share Transfer Committee;
- Investors'/Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Risk Management Committee;
- Corporate Social Responsibility [CSR] Committee;
- QIP Committee; and
- Committee of Directors.

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of the each Board Committees are convened by the respective Committee Chairmans.

A) Audit Committee:

I. Terms of Reference:

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible,

2. Reviewing with the management the quarterly/annual unaudited/audited financial statements and Limited Review Report/Audit Reports of the Statutory Auditors before recommending approval by the Board of Directors,
3. Reviewing changes in the accounting policies, major accounting estimates based on exercise of judgment by the management, significant adjustments made in the financial statements, etc.,
4. Review of Management Discussion and Analysis of financial and operational performance,
5. Review of inter-corporate loans and investments,
6. Review the adequacy and effectiveness of internal financial controls and systems,
7. Review and discuss with the management major financial risk exposures and steps taken to monitor and control them,
8. Overseeing and review the functioning of vigil mechanism [implemented by the Company as a Whistle Blower Policy],
9. Review the scope of the Internal Auditors and Audit Plan to ensure reasonable coverage of different areas of operations,
10. Review, discuss and monitor the observations reported by Statutory/Internal Auditors and their compliance,
11. Review and recommend to the Board the appointment/re-appointment of the Statutory and Cost Auditors after due consideration of their independence and effectiveness,
12. Approving the payment towards additional services rendered by the Statutory Auditors except those enumerated in section 144 of the Companies Act, 2013,
13. Recommending to the Board the remuneration of the Statutory and Cost Auditors,
14. Review of Cost Audit Report submitted by the Cost Auditors,
15. Approval of the appointment, removal and terms of remuneration of Internal Auditors, and
16. Approval of the Related Party Transactions and granting omnibus approvals for certain related party transactions, which are in the ordinary course of business and at an arm's length basis.

II. Composition, meetings held and attendance at the meetings during the year:

The Audit Committee held four meetings during 2015-16 on May 14, 2015, August 12, 2015, October 21, 2015 and February 4, 2016. The time gap between any two meetings was less than 120 days. The composition of the Audit Committee as at March 31, 2016 and details of the attendance of the members of the committee at the meetings of the Committee are as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings Attended
Mr. Nitin R. Desai, Chairman	Non-Executive/ Independent	4	3
Mr. Humayun Dhanrajgir	Non-Executive/ Independent	4	4
Ms. Dharmishta N. Rawal	Non-Executive/ Independent	4	4
Mr. Mukesh M. Patel	Non-Executive	4	4

All the members of the Audit Committee have the requisite qualifications for appointment on the Committee and possess sound knowledge of accounting practices, financial and internal controls.

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on August 12, 2015 to respond to shareholders' queries.

III. Invitees at the Audit Committee Meetings:

The representative of the Statutory Auditors is regularly invited and he has attended all the Audit Committee meetings held during the year. The representative of the Cost Auditors attends the Audit Committee, where the Cost Audit Report is tabled for discussion. The Managing Director, Deputy Managing Director, Chief Financial Officer and Management Auditor are invited to attend and participate in these meetings. The Company Secretary acts as the Secretary to the Committee.

The Company continues to derive benefits from the deliberations of the Audit committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

B) Share Transfer Committee:**i. Terms of reference:**

The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring transfers, transmission, dematerialisation, rematerialization, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company. The Committee also oversees the functions of the Registrar and Share Transfer Agent. The Board has delegated the powers to approve the transfer of shares to the Committee.

ii. Composition:

As on March 31, 2016, the Share Transfer Committee comprises the following members:

1. Mr. Pankaj R. Patel - Chairman
2. Mr. Mukesh M. Patel
3. Dr. Sharvil P. Patel

The Company Secretary acts as the Secretary to the Committee.

iii. Meetings held and the attendance of members at the meetings:

The Committee meets on a need basis at least twice in a month to ensure the regular process of transfers/transmission of shares, split, consolidation, demat/remat and issuance of duplicate Share Certificates.

C) Investors'/Stakeholders' Relationship Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013 and the Listing Agreement/regulation 20 of the Listing Regulations, the Board has formed an "Investors/Stakeholders Relationship Committee".

i. Terms of reference:

The Investors'/Stakeholders' Relationship Committee reviews the redressal of grievances of stakeholders pertaining to the requests/complaints of the shareholders related to transfer of shares, dematerialization of shares, non-receipt of annual accounts, non-receipt of dividend or revalidation of expired dividend warrants, recording the change of address, nomination, etc.

The role of the Stakeholders' Relationship Committee has been specified in Part D of the Schedule II of the Listing Regulations.

ii. Composition:

The composition of the Committee as on March 31, 2016 and details of attendance of the Committee members at the meetings are given in the following table. The Committee met four times during the year.

Name of the Member	No. of Meetings held	No. of Meetings Attended
Mr. Mukesh M. Patel, Chairman	4	4
Mr. Pankaj R. Patel	4	4
Dr. Sharvil P. Patel	4	4

The Company Secretary acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to regulation 6 of the Listing Regulations.

The Committee ensures that the shareholders'/investors' grievances and correspondence are attended and resolved expeditiously. During the year under review, 51 investor grievances were received and all of them have been resolved. There was no investor grievance remaining unattended and pending as on March 31, 2016.

506242 equity shares remained in the in-transit account with National Securities Depository Limited and Central Depository Services (India) Limited as at March 31, 2016.

iii. Number of requests/complaints:

During the year, the Company has resolved investor grievances expeditiously. The Company and/or its Registrar and Transfer Agents have received the following requests/complaints from SEBI/Stock Exchanges and also directly from the shareholders, which were resolved within the time frames laid down by SEBI.

Particulars	Opening Balance	Received	Resolved	Pending
Complaints:				
SEBI / Stock Exchange	0	4	4	0
Shareholders	0	47	47	0
Shareholders queries / requests:				
Dividend Related	0	553	553	0
Transfer / Transmission	0	33	33	0
Demat / Remat	0	322	322	0
Change of address / bank mandates	0	153	153	0

D) Nomination and Remuneration Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement/regulation 19 of the Listing Regulations 2015, the Board has constituted a "Nomination and Remuneration Committee" [NRC]. The Terms of reference of the said NRC is specified in clause A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

i. Terms of reference:

The functions of Nomination and Remuneration Committee, inter alia, include the following:

1. To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management,
2. To recommend to the Board, appointment and removal of the Director[s] and evaluation of each Director's performance,
3. To formulate criteria for determining qualifications, positive attributes and independence of a Director,
4. To review on annual basis the compensation to the Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and recommend to the Board the remuneration and incentive payable to each of them,
5. Ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks, and
6. To develop and review the succession plan for the Board.

ii. Composition and Meetings:

The composition of the Committee as on March 31, 2016 and details of attendance of the Committee members at the meetings are given in the following table. The Committee met once during the year. All members of the Committee are Non-Executive Directors and except Mr. Mukesh M. Patel, other members are Independent Directors.

Name of the Member	No. of Meetings held	No. of Meetings Attended
Mr. Nitin R. Desai, Chairman	1	-
Mr. Humayun Dhanrajgir	1	1
Ms. Dharmishta N. Rawal	1	1
Mr. Mukesh M. Patel	1	1

The Company Secretary acts as the Secretary to the Committee.

iii. Nomination and Remuneration Policy and details of remuneration paid/payable to the Directors for the year ended March 31, 2016:

The Board of Directors approved the Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee. The salient aspects of the Policy are outlined below:

a. Objectives:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel,
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board, and
3. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

The Company follows a policy on remuneration of Directors and Senior Management Employees.

b) Remuneration to Non-Executive Directors:

1. Non-Executive Director is paid sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014. The Board of Directors has approved the payment of sitting fees at Rs. 1 lac to each Non-Executive Director towards each of the Board/Committee meetings attended by them.
2. A Non-Executive Director is also paid commission on an annual basis, of such sum as may be approved by the Board.

The total commission payable to the Non-Executive Directors shall not exceed 1% of the net profit of the Company and subject to the limits approved by the members.

3. In determining the quantum of commission payable to Non-Executive Directors, the Nomination and Remuneration Committee considers the overall performance of the Company and the onerous responsibilities required to be shouldered by the Non-Executive Directors. The commission is being paid on uniform basis to reinforce the principles of collective responsibility of the Board.
4. A Non-Executive Director is also reimbursed the expenses incurred by him for attending the Board and/or Committee of Board meetings.
5. Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the year ended on March 31, 2016.

c) Remuneration to Managing Director and Deputy Managing Director:

Mr. Pankaj R. Patel is the Managing Director and Dr. Sharvil P. Patel is the Deputy Managing Director on the Board. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to Mr. Pankaj R. Patel and Dr. Sharvil P. Patel within the ceiling fixed by shareholders as per the resolution passed at the Annual General Meeting held on July 19, 2011 and August 6, 2012 respectively.

As per the recommendation of the Nomination and Remuneration Committee, Mr. Pankaj R. Patel, Chairman and Managing Director and Dr. Sharvil P. Patel, Deputy Managing Director were paid remuneration/remuneration payable of INR 180 million and INR 120 million respectively by way of salary and allowances for the financial year ended on March 31, 2016.

The Company has entered into agreements with Mr. Pankaj R. Patel and Dr. Sharvil P. Patel for their respective employment for a period of five years. Either party to an agreement is entitled to terminate the agreement by giving not less than 3 months' notice in writing to the other party.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, proposed the re-appointment of Mr. Pankaj R. Patel as the Chairman and Managing Director for a further period of five years for the approval of the members at the ensuing Annual General Meeting.

d) Remuneration to Senior Management Employees:

The Managing Director with the help of the Group President [Human Resources and Corporate Communication], carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like – Key Performance Area v/s initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on a predetermined process and after accessing the candidate's capability to shoulder higher responsibility.

- e) Details of the commission/sitting fees paid to the Non-Executive Directors for the year 2015-16 are given below:

(INR Lacs)

Name of the Non-Executive Directors	Commission [@]	Sitting fees						Total
		Board Meetings	Audit Committee Meetings	CSR Committee Meetings	NRC Committee Meetings	Investors/ Stakeholders' Relationship Committee	Other Meetings*	
Mr. Nitin R. Desai	21.00	0.80	0.60	–	–	–	0.20	22.60
Mr. Humayun Dhanrajgir	21.00	1.20	0.80	–	0.20	–	0.20	23.40
Ms. Dharmishta N. Rawal	21.00	1.40	0.80	0.40	0.20	–	0.20	24.00
Mr. Mukesh M. Patel	21.00	1.40	0.80	–	0.20	0.80	0.20	24.40

[@] The Board of Directors, based on the performance of the Company, has decided the payment of Commission to the Non-Executive Directors.

^{*} Other meetings include meeting of Committee of Directors and Meeting of Independent Directors.

f) Stock Option:

The Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

E) Risk Management Committee:

In compliance of clause 49 of the Listing Agreement/regulation 21 of the Listing Regulations 2015, the Company has constituted a Risk Management Committee and majority of the members of the Committee are Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks as also identify business opportunities. Business risk evaluation and its management is a continuous process within the organization.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the Management. It was confirmed by the Managing Director and Chief Financial Officer that the mitigation actions are monitored.

The Committee is headed by Mr. Pankaj R. Patel, Chairman and Managing Director. Mr. Mukesh M. Patel, Dr. Sharvil P. Patel and Mr. Nitin D. Parekh are the members of the Committee. The Committee met at least once during the year.

The Company Secretary acts as the secretary to the Committee.

F) Corporate Social Responsibility Committee: [CSR Committee]

The terms of reference of CSR Committee includes, to frame the CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013 and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The composition of the CSR Committee as at March 31, 2016 and the details of members' participation at the meetings of the Committee are as under.

Name of the Member	No. of Meetings held	No. of Meetings Attended
Mr. Pankaj R. Patel, Chairman	2	2
Dr. Sharvil P. Patel	2	2
Ms. Dharmishta N. Rawal	2	2

G) Committee of Directors for QIP issue:

The Board of Directors has constituted a QIP Committee on August 12, 2015 mainly to take various urgent decisions for the private placement of shares under SEBI [ICDR] Regulations, 2009 and for stock split approved by the members. The committee comprises of [1] Mr. Pankaj R. Patel, Chairman, [2] Dr. Sharvil P. Patel, Member and [3] Mr. Mukesh M. Patel,

Member. Only one meeting of the Committee was held during the year.

H) Committee of Directors:

Committee of Directors comprises of three members namely; [1] Mr. Pankaj R. Patel, [2] Dr. Sharvil P. Patel and [3] Mr. Mukesh M. Patel. The Committee looks after the businesses, which are administrative in nature and within the overall board approved directions and framework. One meeting of the Committee was held during the year. The Company Secretary acts as the Secretary to the Committee.

4 INDEPENDENT DIRECTORS' MEETING:

During the year under review, a separate meeting of Independent Directors was held on February 4, 2016, inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors, and
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

5. SUBSIDIARY COMPANIES:

None of the subsidiaries of the Company comes under the purview of the material non-listed subsidiary. The financial statements of subsidiaries, in particular, the investments made by subsidiaries, if any, during the quarter are reviewed by the Audit Committee of the Board of Directors.

The Board Minutes of Indian unlisted subsidiary companies are placed at the Board Meeting of the Company, for information of the Board of Directors.

6. DISCLOSURES:

A) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and clause 49 of the Listing Agreement/regulation 23 of the Listing Regulations 2015, during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict of interest of the Company. Suitable disclosures, as required by the Accounting Standard [AS-18], have been made in the notes to the financial statements.

The Board has approved a policy on related party transactions which has been uploaded on the website of the Company.

B) Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the website of the Company www.zyduscadila.com. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. The declaration of Chairman and Managing Director is given below:

To the shareholders of Cadila Healthcare Limited**Sub.: Compliance with Code of Conduct**

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Place: Ahmedabad

Pankaj R. Patel

Date: May 13, 2016

Chairman and Managing Director**C) Prohibition of Insider Trading:**

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company.

Shares held by the Directors as at March 31, 2016:

Name of the Directors	No. of shares held as at March 31, 2016	Details of shares bought [+] / sold [-] during 2015-2016
Mr. Pankaj R. Patel ¹	765,612,230	Nil
Mr. Mukesh M. Patel	12000	Nil
Mr. Humayun Dhanrajgir	Nil	Nil
Mr. Nitin R. Desai ²	442,000	Nil
Ms. Dharmishta N. Rawal	Nil	Nil
Dr. Sharvil P. Patel	15000	Nil

1 Held also as a Karta of HUF and Trustee of the Family Trusts.

2 Held also as a Karta of HUF.

D) Whistle Blower Policy:

The Company has a Whistle Blower Policy to deal with any instance of fraud and mismanagement. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is done with any person for a genuinely raised concern.

E) Management:**i) Management Discussion and Analysis Report:**

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

ii) Disclosure of material financial and commercial transactions:

As per the disclosures received from senior management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the year under report.

F) Disclosure regarding appointment or re-appointment of Directors:

The particulars about the brief resume and other information for the Directors seeking appointment/reappointment as required to be disclosed under this section are provided as an annexure to the notice convening the Twenty First Annual General Meeting.

G) Compliance by the Company:

The Company has complied with all the mandatory requirements of the Listing Agreement/the Listing Regulations with the Stock Exchanges, regulations and guidelines of SEBI. Further, during last three years, no penalties or strictures are imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

H) CEO/CFO Certification:

The requisite certification from the Managing Director and Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II was placed before the Board of Directors of the Company.

I) Unclaimed Shares:

Recently, the Company has sub divided the face value of equity shares of Rs.5 each into face value of Rs.1 each and dispatched the shares after split to the respective shareholders holding shares in physical mode through speed post. The Company has received about 1,424 articles returned undelivered, which comprises of 17,90,355 equity shares in different folios. The Company has sent a first reminder to these equity shareholders at the address registered with the Company and will send another two reminders in the current financial year. The Company receives a number of requests to claim these share certificates from such members and after due diligence, the Company releases the shares to respective shareholders. As on date, the Company has share certificates of only 1.42% of the total shareholders lying undelivered. After sending two reminders to these shareholders, the Company will transfer remaining unclaimed shares to "Unclaimed Suspense Account" as per the procedure prescribed in Schedule VI of the Listing Regulations, 2015. The Board of Directors has already approved the proposal to open "Unclaimed Suspense Account".

7. MEANS OF COMMUNICATION:

- The Company has 100624 shareholders as on March 31, 2016. The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, Management's Discussion and Analysis, Report on Corporate Governance and Audited Financial Results.
- The Annual General Meeting is a platform for face-to-face communication with the shareholders, where the Chairman makes presentation on the performance, operating and financial results of the Company. The Chairman and other Key Managerial Personnel also respond to the specific queries of the shareholders.
- The Company intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on such matters, wherever necessary.
- The quarterly and half yearly results are published in widely circulating national and local dailies such as "Business Standard" and "Jansatta", in English and Gujarati respectively. The results are also posted on the website of the Company www.zyduscadila.com, and the same are not sent individually to the shareholders.
- The Company holds meetings and makes presentations to the institutional investors and analysts. The copies of such presentations and the transcripts of the phone calls are also made available on the Company's web-site. Information to the Stock Exchanges is now being filed online on NEAPS for NSE and BSE Online for BSE.

iii) Approval of members through Postal Ballot:

During the year, the Company received approval of the members through Postal Ballot process on May 20, 2015 for resolutions No. 1 to 4 and September 22, 2015 for resolution No. 5 to 6 listed in the below table - 1 and the details of voting pattern is provided in table - 2 below.

Table – 1: Details of Resolution passed:

Resolution No.	Details of Resolution	Relevant provisions of the Companies Act, 2013
1.	Issuance of Equity Shares/convertible bonds/Debentures through Qualified Institutional Placement [QIP] and/or depository receipts or any other modes for an amount not exceeding INR 100,000/- mio.	42, 62 and 71
2.	Enhancement in borrowing limits from existing INR 15,000 mio to INR 100,000 mio	180(1)(c)
3.	Issuance of Unsecured/Secured Redeemable Non-Convertible Debentures/Bonds [NCDs] by private placement to the extent of INR 35,000 mio	42, 71
4.	Creation of charge on the Company's property/assets	180(1)(a)
5	Sub-division of 1 (one) Equity Share of face value of Rs.5/- each, into 5 (five) Equity Shares of face value of Rs.1/- each.	61 and 64
6	Alteration of Capital Clause of Memorandum of Association.	13 and 61

8. GENERAL BODY MEETINGS:

i) Details of last three Annual General Meetings held are provided hereunder:

Year	Date and Time	Venue
2014-2015	20 th AGM on August 12, 2015 at 10.00 a.m.	H.T.Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
2013-2014	19 th AGM on July 30, 2014 at 10.00 a.m.	H.T.Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
2012-1013	18 th AGM on September 30, 2013 at 10.00 a.m.	H.T.Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

ii) Special Resolutions passed in the previous three Annual General Meetings:

The shareholders of the Company have passed the following special resolutions in the previous three Annual General Meetings.

Sr. No.	Nature of Special Resolutions Passed	Relevant provisions of the Companies Act	AGM details
1.	Payment of commission to Non-Executive Directors	section 309(4) of the Companies Act, 1956	18 th AGM held on September 30, 2013
2.	Authority to Board of Directors to borrow funds upto INR 15,000 mio in excess of paid-up share capital and free reserves.	section 180(1)(c) of the Companies Act, 2013	19 th AGM held on July 30, 2014
3.	Issue of Redeemable Non-Convertible Debentures upto INR 3500 mio.	section 42 of the Companies Act, 2013	
4.	Alterations of Articles of Association.	section 14 of the Companies Act, 2013	

Table – 2: Details of voting Pattern of resolutions passed:

Mr. Dhirajlal D. Sanghavi, Practicing Company Secretary [Membership No. 3229] was appointed as the Scrutinizer for conducting the Postal Ballot process. The details of voting pattern were as under:

Resolution No.	Invalid Ballots/E-Votes*	Particulars	Number of votes cast			% of total votes cast
			Physical	E-voting	Total	
1	1065	Favour	44365	172106956	172151321	94.95
		Against	982400	8173745	9156145	5.05
		Total	1026765	180280701	181307466	100.00
2	1065	Favour	44365	180190633	180234998	99.41
		Against	982400	90068	1072468	0.59
		Total	1026765	180280701	181307466	100.00
3	1065	Favour	1026765	180256448	181283213	99.95
		Against	0	90053	90053	0.05
		Total	1026765	180346501	181373266	100
4	1065	Favour	44365	180190387	180234752	99.41
		Against	982400	90314	1072714	0.59
		Total	1026765	180280701	181307466	100
5	9630	Favour	1295172	180635836	181931008	99.9989
		Against	840	1131	1971	0.0011
		Total	1296012	180636967	181932979	100.0000
6	9869	Favour	1292551	180631916	181924467	99.9961
		Against	1753	5291	7044	0.0039
		Total	1294304	180637207	181931511	100.0000

Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and the Company along with Postal Ballot Notice and Postal Ballot Form. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last day for receipt of ballots [physical/e-voting], the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same was displayed on the Company website and Notice Board and submitted to the Stock Exchange.

9. GENERAL SHAREHOLDER INFORMATION

i) General Information:

Date and Time of 21 st AGM	August 3, 2016 at 11.00 a.m.
Venue of 21 st AGM	J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
Financial Year	April 1, 2015 to March 31, 2016
Book Closure Date	July 25, 2016 to August 3, 2016
Registered Office Address	"Zydus Tower", Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015.
Dividend Payment Date	No final dividend proposed.
Compliance Officer	Mr. Upen H. Shah, Company Secretary
Website Address	www.zyduscadila.com

ii) Tentative financial calendar:

First Quarter Results	On or before August 14, 2016
Half Yearly Results	On or before November 14, 2016
Third Quarter Results	On or before February 14, 2017
Audited Results for the year 2016-17	On or before May 30, 2017

iii) Listing of shares:

The equity shares of the Company are listed on BSE Limited [BSE] and the National Stock Exchange of India Limited [NSE].

iv) Listing fees:

The Company has paid the annual listing fees for the financial year 2016-17 to the above Stock Exchanges.

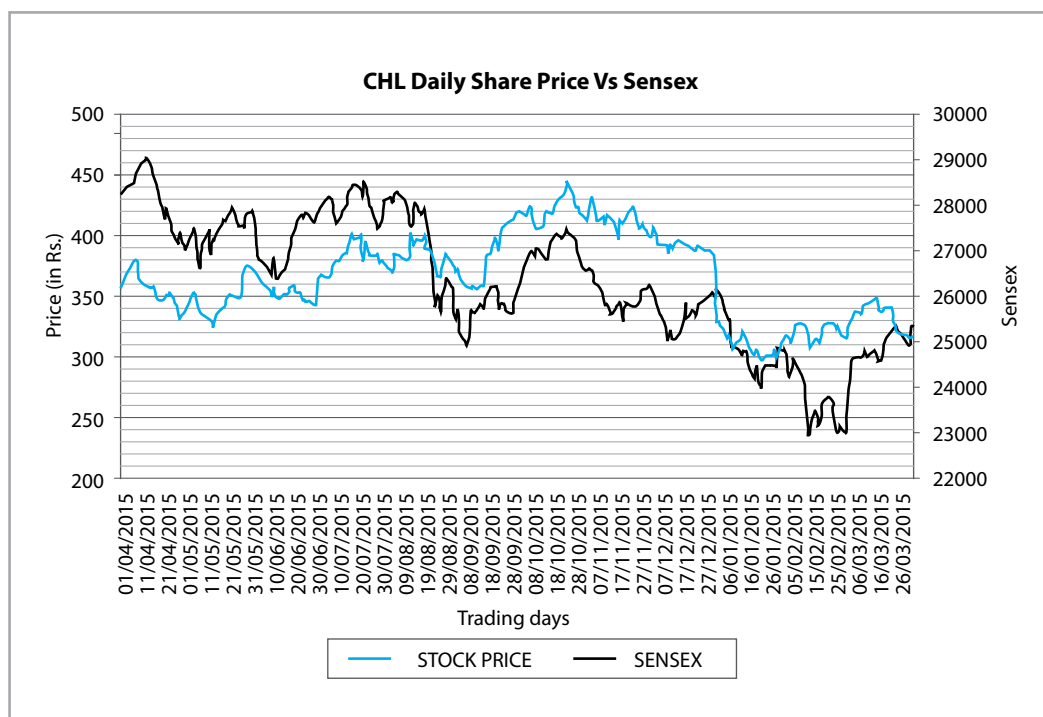
v) Stock Code and closing price:

Name of the Stock Exchange	Stock Code	Closing Price as on March 31, 2016 (Rs.)
The National Stock Exchange of India Limited	CADILAHC	316.90
BSE Limited	532321	316.95

vi) Stock price and BSE Sensex data:

Month	BSE Sensex	BSE Limited			National Stock Exchange of India Limited		
		High (Rs.)	Low (Rs.)	Av. Volume (In Nos.)	High (Rs.)	Low (Rs.)	Av. Volume (In Nos.)
*April, 15	27011.31	399.60	325.02	19916	400.00	325.20	150229
*May, 15	27828.44	380.36	322.00	15000	380.74	321.60	162274
*June, 15	27780.83	380.00	338.27	9947	379.62	338.00	120476
*July, 15	28114.56	409.00	359.00	9051	408.95	357.01	119859
*Aug., 15	26283.09	408.60	345.05	16111	408.54	346.38	131597
*Sept., 15	26154.83	425.00	352.00	13267	425.00	352.83	152873
Oct., 15	26656.83	454.40	390.00	140088	453.30	387.50	1162643
Nov., 15	26145.67	437.00	392.00	126093	437.40	391.00	2584519
Dec., 15	26117.54	410.00	320.45	266554	409.50	320.10	2178043
Jan., 16	24870.69	338.00	295.50	383804	337.90	295.00	2916609
Feb., 16	23002.00	336.00	304.50	134121	336.25	304.00	1303958
March, 16	25341.86	350.00	308.20	114247	349.80	308.00	1141211

* Equity Shares of face value Rs. 5/- each have been sub-divided into Equity Shares of face value Re. 1/- each and therefore, for meaningful comparison of the prices of Equity Shares traded at face value of Rs. 5/- each are divided by 5.

vii) Chart 'A' Stock Performance: Cadila Healthcare Limited [CHL]:**viii) Registrar and Share Transfer Agents:**

The Company has appointed M/s. Link Intime India Private Limited [Link Intime] as R&T agent of the Company in place of Sharepro Services [India] Private Limited

For lodgment of transfer deeds and other documents or any grievances/complaints, investors may contact the Company's Registrar and Share Transfer Agent at the following address:

M/s. Link Intime India Private Limited, 303, 3rd Floor, Shoppers Plaza-5, Near Government Society, Opposite Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380 009
 Telephone: 079 – 26465179 | Fax number: 079 2646 5179
 Email: ahmedabad@linkintime.co.in

ix) Share transfer system:

A Committee of Directors has been constituted to approve the transfers, transmission, issue of duplicate shares, etc. The Company's Share Transfer Agent – Link Intime India Private Limited has adequate infrastructure to process the above matters.

A predetermined process cycle at regular interval ensures the transfer of shares (in physical form) within the stipulated time limit.

As per the requirements of clause 47 (c) of the Listing Agreement/40 (9) of the Listing Regulations with the Stock Exchanges, a Company Secretary in Practice has certified due compliance of share transfer formalities on half yearly basis.

x) Secretarial Audit:

A practicing Chartered Accountant carried out secretarial audit in each of the quarters in the financial year 2015-16, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with depositories.

xi) Distribution of shareholding of equity shares as at March 31, 2016:

No. of Equity Shares	No. of Folios	% to total folios	No. of Shares	% of Shareholding
1 to 500	79293	78.80	8270457	0.81
501 to 1000	10956	10.89	8239303	0.81
1001 to 2000	4888	4.86	7152872	0.70
2001 to 3000	2017	2.00	5105932	0.50
3001 to 4000	820	0.81	2896639	0.28
4001 to 5000	765	0.76	3537531	0.35
5001 to 10000	996	0.99	6848232	0.67
10001 to 20000	346	0.34	4878804	0.48
Above 20000	543	0.54	976722830	95.40
Grand Total	100624	100.00	1023742600	100.00
Shareholders in Physical Mode	4393	4.37	5583040	0.55
Shareholders in Electronic Mode	96231	95.63	1018159560	99.45
Grand Total	100624	100.00	1023742600	100.00

xii) Categories of shareholders as at March 31, 2016:

Category	No. of Shares Held		Total Shares	% of Shareholding
	Physical	Electronic		
Promoters' holding	–	765690230	765690230	74.79
Mutual Funds and UTI	14415	37170787	37185202	3.63
Banks, FIs and Insurance Companies	6720	36235405	36242125	3.54
Foreign Institutional Investors/Foreign Venture Capital Investors	–	67135873	67135873	6.56
NRIs/OCBs/Foreign Portfolio Corporate	28635	31743850	31772485	3.10
Other Corporate Bodies	38180	23487683	23525863	2.30
Central and State Government	–	1174758	1174758	0.11
Indian public	5495090	55014732	60509822	5.91
Others [In transits]	–	506242	506242	0.05
Total	5583040	1018159560	1023742600	100.00

xiii) Dematerialization of shares and liquidity:

The Company's equity shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form. Approximately 99.45% of the equity shares have been dematerialised. ISIN number for dematerialisation of the equity shares of the Company is INE010B01027.

xiv) Location of the company's manufacturing plants:

The details of the locations of the plants of the Company are mentioned on the inside cover page of the Annual Report.

xv) Address for correspondence:

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned above.

Shareholders may also contact the Company Secretary, at the Registered Office of the Company for any assistance.

Mr. Upen H. Shah, Company Secretary and Compliance Officer

Tele. Nos. 079 – 26868100 - Extension – 326

e-mail id: investorgrievance@zyduscadila.com

investorgrievance@zyduscadila.com, a special e-mail ID has been created pursuant to amendment in clause No. 47(f) of the Listing Agreement.

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

xvi) Outstanding GDRs/ADRs/Warrants, its conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

xvii) Details of non-compliance:

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by any Stock Exchange, SEBI or any other statutory authority. The Statutory Auditors of the Company have certified the compliance of the conditions of Corporate Governance and annexed the certificate with the Directors' Report and sent the same to all the shareholders of the Company. The certificate shall also be sent to all the concerned Stock Exchanges along with the annual reports filed by the Company.

9. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

- i) The Company has an Executive Chairman.
- ii) The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- iii) The Company's financial statements for the financial year - 2015-16 do not contain any audit qualification.
- iv) The internal auditors report to the Audit Committee.

Chairman and Managing Director [CMD] and Chief Financial Officer [CFO] Certification

To
The Board of Directors, **Cadila Healthcare Limited**

As required under the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations] read with Schedule II part B of the Listing Regulations, we hereby certify that;

- (A) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief;
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to take to rectify these deficiencies; and
- (D) We have indicated to the auditors and the Audit committee;
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : May 13, 2016
Place: Ahmedabad

Pankaj R. Patel
Chairman and Managing Director

Nitin D. Parekh
Chief Financial Officer

Auditors' Certificate on compliance of conditions of Corporate Governance

To
The members of **Cadila Healthcare Limited**

1. We have examined the compliance of the conditions of Corporate Governance by Cadila Healthcare Limited, for the year ended on March 31, 2016 as stipulated in:
 - Clause 49 (excluding clause 49 (VII)(E) of the Listing Agreement of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - Clause 49 (VII)(E) of the Listing Agreements of the Company with Stock Exchanges for the period April 1, 2015 to September 30, 2015.
 - Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulations 23 (4) and clauses (b) to (i) of regulations 46 (2) and paragraph C, D and E of schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and regulations 17 to 27 and clauses (b) to (i) of regulations 46 (2) and paragraph C, D and E of schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mukesh M. Shah & Co.**
Chartered Accountants
Firm Registration No. 106625W

Place : Ahmedabad
Date : May 13, 2016

Mukesh M. Shah
Partner
Membership No. 03019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CADILA HEALTHCARE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **CADILA HEALTHCARE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information [in which are incorporated the returns for the year ended on that date audited by other auditor of the Company's office at Philippines].

Management's Responsibility for the Financial Statements

The Company's management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements of the Company give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
2. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
3. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branch not visited by us].

- (c) The reports on the accounts of the branch offices of the Company audited under section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branch not visited by us].
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
- (f) On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its standalone financial statements – Refer Note 20(A) to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Mukesh M. Shah & Co.**
Chartered Accountants
 Firm Registration No. 106625W

Place : Ahmedabad
 Date : May 13, 2016

Mukesh M. Shah
Partner
 Membership No. 030190

“Annexure A” referred to in the Independent Auditor’s Report of even date to the members of CADILA HEALTHCARE LIMITED on the Standalone Financial Statements for the year ended March 31, 2016.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the management in accordance with programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following cases, where the transfer of title is under process as on the date of report:

Category	Total Number of Cases	Leasehold/ Freehold	Gross Value [INR in Mio]	Net Value [INR in Mio]	Remarks
Building	One	Freehold	23	23	Deed of Conveyance executed by the Company, pending receipt of registered document from the office of the Sub-Registrar of Assurance.
Land	One	Leasehold	65	65	Transfer permission received by the Company from State Industrial and Infrastructure Authority, the execution of lease deed is under process.

2. (a) The inventories have been physically verified by the management during the year. In our opinion, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause (iii)(a) and (iii)(b) of paragraph of the Order are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly paragraph 3 (iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules frames thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at March 31, 2016, there are no such undisputed dues payable for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at March 31, 2016 which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amounts involved (Rs. in Millions)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	7.40	2008-09, 2009-10	Income Tax Appellate Tribunal
		0.40	2005-06, 2011-12	Commissioner of Income Tax (Appeals)
The Central Sales Tax and Local Sales Tax Acts	Sales Tax	116.65	1996-97, 1998-99, 1999-00, 2001-02, 2004-05 to 2013-14	Commissioner/Deputy Commissioner/ Joint Commissioner of Sales Tax/ Revision Board/Adjudicating Authority
		9.06	1997-98, 2001-02	Appellate Tribunal
The Central Excise Act and the Service Tax Act	Excise Duty, Service Tax	9.47	Various cases for the period 1985-86 to 1988-89, 1991-92 to 1998-99	ACCE/DCCE/JCCE/Add.Commissioner.
		22.96	Various Cases for the period 1997-98, 2005-06 to 2014-15	Commissioner (Appeals)
		258.75	Various cases For the period 1995-96 to 1999-00, 2003-04 to 2013-14	Central Excise and Service Tax Appellate Tribunal
		6.33	1994-95, 1995-96, 2006-07, 2007-08	High Court/Supreme Court

8. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or due to debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year has been utilised by the Company for the purpose for which the same has been taken.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the books of account, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 (with schedule V) of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Mukesh M. Shah & Co.**
Chartered Accountants
 Firm Registration No. 106625W

Place : Ahmedabad
 Date : May 13, 2016

Mukesh M. Shah
Partner
 Membership No. 030190

"Annexure B" to the Auditor's Report – March 31, 2016

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013("the Act")

We have audited the Internal Financial Controls over financial reporting of Cadila Healthcare Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India [ICAI]. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgement, including the assessment of the material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material impact on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, also, projections any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukesh M. Shah & Co.**
Chartered Accountants
 Firm Registration No. 106625W

Place : Ahmedabad
 Date : May 13, 2016

Mukesh M. Shah
Partner
 Membership No. 030190

Balance Sheet as at March 31, 2016

INR-Millions

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	1,024	1,024
Reserves and Surplus	2	60,350	44,230
		61,374	45,254
Non-Current Liabilities:			
Long Term Borrowings	3	4,300	5,836
Deferred Tax Liabilities [Net]	4	1,521	1,236
Other Long Term Liabilities	5	167	239
Long Term Provisions	6	965	605
		6,953	7,916
Current Liabilities:			
Short Term Borrowings	7	6,043	6,796
Trade Payables	8	8,982	6,713
Other Current Liabilities	9	3,629	3,300
Short Term Provisions	10	549	3,395
		19,203	20,204
Total		87,530	73,374
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	11	19,997	17,530
Intangible Assets	11	1,562	151
Capital work-in-progress		2,968	3,669
		24,527	21,350
Non-Current Investments	12	20,122	17,508
Long Term Loans and Advances	13	13,646	7,543
		58,295	46,401
Current Assets:			
Current Investments	14	1,008	4,583
Inventories	15	6,575	8,043
Trade Receivables	16	17,033	10,561
Cash and Bank Balances	17	1,633	1,294
Short Term Loans and Advances	18	1,804	2,019
Other Current Assets	19	1,182	473
		29,235	26,973
Total		87,530	73,374
Significant accounting policies	II		
Notes to the Financial Statements	1 to 42		

As per our report of even date

for **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration Number: 106625W

Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad**Date:** May 13, 2016

For and on behalf of the Board

Pankaj R. Patel

Chairman and Managing Director

Nitin D. Parekh

Chief Financial Officer

Sharvil P. Patel

Deputy Managing Director

Upen H. Shah

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

INR-Millions

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
REVENUE:			
Revenue from Operations:	22		
Sale of Products [Gross]		65,329	47,636
Less: Excise Duty		964	775
Sale of Products [Net]		64,365	46,861
Other Operating Revenues		5,988	5,983
Net Revenue from Operations		70,353	52,844
Other Income	23	1,341	1,852
Total Revenue		71,694	54,696
EXPENSES:			
Cost of Materials Consumed	24	13,320	12,861
Purchases of Stock-in-Trade	25	5,096	4,415
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	26	502	(760)
Employee Benefits Expense	27	7,174	6,071
Finance Costs	28	224	428
Depreciation, Impairment and Amortisation expenses	11 & 41	2,212	2,119
Other Expenses	29	18,831	14,916
Total Expenses		47,359	40,050
Profit before Tax		24,335	14,646
Less: Tax Expense:			
Current Tax		4,282	1,963
Deferred Tax	4	285	–
Prior year's tax adjustments		(5)	(28)
		4,562	1,935
Profit for the year		19,773	12,711
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	30	19.31	12.42
Significant Accounting Policies	II		
Notes to the Financial Statements	1 to 42		

As per our report of even date
for **Mukesh M. Shah & Co.,**
Chartered Accountants
Firm Registration Number: 106625W

Mukesh M. Shah
Partner
Membership Number: 030190

Place: Ahmedabad
Date: May 13, 2016

For and on behalf of the Board

Pankaj R. Patel
Chairman and Managing Director

Nitin D. Parekh
Chief Financial Officer

Sharvil P. Patel
Deputy Managing Director

Upen H. Shah
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

INR-Millions

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A Cash flows from operating activities:		
Profit before tax	24,335	14,646
Adjustments for:		
Depreciation, Impairment and Amortisation Expenses	2,212	2,119
Loss on sale of assets [Net]	11	7
Loss on sale of investments [Net]	121	–
Interest income	(687)	(327)
Dividend income	(539)	(1,399)
Interest expenses	176	338
Bad debts written off	–	38
Provision for doubtful debts	10	–
Provision for doubtful debts written back	(10)	–
Doubtful advances written off	–	1
Provision for doubtful advances [net of written back]	–	(10)
Provisions for employee benefits	366	342
Provisions for probable product expiry claims and return of goods	7	9
Total	1,667	1,118
Operating profit before working capital changes	26,002	15,764
Adjustments for:		
[Increase] in trade receivables	(6,582)	(3,280)
Decrease / [Increase] in inventories	1,468	(1,408)
Decrease in short term advances	126	49
Decrease in long term advances	40	83
[Increase] / Decrease in other current assets	(602)	5
Increase in trade payables	2,307	2,008
Increase in other current liabilities	416	153
[Decrease] / Increase in other long term liabilities	(72)	33
Total	(2,899)	(2,357)
Cash generated from operations	23,103	13,407
Direct taxes paid [Net of refunds]	(4,146)	(1,969)
Foreign Currency Monetary Items Translation Difference Account written off	231	(601)
Net cash from operating activities	19,188	10,837

Cash Flow Statement for the year ended March 31, 2016 - Continued:

INR-Millions		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
B Cash flows from investing activities:		
Purchase of fixed assets	(5,773)	(3,045)
Proceeds from sale of fixed assets	22	21
Purchase of non current investments	(2,030)	(3,018)
Proceeds from sale of non current investments / appropriation of Escrow accounts	50	13
Purchase of current investments	(132)	(859)
Advances to subsidiaries	(3,494)	(556)
Repayment of advances by subsidiary companies / a joint venture company	422	13
Interest received	580	266
Dividend received	539	1,399
Net cash used in investing activities	(9,816)	(5,766)
C Cash flows from financing activities:		
Proceeds from Long Term Borrowings	1,761	1,817
Repayment of Long Term Borrowings	(3,277)	(4,402)
Short Term Borrowings [Net]	(753)	1,220
Interest paid	(177)	(393)
Dividends paid	(5,729)	(1,840)
Tax on dividends paid	(1,058)	(273)
Net cash used in financing activities	(9,233)	(3,871)
Net increase in cash and cash equivalents	139	1,200
Cash and cash equivalents at the beginning of the year	2,494	1,294
Cash and cash equivalents at the end of the year	2,633	2,494

Notes to the Cash Flow Statement

- 1 All figures in brackets are outflows.
- 2 Previous year's figures have been regrouped wherever necessary.
- 3 Cash and cash equivalents at the end [beginning] of the year include Rs. 31 [Rs. 27] Millions not available for immediate use.
- 4 Cash and cash equivalents comprise of:

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
a Cash on Hand	7	10	9
b Balances with Banks	1,626	1,284	885
c Investment in Liquid Mutual Funds	1,000	1,200	400
d Total	2,633	2,494	1,294

As per our report of even date

for **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration Number: 106625W

Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 13, 2016

For and on behalf of the Board

Pankaj R. Patel

Chairman and Managing Director

Nitin D. Parekh

Chief Financial Officer

Sharvil P. Patel

Deputy Managing Director

Upen H. Shah

Company Secretary

Notes to the Financial Statements

I-Company Overview:

Cadila Healthcare Limited [“the Company”] operates as an integrated pharmaceutical company with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Company includes API, veterinary and human formulations. The Company's shares are listed on the National Stock Exchange of India Limited [NSE] and BSE Limited.

II-Significant Accounting Policies:

1 Basis of Accounting:

The financial statements are prepared under the historical cost convention on the “Accrual Concept” of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies [Accounts] Rules, 2014 and other pronouncements issued by the Institute of Chartered Accountants of India [ICAI], to the extent applicable, and with the applicable provisions of the Companies Act, 2013.

2 Use of Estimates:

The preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year while actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3 Fixed Assets, Depreciation and Amortisation:

A Fixed Assets are stated at historical cost of acquisition / construction less accumulated depreciation and impairment loss. Cost [Net of Input tax credit received / receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction / assets are put to use. Effective from April 1, 2007, the loss or gain on exchange rates on long term foreign currency loans attributable to fixed assets is adjusted to the cost of respective fixed assets.

B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as

independent items and are depreciated over their estimated economic useful lives.

C Depreciation on tangible assets is provided on “straight line method” based on the useful lives as prescribed under Schedule II of the Companies Act, 2013.

D Depreciation on impaired assets is calculated on its residual value, if any, on a systematic basis over its remaining useful life.

E Leasehold land is amortized over the period of the lease.

F Goodwill arising on Amalgamation is amortised over five years, as provided in the Scheme of Amalgamation.

G Goodwill other than goodwill arising on amalgamation, Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated economic life of ten years.

H Capitalised cost incurred towards purchase/development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.

I Depreciation on additions / disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

J Where the actual cost of purchase of an asset is below Rs. 10,000/-, the depreciation is provided @ 100 %.

4 Impairment of Assets:

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset and/or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset and/or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets.

5 Borrowing Costs:

A Borrowing costs that are directly attributable to the acquisition / construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use.

II-Significant Accounting Policies - Continued:

- B** Other borrowing costs are recognised as an expense in the year in which they are incurred.

6 Expenditure during the Construction Period:

The expenditure incidental to the expansion / new projects are allocated to Fixed Assets in the year of commencement of the commercial production.

7 Investments:

- A** Long term and strategic investments are stated at cost, less any diminution in the value other than temporary.
- B** Current investments are stated at lower of cost and fair value determined on individual investment basis.
- C** Investments in shares of foreign subsidiaries and other companies are expressed in Indian currency at the rates of exchange prevailing at the time when the original investments were made.

8 Inventories:

- A** Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Works-in-Progress are valued at lower of cost and net realisable value.
- B** Cost [Net of CENVAT and Input tax credit availed] of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods & Stock-in-Trade is determined on Moving Average Method.
- C** Costs of Finished Goods and Works-in-Progress are determined by taking material cost [Net of CENVAT and Input tax credit availed], labour and relevant appropriate overheads.

9 Revenue Recognition:

- A** Revenue from Sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed on to the buyer.
- B** Service income is recognised as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax, wherever applicable.
- C** Dividend income is recognised when the unconditional right to receive the income is established.
- D** Interest income is recognised on time proportionate method.
- E** Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

10 Foreign Currency Transactions:

- A** The transactions in foreign currencies are stated at the rates of exchange prevailing on the dates of transactions.
- B** The net gain or loss on account of exchange rate differences either on settlement or on translation of short term monetary items is recognised in the statement of Profit and Loss.
- C** The net gain or loss on account of exchange rate differences either on settlement or on translation of long term foreign currency monetary items including long term forward contracts is recognised under "Foreign Currency Monetary Items Translation Difference Account" [FCMITDA], except in case of foreign currency loans taken for funding of fixed assets, where such difference is adjusted to the cost of respective fixed assets. The FCMITDA is amortised during the tenure of loans but not beyond March 31, 2020.
- D** Investments in foreign subsidiaries and other companies are recorded in Indian currency at the rates of exchange prevailing at the time when the investments were made.
- E** The foreign currency monetary assets and liabilities including forward contracts are restated at the prevailing exchange rates at the year end. The premium in respect of forward contracts is accounted over the period of the contract.

11 Derivative Instruments and Hedge Accounting:

- A** Pursuant to ICAI Announcement "Accounting for Derivatives" on the early adoption of Accounting Standard 30 "Financial Instruments: Recognition and Measurement", the Company has voluntarily adopted the Standard with effect from October 1, 2011, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements in respect of accounting for derivatives and hedge accounting.
- B** The Company uses appropriate instruments to hedge its foreign currency risks associated with probable forecasted sales, foreign currency trade receivables and interest rate fluctuations. The Company designates hedging instruments as "cash flow hedge/fair value hedge" depending on nature of transactions in applying the recognition and measurement principles set out in the Accounting Standard 30.

II-Significant Accounting Policies - Continued:

- C** Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in "Hedge Reserves" [under "Reserves & Surplus"] and the ineffective portion is recognised immediately in the Statement of Profit and Loss.
- D** Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as and when they arise.
- E** Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedge Reserve is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedge Reserve is transferred to the Statement of Profit and Loss for the year.

12 Research and Development Cost:

- A** Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.
- B** Capital expenditure on research and development is given the same treatment as Fixed Assets.

13 Excise Duty:

Excise Duty is accounted gross of CENVAT benefit availed on inputs, capital goods and eligible services.

14 Employee Benefits:**A Defined Contribution Plans:**

The Company contributes on a defined contribution basis to Employees' Provident Fund towards post employment benefits which is expensed in the year to which it pertains.

B Defined Benefit Plans:

The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

C Leave Liability:

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme. The employees of the Company are entitled to leave as per the leave policy of the Company. The liability on account of accumulated leaves as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

D Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

15 Provision for Bad and Doubtful Debts / Advances:

Provision is made in accounts for bad and doubtful debts / advances which in the opinion of the management are considered doubtful of recovery.

16 Taxes on Income:

- A** Tax expenses comprise of current and deferred tax.
- B** Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961.
- C** Deferred tax reflects the impact of current year timing differences between accounting and taxable income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date.

17 Provision for Product Expiry Claims:

Provision for product expiry claims in respect of products sold during the year is made based on the management's estimates.

18 Leases:

Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognised as expenses in the statement of Profit and Loss as and when paid.

II-Significant Accounting Policies - Continued:

19 Government Grants:

- A** Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.
- B** Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.
- C** Government grants in the nature of incentive provided by the Government without related costs are treated as promoters' contributions and are credited to Capital Reserve.

20 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision / disclosure is made. Contingent assets are not recognised in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

Notes to the Financial Statements

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 1-Share Capital:		
Authorised:		
1,725,000,000 [as at March 31, 2015: 345,000,000] Equity Shares of Re.1/- [Rs.5/-] each *	1,725	1,725
	1,725	1,725
Issued, Subscribed and Paid-up:		
1,023,742,600 [as at March 31, 2015: 204,748,520] Equity Shares of Re.1/- [Rs.5/-] each, fully paid-up *	1,024	1,024
Total	1,024	1,024
A The reconciliation in number of shares is as under:		
Number of shares at the beginning of the year	204,748,520	204,748,520
Add: Issued pursuant to sub-division of face value of the shares from Rs. 5/- each to Re. 1/- each *	818,994,080	–
Number of shares at the end of the year	1,023,742,600	204,748,520
B The Company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C Details of Shareholder holding more than 5% of aggregate Equity Shares of Re. 1/- each [as at March 31, 2015: Rs. 5/- each], fully paid:		
Zydus Family Trust		
Number of Shares	765,537,230	153,107,446
% to total share holding	74.78%	74.78%
* During the year, the face value of the equity shares has been sub-divided from Rs. 5/- each to Re. 1/- each per equity share w.e.f. October 7, 2015, pursuant to the approval of the members through postal ballot process. Accordingly, number of equity shares under the Authorised, Issued, Subscribed and Paid-up capital have been increased.		
Note: 2-Reserves and Surplus:		
Debenture Redemption Reserve:		
Balance as per last Balance Sheet	–	1,550
Less: Transferred to General Reserve	–	1,550
	–	–
Other Reserves:		
International Business Development Reserve: [*]		
Balance as per last Balance Sheet	2,000	2,000
General Reserve: [**]		
Balance as per last Balance Sheet	15,550	14,000
Add: Transfer from Debenture Redemption Reserve	–	1,550
	15,550	15,550

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	As at March 31, 2016	As at March 31, 2015
Note: 2-Reserves and Surplus - Continued:		
Foreign Currency Monetary Items Translation Difference Account: [***]		
Balance as per last Balance Sheet	(241)	360
Add / [Less]: Credited / [Debited] during the year	231	(601)
	(10)	(241)
Hedge Reserve:		
Balance as per last Balance Sheet	–	(1)
Add : Credited during the year	–	1
	–	–
Surplus in Statement of Profit and Loss:		
Balance as per last Balance Sheet	26,921	17,366
Less: Additional depreciation upon revision in useful lives of tangible assets [Refer Note-41]	–	249
Add: Profit for the year	19,773	12,711
	46,694	29,828
Less: Appropriations:		
Dividends:		
Interim Dividend [Refer Note-21]	3,276	–
Proposed Dividend	–	2,457
Corporate Dividend Tax on Dividend [Net of CDT Credit]	608	450
	3,884	2,907
Balance as at the end of the year	42,810	26,921
Total	60,350	44,230

[*] International Business Development Reserve was created pursuant to Composite Scheme of Amalgamation approved by the Hon'able High Court of Gujarat and its utilization shall be as provided in the scheme.

[**] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

[***] The Company had opted for accounting the exchange rate differences arising on the Long Term Foreign Currency Monetary Items [LTFCMI] in accordance with the notification dated March 31, 2009 and amended on December 29, 2011 under the Companies [Accounting Standards] Amendment Rules, 2009 on Accounting Standard 11 relating to "the effects of changes in foreign exchange rates". Accordingly, the effects of exchange rate differences arising on translation or settlement of long term foreign currency loans availed for funding acquisition of fixed assets have been adjusted to the cost of respective items of fixed assets. In other cases, such exchange rate difference on the LTFCMI is transferred to "Foreign Currency Monetary Items Translation Difference Account" [FCMITDA], which is amortised during the tenure of the respective LTFCMI but not beyond March 31, 2020.

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	Non-current portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Note: 3-Long Term Borrowings:				
A Term Loans from Banks:				
a External Commercial Borrowings in Foreign Currency [Secured]	1,594	4,523	1,875	1,855
b External Commercial Borrowings in Foreign Currency [Unsecured]	2,651	1,251	–	–
	4,245	5,774	1,875	1,855
B From Others [Unsecured]	55	62	10	10
Total	4,300	5,836	1,885	1,865
The above amount includes:				
Secured borrowings	1,594	4,523	1,875	1,855
Unsecured borrowings	2,706	1,313	10	10
Amount disclosed under the head "Other Current Liabilities" [Note-9]	–	–	(1,885)	(1,865)
Net amount	4,300	5,836	–	–

A Securities and Terms of Repayment for Secured Long Term Borrowings:**a Foreign Currency Loans:**

- i ECB of USD 20 Millions was secured by hypothecation of movable fixed assets and equitable mortgage on immovable properties of the Formulation unit of the Company situated at Village Moraiya, Taluka - Sanand, District – Ahmedabad. During the year, the Bank has released these charges, the reconveyance thereof with Revenue Department is under process. The loan is repayable in five half yearly installments each of Rs. 240 Millions [USD 4 Millions] after a moratorium period of 30 months from the date of its origination [November 15, 2011] along with accrued interest for the period. Interest rates are reset every month at the rate of 1 month USD LIBOR plus 145 bps p.a. Facility fees of 0.72% are to be paid in 4 equal installments with first four interest payment dates. The outstanding amount of loan as at March 31, 2016 is Rs. 265 [as at March 31, 2015: Rs. 749] Millions.
- ii ECB of USD 20 Millions is secured by hypothecation of a specific trade mark of the Company. The loan is repayable in three half yearly installments after initial moratorium period of three years from the date of its origination [March 26, 2013] along with accrued interest for the period. Interest rate is reset every month at the rate of 1 month USD LIBOR plus 161 bps p.a. The outstanding amount of loan as at March 31, 2016 is Rs. 884 [as at March 31, 2015: Rs. 1,251] Millions.
- iii ECB of USD 20 Millions is secured by hypothecation of a specific trade mark of the Company. The loan is repayable in three equal yearly installments starting from the end of four years from the date of its origination [March 20, 2014] along with accrued interest for the period. Interest rate is reset every month at the rate of 1 month USD LIBOR plus 160 bps p.a. The outstanding amount of loan as at March 31, 2016 is Rs. 1,326 [as at March 31, 2015: Rs. 1,251] Millions.
- iv ECB of USD 15 Millions is secured by hypothecation of a specific trade mark of the Company. The loan is repayable in three half yearly installments starting from October 17, 2016 along with accrued interest for the period. Interest rates are reset every month at the rate of 1 month USD LIBOR plus 150 bps p.a. The outstanding amount of loan as at March 31, 2016 is Rs. 994 [as at March 31, 2015: Rs. 938] Millions.

B Terms of Repayment for Unsecured Long Term Borrowings:**a Foreign Currency Loans:**

- i ECB of USD 20 Millions is repayable in three yearly installments starting from December 26, 2016 along with interest for the period. The first installment is of Rs. 360 Millions [USD 6 Millions] and the last two installments are of Rs. 419 Millions [USD 7 Millions]. Interest rates are reset every month at the rate of 1 month USD LIBOR plus 120 bps p.a. [Interest rates were reset every six months at the rate of 6 month USD LIBOR plus 223 bps p.a. upto April 5, 2015]. The outstanding amount as at March 31, 2016 is Rs. 1,326 [as at March 31, 2015: Rs. 1,251] Millions.

Note: 3-Long Term Borrowings - Continued:

- ii ECB of USD 20 Millions is repayable on July 10, 2018 along with accrued interest for the period. Interest rate is reset every month at the rate of 1 month USD LIBOR plus 99 bps p.a. The outstanding amount of loan as at March 31, 2016 is Rs. 1,325 [as at March 31, 2015: Rs. Nil] Millions.

b Rupee Loans:

- i Loan from Department of Science and Technology is repayable in ten yearly equal installments starting from November 1, 2012 along with interest @ 3% p.a. Interest accrued up to October 31, 2012 will be payable in 5 yearly installments along with repayment installment starting from November 1, 2012. The outstanding amount as at March 31, 2016 is Rs. 61 [as at March 31, 2015: Rs. 72] Millions.
- ii Biotechnology Industry Research Assistance Council [BIRAC] has sanctioned a loan of Rs. 12 Millions @ 2% p.a. interest rate. Out of the sanctioned amount, BIRAC has disbursed Rs. 4 Millions on December 28, 2015. The loan is repayable in ten equal half-yearly installments starting from August 25, 2019 along with interest accrued thereon. The outstanding amount as at March 31, 2016 is Rs. 4 [as at March 31, 2015: Rs. Nil] Millions.

Note: 4-Deferred Tax:

- A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

INR-Millions

	As at March 31, 2014	Charge for the previous year	As at March 31, 2015	Charge for the current year	As at March 31, 2016
Deferred Tax Liabilities:					
Depreciation	2,052	(30)	2,022	30	2,052
Deferred Tax Assets:					
Employee benefits	119	52	171	337	508
Receivables	13	(9)	4	(1)	3
Unabsorbed depreciation	395	(106)	289	(289)	-
Others	289	33	322	(302)	20
Total	816	(30)	786	(255)	531
Net Deferred Tax Liabilities	1,236	-	1,236	285	1,521

- B The Net Deferred Tax Liabilities of Rs. 285 [Previous Year: Rs. Nil] Millions for the year has been provided in the Statement of Profit and Loss.

INR-Millions

	As at March 31, 2016	As at March 31, 2015
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Note: 5-Other Long Term Liabilities:

Trade Deposits	58	54
Others	109	185
Total	167	239

Note: 6-Long Term Provisions:

Provision for Employee Benefits	965	605
Total	965	605

Note: 6-Long Term Provisions- Continued:**Disclosure pursuant to Accounting Standard-15 [Revised] "Employee Benefits":
Defined benefit plan and long term employment benefit****A General description:****Leave wages [Long term employment benefit]:**

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme. The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

INR-Millions

	As at March 31, 2016			As at March 31, 2015		
	Med. Leave	Leave Wages	Gratuity	Med. Leave	Leave Wages	Gratuity
B Change in the present value of the defined benefit obligation:						
Opening defined benefit obligation	84	573	916	9	446	700
Interest cost	5	39	63	1	39	61
Current service cost	8	103	106	85	95	82
Benefits paid	(30)	(52)	(221)	–	(71)	(107)
Actuarial [gains] / losses on obligation	56	78	208	(11)	64	180
Closing defined benefit obligation	123	741	1,072	84	573	916
C Change in the fair value of plan assets:						
Opening fair value of plan assets	–	138	783	–	129	747
Expected return on plan assets	–	8	64	–	15	71
Contributions by employer	–	1	127	–	1	77
Benefits paid	–	–	(221)	–	(1)	(107)
Actuarial [losses] / gains	–	3	–	–	(6)	(5)
Closing fair value of plan assets	–	150	753	–	138	783
Total actuarial [losses] / gains to be recognised	(56)	(75)	(208)	11	(70)	(185)
D Actual return on plan assets:						
Expected return on plan assets	–	8	64	–	15	71
Actuarial [losses] / gains on plan assets	–	3	–	–	(6)	(5)
Actual return on plan assets	–	11	64	–	9	66
E Amount recognised in the balance sheet:						
Liabilities / [Assets] at the end of the year	123	741	1,072	84	573	916
Fair value of plan assets at the end of the year	–	(150)	(753)	–	(138)	(783)
Difference	123	591	319	84	435	133
Unrecognised past service cost	–	–	–	–	–	–
Liabilities / [Assets] recognised in the Balance Sheet	123	591	319	84	435	133

Note: 6-Long Term Provisions- Continued:

INR-Millions

	As at March 31, 2016			As at March 31, 2015		
	Med. Leave	Leave Wages	Gratuity	Med. Leave	Leave Wages	Gratuity
F Expenses / [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	8	103	106	85	95	82
Interest cost on benefit obligation	5	39	63	1	39	61
Expected return on plan assets	–	(8)	(64)	–	(15)	(71)
Net actuarial [gains] / losses in the year	56	75	208	(11)	70	185
Net expenses / [benefits]	69	209	313	75	189	257
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	84	435	133	9	317	(47)
Expenses as above [P & L Charge]	69	209	313	75	189	257
Employer’s contribution	–	(53)	(127)	–	(71)	(77)
Benefits Paid	(30)	–	–	–	–	–
Liabilities / [Assets] recognised in the Balance Sheet	123	591	319	84	435	133
H Principal actuarial assumptions as at Balance sheet date:						
Discount rate	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]						
Expected rate of return on plan Assets	0.00%	7.80%	7.80%	0.00%	8.75%	8.75%
[The expected rate of return assumed by the Insurance company is generally based on its Investment pattern as stipulated by the Government of India]						
Annual increase in salary cost	12% for 1st 5 years, 9% thereafter			7.50% for all years		
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]						
I The categories of plan assets as a % of total plan assets are:						
Insurance plan	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%

J Amount recognised in current and previous four years:

Gratuity:	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	1,072	916	700	568	572
Fair value of Plan Assets	753	783	747	588	436
Deficit / [Surplus] in the plan	319	133	(47)	(20)	136
Actuarial Loss / [Gain] on Plan Obligation	208	180	125	(66)	37
Actuarial Loss / [Gain] on Plan Assets	–	(5)	(2)	4	5

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2015-16.

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 7-Short Term Borrowings:		
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured] [*]	1,068	2,851
Working Capital Loans from Banks [Unsecured] [**]	4,975	3,945
Total	6,043	6,796

[*] Working Capital Loans which are, repayable on demand, are secured by hypothecation of inventories of all types, save and except stores and spares relating to plant and machineries [consumable stores and spares], including goods in transit, bills receivables, book debts and other movables of the Company in the nature of current assets, including documents to title of goods. Cash credit interest is in the range of 9.70% p.a. to 12.25% p.a. and Packing Credit in Foreign Currency [PCFC] interest is in the range of 35 bps to 40 bps over 1 month USD LIBOR.

[**] PCFC loans are payable during April, 2016 to September, 2016 and availed at interest in the range of 15 bps to 35 bps over 1 month or 3 months USD LIBOR.

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 8-Trade Payables:		
Micro, Small and Medium Enterprises [*]	38	57
Others	8,944	6,656
Total	8,982	6,713
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	38	57
B Interest due thereon	-	-
C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	2	2
D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F Amount of further interest remaining due and payable in succeeding years	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		

Note: 9-Other Current Liabilities:

Current Maturities of Long Term Debt [Refer Note- 3]	1,885	1,865
Interest accrued but not due on borrowings	4	5
Unpaid Dividends [*]	25	21
Advances from customers	85	195
Others:		
Provision for Expenses	1,258	925
Payable to Statutory Authorities	372	289
	1,630	1,214
Total	3,629	3,300
[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 10-Short Term Provisions:		
Provision for Employee Benefits	235	229
Others:		
Proposed Dividend	–	2,457
Corporate Dividend Tax on Dividend	–	450
Provision for Taxation [Net of advance payment of tax of Rs. 4,023 {as at March 31, 2015: Rs. 2,354} Millions]	256	208
Provision for claims for product expiry and return of goods [*]	58	51
	314	3,166
Total	549	3,395
[*] Provision for claims for product expiry and return of goods:		
a Provision for product expiry claims in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailers. The Company does not expect such claims to be reimbursed by any other party in future.		
b The movement in such provision is stated as under:		
i Carrying amount at the beginning of the year	51	42
ii Additional provision made during the year	58	51
iii Amount used	51	42
iv Carrying amount at the end of the year	58	51

Note: 11-Fixed Assets:

INR-Millions

	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
A Tangible Assets:								
Gross Block:								
As at March 31, 2014	657	244	4,789	15,846	477	473	154	22,640
Additions	181	1	429	3,418	20	168	48	4,265
Disposals				(35)		(49)		(84)
Other adjustments			26	142				168
As at March 31, 2015	838	245	5,244	19,371	497	592	202	26,989
Additions [#]	26	65	400	3,645	30	74	60	4,300
Disposals				(46)		(50)		(96)
Other adjustments			53	264		(7)		310
As at March 31, 2016	864	310	5,697	23,234	527	609	262	31,503

Note: 11-Fixed Assets - Continued:

INR-Millions

	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Depreciation and Impairment:								
As at March 31, 2014	–	22	1,032	5,681	296	182	35	7,248
Adjusted to Retained Earnings [*]				194	37	4	14	249
Depreciation for the year		3	141	1,723	35	66	50	2,018
Impairment for the year								–
Disposals				(32)		(24)		(56)
As at March 31, 2015	–	25	1,173	7,566	368	228	99	9,459
Depreciation for the year		3	156	1,820	28	62	41	2,110
Impairment for the year								–
Disposals				(38)		(25)		(63)
As at March 31, 2016	–	28	1,329	9,348	396	265	140	11,506
Net Block:								
As at March 31, 2015	838	220	4,071	11,805	129	364	103	17,530
As at March 31, 2016	864	282	4,368	13,886	131	344	122	19,997

	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Total
B Intangible Assets:						
Gross Block:						
As at March 31, 2014	102	2,516	294	307	978	4,197
Additions			3			3
Disposals						–
Other adjustments						–
As at March 31, 2015	102	2,516	297	307	978	4,200
Additions [#]	18	1,113	95	149	138	1,513
Disposals						–
Other adjustments						–
As at March 31, 2016	120	3,629	392	456	1,116	5,713
Amortisation and Impairment:						
As at March 31, 2014	41	2,476	192	265	974	3,948
Amortisation for the year	20	27	48	5	1	101
Impairment for the year						–
Disposals						–
As at March 31, 2015	61	2,503	240	270	975	4,049
Amortisation for the year	21	22	47	7	2	99
Impairment for the year					3	3
Disposals						–
As at March 31, 2016	82	2,525	287	277	980	4,151
Net Block:						
As at March 31, 2015	41	13	57	37	3	151
As at March 31, 2016	38	1,104	105	179	136	1,562

Notes:

- Buildings include Rs. 0.02 [As at March 31, 2015: Rs. 0.02] Millions being the value of unquoted shares held in cooperative societies.
- Additions of Rs. 254 [Previous Year: Rs. 363] Millions in research assets during the year are included in "Additions" under the respective heads of Gross Block of Tangible assets as above.
- Capital expenditure on Research and Development [including net increase in Capital Work-in-progress of Rs. 23 {Previous year: decrease of Rs. 49} Millions] is Rs. 277 [Previous Year: Rs. 314] Millions.

Note: 11-Fixed Assets - Continued:

- 4 Other adjustments include adjustments on account of borrowing costs and exchange rate differences.
- 5 Legal titles of some of the immovable properties acquired pursuant to Scheme of Amalgamation of Liva Healthcare Limited, Zydus Animal Health Limited and Zydus Pharmaceuticals Limited with the Company are in the process of being transferred in the name of the Company.
- [*] Refer Note-41
- [#] Pursuant to the Business Transfer Agreement [BTA] executed between the Company and Zoetis India Limited ["Zoetis"], the Company has acquired select animal healthcare brands, related licenses, technical knowhow and manufacturing facility of Zoetis during the year. These assets have been recorded at their respective fair values arrived at on the basis of valuation carried out by an independent valuer. The difference between the total consideration and the fair value of such assets has been recognized as goodwill. Legal titles of leasehold land and building, acquired pursuant to the BTA, are in the process of being transferred in the name of the Company.

INR-Millions

	Nos. [*]	Face Value [**]	As at March 31, 2016	As at March 31, 2015
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Note: 12-Non-Current Investments:

Long Term Investments [Valued at cost]:				
Trade Investments:				
Investments in Equity Instruments			13,294	12,361
Investments in Preference Shares			6,809	5,032
Investments in a Partnership Firm			–	96
			20,103	17,489
Other Investments:				
Investments in Equity Instruments			10	10
Investments in Preference Shares			9	9
			19	19
Total			20,122	17,508
A Details of Trade Investments [Valued at cost]:				
Investment in Equity Instruments:				
Subsidiary Companies:				
Quoted:				
In fully paid-up equity shares of Zydus Wellness Limited	28,163,755	10	570	570
Unquoted:				
In fully paid-up equity shares of:				
Zydus Technologies Limited	42,500,000	10	425	425
Dialforhealth India Limited	5,000,000	10	50	50
German Remedies Limited [\$]	48,000	100	2	2
[24,000 shares allotted pursuant to bonus shares issued in the ratio of 1:1 during the year]	[24,000]			
Zydus Healthcare Limited [\$]	9,794,000	10	98	–
Biochem Pharmaceutical Industries Limited	7,500,000	10	5,233	5,242
[Change in the value of investment is pursuant to the appropriation of claims from Escrow account]				
Liva Pharmaceuticals Limited	2,000,000	10	20	20
Alidac Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited]	22,330,000	10	158	158
Zydus International Private Limited, Ireland	49,945,369	€ 1.462843	5,056	4,238
[7,521,249 shares allotted pursuant to conversion of loan into equity during the year]	[42,424,120]			

INR-Millions

	Nos. [*]	Face Value [**]	As at March 31, 2016	As at March 31, 2015
Note: 12-Non-Current Investments - Continued:				
ZAHL BV, the Netherlands	0 [180]	€ 100	–	276
[180 shares sold during the year]				
Zydus Lanka (Private) Limited, Sri Lanka	199,000	LKR 10	1	1
[99,000 shares subscribed during the year]	[100,000]			
Zydus Healthcare Philippines Inc.	10,357,946	PHP 10	147	15
[9,370,309 shares subscribed during the year]	[987,637]			
Zydus Worldwide DMCC	45,930	AED 1,000	806	636
[9,180 shares subscribed during the year]	[36,750]			
			11,996	11,063
Joint Venture Companies [Unquoted]:				
In fully paid-up equity shares of:				
Zydus Hospira Oncology Private Limited	7,500,000	10	75	75
Zydus Takeda Healthcare Private Limited	10,000,000	10	100	100
Bayer Zydus Pharma Private Limited	25,000,000	10	250	250
			425	425
Others [Quoted]:				
In fully paid-up Common Stock of:				
Onconova Therapeutic Inc. USA	651,106	\$0.01	187	187
Pieris Pharmaceuticals Inc., USA	1,415,539	\$0.001	116	116
			303	303
			13,294	12,361
Investment in Preference Shares:				
Subsidiary Companies [Unquoted]:				
In fully paid-up, 8%, Redeemable Cumulative				
Preference shares of Zydus Technologies Limited	900,000	100	90	90
In fully paid-up, 5%, Redeemable Non-Cumulative				
Preference shares of Dialforhealth India Limited	2,000,000	100	200	200
In fully paid-up, 10%, Redeemable Cumulative				
Preference Shares of Alidac Pharmaceuticals Limited [1,500,000 shares subscribed during the year]	[5,800,000]			
In fully paid-up, Optionally Convertible Redeemable				
Preference shares of Zydus Healthcare Philippines Inc.	983,180 [0]	PHP 10	14	–
In fully paid-up, Optionally Convertible Redeemable				
Preference shares of Zydus International Private Limited [22,306,920 shares subscribed during the year]	72,823,494			
	[50,516,574]	€ 1	5,616	4,003
			6,609	4,832
Investment in Preference Shares:				
Joint Venture Company [Unquoted]:				
In fully paid-up, 5%, Redeemable Non-Cumulative				
Preference Shares of Bayer Zydus Pharma Private Limited	20,000,000	10	200	200
			6,809	5,032
Investment in the Fixed Capital of a Partnership Firm [Unquoted] [\$]				
			–	96

INR-Millions

	Nos. [*]	Face Value [**]	As at March 31, 2016	As at March 31, 2015
Note: 12-Non-Current Investments - Continued:				
B Details of Other Investments [Valued at cost]:				
Quoted:				
Investment in Equity Instruments:				
In fully paid-up Equity Shares of:				
Housing Development Finance Corporation Limited	219,500	2	1	1
HDFC Bank Limited [Rs.10,850/-]^	4,000	2	-	-
Kokuyo Camlin Limited	72,090	1	1	1
Camlin Fine Sciences Limited [Rs. 599,223/-]^	152,000	1	-	-
Accelya Kale Consultants Limited [Rs. 39,608/-]^	383	10	-	-
Saket Projects Limited [Rs. 50,000/-]^	5,000	10	-	-
			2	2
Unquoted:				
In fully paid-up Equity Shares of:				
Bharuch Enviro Infrastructure Limited [Rs. 12,140/-]^	1,214	10	-	-
Narmada Clean Tech	625,813	10	6	6
Enviro Infrastructure Company Limited	50,000	10	1	1
Gujarat Venture Finance Limited	50,000	10	1	1
Saraswat Co-Op Bank Limited [Rs. 20,350/-]^	2,500	10	-	-
Shamrao Vithal Co-Op Bank Limited [Rs. 2,500/-]^	100	25	-	-
The Green Environment Co-operative Society Limited [Rs. 5,000/-]^	50	100	-	-
Shivalik Solid Waste Management Limited [Rs. 2,00,000/-]^	20,000	10	-	-
			8	8
			10	10
Investment in Preference Shares:				
Unquoted:				
In fully paid-up, 1%, Redeemable Cumulative preference shares of Enviro Infrastructure Company Limited	900,000	10	9	9
Total [Aggregate Book Value of Investments]			20,122	17,508
C a i Aggregate amount of quoted investments				
			875	875
ii Market value of quoted investments				
			21,400	29,290
b Aggregate amount of unquoted investments				
			19,247	16,633
D Explanations:				
a In "Nos. [*]" figures of previous year are same unless stated in [].				
b In "Face Value [**]", figures in Indian Rupees unless stated otherwise.				
c []^ Figures in bracket denote amount in Rupees.				
E The Company was a partner in M/s. Zydus Healthcare, the relevant details of which are as under [\$]:				
Fixed Capital			-	100
Current Capital			-	4,055
Total Capital of the Firm			-	4,155
Name of Partners and their Profit Sharing Ratio:				
Cadila Healthcare Limited			-	96%
German Remedies Limited			-	2%
Cadila Healthcare Staff Welfare Trust			-	2%

Note: 12-Non-Current Investments - Continued:

[§] M/s. Zydus Healthcare - Sikkim, a partnership firm, was converted into a public limited company, namely Zydus Healthcare Limited [ZHL], w.e.f. February 2, 2016, pursuant to which, it became a subsidiary of the Company. On conversion, ZHL has issued 9,794,000 Equity share of Rs. 10/- each to the Company against investment in fixed capital in the partnership firm, while the investment in current capital has been converted into unsecured loan.

Pursuant to the Scheme of Amalgamation [the Scheme] of ZHL into German Remedies Limited [GRL] [both subsidiary companies] which was sanctioned by the Hon'able High Court of Gujarat vide its order dated March 23, 2016, and effective date being April 1, 2016, ZHL has been amalgamated with GRL w.e.f. the appointed date being, February 2, 2016. In accordance with the Scheme, the Company will be allotted 1,890,242 Equity shares of Rs. 100/- each in GRL in exchange of 9,794,000 Equity Shares of Rs. 10/- each of ZHL. The unsecured loan to ZHL is shown as unsecured loan to GRL. [Refer Note 13 * A f]

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 13-Long Term Loans and Advances:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	1,006	655
Security Deposits	129	119
Loans and Advances to Related Parties [*]	11,065	5,190
Other Loans and Advances:		
Balances with Custom / Central Excise / Sales Tax Authorities	1,055	1,108
Advance payment of Tax [Net of provision for taxation of Rs. 3,288 {as at March 31, 2015: Rs. 733} Millions]	219	302
Advances recoverable in cash or in kind or for value to be received:		
Considered good	172	169
Considered doubtful	2	2
	174	171
Less: Provision for doubtful advances	2	2
	172	169
	1,446	1,579
Total	13,646	7,543
[*] Details of loans pursuant to section 186(4) of Companies Act, 2013 (#):		
Name of the party and relationship with the party to whom loan given:		
A Subsidiary Company:		
a Zydus Technologies Limited	2,971	1,905
b Biochem Pharmaceutical Industries Limited	130	130
c Dialforhealth India Limited	108	124
d Liva Pharmaceuticals Limited	1,517	305
e Zydus International Private Limited	1,835	2,371
f German Remedies Limited [Refer Note 12 §]	4,504	-
g Zydus Worldwide DMCC	-	205
	11,065	5,040
B Joint venture:		
a Bayer Zydus Pharma Private Limited	-	150
Total	11,065	5,190
(#) Loans which are outstanding at the end of respective financial year.		
Notes:		
a All the above loans have been given for business purposes.		
b All the loans are interest bearing except the loan given to Dialforhealth India Limited.		
c All the above loans are repayable within a period of 3 to 5 years.		

INR-Millions

	Nos. [*]	As at March 31, 2016	As at March 31, 2015
Note: 14-Current Investments:			
Investments in Government Securities [Unquoted] [Valued at cost]		8	7
Investment in Mutual Funds [Quoted] [Valued at cost]:			
HDFC Liquid Fund - Direct Plan - Growth [*]	167,407.170 [0]	500	–
Tata Money Market Fund - Direct Plan - Growth [*]	209,649.135 [0]	500	–
ICICI Prudential Liquid - Direct Plan - Growth [*]	0 [966,172.840]	–	200
Axis Liquid Fund - Direct Growth [*]	0 [129,016.535]	–	200
DSP BlackRock Liquidity Fund - Direct Plan - Growth [*]	0 [99,984.048]	–	200
Religare Invesco Liquid Fund - Direct Plan - Growth [*]	0 [103,958.382]	–	200
SBI Premier Liquid Fund - Direct Plan - Growth [*]	0 [91,120.406]	–	200
Sundaram Money Fund - Direct Plan - Growth [*]	0 [6,779,086.518]	–	200
		1,000	1,200
Investments in Current Capital of a Partnership Firm [Refer Note-12 E]		–	3,376
Total		1,008	4,583
A a i Aggregate amount of quoted investments		1,000	1,200
ii Market value of quoted investments		1,001	1,201
b Aggregate amount of unquoted investments		8	3,383
B Explanations:			
a In "Nos. [*]" figures of previous year are same unless stated in [].			
[*] Considered as cash and cash equivalents for Cash Flow Statement			

INR-Millions

	As at March 31, 2016	As at March 31, 2015
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Note: 15-Inventories:

[The Inventory is valued at lower of cost and net realisable value]

Classification of Inventories:

Raw Materials	2,324	2,990
Work-in-progress	1,250	1,362
Finished Goods	1,369	1,869
Stock-in-Trade	1,183	1,097
Stores and Spares	–	3
Others:		
Packing Materials	449	722
Total	6,575	8,043
The above includes Goods in transit as under:		
Raw Materials	35	12
Stock-in-Trade	13	2
Packing Materials	4	5

Note: 16-Trade Receivables:

Outstanding for a period exceeding six months from the date they are due for payment:

Secured - Considered good	4	2
Unsecured - Considered good	142	113
Considered doubtful	10	9
	156	124
Less: Provision for doubtful debts	10	9
	146	115
Others- Considered good:		
Secured	660	585
Unsecured	16,227	9,861
	16,887	10,446
Total	17,033	10,561

Note: 17-Cash and Bank Balances:

Balances with Banks [*]	1,626	1,284
Cash on Hand	7	10
Total	1,633	1,294
[*] Earmarked balances with banks:		
A Balances with Banks include:		
i Balances in unclaimed dividend accounts	25	21
ii Balances to the extent held as margin money deposits against Guarantee	1	5
B Bank deposits with maturity of more than 12 months	1	1
C Company keeps fixed deposits with the Nationalised / Scheduled banks, which can be withdrawn by the company as per its own discretion / requirement of funds.		

INR-Millions

	As at March 31, 2016	As at March 31, 2015
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Note: 18-Short Term Loans and Advances:

[Unsecured, Considered Good]		
Loans and advances to related parties [*]	-	76
Others:		
Balances with Custom / Central Excise / Sales Tax Authorities	1,254	1,367
Advances to Suppliers	482	520
Advances recoverable in cash or in kind or for value to be received	68	56
	1,804	1,943
Total	1,804	2,019
[*] Details of Loans and Advances to Related Parties [Refer Note-39 for relationship] are as under:		
a Alidac Pharmaceuticals Limited		
i Advance for subscription to 10%, Redeemable Cumulative Preference Shares	-	15
ii Advance for processing activities	-	25
b Zydus Healthcare Philippines Inc. [Advance for subscription to Equity Shares]	-	36
Total	-	76

Note: 19-Other Current Assets:

[Unsecured, Considered Good]		
Interest Receivables	201	94
Income Receivables	1	-
Export Incentive Receivables	846	250
Prepaid Expenses	134	129
Total	1,182	473

Note: 20-Contingent Liabilities and Commitments [to the extent not provided for]:

A Contingent Liabilities:		
a Claims against the Company not acknowledged as debts [Net of advance of Rs. 4 {Previous Year: Rs. 4} Millions]		
[Including Rs. 2 {as at March 31, 2015: Rs. 2} Millions in respect of Amalgamated {*} Companies]	117	106
b i In respect of guarantees given by Banks and / or counter guarantees given by the Company	165	140
ii In respect of letter of comforts / corporate guarantees given by the Company to Banks for the outstanding dues of loans availed by some of the subsidiary companies	12,192	11,933
c Other money for which the company is contingently liable:		
i In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority [Net of advance of Rs. 23 {Previous Year: Rs. 15} Millions]		
[Including Rs. 9 {as at March 31, 2015: Rs. 9} Millions in respect of Amalgamated {*} Companies]	298	319
ii In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Company, which the Company expect to succeed based on the legal advice [Net of advance of Rs. 163 {Previous Year: Rs. 163} Millions] [Including Rs. 49 {as at March 31, 2015: Rs. 49} Millions in respect of Amalgamated {*} Companies]	136	134

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 20-Contingent Liabilities and Commitments [to the extent not provided for] - Continued:		
iii In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals / Courts [Net of advance of Rs. 19 {Previous Year: Rs. 13} Millions]	8	24
iv In respect of Sales Tax matters pending before appellate authorities / Court which the Company expects to succeed, based on decisions of Tribunals / Courts [Net of advance of Rs. 31 {Previous Year: Rs. 65} Millions]	118	121
v Letters of Credit for Imports	2	3
vi The Company has imported certain capital equipment at concessional rate of custom duty under "Export Promotion of Capital Goods Scheme" of the Central Government. The Company has undertaken an incremental export obligation to the extent of US \$ 17 Millions [equivalent to Rs. 1,136 Millions approx. {Previous Year: US \$ 17 Millions (equivalent to Rs. 1,081 Millions approx.)}] to be fulfilled during a specified period as applicable from the date of imports. The unprovided liability towards custom duty payable thereon in respect of unfulfilled export obligations	189	180
[*] represents contingent liabilities taken over by the Company under the Scheme of Arrangement and Amalgamation of Cadila Laboratories Limited and erstwhile Cadila Chemicals Limited, Cadila Antibiotics Limited, Cadila Exports Limited and Cadila Veterinary Private Limited with the Company w.e.f. June 1, 1995.		
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advance of Rs. 510 {Previous Year: Rs. 224} Millions]	2,725	1,244

Note: 21-Interim Dividend:

The Board of Directors, at its meeting held on March 8, 2016, declared and paid an interim dividend of Rs. 3.20 per equity share of Re. 1/- each.

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 22-Revenue from Operations:		
Details of Gross Sales under broad heads:		
Tablets	33,681	21,334
Capsules	13,493	8,645
Injections	5,006	4,399
Bulk Drugs	3,998	3,934
Others	9,151	9,324
Total	65,329	47,636
Other Operating Revenues:		
Share of Profit from a Partnership Firm	3,769	3,898
Royalty Income	176	384
Net Gain on foreign currency transactions and translation [*]	392	-
License Fees	27	1,055
Export Incentive	1,220	287
Miscellaneous Income	404	359
Total	5,988	5,983
[*] includes research related Net Loss on foreign currency transactions and translation		
	57	-

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 23-Other Income:		
Interest Income [Gross]:		
From Long Term Investments [Previous Year: Rs. 149,589]	–	–
From Others [Other than current investments]	687	327
	687	327
Dividend Income [Gross]:		
From Long Term Investments [*]	539	1,399
Gain on Sale of Investments	–	18
Other Non-operating Income	115	108
Total	1,341	1,852
[*] Includes dividend from subsidiary companies	536	233
Note: 24-Cost of Materials Consumed:		
Raw Materials [Pharmaceutical Ingredients]: [*]		
Stock at commencement	2,990	2,460
Add: Purchases	9,480	10,532
	12,470	12,992
Less: Stock at close	2,324	2,990
	10,146	10,002
Packing Materials consumed	3,174	2,859
Total	13,320	12,861
[*] None of material individually accounts for more than 10% of the total consumption		
Note: 25-Purchases of Stock-in-Trade:		
Purchases of Stock-in-Trade [*]	5,096	4,415
Total	5,096	4,415
[*] Details of purchases of Stock-in-trade under broad heads:		
Tablets	1,990	1,602
Capsules	459	435
Injections	766	508
Dry Powder Injections	456	327
Others	1,425	1,543
Total	5,096	4,415
Note: 26-Changes in Inventories:		
Stock at commencement:		
Work-in-progress [*]	1,362	1,112
Finished Goods [**]	1,869	1,675
Stock-in-Trade [***]	1,097	794
	4,328	3,581
Less: Stock at close:		
Work-in-progress [*]	1,250	1,362
Finished Goods [**]	1,369	1,869
Stock-in-Trade [***]	1,183	1,097
	3,802	4,328
	526	(747)
Differential Excise Duty on Opening and Closing stock of Finished Goods	(24)	(13)
Total	502	(760)

INR-Millions

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Note: 26-Changes in Inventories: - Continued:			
[*] Details of Work-in-progress under broad heads:			
Tablets	241	226	116
Bulk Drugs	591	855	737
Vaccines	228	117	111
Others	190	164	148
Total	1,250	1,362	1,112
[**] Details of Finished Goods under broad heads:			
Tablets	489	680	617
Capsules	125	148	204
Injections	273	238	167
Bulk Drugs	145	431	400
Others	337	372	287
Total	1,369	1,869	1,675
[***] Details of Stock-in-Trade under broad heads:			
Tablets	488	454	310
Capsules	73	88	84
Injections	227	125	76
Dry Powder Injections	47	50	58
Liquids	100	84	90
Others	248	296	176
Total	1,183	1,097	794

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 27-Employee Benefits Expense:		
Salaries and wages	7,462	6,449
Contribution to provident and other funds [*]	683	537
Staff welfare expenses	287	223
Gross Expenses	8,432	7,209
Less: Recovery of expenses towards Cost Allocation Charges [**]	1,258	1,138
Total	7,174	6,071
Above expenses includes Research related expenses as follows:		
Salaries and wages	986	809
Contribution to provident and other funds	76	64
Staff welfare expenses	43	33
Total	1,105	906
[*] The Company's contribution towards the defined contribution plan	353	295
The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.		
[**] This refers to the recovery of cost allocation from Zydus Healthcare, Sikkim [a Partnership Firm, which was converted into a public limited company and subsequently amalgamated with GRL - Refer Note 12 \$], pursuant to the Cost Allocation Agreement between the Company and Zydus Healthcare, Sikkim, wherein the parties have agreed to share the Company's common resources.		

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 28-Finance Costs:		
Interest expense [*]	176	338
Other Borrowing Costs	1	1
Net [Gain] / Loss on foreign currency transactions and translation	14	54
Bank commission & charges	33	35
Total	224	428
[*] The break up of interest expense into major heads is given below:		
On term loans	137	160
On debentures	–	77
On working capital loans	32	94
Others	7	7
Total	176	338
Note: 29-Other Expenses:		
Research Materials	1,232	940
Analytical Expenses	1,382	1,287
Consumption of Stores and spare parts	1,572	913
Power & fuel	1,401	1,303
Rent [*]	74	68
Repairs to Buildings	133	58
Repairs to Plant and Machinery	370	421
Repairs to Others	91	121
Insurance	178	139
Rates and Taxes [excluding taxes on income]	23	22
Processing Charges	431	426
Managing Directors' Remuneration	300	250
Commission to Directors	8	9
Traveling Expenses	808	804
Legal and Professional Fees	1,441	965
Net Loss on foreign currency transactions and translation	–	99
Commission on sales	514	442
Freight and forwarding on sales	1,027	1,153
Representative Allowances	743	682
Other marketing expenses	4,224	3,026
Bad Debts:		
Bad debts written off	–	38
Provision for Doubtful Debts	10	–
	10	38
Less: Transferred from Provision for Doubtful Debts	(10)	–
	–	38

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 29-Other Expenses - Continued:		
Doubtful Advances:		
Doubtful advances written off	–	1
Less: Transferred from Provision for Doubtful Advances	–	(10)
	–	(9)
Directors' fees	1	1
Net Loss on Sale of Investments [Net of gain of Rs. 114 Millions]	121	–
Net Loss on disposal of Fixed Assets [Net of gain of Rs. 369,346 {Previous Year: Rs. 1} Million]	11	7
Donations [**]	23	4
Miscellaneous Expenses [***]	3,116	2,140
Gross Expenses	19,224	15,309
Less: Recovery of expenses towards Cost Allocation Charges [Refer Note: 27 {**}]	393	393
Total	18,831	14,916
Above expenses includes Research related expenses as follows:		
Research Materials	1,232	940
Analytical expenses	1,382	1,287
Consumption of Stores and spare parts	762	357
Power & Fuel	134	137
Repairs to Buildings	17	14
Repairs to Plant and Machinery	23	28
Repairs to Others	15	18
Insurance	5	6
Traveling Expenses	40	47
Legal and Professional fees	694	342
Net Loss on foreign currency transactions and translation	–	88
Loss on disposal of Fixed Assets [Previous year: Rs. 162,825]	1	–
Miscellaneous Expenses [excluding Depreciation of Rs. 336 {Previous Year: Rs.376} Millions]	1,123	756
Total	5,428	4,020
[*] The Company has taken various residential / office premises / godowns under operating lease or leave and license agreement with no restrictions and are renewable / cancellable at the option of either of the parties. There are no sub-leases. The lease payments recognised under "Rent Expenses" are:	68	63
[**] Donations include political donations pursuant to section 182 (3) of the Companies Act, 2013 to:		
a Gujarat Pradesh Congress Committee	10	–
[***] Miscellaneous Expenses include:		
a Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013	165	108
b Payment to the Statutory Auditors [excluding Service Tax]:		
i - As Auditor	8	7
- For Other Services	2	1
- Total	10	8
ii Cost Auditor's Remuneration including fees for other services [excluding Service Tax]	1	1

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
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Note: 30-Calculation of Earnings per Equity Share [EPS]:

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

A Profit attributable to Shareholders	INR-Millions	19,773	12,711
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600	1,023,742,600*
C Nominal value of equity share	INR	1	1*
D Basic & Diluted EPS	INR	19.31	12.42*

* During the year, the face value of the equity shares has been sub-divided from Rs. 5/- each to Re. 1/- each per equity share with effect from October 7, 2015, pursuant to the approval of the members through postal ballot process. Consequently, as required by Accounting Standard - 20 "Earning per Share" [EPS], the EPS for previous year ended on March 31, 2015 has been disclosed considering increased number of shares post sub-division.

Note: 31-Value of Imports calculated on CIF basis:

Raw materials	2,916	3,621
Packing Materials	391	333
Finished goods	390	401
Spare Parts	782	428
Capital goods	1,359	608

Note: 32-Expenditure in Foreign Currency:

Royalty	37	31
Professional and Consultation Fees	736	462
Interest	165	185
Others [including Travelling, Commission, Patent fees, Trademarks, Personnel cost, Research & Development expenses, Marketing expenses etc.,]	2,293	2,024

Note: 33-Earnings in Foreign Exchange:

Export of goods calculated on F.O.B. basis	44,537	28,080
Royalty, Know-how, professional and consultation fees	176	384
Others	168	1,202

Note: 34-Remittances made on account of dividend in Foreign currency

	Nil	Nil
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	Year ended March 31, 2016		Year ended March 31, 2015	
	INR - Millions	% to Total	INR - Millions	% to Total

Note: 35-Raw Materials and Spare parts consumed:

Value of Raw Materials Consumed:				
Imported	2,987	29	3,340	33
Indigenous	7,159	71	6,662	67
Total	10,146	100	10,002	100
Value of Spare parts Consumed:				
Imported	781	50	428	47
Indigenous	791	50	485	53
Total	1,572	100	913	100

Note: 36-Derivative Financial Instruments:**A Hedge of Foreign Currency Risk:**

- The company has designated certain non-derivative financial liabilities as the "fair value hedge". The company has reported change in the fair value of these hedges along with the change in fair value of designated foreign currency monetary assets and liabilities in the Statement of Profit and Loss, in case of gain as "Other Operating Revenues" and in case of loss as "Other Expenses".
- No outstanding derivative instruments as at March 31, 2016 and March 31, 2015.

B Unhedged Foreign Currency Risk :

- The Company has following unhedged foreign currency risk:

Amount in Millions

	Currency	As at March 31, 2016	As at March 31, 2015
Loans, Receivables and Cash & Bank Balances	USD	218	137
	EUR	45	44
	AED	13	-
	JPY	134	232
Payables including borrowings	USD	181	219
	EUR	4	6
	AED	2	-

- The change in unhedged monetary assets and liabilities in foreign currencies for which no hedge accounting is applied are recognised in the Statement of Profit and Loss, in case of gain as "Other Operating Revenues" and in case of loss as "Other Expenses" and/ or "Finance Costs", as the case may be.

Note: 37-Financial Reporting of Interest in Joint Venture:

- The Company's interest in the jointly controlled entities is as under in compliance with the requirements of the Accounting Standard-27 "Financial Reporting of Interest in Joint Ventures", [AS-27] issued by the Institute of Chartered Accountants of India:

INR-Millions

Name of the Company	% of holdings	Reporting year ending on	Status	Amount of interest based on last accounts			
				Assets	Liabilities	Income	Expenditure
Zydus Takeda Healthcare Private Limited	50	March 31, 2016	Unaudited	1,496	371	685	540
		March 31, 2015	Audited	1,369	381	687	628
Zydus Hospira Oncology Private Limited	50	March 31, 2016	Audited	2,427	226	1,952	1,333
		March 31, 2015	Audited	2,177	460	1,738	965
Bayer Zydus Pharma Private Limited	50	March 31, 2016	Audited	652	309	1,495	1,398
		March 31, 2015	Audited	718	473	1,314	1,269

Note: 37-Financial Reporting of Interest in Joint Venture - Continued:

B The Company's share in contingent liabilities of jointly controlled entities in compliance with the requirements of AS- 27 referred to above is as under:

		INR-Millions	
		As at March 31, 2016	As at March 31, 2015
a	In respect of guarantees given by Banks and/or counter guarantees given by the Company	–	6
b	In respect of the demand raised by the Central Excise, State Excise and Customs Authorities	3	3
c	In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/Courts	870	980
C	The Company's share in estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advance]	19	5

Note: 38-Segment Information:

Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as per Accounting Standard- 17 issued by the Institute of Chartered Accountants of India, no separate disclosure on segment information is given in these financial statements.

Note: 39-Related Party Transactions:

A Name of the Related Parties and Nature of the Related Party Relationship:

a Subsidiary Companies/concerns:

Dialforhealth India Limited	Zydus Pharmaceuticals (USA) Inc. [USA]
Dialforhealth Unity Limited	Nesher Pharmaceuticals (USA) LLC [USA]
Dialforhealth Greencross Limited	Zydus Healthcare (USA) LLC [USA]
German Remedies Limited [Refer Note-12 \$]	Zydus Noveltech Inc. [USA]
Zydus Wellness Limited	Hercon Pharmaceuticals LLC [USA]
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Liva Pharmaceuticals Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Zydus Technologies Limited	Script Management Services (Pty) Ltd [South Africa]
Biochem Pharmaceutical Industries Limited	Zydus France, SAS [France]
Alidac Pharmaceuticals Limited	Zydus Nikkho Farmaceutica Ltda. [Brazil]
M/s. Zydus Healthcare, a Partnership Firm [Refer Note-12 \$]	Zydus Pharma Japan Co. Ltd. [Japan]
Zydus Lanka (Private) Limited [Sri Lanka]	Laboratorios Combix S.L. [Spain]
Zydus Healthcare Philippines Inc. [Philippines]	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Zydus International Private Limited [Ireland]	Zydus Pharmaceuticals Mexico Services Company SA De C.V. [Mexico]
Zydus Netherlands B.V. [the Netherlands]	Etna Biotech S.R.L. [Italy]
ZAHL B.V. [the Netherlands]	Zydus Worldwide DMCC [Dubai]
ZAHL Europe B.V. [the Netherlands]	Zydus Discovery DMCC [Dubai]
Bremer Pharma GmbH [Germany]	

b Joint Venture Companies:

Zydus Hospira Oncology Private Limited	Bayer Zydus Pharma Private Limited
Zydus Takeda Healthcare Private Limited	

c Directors and their relatives:

Shri Pankaj R. Patel	Chairman & Managing Director [C.M.D.]
Dr. Sharvil P. Patel	Deputy Managing Director & son of C.M.D.

Note: 39-Related Party Transactions - Continued:**d Enterprises significantly influenced by Directors and/or their relatives:**

Cadmach Machinery Company Private Limited	Western Ahmedabad Effluent Conveyance Company Private Limited
Zydus Hospitals and Healthcare Research Private Limited	Zandra Infrastructure LLP
Zydus Hospitals (Vadodra) Private Limited	Zydus Hospital LLP
Zydus Hospitals (Rajkot) Private Limited	M/s. C. M. C. Machinery
MabS Biotech Private Limited	M/s. Cadam Enterprises
Zydus Infrastructure Private Limited	Zandra Herbs and Plantations LLP
Cadila Laboratories Private Limited	Pripan Investment Private Limited

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business:

a Details relating to parties referred to in Note 39-A [a, b & d]

Value of the Transactions [INR-Millions]

Nature of Transactions	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Purchases:						
Goods:						
Alidac Pharmaceuticals Limited	50	45				
Biochem Pharmaceutical Industries Limited	182	1				
Others	17	43	7	23	7	6
Total	249	89	7	23	7	6
Fixed Assets:						
Nesher Pharmaceuticals (USA) LLC	34					
Cadmach Machinery Company Private Limited					12	9
Others		68			4	90
Total	34	68	-	-	16	99
Reimbursement of Expenses paid:						
Zydus Pharmaceuticals (USA) Inc.	965	665				
Others	134	97				
Total	1,099	762	-	-	-	-
Services:						
Biochem Pharmaceutical Industries Limited	9	13				
Alidac Pharmaceuticals Limited	42					
Etna Biotech S.R.L.	21	30				
Zydus Infrastructure Private Limited					8	7
Others		1				
Total	72	44	-	-	8	7
Sales:						
Goods:						
Zydus Pharmaceuticals (USA) Inc.	34,259	19,035				
Others	1,993	1,216	281	305		
Total	36,252	20,251	281	305	-	-

Note: 39-Related Party Transactions - Continued:

Value of the Transactions [INR-Millions]

Nature of Transactions	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Sales:						
Fixed Assets:						
Liva Pharmaceutical Limited		1				
Cost Allocation Charges Recovered:						
M/s. Zydus Healthcare	1,593	1,720				
German Remedies Limited	288					
Total	1,881	1,720	-	-	-	-
Reimbursement of Expenses Recovered:						
Zydus France, SAS	1	2				
License Fees:						
Zydus Discovery DMCC		1,055				
Services:						
Zydus Pharmaceuticals (USA) Inc.	84	80				
Zydus Technologies Limited	54					
Others	32	28	4	5		
Total	170	108	4	5	-	-
Investments:						
Purchases / Subscription to Share Capital:						
Zydus International Private Limited	1,613	1,957				
Others	417	694				
Total	2,030	2,651	-	-	-	-
Sale of Investments:						
Zydus International Private Limited	41					
Change in Partner's Capital [Net]:						
M/s. Zydus Healthcare	(3,522)	(3,040)				
Share of Profit from a firm Received:						
M/s. Zydus Healthcare	3,769	3,898				
Dividend Received:						
Zydus Wellness Limited	352	169				
German Remedies Limited	154	53				
Others	30	11		1,163		
Total	536	233	-	1,163	-	-
Finance:						
Inter Corporate Loans given:						
Liva Pharmaceutical Limited	1,212	305				
Zydus Technologies Limited	1,065	641				
German Remedies Limited	884					
Others	59	202				
Total	3,220	1,148	-	-	-	-

Value of the Transactions [INR-Millions]

Note: 39-Related Party Transactions - Continued:

Nature of Transactions	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Finance:						
Inter Corporate Loans repaid:						
Alidac Pharmaceuticals Limited	59	5				
Zydus Worldwide DMCC	197					
Bayer Zydus Pharma Private Limited			150			
Others	16	8				
Total	272	13	150	-	-	-
Interest Received:						
Zydus Technologies Limited	295	207				
Liva Pharmaceutical Limited	68	12				
German Remedies Limited	60					
Others	14	18	7	15		
Total	437	237	7	15	-	-
Outstanding:						
Payable:						
Zydus Pharmaceuticals (USA) Inc.	194	473				
Zydus France, SAS	96	3				
Others	4	25			22	22
Total	294	501	-	-	22	22
Receivable:						
Zydus Technologies Limited	3,046	1,959				
German Remedies Limited	4,558					
Zydus Pharmaceuticals (USA) Inc.	11,715	6,252				
Others	4,494	3,612	67	221		
Total	23,813	11,823	67	221	-	-
Outstanding Guarantees:						
Zydus Pharmaceuticals (USA) Inc.	8,119	7,660				
Zydus Technologies Limited	2,244	2,263				
Others	1,829	2,010				
Total	12,192	11,933	-	-	-	-

b Details relating to persons referred to in Note 39-A [c] above:

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Remuneration:		
Shri Pankaj R. Patel [Chairman & Managing Director]	180	150
Dr. Sharvil P. Patel [Deputy Managing Director]	120	100

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Outstanding remuneration payable:		
Shri Pankaj R. Patel [Chairman & Managing Director]	177	147
Dr. Sharvil P. Patel [Deputy Managing Director]	108	88

Note: 40-Details of Loans given, Investments made and guarantee given covered u/s 186(4) of the Companies Act, 2013:

- A Details of loans and investments are given under the respective heads.
 B Corporate guarantees given by the Company [#]:

	INR-Millions	
	As at March 31, 2016	As at March 31, 2015
Subsidiary Company:		
a Zydus Technologies Limited	2,244	2,263
b Liva Pharmaceuticals Limited	100	–
c Zydus International Private Limited	302	808
d Zydus Pharmaceuticals (USA) Inc.	8,119	7,660
e Zydus Healthcare S.A. (Pty) Ltd	17	191
f Zydus France, SAS	–	69
g Laboratorios Combix S.L.	197	67
h Zydus Noveltch Inc.	1,213	875
Total	12,192	11,933
(#) Corporate guarantees which are outstanding at the end of the respective financial year.		

Note: 41

Effective from April 1, 2014, the Company had started providing depreciation on tangible assets on “straight line method” over the revised remaining useful lives of the tangible assets in alignment with useful lives prescribed in Schedule II to the Companies Act, 2013. Consequently, the depreciation charge for the year ended March 31, 2015 was higher by Rs. 645 Millions. Further, an amount of Rs. 249 Millions had been recognised in the opening balance of retained earnings which relate to the carrying amount of tangible assets whose revised remaining useful life was Nil as at April 1, 2014.

Note: 42

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications/disclosure.

Signatures to Significant Accounting Policies and Notes 1 to 42 to the Financial Statements

As per our report of even date

for **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration Number: 106625W

Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 13, 2016

For and on behalf of the Board

Pankaj R. Patel

Chairman and Managing Director

Nitin D. Parekh

Chief Financial Officer

Sharvil P. Patel

Deputy Managing Director

Upen H. Shah

Company Secretary

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
CADILA HEALTHCARE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CADILA HEALTHCARE LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, annexed thereto (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group and jointly controlled entities as at March 31, 2016;
2. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group and jointly controlled entities for the year ended on that date; and
3. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group and jointly controlled entities for the year ended on that date.

Other Matters

1. We did not audit the financial statements/financial information of 15 subsidiaries, and 2 jointly controlled entities, whose financial statements/financial information reflect total assets of Rs. 46,443 Million as at March 31, 2016, total revenues of Rs. 55,877 Million and net cash outflows amounting to Rs. 83 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited/reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
2. We also did not audit the financial statements/financial information of 15 subsidiaries and 1 jointly controlled entity, whose financial statements/financial information reflect total assets of Rs. 5,160 Million as at March 31, 2016, total revenues of Rs. 5,133 Million and net cash inflows amounting to Rs. 288 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities – Refer Note 20 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **Mukesh M. Shah & Co.**
Chartered Accountants
 Firm Registration No. 106625W

Place : Ahmedabad
 Date : May 13, 2016

Mukesh M. Shah
Partner
 Membership No. 030190

“Annexure A” to the Independent Auditor’s Report of even date to the members of Cadila Healthcare Limited, on the consolidated financial statements for the year ended March 31, 2016

Independent Auditor’s report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of Cadila Healthcare Limited (“the Holding Company”) and its subsidiaries, (the Holding Company and its subsidiaries together referred to as “the Group”), its associates and jointly controlled entities as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India [ICAI]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company’s business, including adherence to the company’s policies, the safeguarding of the company’s assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal

financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained (and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below) is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial controls over financial reporting include those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

We did not audit the Internal Financial Controls Over Financial Reporting insofar as it relates to 5 subsidiary companies and 3 jointly controlled companies, which are companies incorporated in India, whose financial statements/financial information reflect total assets (after eliminating intra-group transactions) of Rs. 26,606 million as at March 31, 2016, total revenues (after eliminating intra-group transactions) of Rs. 14,505 million and net cash outflows amounting

to Rs. 140 million for the year ended on that date; has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the Internal Financial Controls Over Financial Reporting for the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, under section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, associates and jointly controlled companies, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Mukesh M. Shah & Co.**
Chartered Accountants
Firm Registration No. 106625W

Place : Ahmedabad
Date : May 13, 2016

Mukesh M. Shah
Partner
Membership No. 030190

Consolidated Balance Sheet as at March 31, 2016

INR-Millions

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	1,024	1,024
Reserves and Surplus	2	52,495	41,492
		53,519	42,516
Minority Interest		1,354	1,689
Non-Current Liabilities:			
Long Term Borrowings	3	8,964	11,504
Deferred Tax Liabilities [Net]	4	611	586
Other Long Term Liabilities	5	396	421
Long Term Provisions	6	1,248	904
		11,219	13,415
Current Liabilities:			
Short Term Borrowings	7	12,109	11,835
Trade Payables	8	13,449	10,909
Other Current Liabilities	9	7,615	6,282
Short Term Provisions	10	898	3,825
		34,071	32,851
Total		100,163	90,471
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	11	26,783	24,175
Intangible Assets	11	11,406	9,347
Capital work-in-progress		9,707	7,979
		47,896	41,501
Non-Current Investments	12	332	332
Long Term Loans and Advances	13	7,559	6,371
		55,787	48,204
Current Assets:			
Current Investments	14	2,331	1,212
Inventories	15	14,512	15,357
Trade Receivables	16	16,804	15,884
Cash and Bank Balances	17	6,953	6,699
Short Term Loans and Advances	18	2,441	2,408
Other Current Assets	19	1,335	707
		44,376	42,267
Total		100,163	90,471
Significant Accounting Policies	I		
Notes to the Financial Statements	1 to 39		

As per our report of even date

for **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration Number: 106625W

Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad**Date:** May 13, 2016

For and on behalf of the Board

Pankaj R. Patel

Chairman and Managing Director

Nitin D. Parekh

Chief Financial Officer

Sharvil P. Patel

Deputy Managing Director

Upen H. Shah

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

INR-Millions

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
REVENUE:			
Revenue from Operations:	21		
Sale of Products [Gross]		96,597	86,577
Less: Excise Duty		1,903	1,606
Sale of Products [Net]		94,694	84,971
Other Operating Revenues		3,682	1,542
Net Revenue from Operations		98,376	86,513
Other Income	22	941	554
Total Revenue		99,317	87,067
EXPENSES:			
Cost of Materials Consumed	23	20,362	18,967
Purchases of Stock-in-Trade	24	12,366	13,970
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	25	42	(971)
Employee Benefits Expense	26	13,317	12,085
Finance Costs	27	486	679
Depreciation, Amortisation and Impairment Expenses	28 & 36	3,022	2,873
Other Expenses	29	28,460	24,905
Total Expenses		78,055	72,508
Profit before Exceptional items and Tax		21,262	14,559
Less: Exceptional Items	30	25	104
Profit before Tax		21,237	14,455
Less/[Add]: Tax Expenses:			
Current Tax		5,639	2,978
Deferred Tax	4	77	(342)
Prior year's tax adjustments		(5)	(42)
		5,711	2,594
Profit for the year		15,526	11,861
Add: Pre-acquisition Loss transferred to Goodwill arising on consolidation	37	-	21
Less: Profit transferred to Minority Interest		300	376
Net Profit for the year		15,226	11,506
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	31	14.87	11.24
Significant Accounting Policies	I		
Notes to the Financial Statements	1 to 39		

As per our report of even date

for **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration Number: 106625W

Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad**Date:** May 13, 2016

For and on behalf of the Board

Pankaj R. Patel

Chairman and Managing Director

Nitin D. Parekh

Chief Financial Officer

Sharvil P. Patel

Deputy Managing Director

Upen H. Shah

Company Secretary

Cash Flow Statement for the year ended March 31, 2016

INR-Millions

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A Cash flows from operating activities:		
Profit before tax	21,237	14,455
Adjustments for:		
Depreciation, Amortisation and Impairment Expenses	3,022	2,873
Loss on sale of assets [Net]	16	2
Interest income	(611)	(409)
Dividend income	(12)	(4)
Interest expenses	433	622
Bad debts written off	8	54
Provision for doubtful debts [Net]	11	(1)
Doubtful advances written off	–	1
Provision for doubtful advances written back	1	(10)
Provisions for employee benefits	415	365
Provisions for probable product expiry claims and return of goods	12	(48)
Total	3,295	3,445
Operating profit before working capital changes	24,532	17,900
Adjustments for:		
[Increase] in trade receivables	(603)	(4,506)
Decrease / [Increase] in inventories	845	(1,682)
Decrease in short term advances	96	137
Decrease in long term advances	50	46
[Increase] in other current assets	(631)	(26)
Increase in trade payables	2,412	1,805
Increase in other current liabilities	847	337
[Decrease] in other long term liabilities	(25)	(127)
Change in Minority Interest	(335)	246
Total	2,656	(3,770)
Cash generated from operations	27,188	14,130
Direct taxes paid [Net of refunds]	(6,618)	(3,869)
Foreign Currency Monetary Items Translation Difference Account written off	110	(467)
Exchange Rate Fluctuation and other adjustments arising on Consolidation	(742)	142
Net cash from operating activities	19,938	9,936

Cash Flow Statement for the year ended March 31, 2016 - Continued:

INR-Millions

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
B Cash flows from investing activities:		
Purchase of fixed assets	(9,718)	(5,125)
Proceeds from sale of fixed assets	55	170
Purchase of investments	(1)	(115)
Proceeds from sale of Investments	–	5
Interest received	613	414
Dividend received	12	4
Net cash used in investing activities	(9,039)	(4,647)
C Cash flows from financing activities:		
Proceeds from Long Term Borrowings	2,317	5,696
Repayment of Long Term Borrowings	(4,684)	(8,998)
Short Term Borrowings [Net]	274	2,811
Interest paid	(465)	(671)
Dividends paid	(5,789)	(1,839)
Tax on dividends paid	(1,180)	(510)
Net cash used in financing activities	(9,527)	(3,511)
Net increase in cash and cash equivalents	1,372	1,778
Cash and cash equivalents at the beginning of the year	7,904	6,126
Cash and cash equivalents at the end of the year	9,276	7,904

Notes to the Cash Flow Statement

- 1 All figures in brackets are outflows.
- 2 Previous year's figures have been regrouped wherever necessary.
- 3 Cash and cash equivalents comprise of:

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
a Cash on Hand	12	12	11
b Balances with Banks	6,358	6,164	4,786
c Group's proportionate share in Cash and Bank balances of Joint Ventures	583	523	691
d Investment in Liquid Mutual Funds	1,968	1,200	450
e Group's proportionate share in Investment in Liquid Mutual Funds	355	5	188
f Total	9,276	7,904	6,126

As per our report of even date

for **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration Number: 106625W

Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 13, 2016

For and on behalf of the Board

Pankaj R. Patel

Chairman and Managing Director

Nitin D. Parekh

Chief Financial Officer

Sharvil P. Patel

Deputy Managing Director

Upen H. Shah

Company Secretary

Notes to the Consolidated Financial Statements

I-Significant Accounting Policies:

1 Basis of Accounting:

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies [Accounts] Rules, 2014 and other pronouncements issued by the Institute of Chartered Accountants of India [ICAI], to the extent applicable, and with the applicable provisions of the Companies Act, 2013.

2 Basis of consolidation:

The Consolidated Financial Statements [CFS] relate to Cadila Healthcare Limited, its Subsidiaries and Joint Ventures.

The CFS have been prepared on the following basis:

- A The financial statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of the items like assets, liabilities, incomes and expenses.
- B Changes have been made in the accounting policies followed by each of the subsidiaries/joint ventures to the extent they are material and identifiable from their respective accounts to make them uniform with the accounting policies followed by the parent company. Where it has not been practicable to use uniform accounting policies in preparing the CFS, the different accounting policies followed by each of the group concerns have been followed. The major differences in the accounting policies followed by group concerns are as under:
 - a In case of Foreign subsidiaries, depreciation is provided as per the rates specified by the respective countries' GAAP / estimated useful lives of the assets.
 - b In case of Zydus Nikkho Farmaceutica Ltda., Trademarks & Patents are not amortised but evaluated for impairment.
 - c Zydus Takeda Private Limited, a Joint Venture Company, provides depreciation at the following rates on straight-line method which may be different than the rates prescribed under Schedule- II of the Companies Act, 2013:

- Leasehold Land [Amortised over lease period]	64 Years
- Buildings	30 Years
- Plant & Machinery	3 to 20 Years
- Electrical Equipment	5 Years
- Computers and Software	3 Years
- Motor Vehicles	5 Years
- Office Equipment	5 Years
- Furniture and Fixtures	6 Years

- d In case of Zydus Hospira Oncology Private Limited, Intangible assets are amortised on Straight Line basis on useful life of 6 years.
- e In case of Zydus Hospira Oncology Private Limited, Zydus Takeda Healthcare Private Limited and Bayer Zydus Pharma Private Limited, assets having actual cost of purchases below Rs. 5,000/- are depreciated entirely in the year of acquisition.
- f Inventories are valued on FIFO basis by foreign subsidiaries [except Zydus France, SAS, Laboratorios Combix S.L. and Zydus Healthcare Philippines Inc.], Dialforhealth India Limited, Biochem Pharmaceutical Industries Limited and Alidac Pharmaceuticals Limited.
- C a The excess / deficit of the cost of the Company's investments in each of its Subsidiaries and Joint Ventures over its share in equities of respective companies on the date of acquisition is recognised in the financial statements as Goodwill / Capital Reserve. However, such excess or deficit arising after the date of acquisition on account of currency fluctuations in respect of the foreign subsidiaries is transferred to the Statement of Profit and Loss / Foreign Currency Translation Reserves in accordance with para D below.
- b Goodwill arising on consolidation is not amortised, instead it is evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.
- D a The operations of foreign subsidiaries are classified into Integral and Non Integral operations using the criteria specified in AS- 11 "The Effect of changes in Foreign Exchange Rates".

I-Significant Accounting Policies- Continued:

- b In case of Foreign operations classified as Integral operations, the Financial Statements are converted as under:
 - i All Monetary Assets and Liabilities using closing exchange rates.
 - ii All Non Monetary items using historical exchange rates.
 - iii All Revenues and Expenses using average exchange rates prevailing during the year.
 - iv Exchange differences arising on conversion are recognised in the Statement of Profit and Loss.
- c In case of Foreign operations classified as Non Integral operations, the Financial Statements are converted as under:
 - i All Assets and Liabilities using closing exchange rates.
 - ii All Revenues and Expenses using average exchange rates prevailing during the year.
 - iii Exchange differences arising on conversion are accumulated in the "Foreign Currency Translation Reserves" until the disposal of Investments in such operations.
- E Investments in the Joint ventures have been accounted for by using the "Proportionate Consolidation Method" in accordance with the Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures".
- F CFS are prepared after fully eliminating intra group balances, intra group transactions and unrealised profits from the intra group transactions.

Notes to the Consolidated Financial Statements

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 1-Share Capital:		
Authorised:		
1,725,000,000 [as at March 31, 2015: 345,000,000] Equity Shares of Re.1/- [Rs.5/-] each*	1,725	1,725
	1,725	1,725
Issued, Subscribed and Paid-up:		
1,023,742,600 [as at March 31, 2015: 204,748,520] Equity Shares of Re.1/- [Rs.5/-] each, fully paid up*	1,024	1,024
Total	1,024	1,024
A The reconciliation in number of shares is as under:		
Number of shares at the beginning of the year	204,748,520	204,748,520
Add: Issued pursuant to sub-division of face value of the shares from Rs. 5/- each to Re. 1/- each*	818,994,080	–
Number of shares at the end of the year	1,023,742,600	204,748,520
B The Company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C Details of Shareholder holding more than 5% of aggregate Equity Shares of Re. 1/- each [as at March 31, 2015: Rs. 5/- each], fully paid:		
Zydus Family Trust		
Number of Shares	765,537,230	153,107,446
% to total share holding	74.78%	74.78%
* During the year, the face value of the equity shares has been sub-divided from Rs. 5/- each to Re. 1/- each per equity share with effect from October 7, 2015, pursuant to the approval of the members through postal ballot process. Accordingly, number of equity shares under the Authorised, Issued, Subscribed and Paid-up capital have been increased.		
Note: 2-Reserves and Surplus:		
Capital Reserve:		
Balance as per last Balance Sheet	289	290
Add/[Less]: Capital Reserve arising due to consolidation	4	(1)
	293	289
Subsidy Received under Capital Investment Subsidy Scheme	131	131
Debenture Redemption Reserve:		
Balance as per last Balance Sheet	–	1,550
Less: Transferred to General Reserve	–	1,550
	–	–

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 2-Reserves and Surplus - Continued:		
Other Reserves:		
International Business Development Reserve:		
Balance as per last Balance Sheet	2,000	2,000
General Reserve:		
Balance as per last Balance Sheet	15,988	14,438
Add: Transfer from Debenture Redemption Reserve	–	1,550
	15,988	15,988
Foreign Currency Monetary Items Translation Difference Account:		
Balance as per last Balance Sheet	(180)	287
Add / [Less]: Credited / [Debited] during the year	110	(467)
	(70)	(180)
Hedge Reserve:		
Balance as per last Balance Sheet	–	(1)
Add: Credited during the year	–	1
	–	–
Foreign Currency Translation Reserve:		
Balance as per last Balance Sheet	(1,508)	(1,875)
[Less] / Add: Exchange differences on consolidation	(394)	367
	(1,902)	(1,508)
Surplus in Statement of Profit and Loss:		
Balance as per last Balance Sheet	23,381	15,283
Less: Additional depreciation upon revision in useful lives of tangible assets [Refer Note-36]	–	256
Add: Profit for the year	15,226	11,506
	38,607	26,533
Less: Appropriations:		
Dividends:		
Interim Dividend	3,276	–
Proposed Dividend	–	2,457
Corporate Dividend Tax on Dividend [Net of CDT Credit]	667	699
Group's proportionate share in Transfer to Reserves of Joint Ventures	4	(4)
	3,947	3,152
Balance as at the end of the year	34,660	23,381
Group's proportionate share in reserves [other than Surplus in Statement of Profit and Loss] of Joint Ventures	1,395	1,391
Total	52,495	41,492

INR-Millions

	Non-current portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Note: 3-Long Term Borrowings:				
A Term Loans from Banks:				
a Term Loans [Secured]	100	–	–	147
b Term Loans [Unsecured]	2,320	3,551	1,462	1,162
c External Commercial Borrowings in Foreign Currency [Secured]	3,838	6,640	1,875	1,855
d External Commercial Borrowings in Foreign Currency [Unsecured]	2,651	1,251	–	–
	8,909	11,442	3,337	3,164
B From Others [Unsecured]	55	62	10	10
C Group's proportionate share in Secured long term borrowings of Joint Ventures	–	–	–	–
Total	8,964	11,504	3,347	3,174
The above amount includes:				
Secured borrowings	3,938	6,640	1,875	2,002
Unsecured borrowings	5,026	4,864	1,472	1,172
Amount disclosed under "Other Current Liabilities" [Note-9]	–	–	(3,347)	(3,174)
Group's proportionate share disclosed under "Other Current Liabilities" [Note-9]	–	–	–	–
Net amount	8,964	11,504	–	–

Note: 4-Deferred Tax:

A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities:		
Depreciation	4,087	2,386
Deferred Tax Assets:		
Employee benefits	526	184
Receivables	1,368	968
Unabsorbed depreciation	–	289
Others	1,607	388
Total	3,501	1,829
Net Deferred Tax Liabilities	586	557
Group's proportionate share in Deferred Tax of Joint Ventures	25	29
Total	611	586
B The Deferred Tax [Assets] / Liabilities for the year provided in the Statement of Profit and Loss:		
Deferred Tax [Assets] / Liabilities	80	(358)
Group's proportionate share in Deferred Tax [Assets] / Liabilities of Joint Ventures	(3)	16
Total	77	(342)

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 5-Other Long Term Liabilities:		
Trade Deposits	59	55
Others	335	364
	394	419
Group's proportionate share in other long term liabilities of Joint Ventures	2	2
Total	396	421
Note: 6-Long Term Provisions:		
Provision for Employee Benefits	1,207	862
Group's proportionate share in long term provisions of Joint Ventures	41	42
Total	1,248	904
Note: 7-Short Term Borrowings:		
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured]	1,085	3,049
Working Capital Loans from Banks [Unsecured]	11,024	8,708
	12,109	11,757
Group's proportionate share in short term borrowings of Joint Ventures	-	78
Total	12,109	11,835
Note: 8-Trade Payables:		
Trade Payables	13,050	10,212
Group's proportionate share in trade payables of Joint Ventures	399	697
Total	13,449	10,909
Note: 9-Other Current Liabilities:		
Current Maturities of Long Term Debt [Refer Note- 3]	3,347	3,174
Interest accrued but not due on borrowings	5	37
Unpaid Dividends	34	25
Advances from Customers	336	263
Other Payables:		
Bank Book overdraft	252	81
Provision for Expenses	2,643	2,044
Payable to Statutory Authorities	596	512
Others	85	70
	3,576	2,707
Group's proportionate share in other current liabilities of Joint Ventures	317	76
Total	7,615	6,282
Note: 10-Short Term Provisions:		
Provision for Employee Benefits	397	363
Others:		
Proposed Dividend	-	2,522
Corporate Dividend Tax on Dividend	-	513
Provision for Taxation [Net of advance payment of tax]	300	213
Provision for claims for product expiry and return of goods	116	105
	416	3,353
Group's proportionate share in short term provisions of Joint Ventures	85	109
Total	898	3,825

Note: 11-Fixed Assets:

	INR-Millions							
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
A Tangible Assets:								
Gross Block:								
As at March 31, 2014	1,087	483	7,027	20,002	794	517	255	30,165
Acquired subsidiaries [#]	–	29	123	441	10	3	1	607
Additions	187	–	935	3,612	37	176	61	5,008
Disposals / adjustments	(163)	–	102	(150)	(31)	(57)	(1)	(300)
Other adjustments	9	(7)	(42)	101	(23)	(2)	(8)	28
As at March 31, 2015	1,120	505	8,145	24,006	787	637	308	35,508
Additions [^]	26	65	628	3,976	68	88	70	4,921
Disposals / adjustments	(3)	–	(87)	(44)	(14)	(53)	(8)	(209)
Other adjustments	16	4	190	414	6	(7)	6	629
As at March 31, 2016	1,159	574	8,876	28,352	847	665	376	40,849
Depreciation and Impairment:								
As at March 31, 2014	–	32	1,525	7,224	462	198	96	9,537
Acquired subsidiaries [#]	–	2	10	91	4	1	1	109
Adjusted to Retained Earnings [*]	–	–	–	197	39	4	16	256
Depreciation for the year [*]	–	5	181	2,128	61	71	61	2,507
Impairment for the year	–	–	–	–	–	–	–	–
Disposals / adjustments	–	–	5	(106)	(30)	(27)	(1)	(159)
Other adjustments	–	–	(52)	(99)	(17)	(1)	–	(169)
As at March 31, 2015	–	39	1,669	9,435	519	246	173	12,081
Depreciation for the year	–	5	241	2,309	58	68	52	2,733
Impairment for the year	–	–	–	–	–	–	–	–
Disposals / adjustments	–	–	(69)	(37)	(10)	(26)	(6)	(148)
Other adjustments	–	–	31	67	2	–	5	105
As at March 31, 2016	–	44	1,872	11,774	569	288	224	14,771
Net Block:								
As at March 31, 2015	1,120	466	6,476	14,571	268	391	135	23,427
As at March 31, 2016	1,159	530	7,004	16,578	278	377	152	26,078

Note: 11-Fixed Assets - Continued:

	INR-Millions					
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Total
B Intangible Assets:						
Gross Block:						
As at March 31, 2014	9,079	3,792	447	499	1,056	14,873
Acquired subsidiaries [#]	-	11	1	-	56	68
Additions	-	8	12	-	14	34
Disposals / adjustments	(11)	(180)	(4)	(8)	(14)	(217)
Other adjustments	(8)	(230)	(12)	(52)	(1)	(303)
As at March 31, 2015	9,060	3,401	444	439	1,111	14,455
Additions [^]	18	1,706	134	149	182	2,189
Disposals / adjustments	-	(1)	-	(3)	-	(4)
Other adjustments	(10)	104	8	81	3	186
As at March 31, 2016	9,068	5,210	586	666	1,296	16,826
Amortisation and Impairment:						
As at March 31, 2014	90	3,482	291	371	985	5,219
Acquired subsidiaries [#]	-	11	-	-	56	67
Amortisation for the year	20	99	68	33	5	225
Impairment for the year	-	-	-	-	-	-
Disposals / adjustments	-	(179)	(5)	(3)	-	(187)
Other adjustments	-	(180)	(10)	(23)	1	(212)
As at March 31, 2015	110	3,233	344	378	1,047	5,112
Amortisation for the year	21	101	65	27	6	220
Impairment for the year	-	(29)	-	-	3	(26)
Disposals / adjustments	-	(1)	-	-	-	(1)
Other adjustments	-	96	6	15	1	118
As at March 31, 2016	131	3,400	415	420	1,057	5,423
Net Block:						
As at March 31, 2015	8,950	168	100	61	64	9,343
As at March 31, 2016	8,937	1,810	171	246	239	11,403

C Group's proportionate share in net block of fixed assets of Joint Ventures:

	Tangible Assets			Intangible Assets		
	Gross Block	Depreciation and Impairment	Net Block	Gross Block	Amortisation and Impairment	Net Block
As at March 31, 2014	1,553	605	948	49	41	8
Additions	161	111	50	3	7	(4)
Disposals	(6)	(6)	-	-	-	-
Adjusted on conversion of joint venture to subsidiary [#]	(304)	(54)	(250)	(34)	(34)	-
Other adjustments	-	-	-	-	-	-
As at March 31, 2015	1,404	656	748	18	14	4
Additions	63	99	(36)	1	2	(1)
Disposals	(18)	(11)	(7)	-	-	-
Other adjustments	-	-	-	-	-	-
As at March 31, 2016	1,449	744	705	19	16	3

Note: Other adjustments include adjustments on account of borrowing costs and exchange rate difference.

[*] Refer Note-36

[#] Refer Note-37

[^] Refer Note-38

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 12-Non-Current Investments:		
Long Term Investments:		
Trade Investments:		
Investments in Common Stock [Quoted]	303	303
Other Investments:		
Investments in Equity Instruments:		
Quoted	12	12
Unquoted	8	8
	20	20
Investments in Preference Shares [Unquoted]	9	9
	29	29
Group's proportionate share in non current investments of Joint Ventures	–	–
Total	332	332

Note: 13-Long Term Loans and Advances:

[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	1,134	909
Security Deposits	172	165
Other Loans and Advances:		
Balances with Custom / Central Excise / Sales Tax Authorities	1,133	1,194
Advance payment of Tax [Net of provision for taxation]	567	385
Minimum Alternate Tax / Alternate Minimum Tax Credit Entitlement	3,611	2,711
Other advances recoverable in cash or in kind or for value to be received:		
Considered good	224	221
Considered doubtful	2	2
	226	223
Less: Provision for doubtful advances	2	2
	224	221
Group's proportionate share in long term loans and advances of Joint Ventures	718	786
Total	7,559	6,371

Note: 14-Current Investments:

Investment in Government Securities [Unquoted]	8	7
Investment in Mutual Funds [Quoted][*]	1,968	1,200
	1,976	1,207
Group's proportionate share in current investments of Joint Ventures [*]	355	5
Total	2,331	1,212
[*] Considered as cash and cash equivalents for Cash Flow Statement		

INR-Millions

	As at March 31, 2016	As at March 31, 2015
Note: 15-Inventories:		
Classification of Inventories:		
Raw Materials	3,616	4,238
Work-in-progress	1,658	1,756
Finished Goods	2,768	2,992
Stock-in-Trade	4,706	4,294
Stores and Spares	11	4
Others:		
Packing Materials	612	891
	13,371	14,175
Group's proportionate share in inventories of Joint Ventures	1,141	1,182
Total	14,512	15,357
Note: 16-Trade Receivables:		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	164	219
Considered doubtful	51	34
	215	253
Less: Provision for doubtful debts	51	34
	164	219
Others- Considered good	15,888	14,854
	16,052	15,073
Group's proportionate share in trade receivables of Joint Ventures	752	811
Total	16,804	15,884
Note: 17-Cash and Bank Balances:		
Balances with Banks	6,358	6,164
Cash on Hand	12	12
	6,370	6,176
Group's proportionate share in cash and bank balances of Joint Ventures	583	523
Total	6,953	6,699
Note: 18-Short Term Loans and Advances:		
[Unsecured, Considered Good]		
Others:		
Balances with Custom / Central Excise / Sales Tax Authorities	1,576	1,741
Advances to Suppliers	667	538
Advances recoverable in cash or in kind or for value to be received	138	115
	2,381	2,394
Group's proportionate share in short term loans and advances of Joint Ventures	60	14
Total	2,441	2,408

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	As at March 31, 2016	As at March 31, 2015
Note: 19-Other Current Assets:		
[Unsecured, Considered Good]		
Interest Receivables	24	29
Income Receivables	105	96
Export Incentive Receivables	854	256
Prepaid Expenses	274	265
Other Receivables	1	1
	1,258	647
Group's proportionate share in other current assets of Joint Ventures	77	60
Total	1,335	707

INR-Millions

	Cadila Healthcare Limited and Subsidiaries		Joint Ventures	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Note: 20-Contingent Liabilities and Commitments [to the extent not provided for]:				
A Contingent Liabilities:				
a In respect of claims against the Companies not acknowledged as debts	119	112		
b In respect of guarantees given by Banks and / or counter guarantees given by the Companies	273	159		6
c Other money for which the Company is contingently liable:				
i In respect of the demands raised by the Central Excise, State Excise and Customs Authorities	761	751	3	3
ii In respect of the demands raised by the Ministry of Chemicals and Fertilizers, Govt. of India under Drug Price Control Order, 1979/1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain life saving formulations	206	167		
iii In respect of Income Tax matters pending before appellate authorities	35	43	870	980
iv In respect of Sales Tax matters pending before appellate authorities	336	134		
v In respect of custom duty liability under EPCG scheme	444	180		
vi In respect of letters of credit for Imports	2	3		
vii In respect of other matters [Employees Indemnity on retirement / guaranteed severance package]	165	88		
B Commitments:				
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances]	3,219	2,522	19	5

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
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Note: 21-Revenue from Operations:

Group's proportionate share in the Sale of products [Gross] of Joint Ventures	3,755	3,724
Other Operating Revenues:		
Export Incentives	1,226	287
Royalty Income	179	390
Net Gain on foreign currency transactions and translation [*]	340	–
Government Grants	–	29
Miscellaneous Income	1,803	753
Total	3,548	1,459
Group's proportionate share in revenue from operations of Joint Ventures	134	83
Total	3,682	1,542
[*] includes research related net loss on foreign currency transactions and translation	57	–

Note: 22-Other Income:

Interest Income [Gross]:		
From Others	601	387
Dividend Income [Gross]:		
From Long Term Investments	3	4
Net Gain on Sale of Investments	116	20
Net Gain on disposal of Fixed Assets	–	2
Other Non-operating Income	131	92
	851	505
Group's proportionate share in other income of Joint Ventures	90	49
Total	941	554

Note: 23-Cost of Materials Consumed:

Raw Materials:		
Stock at commencement	4,238	3,621
Add: Stock of a joint venture converted into subsidiary during the year [Refer Note-37]	–	21
Add: Purchases	14,427	14,816
	18,665	18,458
Less: Stock at close	3,616	4,238
	15,049	14,220
Packing Materials consumed	4,227	3,825
	19,276	18,045
Group's proportionate share in cost of materials consumed of Joint Ventures	1,086	922
Total	20,362	18,967

Note: 24-Purchases of Stock-in-Trade:

Purchases of Stock-in-Trade	11,794	13,474
Group's proportionate share in purchases of stock-in-trade of Joint Ventures	572	496
Total	12,366	13,970

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 25-Changes in Inventories:		
Stock at commencement:		
Work-in-progress	1,756	1,340
Work-in-progress of a joint venture converted into a subsidiary during the year [Refer Note-37]	–	7
Finished Goods	2,992	2,998
Finished Goods of a joint venture converted into a subsidiary during the year [Refer Note-37]	–	6
Stock-in-Trade	4,294	3,790
	9,042	8,141
Less: Stock at close:		
Work-in-progress	1,658	1,756
Finished Goods	2,768	2,992
Stock-in-Trade	4,706	4,294
	9,132	9,042
	(90)	(901)
Less: Transferred from Provision for write off of Inventories	–	47
Less: Differential Excise Duty on Opening and Closing stock of Finished Goods	21	29
	(111)	(977)
Group's proportionate share in changes in inventories of Joint Ventures	153	6
Total	42	(971)
Note: 26-Employee Benefits Expense:		
Salaries and wages	11,077	10,137
Contribution to provident and other funds	1,238	1,045
Staff welfare expenses	529	456
	12,844	11,638
Group's proportionate share in employee benefits expense of Joint Ventures	473	447
Total	13,317	12,085
Above expenses includes Research related expenses as follows:		
Salaries and wages	1,251	985
Contribution to provident and other funds	116	96
Staff welfare expenses	59	39
Total	1,426	1,120
Note: 27-Finance Costs:		
Interest expense [*]	410	555
Other Borrowing Costs	1	1
Net Loss on foreign currency transactions and translation	23	66
Bank commission & charges	52	56
	486	678
Group's proportionate share in finance cost of Joint Ventures	–	1
Total	486	679
[*] The break up of interest cost in to major heads is given below:		
On term loans	263	299
On debentures	–	77
On working capital loans	56	124
Others	91	55
Total	410	555

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 28-Depreciation, Amortisation and Impairment Expenses:		
Depreciation, Amortisation and Impairment Expenses	2,921	2,778
Group's proportionate share in depreciation, amortisation and impairment expenses of Joint Ventures	101	95
Total	3,022	2,873
Note: 29-Other Expenses:		
Research Materials	1,388	1,090
Analytical Expenses	1,551	1,324
Consumption of Stores and spare parts	1,828	1,131
Power & fuel	1,688	1,592
Rent	201	193
Repairs to Buildings	190	119
Repairs to Plant and Machinery	459	515
Repairs to Others	127	159
Insurance	288	232
Rates and Taxes	317	334
Processing Charges	426	435
Managing Directors' Remuneration	346	289
Commission to Directors	9	11
Traveling Expenses	1,067	1,074
Legal and Professional Fees	2,031	1,537
Net Loss on foreign currency transactions and translation	–	143
Advertisement Expenses	683	674
Commission on sales	995	937
Freight and forwarding on sales	1,752	1,938
Representative Allowances	987	869
Other marketing expenses	6,773	6,054
Bad Debts:		
Bad debts written off	8	54
Provision for Doubtful Debts	22	7
	30	61
Less: Transferred from Provision for Doubtful Debts	(10)	(8)
	20	53
Doubtful Advances:		
Doubtful advances written off	–	1
Less: Transferred from Provision for Doubtful Advances	–	(10)
	–	(9)
Directors' fees	2	2
Net Loss on disposal of Fixed Assets	10	–
Donations	23	35
Miscellaneous Expenses	4,633	3,511
	27,794	24,242
Group's proportionate share in other expenses of Joint Ventures	666	663
Total	28,460	24,905

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 29-Other Expenses - Continued:		
Above expenses include Research related expenses as follows:		
Research Materials	1,388	1,090
Analytical expenses	1,551	1,324
Stores and spare parts consumed	762	357
Power & Fuel	134	138
Repairs to Buildings	17	14
Repairs to Plant and Machinery	24	34
Repairs to Others	15	18
Insurance	5	7
Traveling Expenses	41	48
Legal and Professional fees	717	358
Net Loss on foreign currency transactions and translation	–	88
Net Loss on disposal of Fixed Assets	1	–
Miscellaneous Expenses	1,456	1,012
Total	6,111	4,488

Note: 30-Exceptional Items:

A Provision for various expenses related to the closure of business operations in Japan	4	(3)
B Provision for amount payable to a former supplier for termination of supply contract, pursuant to the order passed by the Hon'able High Court of Madrid, Spain	–	107
C Payment made under Voluntary Retirement Scheme	21	–
Total	25	104

Note: 31-Calculation of Earnings per Equity Share [EPS]:

The numerators and denominators used to calculate the Basic and Diluted EPS are as follows:				
A	Profit attributable to Shareholders	INR-Millions	15,226	11,506
B	Basic & weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600	1,023,742,600*
C	Nominal value of equity share	INR	1	1*
D	Basic & Diluted EPS	INR	14.87	11.24*
* During the year, the face value of the equity shares has been sub-divided from Rs. 5/- each to Re. 1/- each per equity share with effect from October 7, 2015, pursuant to the approval of the members through postal ballot process. Consequently, as required by Accounting Standard – 20 “Earning per Share” [EPS], the EPS for previous year ended on March 31, 2015 has been disclosed considering increased number of shares post sub-division.				

INR-Millions

	Year ended March 31, 2016	Year ended March 31, 2015
Note: 32-Segment Information:		
A Primary Business Segment: There is only one Segment namely, Pharmaceutical Products.		
B Secondary Business Segment- By Geographical market:		
a Revenue:		
i India	39,930	35,291
ii US	42,995	35,536
iii Others	15,451	15,686
iv Total	98,376	86,513
b Carrying amount of segment assets:		
i India	67,433	60,441
ii US	18,706	18,456
iii Others	9,221	7,782
iv Total	95,360	86,679
c Additions to fixed assets:		
i India	8,302	3,718
ii US	272	357
iii Others	327	195
iv Total	8,901	4,270

Note: 33-Notes on Consolidated Accounts:

A CFS as at March 31, 2016 comprise the financial statements of Cadila Healthcare Limited [CHL] and its subsidiaries as well as its interest in Joint Ventures, which are as under:

Sr. No.	Name of the Company	Country of incorporation	% Shareholding and voting power	Status of Financial Statement	Financial statement as at
[a] Subsidiaries:					
A Indian Subsidiaries:					
1	German Remedies Limited [GRL]	India	WOS *	Audited	31-03-16
2	Dialforhealth India Limited [DFH]	India	WOS	Audited	31-03-16
3	Dialforhealth Unity Limited	India	55% holding of DFH	Audited	31-03-16
4	Dialforhealth Greencross Limited	India	WOS of DFH	Audited	31-03-16
5	Zydus Wellness Limited [ZWL]	India	72.08% holding of CHL	Audited	31-03-16
6	Liva Pharmaceuticals Limited	India	WOS	Audited	31-03-16
7	Zydus Technologies Limited	India	85% holding of CHL	Audited	31-03-16
8	Biochem Pharmaceutical Industries Limited	India	WOS	Audited	31-03-16
9	Alidac Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited] [Refer Note-37]	India	WOS	Audited	31-03-16

Note: 33-Notes on Consolidated Accounts - Continued:

Sr. No.	Name of the Company	Country of incorporation	% Shareholding and voting power	Status of Financial Statement	Financial statement as at
B Foreign Subsidiaries:					
1	Zydus Lanka (Private) Limited	Sri Lanka	WOS of CHL	Audited	31-03-16
2	Zydus International Private Limited [ZIPL]	Ireland	WOS of CHL	**	31-03-16
3	Zydus Healthcare Philippines Inc.	Philippines	WOS of CHL	Unaudited	31-03-16
4	Zydus Worldwide DMCC [ZWD]	Dubai	WOS of CHL	Audited	31-03-16
5	Zydus Healthcare SA (Pty) Ltd. [Zydus SA]	South Africa	WOS of ZIPL	Unaudited	31-03-16
6	Zydus Healthcare (USA) LLC	U. S. A.	WOS of ZIPL	**	31-03-16
7	Zydus Pharmaceuticals (USA) Inc. [ZPUI]	U. S. A.	WOS of ZIPL	**	31-03-16
8	Nesher Pharmaceuticals (USA) LLC	U. S. A.	WOS of ZPUI	**	31-03-16
9	Zydus France, SAS	France	WOS of ZIPL	Unaudited	31-03-16
10	Zydus Netherlands B.V. [ZNBV]	the Netherlands	WOS of ZIPL	Unaudited	31-03-16
11	Zydus Pharma Japan Co. Ltd.	Japan	WOS of ZIPL	Unaudited	31-03-16
12	Etna Biotech S.R.L.	Italy	WOS of ZIPL	Unaudited	31-03-16
13	Zydus Pharmaceuticals Mexico SA De CV	Mexico	WOS of ZIPL	Unaudited	31-03-16
14	Zydus Pharmaceuticals Mexico Service Company SA De CV.	Mexico	WOS of ZIPL	Unaudited	31-03-16
15	ZAHL B.V.	the Netherlands	WOS of ZIPL	Unaudited	31-03-16
16	Zydus Noveltex Inc., USA [ZNI]	U. S. A.	85% holding of ZIPL	Unaudited	31-03-16
17	Laboratorios Combix S.L.	Spain	WOS of ZNBV	Unaudited	31-03-16
18	Zydus Nikkho Farmaceutica Ltda.	Brazil	WOS of ZNBV	**	31-03-16
19	Zydus Discovery DMCC	Dubai	WOS of ZWD	Audited	31-03-16
20	Simayla Pharmaceuticals (Pty) Ltd	South Africa	WOS of Zydus SA	Unaudited	31-03-16
21	Script Management Services (Pty) Ltd.	South Africa	WOS of Zydus SA	Unaudited	31-03-16
22	Hercon Pharmaceuticals, LLC	U. S. A.	WOS of ZNI	Unaudited	31-03-16
23	ZAHL Europe B. V.	the Netherlands	WOS of ZAHL B.V.	Unaudited	31-03-16
24	Bremer Pharma GmbH	Germany	WOS of ZAHL Europe B.V.	Audited	31-03-16
[b] Joint Ventures:					
1	Zydus Takeda Healthcare Private Limited	India	50% holding of CHL	Unaudited	31-03-16
2	Zydus Hospira Oncology Private Limited	India	50% holding of CHL	Audited	31-03-16
3	Bayer Zydus Pharma Private Limited	India	50% holding of CHL	Audited	31-03-16
[c] Partnership Firms:					
1	M/s. Zydus Healthcare- Sikkim [#]	India	97.94% holding of CHL & 2% holding of GRL	Audited	01-02-16
2	M/s. Zydus Wellness- Sikkim	India	98% holding of ZWL	Audited	31-03-16
Explanatory Notes					
[#] M/s. Zydus Healthcare - Sikkim, a partnership firm, was converted into a public limited company, namely Zydus Healthcare Limited [ZHL], w.e.f. February 2, 2016, pursuant to which, it had become a subsidiary of the Company. Pursuant to the Scheme of Amalgamation [the Scheme] of ZHL into German Remedies Limited [GRL], which was sanctioned by the Hon'able High Court of Gujarat vide its order dated March 23, 2016, and effective date being April 1, 2016, ZHL has been amalgamated with GRL w.e.f. the appointed date being, February 2, 2016.					
* WOS = Wholly Owned Subsidiary					
** Financial statements have been audited by the auditors for their respective accounting periods and are subjected to limited review by their auditors for the remaining period up to March 31, 2016.					

B Accounting Policies and Notes on Accounts of the financial statements of the Parent Company and its subsidiaries are set out in their respective financial statements. However, the Company has disclosed such notes and details which represent the needed disclosure to serve as a guide for better understanding of the Group's position.

Note: 34- Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Sr. No.	Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit/[Loss]	
		As % of Consolidated Net Assets	INR-Millions	As % of Consolidated Profit/[Loss]	INR-Millions
A	Parent:				
a	Cadila Healthcare Limited	114.68	61,374	129.86	19,773
B	Subsidiaries:				
a	Indian:				
1	Zydus Wellness Limited	8.91	4,771	6.68	1,017
2	Biochem Pharmaceutical Industries Limited	1.09	585	0.73	111
3	German Remedies Limited [Refer Note - 33 {#}]	78.08	41,788	0.59	90
4	Alidac Pharmaceuticals Limited [Refer Note-37]	1.60	857	1.19	181
5	Liva Pharmaceuticals Limited	0.04	20	0.00	0
6	Zydus Technologies Limited	1.07	571	(0.02)	(3)
7	Dialforhealth India Limited	0.18	99	(0.42)	(63)
8	Dialforhealth Unity Limited	(0.00)	(2)	(0.00)	(0)
9	Dialforhealth Greencross Limited	0.00	1	(0.00)	(0)
10	M/s. Zydus Healthcare- Sikkim [Partnership Firm] [Refer Note-33 {#}]	-	-	25.65	3,905
11	M/s. Zydus Wellness- Sikkim [Partnership Firm]	2.31	1,238	0.71	108
b	Foreign:				
1	Zydus Lanka (Private) Limited	0.00	0	(0.00)	(0)
2	Zydus Healthcare Philippines Inc.	0.21	111	(0.35)	(54)
3	Zydus International Private Limited	16.72	8,947	0.13	19
4	Zydus Netherlands B.V.	9.11	4,874	(0.02)	(3)
5	Zydus France, SAS	1.03	552	0.72	109
6	Laboratorios Combix S.L.	(0.80)	(428)	(0.80)	(122)
7	Etna Biotech S.R.L.	0.02	13	(0.04)	(6)
8	ZAHL B.V.	0.78	417	(0.01)	(2)
9	ZAHL Europe B.V.	0.68	365	(0.02)	(3)
10	Bremer Pharma GmbH	0.37	198	(0.13)	(20)
11	Zydus Pharmaceuticals (USA) Inc.	14.85	7,949	16.73	2,548
12	Nesher Pharmaceuticals (USA) LLC	(7.23)	(3,871)	(7.80)	(1,188)
13	Zydus Healthcare (USA) LLC	0.05	25	(0.00)	(1)
14	Zydus Noveltech Inc.	(0.12)	(66)	(1.01)	(155)
15	Hercon Pharmaceuticals LLC	(1.55)	(830)	(1.66)	(253)
16	Zydus Worldwide DMCC	1.43	765	(0.31)	(47)
17	Zydus Discovery DMCC	0.91	488	(0.21)	(33)
18	Zydus Healthcare S.A. (Pty) Ltd	1.02	545	0.77	118
19	Simayla Pharmaceuticals (Pty) Ltd	(0.85)	(456)	(0.00)	(0)
20	Script Management Services (Pty) Ltd	0.01	3	(0.00)	(1)
21	Zydus Nikkho Farmaceutica Ltda.	3.32	1,779	(1.53)	(233)
22	Zydus Pharma Japan Co. Ltd.	0.01	5	0.24	37
23	Zydus Pharmaceuticals Mexico SA De CV	(0.48)	(256)	(1.52)	(231)
24	Zydus Pharmaceuticals Mexico Services Company SA De C.V.	(0.03)	(15)	(0.04)	(6)

Note: 34- Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 - Continued:

Sr. No.	Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit/[Loss]	
		As % of Consolidated Net Assets	INR-Millions	As % of Consolidated Profit/[Loss]	INR-Millions
C	Minority Interests in all subsidiaries	(2.53)	(1,354)	(1.97)	(300)
D	Joint Ventures [as per proportionate consolidation method]				
a	Zydus Hospira Oncology Private Limited	4.14	2,215	3.27	498
b	Zydus Takeda Healthcare Private Limited	2.11	1,127	(0.18)	(27)
c	Bayer Zydus Pharma Private Limited	0.64	343	0.64	97
E	Total Eliminations / Consolidation Adjustments	(151.77)	(81,227)	(69.86)	(10,636)
F	Grand Total	100.00	53,519	100.00	15,226

The above amounts / percentages of net assets and net profit or [loss] in respect of Cadila Healthcare Limited and its subsidiaries and Joint Ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

Note: 35-Related Party Transactions:**A Name of the Related Parties and Nature of the Related Party Relationship:****a Joint Venture Companies:**

Zydus Takeda Healthcare Private Limited	Bayer Zydus Pharma Private Limited
Zydus Hospira Oncology Private Limited	

b Enterprises significantly influenced by Directors and/or their relatives:

Cadmach Machinery Company Private Limited	Western Ahmedabad Effluent Conveyance Company Private Limited
Zydus Hospitals and Healthcare Research Private Limited	Pripan Investment Private Limited
Zydus Hospitals (Vadodra) Private Limited	Zydus Hospital LLP
Zydus Hospitals (Rajkot) Private Limited	Zandra Infrastructure LLP
MabS Biotech Private Limited	M/s. C. M. C. Machinery
Zydus Infrastructure Private Limited	M/s. Cadam Enterprises
Cadila Laboratories Private Limited	Zandra Herbs and Plantations LLP

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business.

Value of Transactions [INR-Millions]

Nature of Transactions	Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Purchases:				
Goods:				
Zydus Hospira Oncology Private Limited	3	12		
Cadmach Machinery Company Private Limited			8	5
M/s. C. M. C. Machinery			2	1
Total	3	12	10	6
Fixed Assets:				
Cadmach Machinery Company Private Limited			12	9
M/s. Cadam Enterprises			4	36
Zandra Infrastructure LLP				55
Total			16	100

Note: 35-Related Party Transactions - Continued:

Value of Transactions [INR-Millions]

Nature of Transactions	Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Purchases:				
Services:				
Zydus Infrastructure Private Limited			10	9
Sales:				
Goods:				
Bayer Zydus Pharma Private Limited	115	170		
Zydus Takeda Healthcare Private Limited	67	26		
Total	182	196		
Services:				
Bayer Zydus Pharma Private Limited	2	3		
Finance:				
Inter Corporate Loans repaid:				
Bayer Zydus Pharma Private Limited	150			
Interest Received:				
Bayer Zydus Pharma Private Limited	7	15		

Nature of Transactions	Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	As at March 31 2016	As at March 31 2015	As at March 31 2016	As at March 31 2015
Outstanding:				
Payable:				
Cadila Laboratories Private Limited			22	22
Receivable:				
Bayer Zydus Pharma Private Limited	30	176		
Zydus Takeda Healthcare Private Limited	15	24		
Total	45	200	-	-

Note: 36

Effective from April 1, 2014, the Company had started providing depreciation on tangible assets on “straight line method” over the revised remaining useful lives of the tangible assets in alignment with useful lives prescribed in Schedule II to the Companies Act, 2013. Consequently, the depreciation charge for the year ended March 31, 2015 was higher by Rs. 708 Millions. Further, an amount of Rs. 256 Millions had been recognised in the opening balance of retained earnings which relate to the carrying amount of tangible assets whose revised remaining useful life was Nil as at April 1, 2014.

Note: 37

Pursuant to share purchase agreement with the joint venture partner, the Company had acquired remaining 50% shares held by Bharat Serums and Vaccines Limited [the joint venture partner] in Zydus BSV Pharma Private Limited [ZBSV]. Consequently, ZBSV had become wholly owned subsidiary of the Company w.e.f. March 26, 2015. The consolidated balance sheet as at March 31, 2015 had been prepared on a line by line basis by adding the 100% book values of assets and liabilities of ZBSV as at March 31, 2015 and the consolidated statement of Profit and Loss for the year ended March 31, 2015 had been prepared on a line by line basis by adding the 100% book values of incomes and expenses of ZBSV for the entire year ended March 31, 2015. 50% of the loss of ZBSV pertaining to the period before March 26, 2015, being pre-acquisition loss, had been adjusted against goodwill arising on consolidation.

Note: 38

Pursuant to the Business Transfer Agreement [BTA] executed between the Company and Zoetis India Limited [“Zoetis”], the Company has acquired select animal healthcare brands, related licenses, technical knowhow and manufacturing facility of Zoetis during the year. These assets have been recorded at their respective fair values arrived at on the basis of valuation carried out by an independent valuer. The difference between the total consideration and the fair value of such assets has been recognized as goodwill.

Note: 39

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosure.

Signatures to Significant Accounting Policies and Notes 1 to 39 to the Financial Statements

As per our report of even date

for **Mukesh M. Shah & Co.,**

Chartered Accountants

Firm Registration Number: 106625W

Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 13, 2016

For and on behalf of the Board

Pankaj R. Patel

Chairman and Managing Director

Nitin D. Parekh

Chief Financial Officer

Sharvil P. Patel

Deputy Managing Director

Upen H. Shah

Company Secretary

Statement containing the salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Part: "A" - Subsidiaries:

Sr. No.	Name of the Subsidiary	Reporting year ended	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments in other than subsidiaries	Turnover & Other income from Operations*	Profit/ [Loss] before Taxation*	Provision for Taxation*	Profit/ [Loss] after Taxation*	Proposed Dividend	INR - Millions % of shareholding
1	Zydus Wellness Limited	March 31, 2016	INR	1.00	390.70	4,380.90	4,963.50	191.90	927.40	2,081.30	1,024.60	7.70	1,016.90	-	72.08%
2	Biochem Pharmaceutical Industries Limited	March 31, 2016	INR	1.00	75.00	509.73	1,650.61	1,065.88	-	3,646.04	179.04	68.01	111.03	-	100.00%
3	German Remedies Limited	March 31, 2016	INR	1.00	41,541.28	247.19	47,116.60	5,328.13	9.59	1,625.28	207.82	118.14	89.68	-	100.00%
4	Aldas Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited]	March 31, 2016	INR	1.00	953.30	(96.64)	1,197.97	341.31	40.95	1,009.38	216.59	35.80	180.79	-	100.00%
5	Liva Pharmaceuticals Limited (#)	March 31, 2016	INR	1.00	20.00	(0.28)	1,918.59	1,898.87	-	-	0.31	0.22	0.09	-	100.00%
6	Zydus Technologies Limited (#)	March 31, 2016	INR	1.00	590.00	(18.55)	5,983.25	5,411.80	-	-	(2.70)	0.05	(2.75)	-	85.00%
7	Dialforhealth India Limited	March 31, 2016	INR	1.00	250.00	(151.32)	209.04	110.36	-	30.17	(63.38)	-	(63.38)	-	100.00%
8	Dialforhealth Unity Limited	March 31, 2016	INR	1.00	0.50	(2.56)	0.01	2.07	-	-	(0.04)	-	(0.04)	-	55.00%
9	Dialforhealth Greencross Limited	March 31, 2016	INR	1.00	2.50	(1.94)	0.61	0.05	-	-	(0.02)	-	(0.02)	-	100.00%
10	Zydus Lanka (Private) Limited (#)	March 31, 2016	LKR	0.48	0.95	(0.56)	0.43	0.04	-	-	(0.18)	-	(0.18)	-	100.00%
11	Zydus Healthcare Philippines Inc.	December 31, 2015	PHP	1.44	155.75	(54.40)	371.87	270.52	-	310.01	(64.84)	(20.52)	(44.32)	-	100.00%
12	Zydus International Private Limited	December 31, 2015	Euro	72.63	9,341.38	(1,952.73)	10,257.24	2,868.59	-	104.34	70.31	3.13	67.18	-	100.00%
13	Zydus Netherlands B.V.	December 31, 2015	Euro	72.63	5,003.77	(607.84)	4,727.49	331.56	-	-	(3.20)	-	(3.20)	-	100.00%
14	Zydus France, SAS	December 31, 2015	Euro	72.63	564.84	(58.25)	1,429.94	923.35	-	2,389.25	74.83	-	74.83	-	100.00%
15	Laboratorios Comibix S.L.	December 31, 2015	Euro	72.63	542.04	(904.61)	522.14	884.71	-	735.19	(157.75)	0.43	(158.18)	-	100.00%
16	Etna Biotech S.R.L.	December 31, 2015	Euro	72.63	6.54	15.32	65.51	43.65	-	46.55	2.99	-	2.99	-	100.00%
17	ZAHl B.V.	March 31, 2016	Euro	75.44	1.36	415.82	434.23	17.05	-	-	(2.46)	-	(2.46)	-	100.00%
18	ZAHl Europe B.V.	March 31, 2016	Euro	75.44	1.36	363.84	369.73	4.53	-	-	(1.73)	-	(1.73)	-	100.00%
19	Bremer Pharma GmbH	March 31, 2016	Euro	75.44	36.21	161.56	312.36	114.59	-	458.79	(20.25)	-	(20.25)	-	100.00%
20	Zydus Pharmaceuticals (USA) Inc.	December 31, 2015	USD	66.42	152.77	4,927.77	29,455.08	24,374.54	-	39,911.44	3,134.53	556.48	2,578.05	-	100.00%
21	Nesher Pharmaceuticals (USA) LLC	December 31, 2015	USD	66.42	0.66	(3,461.34)	3,725.10	7,185.78	-	2,259.08	(1,058.11)	-	(1,058.11)	-	100.00%
22	Zydus Healthcare (USA) LLC	December 31, 2015	USD	66.42	13.28	12.49	194.81	169.04	-	17.45	0.64	0.13	0.51	-	100.00%
23	Zydus Noveltich Inc.	December 31, 2015	USD	66.42	332.10	(262.43)	1,282.77	1,213.10	-	139.12	(25.59)	-	(25.59)	-	85.00%
24	Heron Pharmaceuticals LLC	December 31, 2015	USD	66.42	6.64	(776.03)	425.77	1,195.16	-	183.06	(268.37)	-	(268.37)	-	100.00%
25	Zydus Worldwide DMCC	March 31, 2016	USD	66.28	829.36	(64.49)	1,007.12	242.25	-	0.13	(48.30)	-	(48.30)	-	100.00%
26	Zydus Discovery DMCC	March 31, 2016	USD	66.28	531.17	(43.30)	1,144.70	656.83	-	-	(31.87)	-	(31.87)	-	100.00%
27	Zydus Healthcare S.A. (Pty) Ltd	December 31, 2015	ZAR	4.29	602.76	(129.69)	866.57	393.50	-	746.34	139.46	23.16	116.30	-	100.00%
28	Sinayla Pharmaceuticals (Pty) Ltd	December 31, 2015	ZAR	4.29	0.00	(433.55)	0.05	433.60	-	-	(0.03)	-	(0.03)	-	100.00%
29	Script Management Services (Pty) Ltd	December 31, 2015	ZAR	4.29	0.00	2.66	7.29	4.63	-	70.47	0.01	-	0.01	-	100.00%
30	Zydus Nikkho Farmaceutica Ltda.	December 31, 2015	BRL	16.79	2,159.56	(1,005.15)	2,044.84	890.43	-	2,044.37	(346.48)	6.97	(353.45)	-	100.00%
31	Zydus Pharma Japan Co. Ltd.	December 31, 2015	JPY	0.55	2,113.37	(2,106.01)	20.85	13.49	-	-	63.60	-	63.60	-	100.00%
32	Zydus Pharmaceuticals Mexico SA De CV	December 31, 2015	MXN	3.84	575.29	(779.98)	195.54	400.23	-	177.26	(255.10)	-	(255.10)	-	100.00%
33	Zydus Pharmaceuticals Mexico Services Company SA De CV	December 31, 2015	MXN	3.84	21.51	(23.01)	35.77	37.27	-	209.20	10.82	2.69	8.13	-	100.00%

* Converted using average exchange rates prevailing during the year.

(#) Subsidiaries are yet to commence commercial operations.

For and on behalf of the Board

Nitin D. Parekh

Chief Financial Officer

Ahmedabad, Dated: May 13, 2016

Upen H. Shah

Company Secretary

Sharvil P. Patel

Deputy Managing Director

Pankaj R. Patel

Chairman & Managing Director

Statement pursuant to section 129[3] of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part: "B" - Joint Ventures:

Sr. No.	Name of the Joint Venture	Latest Audited Balance Sheet Date	Shares held by the Company			Description of how there is significant influence	Reason why the Joint Venture is not consolidated	Net worth attributable to Shareholding as per latest audited balance sheet [INR-Millions]	Profit/[Loss] for the year	
			No. of Shares	Amount invested [INR-Millions]	Extend of holding [%]				Considered in consolidation [INR-Millions]	Not considered in consolidation [INR-Millions]
1	Zydus Hospira Oncology Private Limited	March 31, 2016	7,500,000	75	50.00%	N.A.	N.A.	2,201	498	-
2	Zydus Takeda Healthcare Private Limited	March 31, 2015	10,000,000	100	50.00%	N.A.	N.A.	988	(27)*	-
3	Bayer Zydus Pharma Private Limited	March 31, 2016	25,000,000	250	50.00%	N.A.	N.A.	343	97	-

* Based on unaudited financial statements for the year ended March 31, 2016.

For and on behalf of the Board

Nitin D. Parekh

Chief Financial Officer

Ahmedabad, Dated: May 13, 2016

Upen H. Shah

Company Secretary

Sharvil P. Patel

Deputy Managing Director

Pankaj R. Patel

Chairman & Managing Director

CADILA HEALTHCARE LIMITED

[CIN L24230GJ1995PLC025878]

Regd. Office: "Zydus Tower", Satellite Cross Roads, Sarkhej-Gandhinagar Highway,
Ahmedabad - 380 015.

Email: investorgrievance@zyduscadila.com Website: www.zyduscadila.com

Phone Numbers: +91 268 68 100 [20 lines] Fax Number: +91 268 62 365

Notice

Notice is hereby given that the Twenty first Annual General Meeting of the members of the Company will be held on Wednesday, August 3, 2016 at 11.00 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the year ended on March 31, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend of Rs. 3.20 per equity share of Rs. 1/- each as a final dividend for the year 2015-16.
3. To appoint a Director in place of Dr. Sharvil P. Patel [DIN 00131995], who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s Mukesh M. Shah & Co., Chartered Accountants [Firm Registration No. 106625W] as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT subject to the provisions of sections 2[54], 196, 197 and other applicable provisions of the Companies Act, 2013, [the Act] read with Schedule V of the Act and Rules made thereunder, (including any statutory modifications or re-enactment thereof) and Article 89 of Articles of Association of the Company, consent of the members be and is hereby accorded to the re-appointment of Mr. Pankaj R. Patel [DIN-00131852] as Executive Chairman and Managing Director [Designated as "Chairman and Managing Director"] of the Company for a period of five years with effect from September 1, 2016 to August 31, 2021 and payment of salary, commission and perquisites (herein after referred to as "remuneration") upon terms and conditions as set out in the draft agreement proposed to be executed between the Company and the appointee, with an authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Pankaj R. Patel.

RESOLVED FURTHER THAT the remuneration payable to Mr. Pankaj R. Patel, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, the Chairman and Managing Director will be paid remuneration within the ceiling limit prescribed under section II of part II of Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof.

RESOLVED FURTHER THAT in addition to the above, the Chairman and Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling of minimum remuneration stated hereinabove:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service; and
- (c) Encashment of leave at the end of tenure of re-appointment of the Chairman and Managing Director.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule V and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), Mr. Apurva S. Diwanji (DIN 00032072), who was appointed as an Additional Director pursuant to provisions of section 161[1] of the Companies Act, 2013 and Article 67 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in section 149[6] of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from May 13, 2016 to May 12, 2021."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 197 of the Companies Act, 2013 [Act] [including any statutory modification(s) or re-enactment thereof for the time being in force] and Article No. 76 of the Articles of Association of the Company, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid and distributed amongst the Directors other than the Managing Director, Deputy Managing Director or any Whole Time Director of the Company or some or any of them in such amounts or proportion and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five years commencing from April 1, 2016 upto and including financial year of the company ending on March 31, 2021, provided that the commission to all of the Directors aforesaid shall not exceed in aggregate Rs. 30 million in any financial year.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the fees payable to the Director(s) for attending the meetings of the Board of Directors or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of section 148[3] and other applicable provisions, if any, of the Companies Act, 2013, and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], the Company hereby ratifies the remuneration of Rs. 1.20 mio plus applicable service tax and out of pocket expenses at actuals for the financial year ended on March 31, 2017 to M/s. Dalwadi & Associates, Cost Accountants, who were appointed as Cost Auditors to conduct the audit of cost records maintained by the Company pertaining to Drugs and Pharmaceuticals manufactured by the Company for the financial year 2016-17."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the earlier Special Resolution passed by the members through Postal Ballot on May 20, 2015 and pursuant to the provisions of sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("2013 Act") to the extent notified and in effect, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any modification(s) or re-enactment(s) thereof, for the time being in force) and other Rules made thereunder, and applicable provisions, if any, of the Companies Act, 1956, (without reference to the provisions thereof that have ceased to have effect upon the notification of the 2013 Act) (collectively, the "Companies Act") (including any amendments thereto or re-enactment thereof), the provisions of the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), and regulations thereunder including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA 20 Regulations"), as amended or restated and the FEMA (Transfer or Issue of any Foreign Security) Regulations, 2004, as amended or restated ("FEMA 120 Regulations"), the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended or restated ("FCCB Scheme"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,

2008 as amended or restated ("Listing of Debt Securities Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or restated ("Listing Obligations Regulations") and all other applicable laws including the rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder, and subject to all the necessary approvals, consents, permissions and/or sanctions of the Securities and Exchange Board of India ("SEBI"), the Ministry of Finance (Foreign Investment Promotion Board/Department of Economic Affairs) and Ministry of Commerce & Industry (Department of Industrial Policy and Promotion/Secretariat for Industrial Assistance), all other ministries, departments or other authorities of the Government of India ("GOI"), the Reserve Bank of India ("RBI"), the Stock Exchanges and/or any other competent authorities, and in accordance with applicable laws and regulations including the rules, regulations, guidelines, notifications, circulars and clarifications issued by the GOI, RBI, SEBI, the Stock Exchanges and/or any other competent authorities from time to time, and the enabling provisions of the Memorandum and Articles of Association of Cadila Healthcare Limited (the "Company"), the Listing Agreements entered into by the Company with the Stock Exchanges, where the Company's equity shares of face value of Rs. 1 each (the "Equity Shares") are listed, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee thereof), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted) with or without a green shoe option, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, for such number of Equity Shares, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), Non-Convertible Debentures with or without warrants, Fully Convertible Debentures and/or Optionally Convertible Debentures or any other financial instruments convertible into or linked to Equity Shares (including warrants or otherwise, in registered or bearer form), any security convertible into Equity Shares with or without voting/special rights and/or any other instruments and/or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares, including the issue and allotment of Equity Shares pursuant to a green shoe option, if any (hereinafter collectively referred to as the "Securities") or any combination of Securities in one or more tranches and/or in one or more series (with different tenures), whether rupee denominated or denominated in foreign currency, to any eligible person as permissible under applicable law including Qualified Institutional Buyers, foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), Foreign Institutional Investors, Venture Capital Funds, Foreign Venture Capital Investors, Indian and/or multilateral financial institutions, Foreign Portfolio Investors, Mutual Funds, stabilizing agents and/or other entities, authorities and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") whether or not such Investors are members of the Company as may be decided by the Board in their discretion and permitted under applicable laws and regulations, for an aggregate amount upto Rs. 10,000 Crores (Rupees Ten Thousand Crores only) or its equivalent in Indian rupees or one or more foreign currencies, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s), follow on offer or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices, including discounts as permitted under applicable law in such manner and on such terms and conditions including security, rate of interest, conversion etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers, or other advisor(s) for such issue(s), either in foreign currency or equivalent Indian rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT pursuant to the provisions of section 62 of the 2013 Act and other applicable provisions, if any, of the Companies Act, including the applicable rules made thereunder, the provisions of Chapter VIII of the ICDR Regulations, Listing of Debt Securities Regulations, Listing Obligations Regulations, FEMA, FEMA 20 Regulations, FEMA 120 Regulations, and other applicable laws, the Board may, at its absolute discretion, issue, offer and allot Equity Shares, Fully Convertible Debentures, Partly Convertible Debentures, Non-Convertible Debentures with or without warrants or any securities which are convertible into or exchangeable with Equity Shares (collectively referred to as "Securities") of an aggregate amount up to Rs. 10,000 Crores (Rupees Ten Thousand Crores Only) or its equivalent in Indian rupees or one or more foreign currencies, inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the ICDR Regulations) pursuant to a Qualified Institutions Placement, as provided under Chapter VIII of the ICDR Regulations and such securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of passing of this resolution or such other time as may be allowed under the ICDR Regulations from time to time.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of Equity Shares, and the price so determined as per Regulation 85 of the ICDR Regulations shall not be less than the price determined in accordance with the pricing formula provided therein.

RESOLVED FURTHER THAT in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company (whether, immediately on or after a designated date and in any event within 60 (sixty) months from the date of allotment in accordance with the ICDR Regulations) are issued along with Non-Convertible Debentures to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such securities/warrants, shall be either:

- (a) the date of the meeting in which the Board or the Committee of Directors duly authorised by the Board decides to open the issue of such convertible securities and/or warrants simultaneously with Non-Convertible Debentures; or
- (b) the date on which the holders of such convertible securities/warrants become entitled to apply for the Equity Shares, as the Board may decide and specify in the placement document/s, and such price as determined in accordance with Regulation 85 of the ICDR Regulations shall not be less than the price determined as per the pricing formula provided therein.

RESOLVED FURTHER THAT pursuant to Regulation 85(1) of the SEBI ICDR Regulations, the Board be and is hereby authorized to, at its absolute discretion, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price as may be determined pursuant to the Chapter VIII of the ICDR Regulations.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the issue of such Securities in accordance with the FCCB Scheme and other applicable pricing provisions issued by the Ministry of Finance, and the price so determined shall be in accordance with the pricing formula provided under Clause 5 of the FCCB Scheme.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/papers/agreements and to accept all such changes/modifications as may be required and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of securities including but not limited to making any applications, etc. to concerned regulatory and governmental authorities, if required, finalization and approval for the preliminary as well as placement document or offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, including creation of mortgage/hypothecation/charge over all the immovable and/or moveable properties of the Company, wherever situate, both present and future and on the whole or in a part of the undertaking of the Company as per the provisions of section 180 (1) (a) of the Companies Act, which inter-alia includes the existing mortgage/hypothecation/charge or which it may create in future in favour of any public financial institutions, banks, mutual funds, bodies corporate, etc. to secure any facilities/financial assistance including any other monies which may be payable to them and incidental to such facilities so availed and to execute such documents or writing as may be considered necessary or proper, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution for the existing as well as future creation of hypothecation/mortgage/charge both for securing any facilities it may avail including for issue of any related securities as a condition of the issue of the said securities as also for securing the said securities as may be required either on pari passu basis or otherwise.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of Securities in international offering may have all or any term or combination of terms in accordance with the international practice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such arrangements/agreements with any Lead Managers/Underwriters/Guarantors/Depository(ies)/Custodians/Registrar/Advisors and all such agencies as may be involved in cash or otherwise including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue of Securities and other expenses, if any or the like.

RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Company may issue Global Depository Receipts and/or other form of securities mentioned herein above representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instrumentations of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets.

RESOLVED FURTHER THAT the Securities issued in international offering shall be deemed to have been made abroad in the markets

and/or at the place of issue of the Securities in international markets and shall be governed by English or American law or any other law as may be decided by the Board as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the mode and the terms of issue and to allot such number of Equity Shares/Securities as may be required to be issued and allotted upon conversion of any Securities referred to in the paragraph(s) above as may be necessary in accordance with the terms of offering and all such shares to rank pari passu with the existing Equity Shares of the Company in all respects, excepting such rights as to dividend as may be provided under the terms of issue and in the offer document.

RESOLVED FURTHER THAT subject to necessary approvals, consents, permissions, the Board be and is hereby authorised to convert the Global Depositary Receipts/Foreign Currency Convertible Bonds into ADRs or any other permitted Securities and list at NASDAQ/NYSE or in any other overseas Stock Exchanges.

RESOLVED FURTHER THAT the Company and/or any entity, agency or body authorized and/or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more Stock Exchange(s) inside or outside India) and under the forms and practices prevalent in the international market for Securities listing and trading, in the stock/securities exchange so that the convertible securities or ADRs and/or GDRs are registered or listed.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, including filing of offer document with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments and opening bank accounts and demat accounts."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 42 and other applicable provisions, if any, of the Companies Act, 2013 [the Act] read with Rule 14 of the Companies [Prospectus and Allotment of Securities] Rules, 2014 on Private Placement of securities and Regulations 19 to 22 of the Securities and Exchange Board of India [Issue and Listing of Debt Securities] Regulations, 2008 read with schedule-I thereof [including any statutory modification(s) or re-enactment thereof, for the time being in force] and subject to provisions of Articles of Association of the Company, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company to offer and invite subscription for the Secured Redeemable Non-Convertible Debentures ["Bonds"], to the extent of INR 35000 mio [Rupees Thirty Five Thousand Millions], in one or more tranches, during the current financial year ending on March 31, 2017, through private placement in conformity with rules, regulations and enactments as applicable from time to time subject to the total borrowing of the Company not exceeding the borrowing powers approved by the shareholders under section 180 (1) (c) of the Act and to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/interest rate(s), yield, listing, allotment and other terms and conditions as they may, in their absolute discretion, deem necessary.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto to give effect to this resolution."

By order of the Board of Directors

Place: Ahmedabad
Date : May 13, 2016

Upen H. Shah
Company Secretary

NOTES:

1. The Explanatory Statements pursuant to provisions of section 102 of the Companies Act, 2013, in respect of the business under items 5 to 10 of the Notice are annexed hereto.
2. The Register of Members and Share Transfer Books will be closed from Monday, July 25, 2016 to Wednesday, August 3, 2016 [both days inclusive].
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding 50 [fifty] and holding in the aggregate not more than ten per cent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or shareholder. Proxies in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 10 a.m. on Monday, August 1, 2016. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority together with specimen signature, as applicable.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company at its Registered Office, a certified copy of Board Resolution/authorization document authorising their representative to attend and vote on their behalf at the Meeting.
5. Those members who have not encashed their dividend warrants pertaining to the following financial years are requested to approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund [IEPF] on the respective dates mentioned there against pursuant to provisions of section 205(C) of the Companies Act, 1956 and provisions of section 125 of the Companies Act, 2013, when notified by the Central Government and rules proposed to be prescribed by the Central Government. Members are requested to note that after such date, the members will lose their rights to claim such dividend unless the provisions of section 125 of the Companies Act, 2013 are notified by the Central Government.

Accounting year ended	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
March 31, 2009	July 29, 2009	90%	August 4, 2016
March 31, 2010	July 27, 2010	100%	August 2, 2017
March 31, 2011	July 19, 2011	125%	July 25, 2018
March 31, 2012	August 8, 2012	150%	August 11, 2019
March 31, 2013	May 30, 2013	150%@	June 15, 2020
March 31, 2014	July 30, 2014	180%	August 4, 2021
March 31, 2015	August 12, 2015	240%	August 17, 2022
March 31, 2016	March 8, 2016	320%@	March 13, 2023

@ Interim dividend

Pursuant to the IEPF [Uploading of information regarding unpaid and unclaimed amount lying with the Companies] Rules, 2012, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the Twentieth Annual General Meeting held on August 12, 2015 on its website – www.zyduscadila.com and on the website of Ministry of Corporate Affairs www.mca.gov.in

6. Members holding shares in physical form are requested to intimate Registrar and Transfer Agent of the Company viz., M/s. Link Intime (India) Private Limited [Link Intime] [Unit: Cadila Healthcare Limited], 303, 3rd Floor, Shoppers Plaza 5, Near Government Society, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C. G. Road, Navrangpura, Ahmedabad - 380 009, changes, if any, in their registered address along with pin code number and relevant evidences. Members holding shares in electronic form shall update such details with their respective Depository Participant. The Company has appointed Link Intime as Registrar and Transfer Agent of the Company in place of Sharepro Services (India) Private Limited.
7. The information of the Director[s] seeking re-appointment/appointment at the ensuing Annual General Meeting is provided at Annexure – A to this Notice as prescribed under Regulation 36[3] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

8. Notice of the Twenty first Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email Ids are registered with the Company or Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Twenty First Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**

Members may also note that the Notice of the Twenty First Annual General Meeting and the Annual Report will also be available on the Company's website www.zyduscadila.com for their download. The physical copies of the documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id investorgrievance@zyduscadila.com

10. **E-Voting [voting through electronic means]:**

The business as set out in the Notice may be transacted through electronic voting system. In compliance with provisions of section 108 of the Companies Act, 2013 read with the Companies [Management and Administration] Rules, 2014, Standard 2 of the Secretarial Standards on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) to facilitate the members to cast their votes from a place other than venue of the AGM [remote e-voting]. The facility for voting shall be made available at the AGM through polling paper and the members attending the Meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting. Please note that the voting through electronic means is optional for the shareholders.

A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.

The Notice will be displayed on the website of the Company www.zyduscadila.com and on the website of CDSL.

The Members who have casted their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.

The Members whose names appear in the Register of Members/List of Beneficial Owners as on Wednesday, July 27, 2016 i.e. the date prior to commencement of book closure date are entitled to vote on Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach the Company for issuance of the USER ID and Password for exercising their right to vote by electronic means.

Members are requested to follow the instructions below to cast their vote through e-voting:

- (i) The remote e-voting period commences at 9:00 a.m. on Sunday, July 31, 2016 and ends at 5:00 p.m. on Tuesday, August 2, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 27, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the remote e-voting website www.evotingindia.com
- (iii) Click on Shareholders - Login,
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID; and
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had earlier logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income tax Department [applicable for both, shareholders holding shares in demat mode and shareholders holding shares in physical mode].
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the respective Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for CADILA HEALTHCARE LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option **YES** implies that you assent to the resolution and option **NO** implies that you dissent to the resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes casted by clicking on "Click here to print" option on the voting page.
- (xvii) If demat account holder has forgotten the login password then he should enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as promoted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Contact Details:

Name: Mr. Mehboob Lakhani

Designation: Assistant Manager

Address: Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001.

Email id: helpdesk.evoting@cdslindia.com

Phone number: 18002005533

A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the Meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.

The Company has appointed Mr. D. D. Sanghavi, Practicing Company Secretary [Membership No. FCS-3229], to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.

The results declared along with the Scrutinizer’s report, will be posted on the website of the Company www.zyduscadila.com and on the website of CDSL and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the result by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

Request to the members:

1. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance of the date of Annual General Meeting at its Registered Office, so as to enable the Company to keep the information ready.
2. Members are requested to bring their copy of the Annual Report to the Meeting.

CADILA HEALTHCARE LIMITED

[CIN L24230GJ1995PLC025878]

Regd. Office: "Zydus Tower", Satellite Cross Roads, Sarkhej-Gandhinagar Highway,
Ahmedabad - 380 015.

Email: investorgrievance@zyduscadila.com Website: www.zyduscadila.com

Phone Numbers: +91 268 68 100 [20 lines] Fax Number: +91 268 62 365

Explanatory Statement pursuant to section 102[1] of the Companies Act, 2013:

The following statement sets out all material facts relating to the business under items 5 to 10 of the accompanying notice dated May 13, 2016.

In respect of item No. 5

Mr. Pankaj R. Patel and his family are the promoters of the Company. His present five years term as the Managing Director of the Company expires on August 31, 2016. Mr. Pankaj Patel has been in the office as the Managing Director since September 1, 1996. During his tenure, the Company has made remarkable progress in all the spheres of business, both in domestic and international markets. He comes out as force to reckon with in pharmaceutical industry. The image of the Company in the global market as well as for all stakeholders has enhanced many folds over his twenty years of leadership. The Company has reported all around progress year after year under the leadership of Mr. Pankaj Patel. The presence of the Company, which was initially limited to domestic markets only, has now spread in more than 50 countries worldwide. With an experience spanning over 40 years in the Pharmaceutical Industry, Mr. Patel combines both research and techno-commercial expertise. He has published over 100 research papers in peer reviewed journals and is a co-inventor of more than 64 patents.

Mr. Patel has been the guiding force behind Company's fast track growth. Under his leadership, recently the group bagged the India Pharma Overall Excellence Award and Indian Pharma Innovation of the year award from the Government of India.

In recognition of his contribution to the healthcare industry in India, Mr. Patel was conferred the Leadership in Drug Discovery and Development Award from the South Asian Chapter of American College of Clinical Pharmacology, the Acharya PC Ray Memorial Gold Medal Award and the Eminent Pharmacist Award. In January, 2014, Mr. Patel was conferred the India Innovator Award 2013 at the India Business Leaders Awards instituted by CNBC. For his entrepreneurial vision, Mr. Patel was awarded the Ernst & Young Entrepreneur of the Year Award in the Life Science category.

Mr. Patel is actively involved in various educational institutions and is on the advisory committee and academic councils of several educational institutions.

Mr. Patel is currently the Senior Vice President of the Federation of Indian Chamber of Commerce and Industry [FICCI]. He was recently named as the Interim Chairman of the Indian Institute of Management [IIM], Ahmedabad. He is the Chairman of the Board of Governors and Society, IIM, Udaipur. He is the Chairperson of the Board of Governors of IIT, Bhubaneswar. Mr. Patel is also currently on the Governing Board of the Ahmedabad University, Chairman of School of Life Sciences, Ahmedabad University and a Member of the Board of Management of the Narsee Monjee Institute of Management Studies. He is also a Member on the Governing Board of the Gujarat Law Society and Nirma University.

Mr. Patel is the Executive Chairman, Vice President and the Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre and one of the largest cancer centers of India, reaching out to the needy and underprivileged cancer patients.

The Company will continue availing the benefits of the able, experienced and visionary Managing Director to achieve new heights of success in the years to come. It is therefore proposed to re-appoint Mr. Patel as the Managing Director of the Company for a further period of five years from September 1, 2016 on the prevailing terms and conditions, including payment of remuneration, as may be determined by the Board of Directors, which shall be within the limits prescribed under the provisions of the Companies Act, 2013 read with Schedule V as set out in the resolution and draft agreement.

The draft of an agreement proposed to be entered between the Company and Managing Director is available for inspection by the members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day upto the date of Annual General Meeting. It will also be available at the venue of the meeting for inspection by any member. Mr. Pankaj R. Patel satisfies all the conditions as set out in Part - I of Schedule V to the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Pankaj R. Patel, his son Dr. Sharvil P. Patel and their relatives is concerned or interested in the passing of the resolution.

The Board recommends the resolution for the approval by the Members.

In respect of item No. 6

Pursuant to recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 13, 2016 appointed Mr. Apurva S. Diwanji [DIN-00032072] as an Additional Director on the Board of the Company pursuant to section 161(1) of the Companies Act, 2013 [Act]. Mr. Diwanji holds office upto the date of the ensuing Annual General Meeting. A notice under section 160(1) of the Act has been received from a Member along with a deposit of Rs. 1/- Lac proposing the candidature of Mr. Diwanji as an Independent Director of the Company.

Mr. Diwanji, aged 47 years has completed his law degree from Downing College, Cambridge University, UK and after working in UK with two international law firms, he returned to India to join M/s Desai & Diwanji, Advocates, Solicitors and Notaries. He is currently a partner with M/s. Desai & Diwanji and is based in Mumbai. He also has an economics degree from St. Xavier's College, University of Bombay.

In terms of provisions of section 149 of the Act, and Regulation 16(1)(b) of the Listing Regulations, 2015, Mr. Diwanji is eligible for appointment as an Independent Director. The Company has received a declaration from Mr. Diwanji that he meets with criteria of independence as prescribed under section 149(6) of the Act.

In the opinion of the Board, Mr. Diwanji fulfills the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director and is independent of the management. The copy of the letter for appointment of Mr. Diwanji as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Diwanji as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Diwanji as an Independent Director, for the approval by the Members of the Company.

Save and except Mr. Diwanji, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 6.

This explanatory statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

In respect of item No. 7

The Members of the Company at the 18th Annual General Meeting held on September 30, 2013 approved by way of Special Resolution under section 309 of the Companies Act, 1956, the payment of commission to the Non-Executive Directors of the Company, within the maximum limit of 1% of net profits of the company, calculated in accordance with the provisions of the Companies Act, 1956, subject to maximum in aggregate of Rs. 15 million for each financial year for a period of five years commencing from March 31, 2014.

The Independent Directors play a significant role in the growth of the Company and taking into account the role and responsibilities of the Directors, it is proposed that the Directors other than Managing Director, Deputy Managing Director or any Whole Time Director be paid remuneration in accordance with the provisions of section 197 of the Companies Act, 2013 [Act] for an amount not exceeding one percent of the net profits of the Company computed in accordance with the provisions of section 198 of the Act, subject to maximum limit of Rs.30 millions in aggregate for each financial year for five years from the financial year ending on March 31, 2017 upto and including financial year of the company ending as on March 31, 2021. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors for each financial year and subject to such other applicable requirements under the Act. Within the ceiling approved by the members, the Board will decide and pay the commission to each of the Independent Directors. This remuneration shall be in addition to the fee payable to the Directors for attending the meetings of the Board of Directors or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors, and reimbursement of expenses for participation in the Board and other meetings.

The Board recommends the passing of the resolution at item No. 7 of the Notice.

All the Directors of the Company except Managing Director and Deputy Managing Director are concerned or interested in this resolution. The Managing Director, Deputy Managing Director and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financial or otherwise, in the resolution at item No. 7 of the Notice.

In respect of item No. 8

In accordance with the provisions of section 148 of the Companies Act, 2013 [Act] and the Companies [Audit and Auditors] Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to Drugs and Pharmaceuticals manufactured by the Company.

On the recommendation of the Audit Committee, the Board of Directors had approved the appointment of M/s. Dalwadi & Associates, Cost Accountants [Registration Number 000338] as the Cost Auditors of the Company to conduct audit of cost records of the Company for the financial year 2016-2017, at a remuneration of Rs. 1.20 mio plus service tax and out of pocket expenses.

M/s. Dalwadi & Associates, Cost Accountants have furnished certificate regarding their eligibility for appointment as Cost Auditors of the Company. As per the provisions of section 148(3) of the Act, read with the Rules, the remuneration payable to the Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in item No. 8 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice. Your Directors recommend the passing of this resolution by the shareholders.

In respect of item No. 9

The Members of the Company approved the Special Resolution by way of Postal Ballot dated May 20, 2015, and authorised the Board of Directors or any Committee of the Board to raise funds through issuance of Equity Shares and/or Global Depository Receipts ["GDRs"] and/or American Depository Receipts ["ADRs"] and/or Convertible Bonds/Debentures or any equity linked instruments ["Securities"] as may be appropriate, from persons who may or may not be the existing shareholders, through private placement and/or Qualified Institutional Placement ["QIP"] and/or any other permitted modes at a price to be determined as per the SEBI [Issue of Capital and Disclosure Requirement] Regulations or as per other applicable rules and regulations, to the extent of Rs. 10,000/- Crores [Rupees Ten Thousand Crores Only] in Indian Rupees and/or an equivalent amount in any foreign currency under section 62 read with section 179 of the Act and other applicable laws. While no specific instruments of Securities have been identified at this stage, the Board may opt for one or more appropriate instrument(s) in the best interest of the Company. Such issue shall be subject to the provisions of the Act and Rules made thereunder, Articles of Association of the Company, Securities and Exchange Board of India [Issue of Capital & Disclosure Requirement] Regulations and other applicable laws.

The Company has received an approval of FIPB for the issue of securities upto Rs. 5,000 Crores (Rupees Five Thousand Crore only) pursuant to resolution passed by the members through Postal Ballot process as aforesaid. However, the validity of the Special Resolution passed above shall be only one year, by which the Company was required to issue and allot the securities as envisaged in the aforesaid resolution. Though, the Company is not required to approach FIPB once again for any issue of securities upto Rs. 5,000 Crores, but needs to pass a fresh special resolution by the members.

The Company has been pursuing, both organic process and inorganic opportunities, for its growth. This would require sufficient resources including funds to be available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have requisite enabling approvals in place for meeting the fund requirements of its organic and inorganic growth, capital expenditure, long term working capital, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals. This would also help the Company to take quick and effective actions to capitalize on the opportunities, as and when available.

The requirement of funds is proposed to be met both from equity and debt issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet with the objective of optimization of the cost.

Pursuant to the provisions of section 62(1) of the Companies Act, 2013 [hereinafter referred to as "the Act"] and Rules made thereunder, in case the Company proposes to issue equity shares to any persons other than existing shareholders, whether or not such persons are shareholders, approval of shareholders through a Special Resolution is required.

Pursuant to the provisions of section 42 and 62 of the Act read with Rule 14 of the Companies [Prospectus and Allotment of Securities] Rules, 2014, a Company offering or making an invitation to subscribe aforesaid Equity Shares is required to obtain prior approval of the shareholders by way of a Special Resolution. If approved by the shareholders, QIP shall be completed within one year from the date of passing of Special Resolution.

Since the QIP issue was not completed within one year from the date of the passing of Special Resolution, it is proposed to obtain the consent of the members once again.

In view of the above, it is proposed to seek approval from the shareholders of the Company by way of Special Resolution to offer, create, issue and allot Equity Shares, in one or more tranches, to investors inter alia through QIP by way of private placement and to authorize the Board of Directors [including any Committee thereof authorized for the purpose] to do all such acts, deeds and things in the matter.

The Board may offer a discount of not more than 5% on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

The resolutions contained in Item No. 9 of the accompanying Notice, accordingly, seek shareholders' approval through Special Resolution for raising funds as above through issue of Securities in one or more tranches and authorizing Board of Directors [including any Committee thereof authorized for the purpose] of the Company to complete all the formalities in connection with the issuance of Securities.

Directors or Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company.

In respect of item No. 10

Rule 14 of the Companies [Prospectus and Allotment of Securities] Rules, 2014 prescribed, inter alia, under section 42 of the Companies Act, 2013 deals with the private placement of securities by a Company. It provides that in case of an offer or invitation to subscribe for Non-Convertible Debentures on private placement, the Company shall obtain previous approval of its members by means of a Special Resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to augment long term resources for financing, inter alia, the ongoing capital expenditure and for general corporate purposes including inorganic growth opportunities, the Company may offer or invite for subscription Secured Redeemable Non-Convertible Debentures, in one or more series or tranches on a private placement.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 10 of the Notice. This resolution enables the Board of Directors of the Company to offer or invite for subscription Non-Convertible Debentures, as may be required by the Company, from time to time during the current financial year ending on March 31, 2017.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board recommends the passing of Special Resolution as set out at Item No. 10 of the Notice by the Members.

By order of the Board of Directors

Place: Ahmedabad
Date : May 13, 2016

Upen H. Shah
Company Secretary

Annexure – A

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting
(Pursuant to regulation 36 (3) of the Listing Regulations)

Name of the Director	Mr. Pankaj R. Patel	Mr. Apurva S. Diwanji	Dr. Sharvil P. Patel
Age	64 years	47 years	38 years
Date of Appointment on the Board	May 15, 1995	May 13, 2016	August 1, 1997
Brief resume and nature of expertise in functional areas	<p>Mr. Pankaj Patel, M. Pharm., spearheads Zydus Cadila, one of India's leading pharmaceutical groups and a global healthcare Company with operations in more than 50 countries worldwide. With an experience spanning over 35 years in the Indian pharmaceutical industry, Mr. Patel combines both research and techno-commercial expertise. He has published over 100 research papers in peer reviewed journals and is a co-inventor of more than 64 patents.</p> <p>Mr. Pankaj Patel has been the guiding force behind Zydus' fast tracked growth. From a turnover of Rs. 250 Crores in 1995, the group posted revenues of over Rs. 9838 Crores on a consolidated basis in FY 15-16.</p> <p>In recognition of his contributions to the healthcare industry in India, recently Mr. Pankaj Patel was conferred the Leadership in Drug discovery and development Award from the South Asian Chapter of American College of Clinical Pharmacology, the Acharya PC Ray Memorial Gold Medal Award and the Eminent Pharmacist Award. In January 2014, Mr. Patel was conferred the India Innovator Award 2013 at the India Business Leaders Awards instituted by CNBC. For his entrepreneurial vision, Mr. Patel was awarded the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category.</p>	<p>Mr. Apurva Diwanji completed his law degree from Downing College, Cambridge University, UK and after working in UK with two international law firms, he returned to India to join M/s. Desai & Diwanji, Advocates, Solicitors and Notaries. He is currently a partner with M/s. Desai & Diwanji and is based in Mumbai. He also has an Economics degree from St. Xavier's College, University of Bombay.</p>	<p>Dr. Sharvil P. Patel having specialization in Chemical and Pharmaceutical Sciences from University of Sunderland, U.K. and doctorate for his research work in Breast Cancer at John Hopkins, Bayview Medical Centre, USA. Dr. Patel combines both Pharma and research expertise. Dr. Patel is associated with the Company since 1997 and has contributed a lot in aligning the business and research goals of Zydus group and under his leadership jointly with the Managing Director the group has achieved sales over \$1 bn in 2010-11. It is his dream to make the Company a research – based pharmaceutical company by 2020. Dr. Patel is closely associated with the Yi (Young Indians), a leadership forum initiated by the Confederation of Indian Industry which integrates young professionals from various walks of life for the developmental initiatives in the areas of economy, education, healthcare and environment. Dr. Sharvil Patel has also brought in a new dimension to the Consumer business, giving it much larger positioning in the wellness domain.</p>

Name of the Director	Mr. Pankaj R. Patel	Apurva S. Diwanji	Dr. Sharvil P. Patel
Brief resume and nature of expertise in functional areas	<p>With a firm belief that the right approach to education makes all the difference in shaping future citizens and professionals in a country, Mr. Pankaj Patel is actively involved in various educational institutions and is on the advisory committees and academic councils of several educational institutions.</p> <p>Mr. Patel is the Chairperson of the Board of Governors of the Indian Institute of Science Education and Research [IISER], Kolkata. Mr. Patel is currently the Vice President of the Federation of Indian Chamber of Commerce & Industry (FICCI). He is also a Member of the Board of Governors and also the Chairman of the Finance Committee of the Indian Institute of Management, Ahmedabad. Mr. Patel is also currently on the Governing Board of the Ahmedabad University, Chairman of School of Life Sciences, Ahmedabad University and a Member of the Board of Management of the Narsee Monjee Institute of Management Studies.</p> <p>Mr. Pankaj Patel has also officiated as the President of the apex Pharma body – the Indian Pharmaceutical Alliance. He is the Executive Chairman, Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre and one of the largest cancer centers of India, reaching out to the needy and underprivileged cancer patients.</p>		Zydus Wellness Limited is creating several novel experiences for the consumers under the leadership of Dr. Sharvil Patel.
Relationship between Directors inter-se	Mr. Pankaj R. Patel, Chairman and Managing Director is father of Dr. Sharvil P. Patel, Deputy Managing Director.	NIL	Dr. Sharvil P. Patel, Deputy Managing Director is son of Mr. Pankaj R. Patel, Chairman and Managing Director.
Name of the listed companies in which the person also holds Directorships and membership of committees of the Board	<p>Other Directorships :</p> <p>1. Torrent Power Limited</p> <p>Committees:</p> <p>Stakeholders' Relationship committee - Chairman</p>	<p>Other Directorships :</p> <p>NIL</p> <p>Committees:</p> <p>NIL</p>	<p>Other Directorships :</p> <p>1. Zydus Wellness Limited</p> <p>Committees:</p> <p>NIL</p>
Shareholding of Non-Executive Directors	N.A.	NIL	N.A.

ATTENDANCE SLIP**CADILA HEALTHCARE LIMITED**

[CIN:L24230GJ1995PLC025878]

Regd. Office: "Zydus Tower", Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015

Email: investorsgrievances@zyduscadila.com Website: www.zyduscadila.com

Phone: +91 268 68 100 [20 Lines] Fax +91 268 62 365

TWENTY FIRST ANNUAL GENERAL MEETING

2016

I/We hereby record my/our presence at the Twenty First Annual General Meeting of the Company at J. B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 on August 3, 2016 at 11.00 a.m.

Member's Folio/DP ID-Client ID No.

Member's/Proxy's name in Block

Member's/Proxy's Signature

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL**.
2. Electronic copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form are sent in the permitted mode(s) to all members whose email address is not registered or have requested for a hard copy.

PROXY FORM

CADILA HEALTHCARE LIMITED

[CIN:L24230GJ1995PLC025878]

Regd. Office: "Zydus Tower", Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015

Email: investorsgrievance@zyduscadila.com Website: www.zyduscadila.com

Phone: +91 268 68 100, Fax +91 268 62 365

Name of the member (s):

Registered address:

E-mail Id:

Folio/DP ID-Client ID No.:

I/We being the member(s) holding shares of the above named Company hereby appoint:

(1) Name:..... Address:.....

E-mail ID:..... Signature:.....or failing him/her;

(2) Name:..... Address:.....

E-mail ID:..... Signature:.....or failing him/her;

(3) Name:..... Address:.....

E-mail ID:..... Signature:.....;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company, to be held on Wednesday, the August 3, 2016 at 11.00 a.m. at J. B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars of Resolution	Optional	
		For	Against
Ordinary Business:			
1.	Adoption of Financial Statements [including consolidated financial statements] for the year ended on March 31, 2016.		
2.	Confirmation of Interim Dividend declared and paid as final dividend.		
3.	Reappointment of Dr. Sharvil P. Patel, Deputy Managing Director retiring by rotation.		
4.	Ratification of appointment of Statutory Auditors and to fix their remuneration.		

Sr. No.	Particulars of Resolution	Optional	
		For	Against
Special Business:			
5.	Re-appointment of Mr. Pankaj R. Patel as Chairman and Managing Director of the Company.		
6.	Appointment of Mr. Apurva S. Diwanji as an Independent Director of the Company.		
7.	Payment of commission to Directors other than Managing Director, Deputy Managing Director or Whole time Director.		
8.	Ratification of remuneration to Cost Auditors.		
9.	Issue of securities through Qualified Institutional Placement/Foreign Currency Convertible Bonds, etc.		
10.	Issue of Secured/Unsecured Redeemable Non-convertible Debentures/Bonds.		

Signed this day of 2016

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty First Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Notes

Notes

OUR MISSION & VALUES

Our Mission

We are dedicated to life... in all its dimensions.

Our world is shaped by a passion for innovation, commitment to partners and concern for people in an effort to create healthier communities, globally.

Our Core Values

We, the members of the Zydus Group hold the following values to be the foundation of our identity as Zydans. We shall endeavour to think and act, at all times, in accordance with these values.

We are...

Adaptable to change

We welcome change for the better. Our approach is always positive with a 'can-do' spirit.

People- driven

We build the capabilities of our people. This is fundamental to our growth in business.

Committed to deliver

We give our best in all that we undertake and are committed to delivering on time.

Innovative in what we do

We innovate through our ideas, approaches and efforts - at every opportunity.

Humble

We remain modest and humble in our achievements. Our work speaks for itself.

Value-driven

We seek value and maximise our gains by using our resources judiciously.







Cadila Healthcare Ltd.

CIN-L24230GJ1995PLC025878

Zydus Tower,
Satellite Cross Roads,
Ahmedabad - 380015
Gujarat, India.