



Cadila Healthcare Limited
Annual Report 2014-15

An Upswing into the new decade

Our journey began in 1995...

Over the last two decades,

our growth momentum

has been gathering force,

overcoming challenges and driving successes.

The collective will of our people

is a powerful catalyst,

backing ideas with action,

traversing every horizon of opportunity,

and creating a canvas that's bold, imaginative and striking.

As we step into a new decade of our organisational journey

It's this 'Upswing'

of collective will, growth and dynamism

that will take us to new possibilities and new shores of success.


2015





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Mr. Ramanbhai B. Patel

Founder Chairman, Zydus Cadila Healthcare Ltd

August 19, 1925 – September 19, 2001

It was a pioneering vision of our Founder Chairman that led to the foundation of this enterprise. He nurtured a dream to bring novel therapies to the market which could treat unmet healthcare needs and some of his early innovations were just that : novel concepts that brought succour to millions of people. Today, as an innovation-led organization, we reaffirm our commitment to this dream. With each new innovation we re-live this commitment to make the world a healthier, happier place. Our discovery of **Lipaglyn** to treat diabetic dyslipidemia two years ago was a historic milestone. Our innovation of **Exemptia**, the therapy to treat inflammatory arthritis, last year bridged a longstanding need. Both these novel therapies are a tribute to his pioneering vision and spirit.

INDIA'S CONTRIBUTION TO THE WORLD



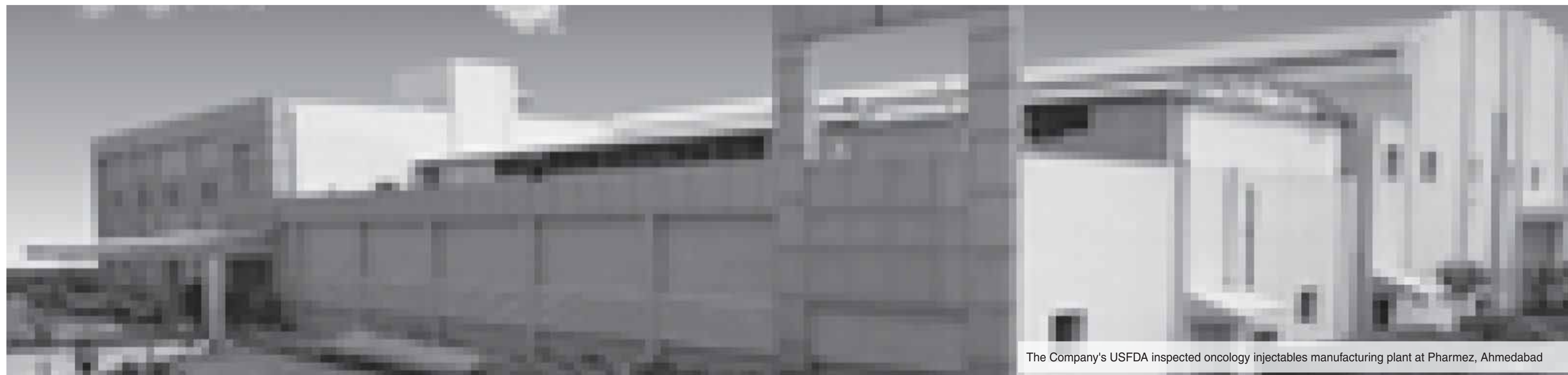
Now a hope for millions. A novel drug to treat Inflammatory Arthritis.

Exemptia is the world's first biosimilar of Adalimumab – the world's largest selling therapy. The revolutionary therapy that has been providing a new lease of life to millions of patients suffering from inflammatory arthritis globally, is now accessible to patients in India.

Developed at the Zydus Research Centre, Exemptia treats Rheumatoid Arthritis, Juvenile Idiopathic Arthritis, Psoriatic Arthritis, Ankylosing Spondylitis, Crohn's Disease, Paediatric Crohn's Disease and Ulcerative Colitis.

We strongly believe that innovation must impact and improve lives. That's what our journey of innovation is all about – from bridging unmet healthcare needs to empowering lives, we live our mission of creating healthier and happier communities globally.





The Company's USFDA inspected oncology injectables manufacturing plant at Pharmez, Ahmedabad

Highlights of Operations - 2014-15

Home Markets

US Formulations

- The business crossed US\$ 500 Mio., in sales for the first time and became the largest contributor to the consolidated topline.
- Filed 38 ANDAs with the USFDA during the year, taking the cumulative ANDA filings to 260. Launched 9 new products in the US market.
- The US Formulations business posted sales of Rs.33,932 Mio., up by 56%.

India Formulations

- Launched Exemptia™, the world's first biosimilar of Adalimumab to be approved anywhere in the world to treat inflammatory arthritis.
- Retained leadership positions in the Cardiology, Gynaecology and Respiratory therapy areas while in the Gastro Intestinal and the Dermatological space, ranked amongst the top five companies in the market.
- Launched over 55 new products including line extensions in India, of which 19 were first in India.
- Overall, the formulations business in India posted sales of Rs.26,772 Mio., up by 8.6%.

Latin America Formulations

- In Brazil, undertook several brand building initiatives to strengthen the Branded business while in Mexico, launched two new divisions to focus on the segments of Cardiology and Central Nervous System.
- Launched 7 new products in Mexico during the year.
- Overall, the Latin America formulations business posted sales of Rs.2,348 Mio.

Other Markets and Businesses

Europe Formulations

- Rationalized the product portfolio in France by expanding the share of in-house products. The performance in Spain was mostly in line with the market with focus on increasing the customer base and the share of in-house products.
- Launched 5 new products in the French generic market, of which, 2 were Day-1 launches. In Spain, launched 12 new products, including 1 Day-1 launch.
- Overall, the European business posted sales of Rs.3,376 Mio.

Emerging Markets Formulations

- Launched 20 new products in the different markets of Asia Pacific, Africa and Middle East during the year.
- Overall, the Emerging Markets business posted sales of Rs.4,075 Mio. during the year, up by 14%.

Consumer Wellness

- Completed a major revamp of the entire distribution model which encompassed consolidating the number of distributors and replacing the Company sales representatives with distributor representatives who are managed by a team of the Company's sales supervisors.
- Sugar Free, India's leading sugar substitute, continued to maintain a dominant position with a commanding 93% market share.
- In the EverYuth category, continued thrust on new product launches with the launch of several variants in the existing categories.
- In the Nutralite category, launched an upgraded formulation with Omega-3, targeted at the retail customers.

- Zydus Wellness Ltd. registered sales of Rs.4,430 Mio., up by 3% and net profit of Rs.1,089 Mio., up by 13%.

Animal Health

- Received "The Best Poultry Company of India – Fortune Award 2014".
- Launched 8 new products in India.
- On a consolidated basis, animal health business posted sales of Rs.3,083 Mio., with a growth of 12% during the year.

API

- Filed 10 DMFs with the USFDA, taking the cumulative US DMF filings to 116.
- API business grew by 6% and posted sales of Rs. 3,723 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 audits by several regulatory authorities including the USFDA and ANVISA.
- The Company acquired 50% stake of the JV partner in Zydus BSV Pharma Pvt. Ltd., making it a wholly owned subsidiary with effect from 26th March, 2015.

New Technologies and NCE

- Completed Phase III clinical trials for one of the monoclonal antibodies (mAb).
- Completed global clinical trials for one of the biosimilars for launching the same in the developed markets.
- On the novel biologics front, received the regulatory approval to initiate the next phase of clinical trials for both PEGEPO and Rabimabs.
- Development of ten vaccines reached the last stage of testing before the marketing authorization.

- On the NCE front, successfully completed the first year of the post-marketing patient registry programme for Lipaglyn™ (Saroglitazar). Initiated development of Lipaglyn™ for additional indications viz. Non-alcoholic Steatohepatitis (NASH), Lipodystrophy and Type 2 diabetes.
- Initiated Phase I clinical trials in the United States for ZYDPLA 1, a novel, next generation, orally active, small molecule DPP-4 inhibitor to treat Type-2 Diabetes.

Manufacturing Operations

- The Moraiya formulations facility was awarded the 'Green Manufacturing Award –Gold Category' by International Research Institute for Manufacturing.
- The Baddi formulations facility was awarded 'Gold Certificate Merit' in IMEA – India Manufacturing Excellence Awards 2014 by The Economic Times in partnership with Frost & Sullivan.
- Both the API manufacturing facilities at Ankleshwar and Dabhasa successfully completed audits by the USFDA.

Financial Highlights

- Gross sales revenue was up by 20% y-o-y to Rs.86.6 bn. from Rs.72 bn. last year.
- Earnings before interest, depreciation and tax grew by 46% to Rs. 17,557 Mio., from Rs. 12,001 Mio., last year. The EBIDTA margin as percentage to total income from operations improved by 3.7% to 20.3% from 16.6% last year.
- Net profit was up by 43% to Rs. 11,506 Mio., from Rs.8,036 Mio., last year. The net profit margin as percentage to total income from operations improved by 2.2% to 13.3%.
- Return on net worth improved to 30.1% during the year compared to 25.6% registered in last year.



"We believe that the pursuit of excellence often inspires higher levels of thinking and application that can transform outcomes and this is essential if we wish to take our performance to the next level in order to deliver even greater value."

Chairman's Message

A JOURNEY OF EXCELLENCE : 20 YEARS AND BEYOND...

The year 2014-15 was an epochal one for Zydus. We completed two decades of our journey which began in 1995. The journey of growth which began in a small way has been gathering momentum with each passing year, adding new dimensions and venturing into pioneering pathways. In this eventful journey, each year has been packed with achievements that underline our committed performance.

Our approach to strategy and the blueprint for growth has been quite interesting. After every five years, we get back to the drawing board, define new business goals and chart out the best way to get there. This process of planning for the future has served us well. It has helped consolidate the fundamental strengths of our organisation and acquire new dimensions as we grow. Perhaps it is this that has helped us accelerate our growth despite the changing regulatory and competitive environment through the years.

We reinforced our strategy in 2014 by placing a more intense focus on achieving Excellence – in our operations, processes, products and services. We believe that the pursuit of excellence often inspires higher levels of thinking and application that can transform outcomes and this is essential if we wish to take our performance to the next level in order to deliver even greater value.

VISION: AN INNOVATION-LED, GROWTH-FOCUSSED ENTERPRISE

Twenty years ago we had the vision to create an enterprise which will offer novel healthcare solutions with a technology cum quality focus and the agility to respond quickly to opportunities and challenges. This vision continues to drive exceptional results across virtually every business vertical at Zydus. Zydus has emerged as an ethical and respected healthcare provider in the marketplace. We got there by pursuing a clear strategic vision, maintaining a disciplined, long term viewpoint and instilling values that promote a culture of professionalism and excellence.

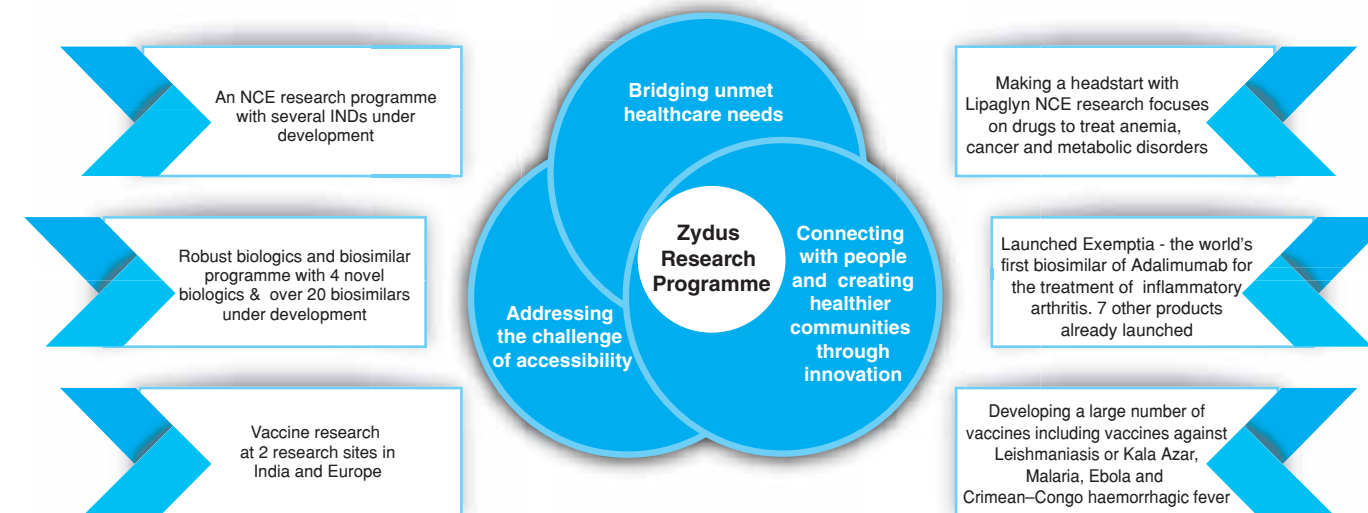
STAYING DISCIPLINED AND FOCUSED

Approaching our goals with discipline and focus has been essential to our approach. Each time we look at a growth horizon, we look at how we can improve and add value to our business, how we can make a difference in the markets that we operate in, make our offerings more expansive and deliver on our mission to create healthier communities globally. To do this, we need to ensure that we actively manage our plans and bring them to fruition.

Zydus' strategy has been to focus on four pathways: leveraging our core strengths, improving the efficiency of our operations, optimising our resources and enriching the capabilities of our people as we move on to a higher growth trajectory. This approach recognizes that our journey of growth is intrinsically linked with a futuristic, forward looking vision and thought. Our overarching goal is to keep our 20-year-old company founded on a legacy of 60 years, forever young and strong. We do this by revisiting our growth plans every five years, ideate and engage in a dialogue across the organisation on where we wish to be and what we need to do to get there. Having created this blueprint, we harness diverse energies and put our plans to action. The five year growth plan which we embarked upon in 2011 is in its final course. We hope to end the year 2015-16 on an Upswing as we cruise to yet another growth milestone.

AS INNOVATION UNLOCKS VALUE

Innovation forms the core of what we do. Over the last 15 years, we have invested in building a culture of innovation at Zydus and now we have a compelling portfolio of innovative medicines, including small molecule NCEs, biosimilars, novel biologics, vaccines and novel formulations. These initiatives over the last many years has the potential to transform Zydus into a premier innovative pharmaceutical company by 2020.



Making headway with our NCE Programme

Lipaglyn, our NCE and a first-in-class medicine to treat diabetic dyslipidemia is delivering excellent results. More than 1 lac patients in India are now on this novel drug. Lipaglyn's unique and differentiated profile is being further explored and we are now developing this product globally for additional indications, and have initiated Phase III studies of Lipaglyn for treating Lipodystrophy and another Phase III study in Non-Alcoholic Steatohepatitis (NASH), an important global unmet medical need.

During the year 2014, we presented important scientific and clinical data on Lipaglyn. At the Keystone NASH symposium in British Columbia, our scientists presented the efficacy of Saroglitazar in preclinical models of NASH.

The American Association for Clinical Endocrinologists (AACE) meeting at Nashville, USA this year featured our path breaking presentation on 9 month safety and efficacy of Saroglitazar in patients with diabetic dyslipidemia, which was very well received among the endocrinologists.

The American Diabetes Association (ADA) meeting this year at Boston, USA, which is the largest gathering of endocrinologist and cardiologists from across the world featured several presentations on Saroglitazar's efficacy and safety in treating NASH, diabetes and dyslipidemia. We believe that this medicine discovered by your company will become an important therapy worldwide for the treatment of hypertriglyceridemia, diabetic dyslipidemia and NASH.

New therapies to treat diabetes and metabolic disorders

We continue to pioneer new therapies for treating diabetes and metabolic disorders. We are developing ZYDPLA1, a once-weekly DPP-IV inhibitor for treating diabetes, which is currently undergoing Phase I clinical development in USA.

Anemia is a serious medical condition linked to increased morbidity and mortality, and is commonly observed in patients with chronic kidney disease (CKD). Our molecule, ZYAN1, an oral HIF-PH inhibitor for treating anemia, is currently undergoing Phase-I trials in Australia. We believe that this molecule will have an edge over currently available injectables like Erythropoietin, currently used for the treatment of Anemia.

Cancer is a leading cause of death worldwide and Zydus has consistently focused on finding newer and better cures for breast, lung and ovarian cancer and hematological malignancies. We are developing a number of NCEs which are currently under pre-clinical development and have a number of biologics and NCEs in early development.

Racing ahead with our biologics research programme

Our research programme is also aimed at finding better cures for people living with various kinds of inflammation, like rheumatoid arthritis, psoriasis, ulcerative colitis, Crohn's disease as well as chronic pain. We believe that our drug candidates here will help address several unmet medical needs for patients suffering from these diseases.

Biosimilars

Utilising our scientific and manufacturing expertise over the last many years, we have built one of the largest biosimilars pipelines in the industry. In 2014, we launched Exemptia, the world's first biosimilar version of Adalimumab in India. A 'fingerprint match' in terms of safety, purity and potency of the product, Exemptia brings succour to millions of patients suffering from inflammatory arthritis in India. Exemptia treats Rheumatoid Arthritis, Juvenile Idiopathic Arthritis, Psoriatic Arthritis, Ankylosing Spondylitis, Crohn's Disease, Paediatric Crohn's Disease and Ulcerative Colitis. We have 7 marketed products and over 20 biosimilars in various stages of development to serve the biosimilars market expected to touch over USD 20 bn by 2020.

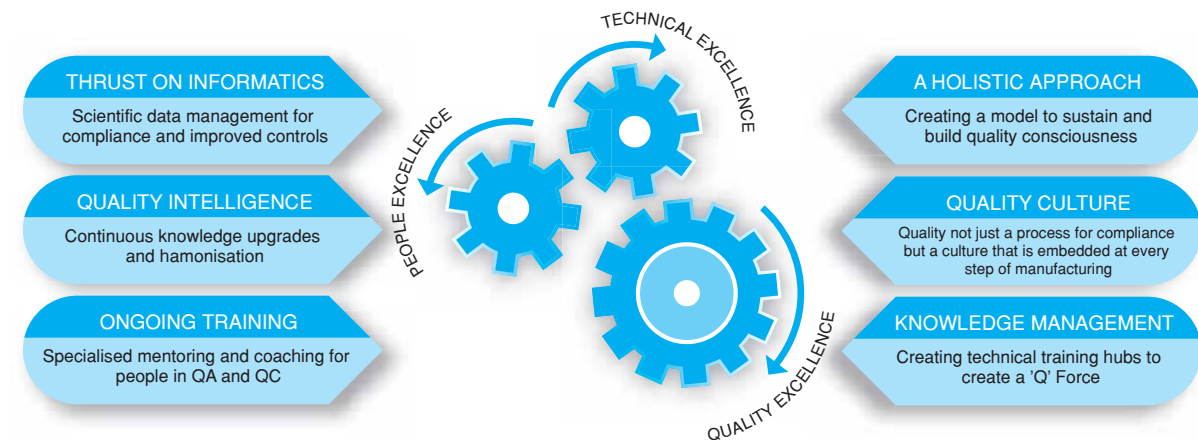
Focussing on preventive medicines – a robust vaccine research programme

With two vaccine research sites in India and Europe and an innovative late stage vaccine pipeline, we believe that this will enable us to launch a number of vaccines, including influenza, measles/mumps/rubella/varicella, typhoid, DPT-Hib, Hepatitis A, B, E, Japanese encephalitis, HPV over the next few years and create tremendous growth opportunities for our business. Our vaccines research programme is also focused on developing vaccines against Leishmaniasis or Kala Azar, Malaria, Ebola and Crimean–Congo haemorrhagic fever.

INSITUATIONALISING A CULTURE OF QUALITY

This organisation was founded with Quality as its cornerstone. 'Cadila for Quality' became a credo of the organisation in the 1950s and since then it has formed an essential part of who we are and what we do.

A MULTI-PRONGED APPROACH TO QUALITY



A journey of excellence is an ongoing one where there is continuous improvement and learning. This is also important if Quality has to become a way of life. The three signposts which guide us in our journey towards quality excellence are technology, training and sustainability. While technology opens the door to scientific data management and improved controls, continuous training helps us create the right focus and environment in the workplace. Quality management today has evolved into a science that calls for more integration, close monitoring of process performance and putting a model in place which ensures that corrective steps and preventive actions are initiated in a timely and effective manner. Continuous improvement is the key to sustaining and consistently delivering on quality parameters. The enablers that connect and catalyse all these processes into a harmonised pharmaceutical quality system are knowledge management and quality risk management. All of these aspects combine to create a quality consciousness that is above all patient-centric. At Zydus, embedding quality is about continuously improving, raising the bar, sustaining these efforts and institutionalising them to create a culture of quality.

VALUE COMES FROM DOING THE RIGHT THINGS AND DOING THINGS THE RIGHT WAY

Exceptional performance begins with exceptional people and we aim to attract and hire the best and brightest talent. With expertise and insights from around the world and across diverse geographies, we have created an environment that supports excellence in every way. We seek to provide a workplace that inspires people to be the best they can be. Our journey of growth and success is a testament to the talent and resourcefulness of our people. I would like to thank them wholeheartedly for their passion, dedication and hard work. Guided by a spirit of entrepreneurship they have actively sought out opportunities to drive efficiencies and support business growth. In the coming years, we have diverse pathways to explore and an extraordinary team with a relentless commitment to excellence, providing the expertise and wisdom to guide our decisions. We remain extremely well positioned to deliver strong results, grow our businesses, our people and unlock opportunities that lie ahead of us.

We thank all our stakeholders for their confidence in us. As we step into a new decade, there are many reasons to be excited about the future of our business. There will be more opportunities to deliver something meaningful and purposeful as we race ahead with our plans for your Company's future in the years to come.

Pankaj R. Patel
July 2015



Management's Discussion & Analysis - 2014-15

Economy and Industry Overview

Global Economy and Pharmaceutical Industry

The global economy gained marginal momentum during 2014 and grew by 2.6% as against the 2.5% growth registered in 2013. The recovery of the global economy has been weaker than anticipated due to the disappointing growth in the Eurozone, Japan, part of emerging Europe region, especially Russia and Latin America. The high income economies of the world witnessed slight improvement in growth as they grew by 1.8% in 2014 compared to 1.4% growth registered in 2013. However, the recovery in these countries has been highly uneven as many of these countries continue to grapple with the aftermath of the global financial crisis. While the United States and the United Kingdom have exceeded the pre-crisis output peaks, others, especially the Euro Area countries, are still below the earlier peaks. The growth registered by the developing countries slipped to 4.4% in 2014 compared to 4.9% in 2013. Several large middle-income economies slowed down on account of cyclical factors, domestic policy tightening and political tensions, reducing the overall growth registered by the developing countries. The low-income countries, on the other hand continued to grow at a robust pace, despite a challenging global environment. Though the economies of the developing countries have recovered after the financial crisis in 2008, the output growth in these countries has settled at a pace below that was registered during the first decade of the 21st century (Source: Global Economic Prospects, January 2015 by World Bank).

The crude oil prices declined sharply in the second half of 2014 and had its impact on the global economy. While low oil prices support global growth, they will cause significant income shifts from oil-exporting countries to oil-importing ones. Further, sustained low prices could severely undermine fiscal resources and external balances in several already fragile oil exporting economies in the Middle East, Europe and Central Asia, and Latin America (Source: Global Economic Prospects, January 2015 by World Bank).

The global pharmaceutical industry is estimated to have grown by approximately 7% in 2014 and reached a size of over US\$ 1050 bn. The growth in 2014 was higher compared to the growth of around 4.5% registered during the period 2008 to 2013. The United States, the world's largest pharmaceutical market and the developing markets of Asia, Africa, Australia and Latin America, which are termed as 'pharmerging' markets propelled the growth of the global pharmaceutical market as all these markets grew in excess of 10% during 2014. The top 5 pharmaceutical markets of Europe, on the other hand, registered a lower growth of around 3%. The United States remained the world's largest pharmaceutical market accounting for more than 30% market share (Source: IMS).

The global market of generic drugs grew faster than the overall pharmaceutical market and is estimated to have reached a size of approximately US\$ 200 bn. in 2014. In terms of volumes, the share of generics has increased globally over the last decade. The United States remains the world's largest generics market accounting for more than 30% of market share (Source: IMS).

Indian Economy and Pharmaceutical Industry

The financial year 2014-15 was the year of revival for the Indian Economy as it grew in excess of 7% for the first time since the financial year 2010-11. The key driver of the growth was the service sector which grew by 10.6% during the year. The performance of the industrial sector also improved during the year and registered a growth of 5.9% compared to 4.5% growth registered during 2013-14. Agriculture and allied sectors witnessed a slowdown during the year as they grew by just 1.1% during the year compared to 3.7% growth registered during 2013-14 (Source: Monthly Economic Report, March 2015, as published by the Ministry of Finance, Govt. of India).

The average Wholesale Price Index (WPI) inflation rate, which is the measure of increase in the prices of commodities, displayed a declining trend during the year 2014-15. In the initial four months of the year, it remained in the range of 5% to 6%. However, from the month of August 2014, it began to fall sharply and in the month of November, 2014, it became nil. The last three months of the financial year registered negative WPI inflation. Overall, the WPI inflation rate for the financial year was 2% as against 6% registered during the year 2013-14. The last quarter of the financial year saw reduction in the Bank Rate and Repo Rate by 50 basis points each by the Reserve Bank of India on account of prevailing disinflationary pressures in the economy (Source: Monthly Economic Report, March 2015, as published by the Ministry of Finance, Govt. of India).

The performance of the Indian Rupee against the US Dollar was stable during the year as it remained in the range of Rs. 60 to Rs. 63 per US Dollar during most part of the year. However, the Indian Rupee appreciated significantly against the other global currencies like the Euro and Japanese Yen (Source: Monthly Economic Report, March 2015, as published by the Ministry of Finance, Govt. of India).

The financial year 2014-15 turned out to be the year of recovery for the Indian pharmaceutical market after it was adversely impacted in the previous year mainly due to the downward price revisions in several drugs notified by the Drug Price Control Order 2013. During the year 2014-15, the Indian pharmaceutical market grew by 12.9% as against the growth of a mere 6.1% registered during the year 2013-14. The beginning of the year was slow as the market grew by just 7.3% in April 2014. However, from the month of May 2014, the growth rate bounced back to double digits and the market continued to grow in excess of 10% for the most part of the year. The growth accelerated towards the later part of the year as the last quarter of the financial year registered a growth in excess of 17%. Out of the total market growth, about half was led by the volume expansion while the remaining half was divided almost equally between price increase and the new product introductions (Source: AWACS Report, MAT March 2015).

The growth of the chronic segment outpaced the growth of the acute segment although both the segments grew in double digits. In terms of contribution to the overall market, the acute segment still dominates as it accounted for approximately 70% of the market while the contribution of chronic segment was 30%. Anti-infectives was the largest therapeutic area, accounting for around 16% of the market while the anti-diabetic segment was the fastest growing therapeutic area during the year with a growth of around 25% (Source: PharmaTrac MAT March 2015).





Home Markets

US Formulations

USA is the world's largest pharmaceutical market, both for branded and generics drugs, accounting for more than 30% of the global market (Source:IMS). The Company is present in the generic pharmaceuticals market in the USA. Zydus Pharmaceuticals (USA) Inc., the wholly-owned subsidiary of the Company spearheads its operations in the USA.

As per the IMS report, the Company is currently ranked 8th amongst the USA generics companies based on scripts, thus maintaining its position of the previous year.

During the year 2014-15, the Company's business in the USA crossed US\$ 500 Mio. in sales for the first time and became the largest contributor to the consolidated topline. The USA business posted sales of Rs.33,932 Mio. during the year, up by 56%.

The Company launched 9 new products in the USA market during the year. In terms of ANDA filings, 38 more ANDAs were filed with the USFDA during the year, taking the cumulative ANDA filings to 260. On account of stronger focus on customer service, the Company continued to receive awards for superior service levels from its large wholesale customers. Going forward, the Company will continue to focus 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 USA generics market.

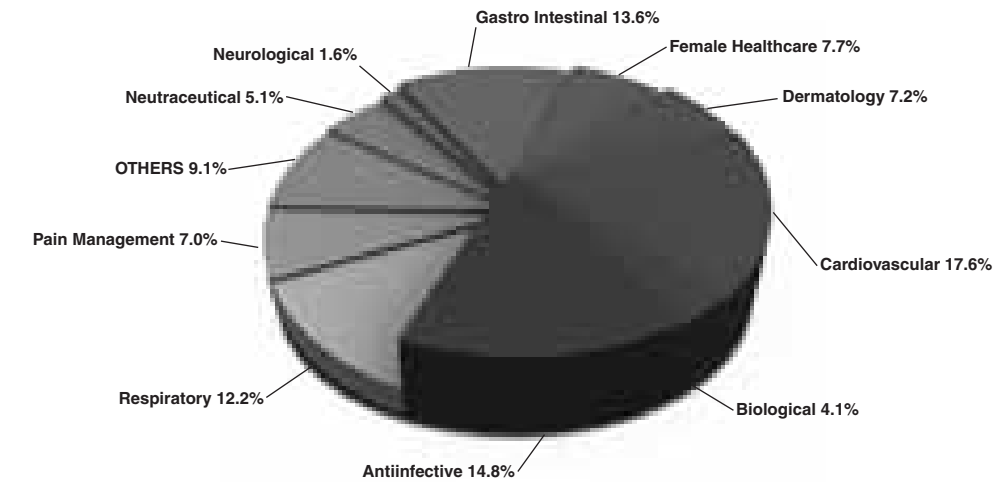
India Formulations

Company's formulations business in India, currently the second largest contributor to the topline, faced several challenges during the year which impacted the sales growth. These challenges were mainly in the form of discontinuation of the business of a few in-licensed products and the National Pharmaceuticals Pricing Authority (NPPA)'s order to reduce the prices of a few cardiac and diabetic drugs, impacting the primary sales.

The Company retained its leadership position in the Cardiology, Gynecology and Respiratory therapy areas while in the Gastro Intestinal and Dermatological space, the Company is ranked amongst the top 5 companies in the market. 13 of the Company's brands feature amongst the top 300 pharmaceutical brands in India (Source: AWACS Report, MAT March 2015). The Company continued its thrust on adding new products to its portfolio and launched more than 55 new products, including line extensions, during the year, of which, 19 were first-time launches. This included the launch of Exemptia™, the world's first biosimilar of Adalimumab to be approved anywhere in the world to treat inflammatory arthritis. Overall, the Company's formulations business in India posted sales of Rs.26,772 Mio. during the year, up by 8.6 % from Rs.24,651 Mio. last year.

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



Latin America Formulations

Valued at around US\$ 75 bn., the Latin American pharmaceutical market has been growing in double digits for the last few years and offers much potential for growth on account of urbanization, greater access to education and rising income levels. Brazil and Mexico are the two largest pharmaceutical markets of Latin America having a combined share in excess of 50% (Source: IMS and Americas Market Intelligence Report).

Brazil is the largest pharmaceutical market in Latin America and one of the most promising pharmerging markets across the globe. With the increased government spending on healthcare and rising per capita income, potential for growth of the pharmaceuticals market in Brazil is quite high. However, the overall slowing down of the economy and the continuous weakening of the Brazilian Real vis-a-vis the US Dollar impacted the growth of the Brazilian pharmaceuticals market during the year under review.

The Company's business in Brazil faced a few challenges during the year, the major one being the lack of new product approvals. Despite that, the branded business grew during the year mainly on account of several brand building initiatives undertaken by the Company. During the year, the Company filed 10 new products dossiers with the regulatory authority.

In Mexico, the second largest pharmaceutical market in Latin America, valued at around US\$ 9 bn. as per IMS, the Company is present through its subsidiary Zydus Pharmaceuticals Mexico S.A. de C.V.

During the year, the Company launched two new divisions in the Mexican subsidiary to focus on the segments of cardiology and the central nervous system. 7 new products were launched in Mexico during the year, taking the cumulative number of launches to 15. The Company continued to develop new products for the Mexican market and filed 7 new product dossiers with the Mexican regulatory authority COFEPRIS during the year, taking the cumulative number of filings to 43. In terms of new product approvals, 14 products were approved by COFEPRIS during the year, taking the cumulative number of approvals to 24.

Overall, the Company's business in Latin America posted sales of Rs. 2,348 Mio. during the year.



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Other Markets and Businesses

Europe Formulations

The Company is present in the generics market of France through its subsidiary, Zydus France SAS while in the Spanish generics market, its presence is marked by its subsidiary, Laboratorios Combix S.L. The year under review turned out to be a challenging one for the French generics market as it declined by 2% (Source: GERS Report, MAT February 2015) reflecting the price cuts imposed by the Government. However, the French Government has identified a few actions to support the generics penetration, which may provide some relief from the pricing pressure through the volume growth, going forward. The Spanish generics market, which is highly competitive, grew by 5% (Source: IMS Report, MAT February 2015) during the year. In future, this market is expected to continue to strengthen, as the fiscal crisis has started to ease.

During the year, the Company rationalized its product portfolio in France by expanding the business of in-house products' portfolio. This strategy impacted the growth in topline but resulted in improved profitability. The Company launched 5 new products in France, including 2 Day-1 launches. In Spain, the Company performed mostly in line with the market, with a focus on increasing the customer base and the share of in-house products. The Company launched 12 new products, including a Day-1 launch in the Spanish market during the year. Going forward, the focus will continue to be on increasing the proportion of products supplied from India, so as to remain competitive in both these markets. Overall, the Company's business in Europe posted sales of Rs. 3,376 Mio. during the year.

Emerging Markets Formulations

During the year, the Company continued to focus on brand building initiatives and strengthening the branded generics portfolio in the key markets of Asia Pacific, Africa and the Middle East to ensure sustainable growth both in the topline and in the bottom-line. The Company launched 20 new products in different markets of Asia Pacific, Africa and the Middle East during the year. Overall, the Company's business in the emerging markets of Asia Pacific, Africa and the Middle East posted sales of Rs.4,075 Mio., up by 14% during the year.

APIs

The Company's APIs and intermediates business is the foundation of the formulations business of the Company globally as it ensures the uninterrupted supply of the 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 fulfills the requirements of external customers as well by supplying them APIs and intermediates at the most competitive prices.

Consumer Wellness

The Company is present in the niche consumer wellness space through its subsidiary, Zydus Wellness Limited, which has three established brands viz. Sugar Free, a low calorie sugar substitute, EverYuth, a range of skincare products and Nutralite, a cholesterol free table spread.

During the year 2014-15, Zydus Wellness completed a major revamp of the entire distribution model so as to align the same with the practice being followed in the FMCG industry. The change involves consolidating the number of distributors and replacing the company's sales representatives with the distributor representatives who are managed by a team of the company's sales supervisors.

In terms of performance of brands, Sugar Free maintained its leadership position in the low calorie sugar substitute market with a commanding 93% market share (A.C. Nielsen MAT March'15 report). During the year, the Company launched Sugar Free 'Stevia' in limited zones.

In the category of skincare products, EverYuth continued to maintain its leadership position in the scrub and peel-off categories. The Company continued its thrust on new product launches with the launch of several variants in the existing categories.

In order to strengthen the health credentials of Nutralite, the Company launched an upgraded formulation with Omega-3, a fatty acid which is good for the brain, eyes and heart, targeted at the retail customers. This initiative provides an additional support for the brand in the competitive market.

During the year, Zydus Wellness Ltd. registered sales of Rs. 4,430 Mio., up by 3% and net profit of Rs. 1,089 Mio., up by 13%.

Animal Health

With a long presence, the Company ranks amongst the leading animal health companies of India. During the year, the Company received "The Best Poultry Company of India – Fortune Award 2014". The Company continued with its thrust on new product launches and launched 8 new products in the animal health market in India, during the year. Bremer Pharma GmbH, the German subsidiary of the Company runs the global animal health business. It has a presence in more than 50 markets across the world. During the year, its manufacturing facility in Germany successfully completed the GMP audit.

On a consolidated basis, the Company's animal health business posted sales of Rs. 3,083 Mio., with a growth of 12% 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 gamut 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 also recognized as one of the Best Units for Excellence in Environment by the 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. During the year, the JV successfully completed audits by the several regulatory authorities including the USFDA and the ANVISA. The JV has also successfully completed inspection from the ISO/OHSAS during the year.

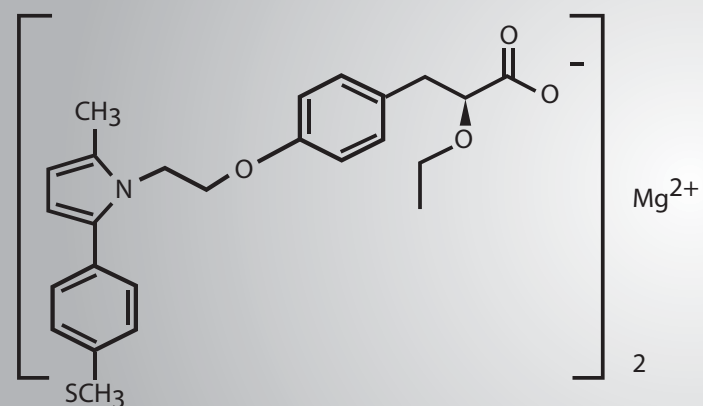
C. Bayer Zydus Pharma Pvt. Ltd.

Bayer Zydus Pharma, a joint venture between the Company and Bayer Schering Pharma AG, markets finished pharmaceutical formulations in India. The JV has successfully completed its fourth 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.

D. Zydus BSV Pharma Pvt. Ltd.

Zydus BSV was a 50:50 joint venture between the Company and Bharat Serums and Vaccines Ltd. During the year, the Company acquired the 50% stake of the JV partner, making it the wholly owned subsidiary of the Company with effect from 26th March, 2015. During the year, it filed 2 more ANDAs with the USFDA.

Overall, the Company's JVs and alliances posted sales of Rs.4,704 Mio., with a growth of 3% during the year.



The structure of Saroglitazar



New Technologies and NCE

NCE Research

The Company's state-of-the-art Zydus Research Centre (ZRC) spearheads the Company's New Chemical Entity (NCE) research activities. The Company currently conducts basic new drug discovery research in cardio-metabolic, inflammation, pain and oncology therapeutic areas. During the year, ZRC received the 'Gujarat State Safety Award' for the Lowest Disable Index from the Gujarat Safety Council.

During the year, the Company successfully completed the first year of the post-marketing patient registry programme for Lipaglyn™ (Saroglitazar), the first drug discovered and developed indigenously by an Indian Company. The results confirmed Lipaglyn's efficacy in managing dyslipidemia and improving glycemic parameters in diabetics. The Company also initiated development of Lipaglyn™ for additional indications viz. Non-alcoholic Steatohepatitis (NASH), Lipodystrophy and Type 2 diabetes.

During the year, Phase I clinical trials in the United States were initiated for ZYDPLA 1, a novel, next generation, orally active, small molecule

Lipaglyn™
Saroglitazar

- World's 1st approved Giltazar
- First-in-class drug in the world to treat diabetic dyslipidemia – a global unmet healthcare need
- Novel action with an excellent safety profile
- Has a non-renal route of elimination
- No weight gain
No potential for edema
- No CV adverse events
No potential for liver, kidney and muscle toxicity

A unique first-in-class medicine with both lipid and glucose lowering effects in one single molecule

Biologics

The Company is developing a pipeline of 24 biologics, comprising 20 biosimilars and 4 novel biological products. The year 2014-15 was an important year for the Company's biosimilar development efforts, as it marked the launch of Exemptia™, the world's first biosimilar of Adalimumab to be approved anywhere in the world.

The Company completed Phase III clinical trials for one of the monoclonal antibodies (mAbs) during the year. The Company moved one step closer to the launch of biosimilars in the developed markets as the global clinical trials for one of the products were completed during the year. The Company continued to file the dossiers of first generation biosimilars in the emerging markets.

On the novel biologics front, the Company received the regulatory approval to initiate the next phase of clinical trials for both PEGEPO, which is being developed in collaboration with Prolong Pharma and Rabimabs, which is being developed in collaboration with WHO.

During the year, the Company completed commissioning and qualification of a dedicated drug product manufacturing unit for biological products.



Vaccines

During the year, development of ten vaccines, which were in the clinical trials stage at the beginning of the year, has reached the last stage of testing before the marketing authorization. Two new vaccines entered the clinical testing phase during the year while three vaccines are under various phases of pre-clinical study and efficacy evaluations.

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 65 patents in the US, Europe and other countries during the year, taking the cumulative number of filings to over 1140.

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, the Company's Moraiya formulations manufacturing facility received the 'Green Manufacturing Award –Gold Category' by International Research Institute for Manufacturing. The Baddi manufacturing facility received the 'Gold Certificate Merit' in IMEA – India Manufacturing Excellence Awards 2014 instituted by The Economic Times in partnership with Frost & Sullivan.

Both the API manufacturing facilities at Ankleshwar and Dabhasa successfully completed the audits by the USFDA during the year.

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 continues 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 those laid down by the regulatory authorities. At present, fifteen units of the Company are accredited with ISO 14001 and thirteen units are accredited with OHSAS 18001.



Human Resources

HR – Enabling Change

Over the past two decades, Team HR has been building organisational capabilities to deliver the desired business outcomes. Gearing up for a new decade that lies ahead, Team HR has been embarking upon a change process that will help the organisation respond to the challenges of tomorrow. Combining the HR strategy with more efficient processes for delivery and execution, Team HR is creating an agile HR organisation. This has been an important area of focus in 2014 and here are some of the initiatives that are underway:

Launching Zydus Neev – the Competency Framework

The organisation has had a strong tradition of growing people who have demonstrated the ability to deliver excellent results. The question is how can these strengths be leveraged and what are the new competencies to be acquired for sustained growth and progress in the future? After a series of visionary meetings and discussions, the members of the Zydus Executive Board (ZEB), Zydus Management Committee (ZMC) and other senior leaders in the organisation, zeroed in on the six core competencies and co-created the Zydus Competency Framework. As this was the fountainhead from which all the future initiatives were to emerge, it has been called 'Zydus Neev' or the foundation. The six core competencies are Delivering Excellence, Entrepreneurial Decision Making, Business Orientation, Team Leadership, Building Capability and Working Across Boundaries.

Talent Sourcing Strategy : Making sure of the right fit

Based on Zydus Neev, Team HR has developed an effective talent sourcing strategy to meet the talent needs in the organisation. A key component of the process is to hire people who demonstrate core competencies laid out in Zydus Neev. To ensure the right talent fit, behavioural inflexion points have been mapped tier-wise across Level 1 to Level 5 for all revenue generating functions and enabling functions. The recruitment across the organisation are now based on Zydus Neev and customised assessment centres have been created for this.

The Zydus Career Portal offers end-to-end online recruitment solutions. The portal helps in building a rich data bank of relevant profiles and provides a platform for engaging with the talent. The portal is dynamic and easy to navigate, offers various interactive features which introduces the Company to the potential candidates and allows them to browse through the career areas and opportunities. An online assessment centre which is a unique feature of the career portal, makes Zydus the only non-IT company in India to conduct assessments and online recruitment for all levels.

Talent Management

A robust learning and development programme

At Zydus, there is a lot of thought given to how creatively people can be developed and the skills they need to acquire. A learning culture which is driven by both external experts and internal faculty, allows Zydans to upgrade and share knowledge, develop new skills, work collaboratively and network across departmental boundaries. The learning and development initiatives have also been linked with Zydus Neev. Based on the six core competencies, training themes have been mapped out and a comprehensive training calendar has also been rolled out. During the year, over 10,000 programmes were conducted spanning over 1 lac training manhours.

ADAPT at MICA

A creative Product Management Team (PMT) is essential for the marketing divisions and a planned and structured process to develop the internal talent for PMT positions has been developed by Team HR. This initiative was launched during the year in association with MICA, the leading institute for advertising and branding. This also provides a career progression path for outstanding performers in the field to take up an exciting career in brand management. For the first batch, 25 potential field executives from India Formulation Business, the Zydus Animal Health Division and Zydus Wellness who were aspiring for a career in product management were identified. The process of selection involved assessment in the areas of Branding and Marketing, Problem solving skills, creativity and communication skills. After the sessions at MICA, the participants were oriented on the product management systems and processes at Zydus by internal faculty. These candidates were then successfully placed in various marketing teams as Product Managers.



Corporate Social Responsibility

In keeping with its corporate philosophy to creating healthier, happier communities, the group's CSR programme 'Zydus Shrishti' supports wide ranging programmes in the areas of healthcare, research and education. The group also supports various initiatives for the development of the society.

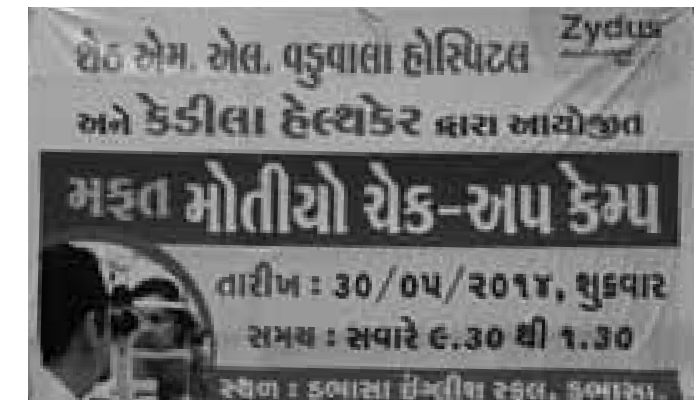
Supporting the mission to offer healthcare and medical services to people from disadvantaged and underprivileged backgrounds



It was the dream of our Hon'ble Prime Minister, Shri Narendra Modi, who was then the Hon'ble Chief Minister of Gujarat to serve the underprivileged by offering world-class infrastructure and best-in-class services in every spectrum – education, awareness, primary care, multi-specialty care, treatment and clinical research. In what is a unique example of a public-private partnership in healthcare, the GCS Medical College, Hospital and Research Centre (GCSMCH) was set up at Ahmedabad in 2011. The campus spread over 25 acres of land donated by the Government of Gujarat has a multi-specialty hospital and a medical college with hostel facilities. At present the hospital, offering best-in-class treatment, has over 700 beds. Trained human resource is one of the critical components of a robust healthcare delivery system and the GCS Medical College has 600 students pursuing their MBBS programme and the first batch of 150 students will be graduating in 2016.

Zydus has been supporting this unique venture in public health since inception. Under Zydus Shrishti and the healthcare outreach programmes, the group continues to support GCSMCH in its mission to serve the community needs, particularly those who are from disadvantaged and underprivileged backgrounds.

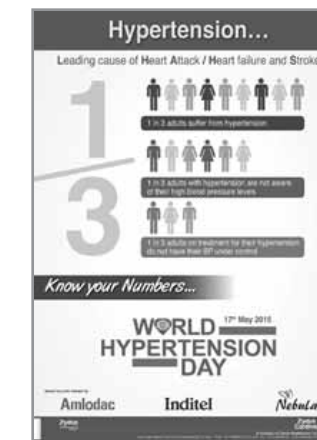
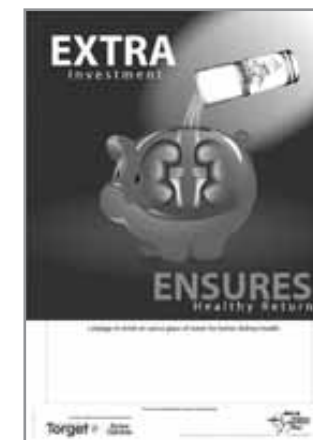
Serving the cause of healthcare at the grassroots level



Contributing to the communities that it forms a part of, the Company conducts rural healthcare camps at villages close to its manufacturing facilities. As a part of the healthcare initiatives, during the year, the team at Dabhasa conducted a cancer awareness and screening camp in association with the Gujarat Cancer Society, Ahmedabad reaching out to more than 50 people, a primary diabetes check-up camp for the villagers in and around Dabhasa and free health check-up camps with the help of a Mobile Unit, SSG Hospital benefitting more than 500 people. A cataract screening camp was also organized with the help of Sheth M L Vaduwala Eye Hospital, Vadodara which was attended by nearly 140 villagers. The team at Dabhasa and the Zydus Animal Health team also conducted a Veterinary Husbandry Camp in association with the Anand Agricultural University. 160 animals were a part of the camp which was conducted by doctors from various streams including animal surgery, animal nutrition, animal medicine and animal gynaecology and obstetrics.

Reaching out with health awareness campaigns

Every year, our 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.



Supporting the cause of learning : Igniting the spark

The Founder Chairman of the group, the Late Mr. Ramanbhai B. Patel was an academican before starting out to be an entrepreneur and laying the foundations of the group in 1952. At a time when the newly independent nation was heavily dependent on imports of drugs and pharmaceuticals, he had set out to prove that an indigenious company could provide innovative, research-based quality medicines. A stalwart of the Indian Pharmaceutical Industry, his contributions in the field of pharmaceutical education were equally noteworthy. Gujarat which earlier had only one pharmacy college now has several reputed pharmacy colleges. More importantly, Ramanbhai was instrumental in taking pharmaceutical education to the rural heartland of Gujarat, making professional courses more accessible to students in smaller townships.



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.

The Zydus School for Excellence at Ahmedabad



The Zydus School for Excellence was set up as a community initiative of the Ramanbhai Foundation. The school was a brainchild of the Founder Chairman Mr. Ramanbhai B. Patel who believed that a school is not just a place where children come to learn but it's a place where character is built. It's a fountainhead where young minds seek creative expressions for their endeavours. The school today has two campuses – The Zydus School for Excellence, Vejalpur, affiliated to the ICSE Board was set up in 2002 and the new school campus of Zydus School for Excellence, Godhavi, affiliated to the CBSE Board started its first academic year in 2010. There are 2300 young learners across both campuses with a faculty strength of 150.

In March 2015, the first batch of Class X students of the Zydus School for Excellence, Godhavi appeared for the Board exams and fared extremely well with Anushka Thakur top scoring with 10 CGPA. Out of the 49 students from the school who appeared for the exams, 35 students scored above 8 CGPA.



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An annual art exhibition showcasing students' work is organized every year at the Hutteasing Art Gallery. Nearly 500 students participate in this and the canvases are auctioned for charity. Clubs such as non-fire cooking, herb gardening, pottery, dancing, singing and dramatics are conducted by professionals as a part of the school's academic programme.

During the year, the school participated at various scientific forums and competitions like the Annual technical summit organised by the Indian Institute of Technology, Gandhinagar, Quiz-o-tech competition, Make-a-thon held at CIIE, IIM A and Maker Fest 2015 held at CEPT, Ahmedabad. Nearly 100 students participated in these forums and several prizes were bagged by the school.



At the Duke Tip Asset Talent Search (2014-15) conducted for Class VII and VIII students from across India and the UAE, Ms. Ruhee Parelkar, student of the Zydus School for Excellence, Vejalpur was awarded the title of the Asset Talent Scholar alongwith 347 toppers from amongst the 3000 students who participated in the competition. The school also has a robust sports programme with the students faring extremely well in the Khel Mahakumb and also representing the State at the zonal and national meets. More than 220 students participated in various track and field events at the Khel Mahakumbh organised by the Government of Gujarat during the year where the school won prizes worth Rs. 1,27,000.

A global knowledge sharing forum on innovation - The Ramanbhai Foundation 7th International Research Symposium



Under the area of research the Company organised The Ramanbhai Foundation 7th International Symposium on 'Advances in New Drug Discovery and Development' at Ahmedabad on 2nd and 3rd February, 2015 where internationally acclaimed scientists, researchers and academicians from India and across the globe converged to address the various aspects related to New Drug Discovery - with a focus on diabetes, cardiometabolic diseases, NASH, inflammation and infectious diseases. The keynote address was delivered by the Nobel Laureate in Physiology or Medicine for the year 2012 and Distinguished Group Leader in the Wellcome Trust / CRUK Gurdon Institute, Cambridge, UK, Sir John Gurdon. Sir Gurdon's pioneering breakthrough resulted in the discovery that mature cells can be converted into stem cells.

The symposium which provided an insight into various aspects of drug discovery had an eminent panel of speakers and nearly 500 delegates from India and abroad participated in the symposium. For more than a decade, the Ramanbhai Foundation international symposium has been bringing together experts from both the academia and industry across the world to share their insights on the latest developments in pharmaceutical research. The theme of the first international symposium in 2003 was Drug Discovery – the journey from Mouse to Man. In 2005, the focus was on the Role of Genomics and Proteomics and in 2007 it was on the Advances in Diabetes Therapy. In 2009, the symposium looked at new advances in Cardiometabolic disorders. In 2011, the topic was advances in Translational Research and Medicine and in 2013 the theme was Advances in New Drug Discovery Technologies And Translational Research.



Reaching out in times of crisis

It was one of the worst floods in a century that left thousands of people homeless and stranded across the Kashmir Valley during the year. More than 2 lac people were affected by these floods and many of them were our employees in the field. Without losing any time, the management extended support to each and every Zydans who was devastated by this calamity. There was an outpouring of gratitude to this immediate gesture of kindness and care with Zydans sharing their feelings in a letter to the management. As one of the heartfelt letters said, "I on behalf of my team, honour and admire the act of sympathy and care the company has shown us at this time of difficulty and hardship."



Consolidated Financial Highlights*

* In the consolidated financial statements, the Company's share in income, expenses, assets and liabilities of Joint Ventures (JVs) have been shown at the end of the note of such income, expenses, assets and liabilities. However, for financial analysis, the share under each head of income, expense, asset and liability of the JV has been considered for better understanding.

Sales

The gross sales revenue grew by 20% to Rs. 86,577 Mio., in 2014-15 from Rs. 72,083 Mio., last year.

Profits and margins

The EBITDA (Earnings before Interest, Depreciation, Taxation and Amortization) grew by 46% to Rs.17,557 Mio., from Rs.12,001 Mio., last year. The EBITDA margin as a percentage to total income from operations improved by 3.7% to 20.3% from 16.6% last year. The net profit was up by 43% to Rs.11,506 Mio., from Rs.8,036 Mio., last year. The net profit margin as a percentage to total income from operations improved by 2.2% to 13.3% from 11.1% last year. Earnings per share also grew in line with the net profit and stood at Rs.56.20 for the year.

Net Worth

The consolidated net worth increased to Rs.42,516 Mio., at the end of March 2015, up by 24% from Rs.34,390 Mio., at the end of March 2014.

The reserves and surplus increased by Rs.8,126 Mio., to Rs.41,492 Mio., at the end of the year 2014-15 from Rs.33,366 Mio. last year. Book value per share increased to Rs.208.07 as on 31st March 2015 from Rs.168.71 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 30.1% compared to 25.6% registered in the last year.

Debt

The consolidated net debt (adjusted for cash and bank balances) of the Company as on 31st March, 2015 stood at Rs. 19,814 Mio., against Rs. 21,516 Mio., last year. Net debt-equity ratio improved to 0.47:1 as on March 31, 2015 as against 0.63:1 as on March 31, 2014.

Fixed Assets and Capital Expenditure

The consolidated gross block (including capital work in progress) at the end of the year was Rs. 59.3 bn., up by about Rs. 3.8 bn., from Rs. 55.5 bn., last year. Net capital expenditure (excluding goodwill, but including capital work in progress) during the year was Rs.3,829 Mio. The capex during the year was incurred mainly for upgradation and expansion of existing facilities and capacity building in the area of finished dosage formulations and APIs.

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. 69.6 bn., up from Rs. 62.4 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 18.3% compared to 14.6% registered in the last year.

Risk Identification, Risk Mitigation and Internal Controls

The Company is primarily engaged in the business of manufacturing and marketing of pharmaceutical products, both active pharmaceutical ingredients and finished dosage formulations. The Company has a presence in India and several other generic markets across the globe. The Company is also engaged in basic new drug discovery research, several other newer technology products such as transdermals and biosimilars and generic product development activities. The ever changing scenario across the globe poses various risks and challenges to the Company, which are explained below -

Risk related to economic and political environment across the world

The Company has operations in more than 15 countries around the world. Each such country poses its own challenges in terms of the economic and political conditions of that country. Any adverse political and/or economic development in these countries may affect the business of the Company in those countries. The Company periodically evaluates the economic and political developments of these countries 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. The generics market is characterized by the presence of a large number of players who compete with each other continuously to increase their respective market shares. This competition puts constant pressure on the prices which the Company charges to its customers. Apart from this, the governments of different countries apply periodic price cuts on the pharmaceutical products so as to keep the healthcare cost under control. The Company determines the pricing strategy for the different markets considering all these factors and periodically reviews the same to mitigate such risks.

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 primarily relate to the quality of the products or the infringement of intellectual property rights.

Competitors and innovator pharmaceutical companies holding patents for products and processes may sue the Company if the Company's products or processes are claimed to be infringing upon their intellectual property rights.

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 competitors and innovator pharmaceutical companies before developing and filing product dossiers for global markets.

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

Continuous growth of the business operations in the generic pharmaceutical markets depends upon 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 hasten the approvals.

Risk of international operations including foreign exchange risk

The company has business operations in more than 15 countries around the world. Major business transactions viz. procurement, payments, sales, collections and funding in these countries are often carried out in the respective currencies of those countries. This exposes the Company to the fluctuations in the rate that may occur in the currencies of these countries vis-à-vis the Indian Rupee.

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. 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.



Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2015.

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:	2014-15		
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	Group	Class	Sub Class
	210	2100	21001
	Description		
	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. The Company's locations of plants are provided in this annual report. Details of business performance in India markets as well as international markets are reported as a part of the Management Discussion and Analysis, 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):	47,636 millions
Total profit after taxes (INR):	12,711 millions
Total spending on Corporate Social Responsibility (CSR) (INR)	108.15 millions

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

The Company has spent 2% of average profit for previous three years, computed as prescribed under the Companies Act, 2013 on Rural Community Development project, education and healthcare, including preventive healthcare. Annual Report on CSR activities is attached to the Directors' Report.

Section C [Other Details]:

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. The subsidiary companies' Business Responsibility 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:

DIN Number : 00131852
 Name : Mr. Pankaj R. Patel
 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	upen.shah@zyduscadila.com

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	30	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	30	Yes
Businesses should promote the well-being of all employees.	Building people to build our business	30	Yes
Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Zydus Srishti	31	Yes
Businesses should respect and promote human rights.	Human Rights	31	Yes
Businesses should respect, protect and make efforts to restore the environment.	Green Impact	31	Yes
Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Policy advocacy	32	Yes
Business should support inclusive growth and equitable development.	Zydus Srishti	32	Yes
Business should engage with and provide value to their customers and consumers in a responsible manner.	The Zydus Way of manufacturing and marketing of healthcare products	32	Yes

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

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 conform 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.								
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?	All the policies are communicated to the relevant stakeholders. The Directors and Senior Management Personnel are required to affirm to the Code of Conduct and business ethics annually. Policies on Employees are available on internal portal, which has to be signed by the employees at the time of joining and a declaration every year.								

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	Respective business / unit head attend to any grievances pertaining to their department and address the grievances. The Company has formed a Shareholders' and Investors' Grievance Committee to redress any grievances of shareholders and investors.								
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 interalia relate to safe and sustainable products.
- The policies for the wellbeing 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.

4. Governance related to BR:

The Company has a well-defined governance structure to review different aspects of Business Responsibility. A four tier structure starts with a monthly performance review meeting which is chaired by the concerned Business Unit / Function Head. Zydus Management Committee [ZMC] Meeting – a conclave of all business functional heads is held three times in a year. Zydus Executive Board [ZEB] comprising Chairman and Managing Director, Deputy Managing Director and Executive Director meet once every month for strategic reviews. Site Business Reviews are held at global and Indian locations every quarter. The Board of Directors of the Company also meets every quarter to review financial and business performance of the company and all important strategic decisions. Annual Organizational Development Meetings (AOM) and the Chairman's Annual Meeting are held once a year to discuss and set the agenda for broad-based organizational development and goal setting.

Strategic Guidance	By the Board of Directors
Strategic Goal setting and decision making	By the Zydus Executive Board
Strategic Management	By the Zydus Management Committee
Operational Reviews and Executive management	By Business Function Heads

The Company has formed a CSR Committee, which monitors the CSR activities carried out by the Company. CSR Policy of the Company is posted on the website of the Company. A report in the format prescribed by Ministry of Corporate Affairs on CSR activities carried out by the Company forms part of this Annual Report.

Section E [Principle-wise Performance]:

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

The Company firmly believes and adhere 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 reported and reviewed 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 conform 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.

The Company received 28 complaints from the investors / shareholders and no complaint remained unresolved / unattended by the end of the year. 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 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 conform 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 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 part of operational management. Full-fledged Solvent Recovery Plant at our API manufacturing sites recovers solvents generated during the process manufacturing. The Company reuses appx. 50% of solvents generated in the manufacturing process.

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

1. 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, 2015 is provided in the below table.

Sr. No.	Category of Employees	No. of Employees
1.	Management staff	5206
2.	Marketing field staff	5973
3.	Others	2001
4.	Total From the total :	13180
5.	Contractual employees	1589
6.	Permanent Woman employees	719
7.	Permanent employees with disabilities	27

2. The Company has a recognised employees association and 3.14% 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.

3. 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. 47% 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 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 neighboring 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 whole with systematic approach, fifteen company units are accredited for ISO 14001 and thirteen company units are accredited for OHSAS 18001.

Towards a green initiative, 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 includes 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 and notices received were satisfactorily responded to the authority.

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 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.

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

The Company's CSR initiatives are spearheaded by 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 programmes 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 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. This makes it one of the most comprehensive and self-sustaining healthcare centers of world class standards. GCS' mission is to provide integrated cancer care encompassing prevention, diagnosis, prognosis, treatment, education, rehabilitation, clinical research and after-care at one location. A report in the prescribed format on CSR activities carried out by the Company forms 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 that 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 as at the end of financial year 2014-15.

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

The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell has been 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

2014-15

Directors' Report

Directors' Report:

Your Directors are pleased to present 20th Annual Report and the audited accounts for the financial year ended March 31, 2015.

Financial Results:

The standalone financial performance of the Company, for the year ended March 31, 2015 is summarized below:
(INR-Millions)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Sales and Other Income	54,696	43,507
Profit before Finance Cost, Depreciation, Impairment and Amortisation and Tax Expense (PBITD)	17,193	11,156
Less: Depreciation, Impairment and Amortisation	2,119	1,274
Profit Before Finance Costs and Tax Expense (PBIT)	15,074	9,882
Less: Finance Costs	428	425
Profit Before Tax	14,646	9,457
Less: Tax Expense	1,935	421
Profit After Tax	12,711	9,036
Add: Profit brought forward from the previous year	17,366	11,896
Less: Additional depreciation upon revision in useful lives of tangible assets	249	0
Profit available for appropriation, which is appropriated as follows:	29,828	20,932
Proposed Dividend	2,457	1,843
Corporate Dividend Tax on Dividend [Net of CDT Credit]	450	273
Transferred to Debenture Redemption Reserve	0	450
Transferred to General Reserve	0	1,000
Balance carried to Balance Sheet	26,921	17,366
Total	29,828	20,932
Earnings per share [EPS] [Face Value of shares of Rs. 5]	62.08	44.13

The Company proposes to retain an amount of Rs. 29,828 millions in the Statement of Profit and Loss.

Results of operations:

During the year under review, the consolidated gross sales grew by 20.1%. On standalone basis, the Company has achieved gross sales of Rs. 47,636 millions, showing a growth of 32.8% compared to the previous year. The PBITD increased by 54.1% to Rs. 17,193 millions and the Profit Before Tax increased by 54.9% to Rs. 14,646 millions. The Profit After Tax has increased to Rs. 12,711 millions as compared to Rs. 9,036 millions in the previous year and the EPS has increased from Rs. 44.13 in the previous year to Rs. 62.08. A detailed analysis of performance for the year has been covered in the Management Discussion and Analysis, which forms part of the Annual Report.

Dividend:

Your Directors have recommended a dividend of Rs. 12 per equity share [last year Rs. 9 per equity share] on 204,748,520 equity shares of Rs. 5 each fully paid-up for the financial year ended March 31, 2015, amounting to Rs. 2,907 millions [inclusive of corporate dividend tax (net of CDT credit) of Rs. 450 millions]. The dividend, if declared by the shareholders at the ensuing Annual General Meeting, will be paid to those shareholders, whose names stand registered in the Register of Members on August 12, 2015. In respect of shares held in dematerialized form, it will be paid to the members whose names are furnished by the National Securities Depository Limited and the Central Depository Services [India] Limited, as beneficial owners. The Dividend Payout ratio for the current year (inclusive of Corporate Dividend Tax) is 22.9% of profits.

During the year, the unclaimed dividend pertaining to the dividend for the year ended March 31, 2007 was transferred to Investors Education and Protection Fund after giving notice to the Members to claim their unpaid / unclaimed dividend.

Management Discussion and Analysis (MDA):

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

Consolidated Financial Statements:

In accordance with the Accounting Standard-AS-21 on Consolidated 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 with the Stock Exchanges, 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 associates 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 Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts 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, the Company has incorporated two wholly owned subsidiary Companies in Dubai, namely [1] Zydus Worldwide DMCC [ZWD] and [2] Zydus Discovery DMCC. Zydus Discovery DMCC is a step down subsidiary Company of ZWD in Dubai. Further, the Company has purchased 50% stake of Zydus BSV Pharma Private Limited, a Joint Venture Company held by the JV partner and therefore Zydus BSV Pharma Private Limited has become a wholly owned subsidiary Company.

As provided under section 129[3] of the Act and Rules made thereunder a statement containing the salient features of the financial statement 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 with related parties in the prescribed format 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) Cessation:**

During the year, Mr. Apurva S. Diwanji, Director [DIN – 00032072] of the Company has resigned with effect from December 4, 2014. The Board places on record the appreciation of contributions made and guidance provided by Mr. Diwanji during his tenure as a Director of the Company.

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, Mr. Pankaj R. Patel, Managing Director [DIN - 00131852] will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

iii) Independent Directors:

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149[7] of the Act, stating that they meet the criteria of independence as provided in sub-section [6].

iv) Profile of Director seeking re-appointment:

As required under clause 49 of the Listing Agreement, particulars of a Director retiring by rotation and seeking re-appointment as Director at the ensuing Annual General Meeting is annexed to the notice convening 20th Annual General Meeting.

v) Key Managerial Personnel:

The following persons were designated as Key Managerial Personnel during the year:

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 clause 49 of the Listing Agreement, 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 part of this Annual Report.

vii) 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 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 Annual Accounts, 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, 2015 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:

A calendar of meetings to be held in a year is decided in advance by the Board and circulated to the Directors. During the year four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report, which is a part of this Annual Report. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

Corporate Governance:

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

Auditors:**i) Statutory Auditors and their Report:**

M/s. Mukesh M. Shah & Co., Chartered Accountants, (Firm Registration No. 106625W) Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Pursuant to provisions of section 139 of the Act and the Rules made thereunder, the Board proposes to reappoint M/s. Mukesh M. Shah & Co., Chartered Accountants as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting. They have furnished a certificate confirming the eligibility under section 141 of the Act and Rules made thereunder.

The Board, based on the recommendation of Audit Committee, recommends the reappointment of M/s Mukesh M. Shah & Co., Chartered Accountants, as the Statutory Auditors of the Company.

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' 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 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 2015-16 on a remuneration of Rs. 1.10 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. 5 of the Notice convening 20th 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 2014-15. 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 clause 55 of the Listing Agreement with the Stock Exchanges, a separate section on Business Responsibility Reporting forms 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 initiative under "Corporate Social Responsibility" for the year under review. Pursuant to section 135 of the Act and the relevant rules, the Board has constituted 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. Dharmishtaben 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 at **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, 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 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 it. 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 part of this Annual Report.

Internal control systems and its adequacy:

The Company has internal control systems commensurate with the size, scale and complexity of its business operations. The scope and functions of internal auditors are defined and reviewed by the Audit committee. The internal auditors report to the Chairman of the Audit Committee. Internal auditors present their quarterly report to the Audit Committee, highlighting various observations, system and procedure related lapses and corrective actions being taken to address them. The internal auditors also provide their recommendations for improvement in business processes, systems and controls after assessing opportunities for the same. The Management Auditor ensures the compliance of the observations and implementation of recommendations of the internal and statutory auditors and presents his report to the Audit Committee regularly.

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:

The relevant information in the proscribed form MGT 9 pertaining to abstract of annual return is attached to this report as **Annexure - D**.

Composition of Audit Committee:

The Board has reconstituted the Audit Committee which comprises of Mr. Nitin R. Desai as the Chairman and Mr. H. Dhanrajgir, Mr. Mukesh M. Patel and Ms. Dharmishtaben N. Rawal as the members. 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 are 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 the Companies [Accounts] Rules, 2014, are provided in the **Annexure - F** and forms part of this 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.

Acknowledgment:

Your Directors place on record their sincere appreciation for the continued co-operation 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, 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 15, 2015.

Pankaj R. Patel
Chairman

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	Amount 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.	15.5.2014	Nil

On behalf of the Board of Directors

Place : Ahmedabad.
Date : May 15, 2015.

Pankaj R. Patel
Chairman

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 - 380 015

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, 2015 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, 2015 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;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - 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, 2013 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 could not be examined as the same were not notified during the audit period.
- II. The Equity Listing Agreements entered into by the Company with the BSE Limited, the National Stock Exchange of India Limited and the Ahmedabad Stock Exchange Limited.

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 applicable specifically 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, no event/action has taken place which has major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For, MANOJ HURKAT AND ASSOCIATES
Practicing Company Secretaries

Place : Ahmedabad
Date : May 15, 2015

MANOJ R HURKAT
Partner
FCS No. 4287
C P No.: 2574

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 records 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, 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 15, 2015

MANOJ R HURKAT
Partner
FCS No. 4287
C P No.: 2574

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 and other assistance to a Charitable Institution, which runs a hospital to provide healthcare, medical research, public health, medical college and nursing to marginalized and economically weaker sections of the society for medical treatment at its hospital.

2. Composition of the CSR Committee.

Mr. Pankaj R. Patel	-	Chairman
Dr. Sharvil P. Patel	-	Member and;
Ms. Dharmishtaben N. Rawal	-	Member.

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

Rs. 5404.63 millions

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

Rs. 108.09 millions

5. Details of CSR spent during the financial year.

- a. Total amount to be spent during the financial year – **Rs. 108.15 millions.**
- b. Amount unspent, if any. - **Nil**
- c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs [1] Local area or other, [2] Specify the state and district where project or programs were undertaken.	Amount outlay [Budget] Project or Program wise Rs. in mio	Amt. spent on the Projects or Programs Sub-heads: [1] Direct expenditure on projects of Overheads, [2] Rs. In mio	Cumulative expenditure upto the reporting period Rs. In mio	Amount spent: Direct or through implementing Agency *
1.	Rural Community Development Project	Promoting education and healthcare including preventive healthcare	Village : Dabhasha, District : Vadodara State : Gujarat	0.55	0.55	0.55	Direct
2.	Healthcare and Education	Promoting education and healthcare including preventive healthcare	Ankleshwar, District : Bharuch, State : Gujarat	2.50	2.50	2.50	Through implementing Agency.
3.	Healthcare	Promoting education and healthcare including preventive healthcare	Ahmedabad Gujarat	14.14	14.14	14.14	Through implementing Agency.
4.	Healthcare and Education	Promoting education and healthcare including preventive healthcare	Ahmedabad Gujarat	90.96	90.96	90.96	Through implementing Agency.
Total				108.15	108.15	108.15	

* Those CSR activities carried out through implementing agency was through support to Charitable Institutions.

d. Responsibility Statement:

The implementation and monitoring of Corporate Social Responsibility [CSR] Policy, is in compliance with CSR objectives and policy of the Company.

On behalf of the Board of Directors

Pankaj R. Patel
Chairman – CSR Committee and Managing Director

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[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	"Zyodus Tower", Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015. Phone +91-79-2686 8100 (20 lines) Fax +91-79-2686 8337 www.zyduscadila.com	
Whether listed company	Yes	
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Sharepro Services [India] Private Limited 416-420, 4th Floor, Devnandan Mall Opp. Sanyas Ashram, Nr. M. J. Library Ellisbridge, Ahmedabad - 380 006 Phone : 079 - 26582381-84 Fax : 079 - 26582385 Email: sharepro.ahmedabad@shareproservices.com	
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:

A. Subsidiary / Wholly owned subsidiary Companies in India pursuant to section 2[87][ii] of the Companies Act, 2013, having Registered Office at Zydus Tower, Satellite Cross Roads, Sarkhej - Gandhinagar Highway, Ahmedabad - 380 015.

Name of the Company	CIN / GLN
Dialforhealth India Limited	U85110GJ2000PLC037488
Dialforhealth Unity Limited [55% shareholding]	U51390GJ2005PLC046314
Dialforhealth Greencross Limited	U51397GJ2005PLC061284
German Remedies Limited	U51900GJ1989PLC079501
Zydus Technologies Limited [85% shareholding]	U24230GJ2009PLC056149

B. Subsidiary / Wholly owned subsidiary Companies in India pursuant to section 2[87][ii] of the Companies Act, 2013 having Registered Office address at a different place.

Name and Registered Office Address of the Company	CIN / GLN
Biochem Pharmaceutical Industries Limited Unit No. 103, Akruiti Star, 1st Floor MIDC Central Road, MIDC Andheri (East) Mumbai – 400 093	U24230MH2004PLC149397
Zydus BSV Pharma Private Limited Plot No. 1A, "Pharmez" Sarkhej-Bavla NH 8A Village: Matoda Gujarat – 382 213	U24230GJ2005PTC046915
Liva Pharmaceuticals Limited Survey No. 434/6/B and 434/1/K Village Jarod, Taluka: Vaghodia District – Vadodara – 391 510	U24100GJ2013PLC077080
Zydus Wellness Limited [72.08% shareholding] House No. 6 and 7, Sigma Commerce Zone, Near Iskon Temple, S. G. Highway, Ahmedabad – 380 015	L15201GJ1994PLC023490

C. Overseas subsidiary / Wholly own subsidiary Companies pursuant to section 2[87][ii] of the Companies Act, 2013. CIN is not applicable.

Name and Address of the Overseas Subsidiary Company
Zydus International Private Limited, FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co. Louth, Ireland
Zydus Healthcare SA (Pty.) Ltd., Southdowns Office Park, 22, Karee Street, Centurion, Pretoria 0157.
Zydus Pharmaceuticals USA Inc. (USA), 73 Route 31 N, Pennington, NJ 08536
Zydus Healthcare USA LLC (USA), 73 Route 31 N, Pennington, NJ 08536
Zydus France SAS (France), 25, Batiment L, ZAC des Hautes Patures, Rue des Peupliers, 92752 NANTEREE.
Zydus Pharma Japan Co. Ltd. (Japan), 5-12, Shinjuku, 2-chome, Shinjuku-Ku, Tokyo-160 0022, Japan.
Zydus Netherlands BV (The Netherlands), 1082 MD Amsterdam, Claude Debussylaan, 24, the Netherlands
Zydus Noveltch INC., (USA), [85% holding] 1775, Williston Road, Suite 210, South Burlington, VT 05403.
Zydus Nikkho Farmaceutica Ltda (Brazil), Estrada Governador Chagas Freitas, 340, Ilha do Governador, Rio de Janeiro, RJ, CEP 21932-820.
Etna Biotech S.R.L., Italy Stradale V. Lancia, 57, 95121, Catania-Italy
Simayla Pharmaceuticals (Pty) Limited, South Africa, Peter Mokaba, Avenue 86, Potchefstroom 2531.
Laboratorios Combix, S. L., Spain, C/ Badajoz, 2, Pozuelo de Alarcon, 28223 Madrid, Spain
Script Management Services (Pty.) Limited, Building 15, The Boardwalk Office Park, Haymeadow Street, Faerie Glen, Pretoria 0043.
Zydus Pharmaceuticals Mexico, S. A. de C. V., Mexico, Carretera Picacho Ajusco 154, Oficina 601-B Col. Jardines en la Montana, Del. Tlalpan, C. P. 14210, Mexico D.F.
Nesher Pharmaceuticals (USA) LLC, 120, South Central Avenue, Clayton, Missouri-63105, State of Missouri
Bremer Pharma GmbH, Germany, Werkstr. 42, 34414 Warburg, Germany
Zydus Lanka (Private) Limited, Level 26 & 34, East Tower, World Trade Centre, Echelon Square, Colombo 01, Sri Lanka
Z AHL B.V., the Netherlands, 1082 MD Amsterdam, Claude Debussylaan, 24, the Netherlands
Z AHL Europe BV, the Netherlands, 1082 MD Amsterdam, Claude Debussylaan, 24, the Netherlands
Hercon Pharmaceuticals LLC (USA), [85% holding], 101 Sinking Springs Lane, Emigsville PA 17318, United States of America
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.
Zydus Worldwide DMCC, Unit No. 909, Armada Tower 2, Plot No. PH2-P2, Jumeirah Lakes Towers, Dubai, United Arab Emirates
Zydus Discovery DMCC, Unit No. 908, Armada Tower 2, Plot No. PH2-P2, Jumeirah Lakes Towers, Dubai, United Arab Emirates
Zydus Pharmaceuticals Mexico Service Company SA de CV, Carretera Picacho Ajusco 154, Oficina 601-B Col. Jardines en la Montana, Del. Tlalpan, C. P. 14210, Mexico D.F.

D. Name of the Associate / Joint Venture Companies pursuant to section 2[87] of the Companies Act, 2013, in which the Company has 50% shareholding:

Name and Registered Office Address of the Company	CIN / GLN
Zydus Takeda Healthcare Private Limited C-4, MIDC, Village : Pawne, Thane Belapur Road Navi Mumbai – 400 705	U24231MH1999PTC119171
Zydus Hospira Oncology Private Limited Plot No. 3, Pharmez, Special Economic Zone Sarkhej-Bavla Highway, Village – Matoda, Taluka – Sanand, Dist. Ahmedabad – 382210	U24230GJ2005PTC046246
Bayer Zydus Pharma Private Limited Bayer House, Central Avenue, Hiranandani Gardens, Powai Mumbai – 400 076	U24233MH2011PTC213118

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 share	Demat	Physical	Total	% of Total share	
A. Promoters									
(1) Indian									
a) Individual/HUF	153134446	-	153134446	74.79	153134446	-	153134446	74.79	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3600	-	3600	-	3600	-	3600	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	153138046	-	153138046	74.79	153138046	-	153138046	74.79	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	153138046	-	153138046	74.79	153138046	-	153138046	74.79	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	7531867	2883	7534750	3.68	8725863	2883	8728746	4.26	+0.58
b) Banks / FI	414122	1344	415466	0.20	367640	1344	368984	0.18	-0.02
c) Central Govt.	350	-	350	-	178295	-	178295	0.09	+0.09
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8764063	-	8764063	4.28	7653925	-	7653925	3.74	-0.54
g) FIs	11902456	-	11902456	5.82	13169657	-	13169657	6.43	+0.61
h) Foreign Venture Capital funds	-	-	-	-	48000	-	48000	0.02	+0.02
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	28612858	4227	28617085	13.98	30143380	4227	30147607	14.72	+0.74
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	10183335	8686	10192021	4.98	8730917	7636	8738553	4.27	-0.71
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 Lakh	8239611	1338965	9578576	4.68	7984420	1200952	9185372	4.49	-0.19
ii) Individual shareholders holding nominal share capital in excess of 1 Lakh	2609877	53880	2663757	1.30	2690509	-	2690509	1.31	+0.01
c) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nations	-	-	-	-	-	-	-	-	-

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 share	Demat	Physical	Total	% of Total share	
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	552816	6219	559035	0.27	842214	6219	848433	0.42	+0.15
v) Clearing Members/ Clearing House	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	21585639	1407750	22993389	11.23	20248060	1214807	21462867	10.49	-0.74
Total Public Shareholding (B)=(B)(1)+(B)(2)	50198497	1411977	51610474	25.21	50391440	1219034	51610474	25.21	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	203336543	1411977	204748520	100.00	203529486	1219034	204748520	100.00	0

II) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	0.000	153107446	74.78	0.000	0.000
Pripan Investment Pvt. Ltd.	3600	0.002	0.000	3600	0.002	0.000	0.000
Shivani Pankajbhai Patel Jtly. Pankajbhai Ramanbhai Patel	3000	0.001	0.000	3000	0.001	0.000	0.000
Pankajbhai Ramanbhai Patel Jtly. Pritiben Pankajbhai Patel	3000	0.001	0.000	3000	0.001	0.000	0.000
Pankajbhai Ramanbhai Patel (HUF)	3000	0.001	0.000	3000	0.001	0.000	0.000
Pritiben Pankajbhai Patel Jtly. Pankajbhai Ramanbhai Patel	3000	0.001	0.000	3000	0.001	0.000	0.000
Taraben Ramanbhai Patel Jtly. Pankajbhai Ramanbhai Patel	3000	0.001	0.000	3000	0.001	0.000	0.000
Ramanbhai B. Patel (HUF) Pankajbhai Ramanbhai Patel Jtly.	3000	0.001	0.000	3000	0.001	0.000	0.000
Pritiben Pankajbhai Patel (R. B. Patel Will Pankaj Trust)	3000	0.001	0.000	3000	0.001	0.000	0.000
Pankajbhai Ramanbhai Patel Jtly. Sharvil Pankajbhai Patel (P. R. Patel Smaller HUF)	3000	0.001	0.000	3000	0.001	0.000	0.000
Sharvil Pankajbhai Patel	3000	0.001	0.000	3000	0.001	0.000	0.000
Total	153138046	74.79	0.000	153138046	74.79	0.000	0.000

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 Share	% of total shares of the Company	No. of Share	% 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			
At the end of the year				

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

For each of the top 10 shareholders*	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of Share	% of total shares of the Company
1 Life Insurance Corporation of India	7274262	3.55	6433925	3.14
2 HDFC Standard Life Insurance Co. Ltd.	2835104	1.38	2232056	1.09
3 Govt. Pension Fund Global	2030812	0.99	2280812	1.11
4 Bajaj Allianz Life Insurance Co. Ltd.	1789334	0.87	1382208	0.68
5 M/s Nepean Trading and Investment Co. Pvt. Ltd.	1735369	0.85	1161902	0.57
6 Amansa Capital Pte Limited A/c Amansa Holding Pvt. Ltd.	1618260	0.79	0	0
7 Baring India Private Equity Fund III Listed Investment Ltd.	1479782	0.72	1661532	0.81
8 General Insurance Corporation of India	1404801	0.69	1150000	0.56
9 Vanguard Emerging Markets Stock Index Fund A series of Vanguard International Equity Fund	952072	0.47	979310	0.48
10. Franklin Templeton Investment Funds	910294	0.44	1804230	0.88
11. Franklin Templeton Mutual Fund A/c Franklin India Blue-chip Fund	840000	0.41	800000	0.39

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated

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	50400	Nil
% of total shares held	-	-	0.025	-
Date wise increase / decrease in shareholding:	Nil	Nil		Nil
Date: February 27, 2015			+18050	
February 28, 2015			+1950	
February 28, 2015			+5000*	
March 2, 2015			+10000*	
March 5, 2015			+3000	
At the end of the year:				
Number of Shares	2400	Nil	88400	Nil
% of total shares held	-	-	0.043	0
* Shares held by HUF				

B. Key Managerial Personnel:

Particulars	Mr. Pankaj R. Patel CMD	Dr. Sharvil P. Patel Dy. Managing Director	Mr. Nitin D. Parekh CFO	Mr. Upen H. Shah Company Secretary
At the beginning of the year:				
Number of Shares	153122446*	3000	8000	715
% of total shares held	74.79	-	-	-
Date wise increase / decrease in shareholding	Nil	Nil	Nil	Nil
Date:				
At the end of the year:				
Number of Shares	153122446*	3000	8000	715
% of total shares held	74.79	-	-	-
* Includes shares held by Family Trust and HUF				

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 Indebtednes
Indebtedness at the beginning of the financial year				
i) Principal Amount	10354	5508	-	15862
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	51	9	-	60
Total (i+ii+iii)	10405	5517	-	15922
Change in Indebtedness during the financial year				
Addition	2223	8983	-	11206
Reduction	[3398]	[9228]	-	[12626]
-Net Change	[1175]	[245]		[1420]
Indebtedness at the end 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

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	[Amount Rs. in Lacs]		
		Mr. Pankaj R. Patel Managing Director	Dr. Sharvil P. Patel Deputy Managing Director	Total
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1483.06	999.60	2482.66
	b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	16.94	0.40	17.34
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Options	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- As % of profit			
	- Others, specify....			
5	Other, please specify	Nil	Nil	Nil
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)			
	ii. Retrials			
	Total (A)	1500.00	1000.00	2500.00
	Ceiling as per the Act	7309.00	7309.00	14618.00

B. Remuneration to other Director:
1. Independent Directors:

[Amount Rs. in Lacs]

Particulars of Remuneration	Name of Director			Total
	Mr. H. Dhanrajgir	Mr. Nitin R. Desai	Ms. D. N. Rawal	
- Fee for attending Board / Committee Meetings	1.80	1.60	1.80	5.20
- Commission	17.50	17.50	17.50	52.50
- Others, please specify	Nil	Nil	Nil	Nil
Total (B)(1)	19.30	19.10	19.30	57.70

2. Other Non-Executive Directors:

[Amount Rs. in Lacs]

Particulars of Remuneration	Name of Director
	Mr. Mukesh M. Patel
- Fee for attending Board / Committee Meetings	2.20
- Commission	17.50
- Others, please specify	Nil
Total (B)(2)	19.70
Total (B)=(B)(1)+(B)(2)	77.40

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

[Amount Rs. in Lacs]

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Nitin D. Parekh CFO	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	255.64	24.76	280.40
	b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	1.96	0.22	2.18
	c) Profit in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Options	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit			
	- Others, specify.....			
5.	Others, please specify - Retrials	Nil	Nil	Nil
	Total (C)	257.60	24.98	282.58

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			None		
Punishment					
compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		

On behalf of the Board of Directors

 Place : Ahmedabad.
 Date : May 15, 2015.

Pankaj R. Patel
 Chairman

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	533.81
Dr. Sharvil P. Patel	355.87
Mr. H. Dhanrajgir	6.23
Mr. Nitin R. Desai	6.23
Mr. Mukesh M. Patel	6.23
Mr. Apurva S. Diwanji*	6.23
Ms. D. N. Rawal	6.23

*Ceased to be a director w.e.f. December 4, 2014.

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 and the Company Secretary	% increase in the remuneration in the financial year
Mr. Pankaj R. Patel	25%
Dr. Sharvil P. Patel	25%
Mr. H. Dhanrajgir	25%
Mr. Nitin R. Desai	25%
Mr. Mukesh M. Patel	25%
Mr. Apurva S. Diwanji*	25%
Ms. D. N. Rawal	N.A.
Mr. Nitin D. Parekh, Chief Financial Officer	11%
Mr. Upen H. Shah, Company Secretary	12%

*Ceased to be a Director w.e.f. December 4, 2014.

c. The percentage increase in the median remuneration of employees in the financial year was 2.40%.

d. There were 13,180 permanent employees on the rolls of the Company as on March 31, 2015.

e. The profits after tax for the financial year ended on March 31, 2015 increased by 40.70%, whereas the average increase in remuneration of employees was 13%.

f. The profits after tax for the financial year ended on March 31, 2015 increased by 40.70%, whereas the remuneration of Key Managerial Personnel, viz. [1] the Managing Director and Deputy Managing Director was increased by 25% respectively, [2] Chief Financial Officer by 11% and [3] Company Secretary by 12%.

g. The market capitalization of the Company was Rs. 35,663 Crores as on March 31, 2015 as against Rs. 20,986 Crores as on March 31, 2014.

Whereas, Price Earnings Ratio of the Company was 19% as on March 31, 2015 as against 26.10% as at March 31, 2014.

h. The Company came out with Initial Public Offer in February, 2000 at a price of Rs. 250 per share. The market price of the share as on March 31, 2015 was Rs. 1739.30 on BSE Ltd. and Rs. 1741.80 on the National Stock Exchange of India Limited. The variation in price is 697%, apart from the two bonus shares and dividend received by the shareholders.

i. The average annual increase in the salaries of the employees, other than managerial personnel was 13%, whereas the average increase in the managerial remuneration was 25% for the financial year. The higher increase in managerial remuneration is justified considering the fact that there was no increase in the remuneration of managerial personnel in previous three years. Managerial remuneration in fact was reduced by 43% in financial year 2011-12.

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 1.08:1.

l. The Company affirms remuneration is as per the 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 15, 2015.

Pankaj R. Patel
Chairman

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.	Rotary UPS	130
ii	66 KV Switch Yard	180
iii	Oxygen Analyzer and Economize	73
iv.	LED lights	61
v.	Effimax System for coal boiler	10
vi.	VFD for purified water secondary pump	10
vii.	Screw blower	10
	Total	474

b. Impact on conservation of energy:

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

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

- Assessing the feasibility of using solar energy,
- Using treated water for gardening,
- Harvesting rain water in the bore well and
- Reused the ETP treated water for urinal flush to save the ground water consumption.

B. Technology Absorption:

1. Efforts made towards technology absorption:

- Manufactured complex products like wurster coated products by using new technology,
- Used laser drilling technology for printing on tablets and soft capsules,
- 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.

2. Benefits derived:

- Reduced cycle time of complex wurster coated products,
- Productivity improvement,
- Strengthening quality standards and
- Maintained high ETP standards.

3. Details of technology imported in last three years:

a.	Technology imported	<ul style="list-style-type: none"> ● X-Ray inspection for Lyophilized Vial, ● Camera based 100% tablet inspection system, and ● FITZ PATRICK Roll compactor for dry granulation.
b.	Year of Import	2014-15
c.	Whether the technology is full absorbed	Yes
d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable

4. Expenditure incurred on Research and Development:

The Company has incurred expenditure of Rs. 5,240 millions 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.29,666 millions, whereas the foreign exchange in terms of actual outflows was Rs.8,093 millions.

On behalf of the Board of Directors

Place : Ahmedabad.
Date : May 15, 2015.

Pankaj R. Patel
Chairman

Company's Philosophy on Corporate Governance:

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.

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 organisational 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 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.

Zydus Executive Board [ZEB], one level below the Board, on monthly basis reviews certain parameters such as health of the organization, regulatory management, risks management strategy, safety and EHS, succession planning and leadership development. Apart from reviews, ZEB discusses the most important business issues and challenges and takes decisions within the framework of the Board. Zydus Management Committee [ZMC] comprising of different business / functional heads supervises, controls and reviews the business operations on a quarterly basis. The unit heads of the Company's manufacturing facilities are responsible for operation and maintenance of the plant and other functions relating to day-to-day management of the plant, including all local issues and compliances as may be applicable at the plant level.

2. Board of Directors:

As stated above, the Chairman and Managing Director, ZEB and ZMC look 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, 2015, 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, Ms. D. N. Rawal, a woman Director has been appointed as an Independent Director on the Board. The constitution of Board meets with the requirements of clause 49 of the Listing Agreement. 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 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, four board meetings were held on May 16, 2014, July 30, 2014, November 6, 2014 and February 10, 2015.

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 report on applicable laws and regulations. It monitors overall performance of the Company, its subsidiaries and joint ventures. The Agenda for the board meeting covers items set out as guidelines in clause 49 of the Listing Agreement 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 generally within fifteen days after the conclusion of the meetings.

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 more than 5 committees have been ensured and complied with. None of the Independent Director 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, 2015.

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

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

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

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

⁴ Resigned as Director with effect from December 4, 2014.

⁵ Appointed as Director with effect from May 16, 2014.

⁶ Son of Mr. Pankaj R. Patel

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. The Director is also explained in detail the compliances required from him/her under the Companies Act, 2013 and Rules made thereunder, clause 49 of the Listing Agreement and other relevant regulations and his/her affirmation is taken with respect to the same.

At a separate meeting of the Independent Directors, a presentation was made on the brief details about the Company, nature of the industry in which Company operates, its business model apart from roles and responsibilities of Independent Directors. 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) Board Evaluation:

During the year, the Nomination and Remuneration Committee / Board has carried out evaluation of its performance, its committees and individual Directors, including 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 issues, etc. Performance of individual Directors and the Board Chairman was also carried out in terms of attendance, contribution at the meetings, circulation of sufficient documents to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

3. Committees of the Board:

In order to ensure focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees:

- Audit Committee;
- Share Transfer Committee;
- Investors' / Stakeholders' Relationship Committee,
- Nomination and Remuneration Committee,
- Risk Management Committee and
- CSR Committee.

The Board has also formed a non-mandatory committee, namely Committee of Directors.

A) Audit Committee:

I. Terms of Reference:

Audit Committee assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes; review the Company's established systems of procedures for internal financial controls, governance and reviewing the statutory and internal audits.

The Audit Committee discharges such functions and duties which are generally specified under clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013. Some of the important functions being performed by the Committee are;

- Oversight of the Company's financial reporting process and financial information,
- 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,
- 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.
- Review of Management Discussion and Analysis of financial and operational performances,
- Review of inter-corporate loans and investments,
- Review the adequacy and effectiveness of internal financial controls and systems,
- Review and discuss with the management major financial risk exposures and steps taken to monitor and control it,
- Overseeing and reviewing the functioning of vigil mechanism [implemented by the Company as Whistle Blower Policy],
- Review the scope of the Internal Auditors and Audit Plan to ensure reasonable coverage of different areas of operations,
- Review, discuss and monitor the observations reported by Statutory / Internal Auditors and its compliance,

- Review and recommend to the Board the appointment / re-appointment of the Statutory and Cost Auditors after due consideration of their independence and effectiveness,
- Approving the payment towards additional services rendered by the Statutory Auditors except those enumerated in section 144 of the Companies Act, 2013,
- Recommending to the Board the remuneration of the Statutory and Cost Auditors,
- Review of Cost Audit Report submitted by the Cost Auditors,
- Approval of the appointment, removal and terms of remuneration of Internal Auditors,
- 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 arm's length basis.

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

The Audit Committee held four meetings during 2014-15 on May 15, 2014, July 30, 2014, November 5, 2014 and February 9, 2015. The time gap between any two meetings was less than 120 days. The composition of the Audit Committee as on March 31, 2015 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 ¹	Non-Executive / Independent	4	3
Mr. Mukesh M. Patel	Non-Executive	4	4
Mr. Apurva S. Diwanji ²	Non-Executive / Independent	4	1
Mr. H. Dhanrajgir	Non-Executive / Independent	4	4
Ms. D. N. Rawal ¹	Non-Executive / Independent	4	3

¹ Appointed as a member of the Committee with effect from May 16, 2014.

² Resigned as Director with effect from December 4, 2014.

All the members of the Audit Committee have the requisite qualification 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 July 30, 2014 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 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, Chief Accounts Officer, Internal and Management Auditors 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, rematerialisation, 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.

II. Composition:

As on March 31, 2015, the Share Transfer Committee comprises the following members:

- Mr. Pankaj R. Patel - Chairman
- Mr. Mukesh M. Patel
- 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, the Board has renamed the existing "Shareholders / Investors Grievance Committee" as "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.

II. Composition:

The composition of the Committee as on March 31, 2015 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 clause 47(a) of the Listing Agreement with the Stock Exchanges.

The Committee ensures that the shareholders' / investors' grievances and correspondence are attended and resolved expeditiously. During the year under review, 28 investor grievances were received and all of them have been resolved. There was no investor grievance remaining unattended and pending as on March 31, 2015.

88,175 equity shares remained in the in-transit account with National Securities Depository Limited and Central Depository Services (India) Limited as of March 31, 2015.

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, the Board has renamed the "Remuneration Committee" as the "Nomination and Remuneration Committee".

I. Terms of reference:

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

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director,
- To recommend to the Board a policy relating to remuneration of the Directors, key managerial personnel and other employees,
- To formulate criteria for evaluation of Independent Directors and the Board,
- To devise a policy on board diversity,
- To review the succession planning of the Board of Directors and Senior Management Employees,
- To review the performance of the Board of Directors and Senior Management Personnel based on the criteria decided by the Committee.

II. Composition:

The composition of the Committee as on March 31, 2015 and details of attendance of the Committee members at the meetings are given in the following table. The Committee met two times 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	2	2
Mr. H. Dhanrajgir	2	2
Ms. D. N. Rawal	2	1
Mr. Mukesh M. Patel	2	2

The Company Secretary acts as the Secretary to the Committee.

III. Remuneration Policy:

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

a) Remuneration to Non-Executive Directors:

- 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.
- 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.
- In determining the quantum of commission payable to Non-Executive Directors, the Board considers the overall performance of the Company and the onerous responsibilities required to be shouldered by the Directors. The commission is being paid on uniform basis to reinforce the principles of collective responsibility of the Board.
- A Non-Executive Director is also reimbursed the expenses incurred by him for attending the Board and / or Committee of Board meetings.
- 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, 2015.

b) 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. The Board of Directors decides the remuneration of 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. The remuneration payable to them was recommended by the Nomination and Remuneration Committee.

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 of INR 150 million and INR 100 million respectively by way of salary and allowances for the financial year ended on March 31, 2015.

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.

c) 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.

iv) Details of the commission / sitting fees paid to the Non-Executive Directors for the year 2014-15 are given below:

(INR - Millions)

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	
Mr. Mukesh M. Patel	1.75	0.080	0.080	N.A.	0.020	0.040	1.97
Mr. H. Dhanrajgir	1.75	0.080	0.080	N.A.	0.020	-	1.93
Mr. Apurva S. Diwanji	1.75	0.040	0.020	N.A.	N.A.	-	1.81
Mr. Nitin R. Desai	1.75	0.080	0.060	N.A.	0.020	-	1.91
Ms. D. N. Rawal	1.75	0.080	0.060	0.020	0.020	-	1.93

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

v) 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, 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 once during the year and all members of the Committee were present.

The Company Secretary acts as the secretary to the Committee.

F) Corporate Social Responsibility (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, 2015 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:

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. The Company Secretary acts as the Secretary to the Committee.

H) Independent Directors' Meeting:

During the year under review, a separate meeting of Independent Directors was held on February 10, 2015, 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,
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 their duties.

All the Independent Directors were present at the meeting.

4. 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.

5. 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 during the financial year were in the ordinary course of business and on 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 the 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 for related party transactions which has been uploaded on the website of the Company.

B) Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

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 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, 2015:

Name of the Directors	No. of shares held as at March 31, 2015	Details of shares bought [+] during 2014-2015
Mr. Pankaj R. Patel ¹	153,122,446	Nil
Mr. Mukesh M. Patel	2400	Nil
Mr. Humayun Dhanrajgir	Nil	Nil
Mr. Nitin R. Desai ²	88,400	[+] 38,000
Ms. Dharmishtaben N. Rawal	Nil	Nil
Dr. Sharvil P. Patel	3000	Nil

1 Held also as a Karta of HUF and Trustee of 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 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 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 Director seeking reappointment as required to be disclosed under this section are provided as annexure to the notice convening the Twentieth Annual General Meeting.

G) Compliance by the Company:

The Company has complied with all the mandatory requirements of the Listing Agreement 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 clause 49 (IX) was placed before the Board of Directors of the Company.

6. Means of Communication:

- The Company has 46003 shareholders as on March 31, 2015. 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, half yearly and yearly results are published in widely circulating national and local dailies such as "Business Standard" and "Jansatta", in English and Gujarati respectively. These are not sent individually to the shareholders.
- The Company's results and official news releases are displayed on the Company's web-site, www.zyduscadila.com. 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.
- The Company files with the Stock Exchanges the updated Investors' Presentation and copy thereof is also posted on the website of the Company. Further, the transcript of post results call are also posted on the Company's website.

7. General Body Meetings:

- Details of last three Annual General Meetings held are provided hereunder.

Year	Date and Time	Venue
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
2012-2013	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
2011-2012	17 th AGM on August 6, 2012 at 10.00 a.m.	J. B. Auditorium Ahmedabad Management Association ATIRA Campus Dr. Vikram Sarabhai Marg Ahmedabad - 380 015

- 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 3,500 mio.	Section 42 of the Companies Act, 2013	
4.	Alterations of Articles of Association.	Section 14 of the Companies Act, 2013	

iii) Postal Ballot:

During the year, the Company has not sought shareholders' approval through Postal Ballot.

The Company has proposed the passing of resolutions mentioned in the following table through Postal Ballot process vide notice dated April 8, 2015.

Sr. No.	Particular of Special Resolutions proposed	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	181(1)(a)

iv) Procedure for Postal Ballot proposed:

- The Board of Directors at its meeting held on April 8, 2015 has appointed Mr. Dhirajlal D. Sanghavi as the Scrutinizer for conducting Postal Ballot voting process,
- The Company has completed the dispatch of Notice of Postal Ballot dated April 8, 2015 together with the explanatory statement on April 16, 2015 along with forms and postage prepaid business reply envelope to all shareholders, whose name[s] appeared on the Register of Members on April 10, 2015,
- The voting under Postal Ballot is kept open from April 17, 2015 and will end on May 18, 2015, [Either through Ballot paper or Electronic mode]
- The Company has utilized the platform of Central Depository Services [India] Limited for voting through electronic means,
- The results of the voting pattern will be announced by the Chairman of the company on or before May 23, 2015 based on the report of the Scrutinizer.

8. General Shareholder information

i) General Information:

Date and Time of 20 th AGM	August 12, 2015 at 10.00 a.m.
Venue of 20 th AGM	H.T. Parekh Hall, Ahmedabad Management Association ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015.
Financial Year	April 1, 2014 to March 31, 2015
Book Closure Date	August 3, 2015 to August 12, 2015
Registered Office Address	"Zydus Tower", Satellite Cross Roads, Sarkhej Gandhinagar High Way, Ahmedabad - 380 015.
Dividend Payment Date	On or before August 17, 2015
Compliance Officer	Mr. Upen Shah, Company Secretary
Website Address	www.zyduscadila.com

ii) Financial year 2015-16:

First Quarter Results	Before August 14, 2015
Half Yearly Results	Before November 14, 2015
Third Quarter Results	Before February 14, 2016
Audited Results for the year 2015-16	Before May 30, 2016

iii) Listing of shares:

The equity shares of the Company are listed on the following Stock Exchanges:

Name and Address of the Stock Exchange
Ahmedabad Stock Exchange Limited, Kamdhenu Complex, Opp. Sahjanand College, Panjara Pole, Ahmedabad - 380 015*.
BSE Limited, 1st Floor, New Trading Ring, Rotunda Bldg., P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.
The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051

*The board has approved the proposed to delist the shares at its meeting held on May 15, 2015.

iv) Listing fees:

The Company has paid the annual listing fees for the financial year 2015-16 to all the Stock Exchanges where its securities are listed.

v) Stock Code:

Name of the Stock Exchange	Stock Code	Closing Price as on March 31, 2015 (Rs.)
The National Stock Exchange of India Limited	CADILAHC	1741.80
BSE Limited	532321	1739.30
Ahmedabad Stock Exchange Limited	10927	No Trading reported

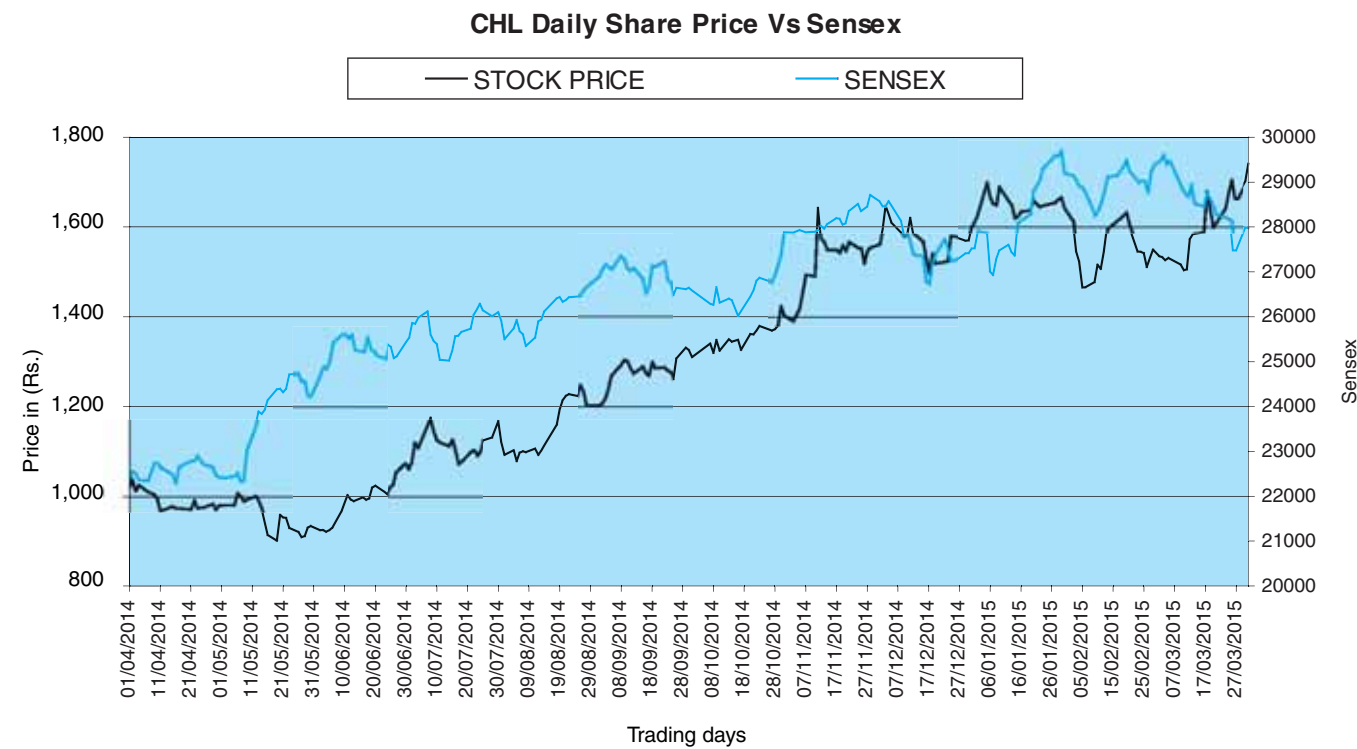
Corporate Governance Report

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, 14	22417.80	1074.00	955.50	12254	1075.00	955.50	69649
May, 14	24217.34	1021.00	872.55	23049	1021.00	872.10	100867
June, 14	25413.78	1082.00	914.00	16737	1081.90	911.10	84188
July, 14	25894.97	1195.00	1047.50	19393	1194.00	1045.00	123466
Aug., 14	26638.11	1284.60	1065.00	14361	1284.95	1062.70	89475
Sept., 14	26630.51	1358.75	1172.70	19140	1358.80	1168.85	113920
Oct., 14	27865.83	1454.00	1139.00	5220	1457.95	1060.90	80920
Nov., 14	28693.99	1760.00	1379.55	14929	1760.15	1376.10	93297
Dec., 14	27499.42	1694.00	1274.90	6651	1670.00	1448.70	71883
Jan., 15	29182.95	1717.95	1575.00	11920	1719.90	1595.90	178740
Feb., 15	29361.50	1650.00	1425.10	10644	1655.00	1425.00	151851
March, 15	27957.49	1763.00	1492.55	30556	1763.80	1489.45	190236

No trading recorded on the Ahmedabad Stock Exchange Limited.

vii) Chart 'A' Stock Performance: Cadila Healthcare Limited [CHL]



viii) Registrar and Share Transfer Agents:

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. Sharepro Services [India] Private Limited., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Nr. M.J. Library, Ellis Bridge, Ahmedabad - 380 006
 Telephone: 079 – 26582381-84. | Fax number: 079 - 26582385.
 Email: sharepro.ahmedabad@shareproservices.com

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 - M/s Sharepro Services (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 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 of the financial year 2014-15, 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, 2015:

No. of Equity Shares	No. of folios	% to total folios	No. of Shares	% of shareholding
1 to 1000	44106	95.88	6122890	2.99
1001 to 2000	1032	2.24	1409913	0.69
2001 to 4000	362	0.79	1015522	0.50
4001 to 6000	119	0.26	603555	0.29
6001 to 8000	56	0.12	405672	0.20
8001 to 10000	53	0.12	483295	0.24
10001 to 20000	84	0.18	1197816	0.58
20001 and above	191	0.41	193509857	94.51
Grand Total	46003	100.00	204748520	100.00
Shareholders in Physical Mode	4766	10.36	1219034	0.60
Shareholders in Electronic Mode	41237	89.64	203529486	99.40
Grand Total	46003	100.00	204748520	100.00

xii) Shareholding pattern as at March 31, 2015:

Category	No. of shares held		Total Shares	% of shareholding
	Physical	Electronic		
Promoters' holding	0	153138046	153138046	74.79
Mutual Funds and UTI	2883	8725863	8728746	4.26
Banks, FIs and Insurance Companies	1344	8021565	8022909	3.92
Foreign Institutional Investors/Foreign Venture Capital Investment	0	13217657	13217657	6.45
NRIs / OCBs/Foreign Portfolio Corporate	6219	842214	848433	0.42
Other Corporate Bodies	7636	8821037	8828673	4.32
Indian public	1200952	10674929	11875881	5.80
Others [In transits]	Nil	88175	88175	0.04
Total	1219034	203529486	204748520	100.00

xiii) Dematerialisation of shares and liquidity:

The Company's equity shares are traded compulsorily in dematerialised form with effect from July 24, 2000. Approximately 99.40% of the equity shares have been dematerialised. ISIN number for dematerialisation of the equity shares of the Company is INE010B01019.

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 : investor.grievance@zyduscadila.com

investor.grievance@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 clause – 49 of the Listing Agreement:

- The Company has an Executive Chairman.
- 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.
- The Company's financial statement for the financial year - 2014-15 does not contain any audit qualification.
- The internal auditors report to the Audit Committee.

DECLARATION

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on March 31, 2015.

Place : Ahmedabad
Date : May 15, 2015

Pankaj R. Patel
Chairman and Managing Director

Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Cadila Healthcare Limited, for the year ended on March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the concerned Stock Exchanges in India.

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.

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 above mentioned listing agreement.

We state that in respect of the investor grievances received during the year ended March 31, 2015, no such investor grievances remained unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor of 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

Mukesh M. Shah
Partner
Membership No. 030190

Place : Ahmedabad
Date : May 15, 2015

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 31st March, 2015, 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 the other auditor of the Company's office at Philippines].

Management's Responsibility for the Financial Statement:

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 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.

Auditors' 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 auditors' 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- 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

- As required by the Companies (Auditor's Report) Order, 2015 ("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.
- As required by Section 143 (3) of the Act, we report that:
 - 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.
 - 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].
 - 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.
 - 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].
 - 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
 - On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - 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:
 - The Company has disclosed the impact of pending litigations on its standalone financial position in its standalone financial statements – Refer Note 20 to the financial statements;
 - 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.
 - 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

Mukesh M. Shah
Partner
Membership No.: 030190

Place : Ahmedabad
Date : May 15, 2015

**Annexure referred to in the Independent Auditors' Report of even date to the members of
CADILA HEALTHCARE LIMITED on the Standalone Financial Statements for the year ended 31st March, 2015**

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.
2. (a) The inventories have been physically verified by the management during the year.
(b) 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.
(c) 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 Companies Act, 2013. 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
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 Companies Act, 2013 and the rules framed 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 Companies Act, 2013 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, Wealth 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 31st March, 2015, 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 31st March, 2015 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 the dispute is pending
The Income Tax Act, 1961	Income Tax	7.79	2007-08, to 2010-11	Income Tax Appellate Tribunal
		16.34	2005-06, 2009-10 and 2011-12	Commissioner of Income Tax (Appeals)
The Central Sales Tax and Local Sales Tax Acts	Sales Tax	110.82	1996-97 to 1999-2000, 2001-02, 2004-05 to 2013-14	Commissioner / Deputy Commissioner / Joint Commissioner of Sales Tax / Revision Board / Adjudicating Authority
		10.02	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 1986-87 to 1988-89, 1990-91 to 1992-99	ACCE/DCCE/JCCE/Add.Comm.
		20.57	Various Cases for the period 2005-06 to 2013-14	Commissioner (Appeals)
		282.54	Various cases for the period 1995-96 to 1999-2000, 2003-04 to 2013-14	Central Excise and Service Tax Appellate Tribunal
		6.33	1995-96, 2005-06 to 2011-12	High Court/ Supreme Court

- (c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder, has been transferred to such fund within time.
8. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and during the immediately preceding financial year.
9. As per the information and explanation given to us, the Company has not defaulted in repayment of dues to any banks or financial institutions or debenture holders during the year.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees / letter of comforts given by the company for loans taken by the subsidiaries and other parties from banks are not prima facie, prejudicial to the interest of the company.
11. Term loans obtained by the company were applied for the purposes for which the loans were obtained.
12. To the best of our knowledge and based on information and explanations received from the management, no material fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **MUKESH M. SHAH & CO.**
Chartered Accountants
Firm Registration No.:106625W

Mukesh M. Shah
Partner
Membership No.: 030190

Place : Ahmedabad
Date : May 15, 2015

Balance Sheet as at March 31, 2015

Particulars	Note No.	INR - Millions	
		As at March 31	
		2015	2014
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	1,024	1,024
Reserves and Surplus	2	44,230	35,275
		45,254	36,299
Non-Current Liabilities:			
Long Term Borrowings	3	5,836	8,536
Deferred Tax Liabilities [Net]	4	1,236	1,236
Other Long Term Liabilities	5	239	206
Long Term Provisions	6	805	468
		8,116	10,446
Current Liabilities:			
Short Term Borrowings	7	6,796	5,576
Trade Payables	8	6,713	4,617
Other Current Liabilities	9	3,300	2,986
Short Term Provisions	10	3,195	2,507
		20,004	15,686
Total		73,374	62,431
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	11	17,530	15,392
Intangible Assets	11	151	249
Capital work-in-progress		3,669	5,306
		21,350	20,947
Non-Current Investments	12	17,508	12,653
Long Term Loans and Advances	13	7,543	8,190
		46,401	41,790
Current Assets:			
Current Investments	14	4,583	2,924
Inventories	15	8,043	6,635
Trade Receivables	16	10,561	7,220
Cash and Bank Balances	17	1,294	894
Short Term Loans and Advances	18	2,019	2,551
Other Current Assets	19	473	417
		26,973	20,641
Total		73,374	62,431
Significant Accounting Policies	II		
Notes to the Financial Statements	1 to 42		
As per our report of even date		For and on behalf of the Board	
For Mukesh M. Shah & Co., Chartered Accountants Firm Registration Number: 106625W		Pankaj R. Patel Chairman & Managing Director	
Mukesh M. Shah Partner Membership Number: 030190 Ahmedabad, Dated: May 15, 2015	Nitin D. Parekh Chief Financial Officer	Upen H. Shah Company Secretary	Sharvil P. Patel Deputy Managing Director

Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note No.	INR - Millions	
		Year ended March 31	
		2015	2014
REVENUE:			
Revenue from Operations:	22		
Sale of Products [Gross]		47,636	35,873
Less: Excise Duty		775	628
Sale of Products [Net]		46,861	35,245
Other Operating Revenues		5,983	5,176
Net Revenue from Operations		52,844	40,421
Other Income	23	1,852	3,086
Total Revenue		54,696	43,507
EXPENSES:			
Cost of Materials Consumed	24	12,861	10,681
Purchases of Stock-in-Trade	25	4,415	3,827
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	26	(760)	(357)
Employee Benefits Expense	27	6,071	5,251
Finance Costs	28	428	425
Depreciation, Impairment and Amortisation expenses	11 & 41	2,119	1,274
Other Expenses	29	14,916	12,949
Total Expenses		40,050	34,050
Profit before Tax		14,646	9,457
Less: Tax Expense:			
Current Tax		1,963	628
Deferred Tax	4	-	-
Prior year's tax adjustments		(28)	(207)
		1,935	421
Profit for the year		12,711	9,036
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	30	62.08	44.13
Significant Accounting Policies	II		
Notes to the Financial Statements	1 to 42		
As per our report of even date		For and on behalf of the Board	
For Mukesh M. Shah & Co., Chartered Accountants Firm Registration Number: 106625W		Pankaj R. Patel Chairman & Managing Director	
Mukesh M. Shah Partner Membership Number: 030190 Ahmedabad, Dated: May 15, 2015	Nitin D. Parekh Chief Financial Officer	Upen H. Shah Company Secretary	Sharvil P. Patel Deputy Managing Director

Cash Flow Statement for the year ended March 31, 2015

Particulars	INR - Millions	
	Year ended March 31	
	2015	2014
A Cash flows from operating activities:		
Profit before tax	14,646	9,457
Adjustments for:		
Depreciation, Impairment and Amortisation	2,119	1,274
Loss on sale of assets [Net]	7	32
Interest income	(327)	(250)
Dividend income	(1,399)	(2,725)
Interest expenses	338	700
Bad debts written off	38	24
Provision for doubtful debts written back	-	(5)
Doubtful advances written off	1	1
Provision for doubtful advances [net of written back]	(10)	1
Provisions for employee benefits	342	124
Provisions for probable product expiry claims and return of goods	9	7
Total	1,118	(817)
Operating profit before working capital changes	15,764	8,640
Adjustments for:		
[Increase] in trade receivables	(3,280)	(391)
[Increase] in inventories	(1,408)	(763)
Decrease/ [Increase] in short term advances	49	(243)
Decrease/ [Increase] in long term advances	83	(73)
Decrease in other current assets	5	6
Increase in trade payables	2,008	1,236
Increase/ [Decrease] in other current liabilities	153	(44)
Increase/ [Decrease] in other long term liabilities	33	(66)
Total	(2,357)	(338)
Cash generated from operations	13,407	8,302
Direct taxes paid [Net of refunds]	(1,969)	221
Foreign Currency Monetary Items Translation Difference Account written off	(601)	279
Hedge Reserve [Net of Liability]	-	(20)
Net cash from operating activities	10,837	8,782
B Cash flows from investing activities:		
Purchase of fixed assets	(3,045)	(2,820)
Proceeds from sale of fixed assets	21	32
Purchase of Non Current investments	(3,018)	(2,355)
Proceeds from sale of Non Current Investments/ appropriation of Escrow accounts	13	214
Purchase of Current investments	(859)	(494)
Advances to subsidiaries/ a joint venture company	(556)	(2,849)
Repayment of Advances by subsidiary companies/ a joint venture company	13	1,245
Interest received	266	224
Dividend received	1,399	2,725
Net cash used in investing activities	(5,766)	(4,078)

Cash Flow Statement for the year ended March 31, 2015 - Continued:

Particulars	INR - Millions		
	Year ended March 31		
	2015	2014	
C Cash flows from financing activities:			
Proceeds from Long Term Borrowings	1,817	3,294	
Repayment of Long Term Borrowings	(4,402)	(2,349)	
Short Term Borrowings [Net]	1,220	(2,938)	
Interest paid	(393)	(730)	
Dividends paid	(1,840)	(1,534)	
Tax on dividends paid	(273)	(198)	
Net cash used in financing activities	(3,871)	(4,455)	
Net increase in cash and cash equivalents	1,200	249	
Cash and cash equivalents at the beginning of the year	1,294	1,045	
Cash and cash equivalents at the end of the year	2,494	1,294	
Notes to the Cash Flow Statement			
<p>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. 27 [Rs. 36] Millions not available for immediate use. 4 Cash and cash equivalents comprise of:</p>			
	As at March 31		
	2015	2014	2013
a Cash on Hand	10	9	4
b Balances with Banks	1,284	885	912
c Investment in Liquid Mutual Funds	1,200	400	129
d Total	2,494	1,294	1,045
As per our report of even date		For and on behalf of the Board	
For Mukesh M. Shah & Co., Chartered Accountants Firm Registration Number: 106625W		Pankaj R. Patel Chairman & Managing Director	
Mukesh M. Shah Partner Membership Number: 030190 Ahmedabad, Dated: May 15, 2015	Nitin D. Parekh Chief Financial Officer	Upen H. Shah Company Secretary	Sharvil P. Patel Deputy Managing Director

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], BSE Limited and the Ahmedabad Stock Exchange Limited [ASE].

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 pronouncement 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 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.

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

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

E Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated economic life of ten years.

F Goodwill arising on Amalgamation is amortised over five years, as per Accounting Standard [AS] 14 on "Accounting for Amalgamations".

G 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.

H 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.

I 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.

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.

Notes to the Financial Statements

II-Significant Accounting Policies-Continued:

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" which contains accounting for derivatives, 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 derivative instruments, such as foreign currency forward contracts, options, other non-derivative financial liabilities and interest rate swaps to hedge its foreign currency risks associated with probable forecasted sales, foreign currency trade receivables and interest rate fluctuations. The Company designates these 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.
- 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.

Notes to the Financial Statements

II-Significant Accounting Policies-Continued:

16 Taxes on Income:

- A** Tax expenses comprise 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.

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 promoter's 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	
	2015	2014
Note: 1-Share Capital:		
Authorised: 345,000,000 [as at March 31, 2014: 345,000,000] Equity Shares of Rs.5/- each	1,725	1,725
	1,725	1,725
Issued, Subscribed and Paid-up: 204,748,520 [as at March 31, 2014: 204,748,520] Equity Shares of Rs.5/- each fully paid-up	1,024	1,024
Total	1,024	1,024
A There is no change in the number of shares as at the beginning and end of the year. Number of shares at the beginning and at the end of the year	204,748,520	204,748,520
B The Company has only one class of equity shares having a par value of Rs. 5/- 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 Rs. 5/- each, fully paid: Zydus Family Trust Number of Shares % to total share holding	153,107,446 74.78%	153,107,446 74.78%
D 100,885,305 [as at March 31, 2014: 100,885,305] Equity Shares of Rs. 5/- each, fully paid-up were issued and allotted without payment being received in cash and 90,000,000 [as at March 31, 2014: 90,000,000] Equity Shares of Rs. 5/- each were extinguished in February, 2009 pursuant to Composite Scheme of Arrangement.		
E Equity Shares allotted as fully paid bonus shares during the last five years	68,249,507	68,249,507
Note: 2-Reserves and Surplus:		
Debenture Redemption Reserve: Balance as per last Balance Sheet Less: Transferred to General Reserve Add: Transfer from Surplus in statement of Profit and Loss	1,550 1,550 -	1,100 - 450
Other Reserves:		1,550
International Business Development Reserve: [*] Balance as per last Balance Sheet	2,000	2,000
General Reserve: [**] Balance as per last Balance Sheet Add: Transfer from Debenture Redemption Reserve Add: Transfer from Surplus in statement of Profit and Loss	14,000 1,550 -	13,000 - 1,000
	15,550	14,000
Foreign Currency Monetary Items Translation Difference Account: [***] Balance as per last Balance Sheet [Less]/ Add: [Debited]/ Credited during the year	360 (601) (241)	81 279 360
Hedge Reserve: [Refer Note-36] Balance as per last Balance Sheet Add/ [Less]: Credited/ [Debited] during the year	(1) 1 -	14 (15) (1)
Surplus in statement of Profit and Loss: Balance as per last Balance Sheet Less: Additional depreciation upon revision in useful lives of tangible assets [Refer Note-41] Add: Profit for the year	17,366 249 12,711 29,828	11,896 - 9,036 20,932
Less: Appropriations:		
Dividends:		
Proposed Dividend	2,457	1,843
Corporate Dividend Tax on Dividend [Net of CDT Credit]	450	273
Transfer to Debenture Redemption Reserve	-	450
Transfer to General Reserve	-	1,000
	2,907	3,566
Balance as at the end of the year	26,921	17,366
Total	44,230	35,275

Notes to the Financial Statements

Note: 2-Reserves and Surplus - Continued:

[*] 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.

Note: 3-Long Term Borrowings:

	INR - Millions			
	Non-current portion		Current Maturities	
	As at March 31		As at March 31	
	2015	2014	2015	2014
A Debentures [Secured]:				
a 9.70% Redeemable Non Convertible privately placed	-	1,750	-	-
b 8.50% Redeemable Non Convertible privately placed	-	-	-	500
	-	1,750	-	500
B Term Loans from Banks:				
a Term Loan [Secured]	-	-	-	250
b External Commercial Borrowings in Foreign Currency [Secured]	4,523	5,514	1,855	720
c External Commercial Borrowings in Foreign Currency [Unsecured]	1,251	1,199	-	200
	5,774	8,463	1,855	1,670
C Deferred Payment Liabilities [Unsecured]:				
Interest free deemed loan against deferment of sales tax:				
a From a Financial Institution	-	-	-	14
b Deferred amount	-	-	-	56
	-	-	-	70
D From Others [Unsecured]	62	73	10	10
Total	5,836	8,536	1,865	1,750
The above amount includes:				
Secured borrowings	4,523	7,264	1,855	1,470
Unsecured borrowings	1,313	1,272	10	280
Amount disclosed under the head "Other Current Liabilities" [Note-9]	-	-	(1,865)	(1,750)
Net amount	5,836	8,536	-	-

A Securities and Terms of Repayment for Secured Long Term Borrowings:

a Foreign Currency Loans:

- i ECB of USD 20 Millions is secured by English mortgage of all immovable properties and hypothecation of movable plant and machineries, present and future, of the Company's Formulation Unit at village Moraiya in the State of Gujarat on pari-passu basis with other lenders. 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, 2015 is Rs. 749 [as at March 31, 2014: Rs. 1,199] Millions.
- ii ECB of USD 20 Millions is secured by hypothecation of specific trade marks 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, 2015 is Rs. 1,251 [as at March 31, 2014: Rs. 1,199] Millions.
- iii ECB of USD 20 Millions is secured by hypothecation of specific trade marks of the Company. The loan is repayable at the end of five years from the date of its origination [July 10, 2013] along with accrued interest for the period. Interest rate is reset every month at the rate of 1 month USD LIBOR plus 180 bps p.a. The outstanding amount of loan as at March 31, 2015 is Rs. 1,251 [as at March 31, 2014: Rs. 1,199] Millions.

Notes to the Financial Statements

Note: 3-Long Term Borrowings-Continued:

- iv ECB of USD 15 Millions is secured by hypothecation of specific trade marks of the Company. The loan is repayable on August 20, 2015 along with accrued interest for the period. Interest rate is reset every month at the rate of 1 month USD LIBOR plus 165 bps p.a. The outstanding amount of loan as at March 31, 2015 is Rs. 938 [as at March 31, 2014: Rs. 899] Millions.
- v ECB of USD 20 Millions is secured by hypothecation of specific trade marks 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, 2015 is Rs. 1,251 [as at March 31, 2014: Rs. 599] Millions.
- vi 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, 2015 is Rs. 938 [as at March 31, 2014: Rs. Nil] Millions.

B Terms of Repayment for Unsecured Long Term Borrowings:

- a 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 223 bps p.a. The outstanding amount as at March 31, 2015 is Rs. 1,251 [as at March 31, 2014: Rs. 1,199] Millions.
- b 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, 2015 is Rs. 72 [as at March 31, 2014: Rs. 82] 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 2015
	As at March 31 2013	Charge for the previous year	As at March 31 2014	Charge for the current year	
Deferred Tax Liabilities:					
Depreciation	1,975	77	2,052	(30)	2,022
Deferred Tax Assets:					
Employee benefits	149	(30)	119	52	171
Receivables	8	5	13	(9)	4
Unabsorbed depreciation	246	149	395	(106)	289
Others	336	(47)	289	33	322
Total	739	77	816	(30)	786
Net Deferred Tax Liabilities	1,236	-	1,236	-	1,236

- B The Net Deferred Tax Liabilities of Rs. Nil [Previous Year: Rs. Nil] for the year has been provided in the statement of Profit and Loss.
- C The Company has substantial unabsorbed depreciation allowances available for set off in future for an indefinite period. Based on the review of the business plan, there is a convincing evidence that there would be sufficient future taxable income against which such deferred tax assets can be realised. However, as a matter of prudence, such deferred tax assets are recognised/ [reversed] only to the extent of net deferred tax liability arising for the year.

	INR - Millions	
	As at March 31	
	2015	2014
Note: 5-Other Long Term Liabilities:		
Trade Deposits	54	52
Others	185	154
Total	239	206

Notes to the Financial Statements

	INR - Millions					
	As at March 31					
	2015			2014		
Note: 6-Long Term Provisions:						
Provision for Employee Benefits	805			468		
Total	805			468		
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					
	2015			2014		
	<u>Med. Leave</u>	<u>Leave Wages</u>	<u>Gratuity</u>	<u>Med. Leave</u>	<u>Leave Wages</u>	<u>Gratuity</u>
B Change in the present value of the defined benefit obligation:						
Opening defined benefit obligation	9	446	700	8	331	568
Interest cost	1	39	61		23	42
Current service cost	85	95	82	2	87	75
Benefits paid		(71)	(107)		(85)	(110)
Actuarial [gains]/ losses on obligation	(11)	64	180	(1)	90	125
Closing defined benefit obligation	84	573	916	9	446	700
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	129	747	-	119	588
Expected return on plan assets		15	71		11	59
Contributions by employer		1	77			176
Benefits paid		(1)	(107)			(74)
Actuarial [losses]/ gains		(6)	(5)		(1)	(2)
Closing fair value of plan assets	-	138	783	-	129	747
Total actuarial [losses]/ gains to be recognised	-	(70)	(185)	-	(91)	(127)
D Actual return on plan assets:						
Expected return on plan assets	-	15	71	-	11	59
Actuarial [losses]/ gains on plan assets	-	(6)	(5)	-	(1)	(2)
Actual return on plan assets	-	9	66	-	10	57
E Amount recognised in the balance sheet:						
Liabilities/ [Assets] at the end of the year	84	573	916	9	446	700
Fair value of plan assets at the end of the year	-	(138)	(783)	-	(129)	(747)
Difference	84	435	133	9	317	(47)
Unrecognised past service cost	-	-	-	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	84	435	133	9	317	(47)

Notes to the Financial Statements

Note: 6-Long Term Provisions - Continued:

	INR - Millions					
	As at March 31					
	2015			2014		
	Med. Leave	Leave Wages	Gratuity	Med. Leave	Leave Wages	Gratuity
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	85	95	82	2	87	75
Interest cost on benefit obligation	1	39	61	-	23	42
Expected return on plan assets	-	(15)	(71)	-	(11)	(59)
Net actuarial [gains]/ losses in the year	(11)	70	185	(1)	91	127
Net expenses/ [benefits]	75	189	257	1	190	185
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	9	317	(47)	8	212	(20)
Expenses as above [P & L Charge]	75	189	257	1	190	185
Employer's contribution	-	(71)	(77)	-	(85)	(212)
Liabilities/ [Assets] recognised in the Balance Sheet	84	435	133	9	317	(47)
H Principal actuarial assumptions as at Balance sheet date:						
Discount rate	7.80%	7.80%	7.80%	9.00%	9.00%	9.00%
[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%	8.75%	8.75%	0.00%	9.25%	9.25%
[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	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
[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:						
	As at March 31					
	2011	2012	2013	2014	2015	
Gratuity:						
Defined benefit obligation	463	572	568	700	916	
Fair value of Plan Assets	351	436	588	747	783	
Deficit/ [Surplus] in the plan	112	136	(20)	(47)	133	
Actuarial Loss/ [Gain] on Plan Obligation	136	37	(66)	125	180	
Actuarial Loss/ [Gain] on Plan Assets	-	5	4	(2)	(5)	
The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2014-15.						
	INR - Millions					
	As at March 31					
	2015			2014		
Note: 7-Short Term Borrowings:						
Loans repayable on Demand:						
Working Capital Loans from Banks [Secured] [*]		2,851				1,620
Working Capital Loans from Banks [Unsecured] [**]		3,945				3,956
Total		6,796				5,576
<p>[*] 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 9.50% p.a. to 12.25% p.a. and Packing Credit in Foreign Currency [PCFC] interest is in the range of 40 bps to 45 bps over 1 month USD LIBOR.</p> <p>[**] PCFC loans are payable during April, 2015 to September, 2015 at interest in the range of 25 bps to 53 bps over 1 or 3 month(s) USD LIBOR.</p>						

Notes to the Financial Statements

	INR - Millions	
	As at March 31	
	2015	2014
Note: 8-Trade Payables:		
Micro, Small and Medium Enterprises [*]	57	10
Others	6,656	4,607
Total	6,713	4,617
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	57	10
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]	1,865	1,750
Interest accrued but not due on borrowings	5	60
Unpaid Dividends [*]	21	18
Advances from customers	195	96
Others:		
Provision for Expenses	925	806
Payable to Statutory Authorities	289	255
Derivative Liability	-	1
Total	1,214	1,062
	3,300	2,986
[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
Note: 10-Short Term Provisions:		
Provision for Employee Benefits	29	24
Others:		
Proposed Dividend [Refer Note-21]	2,457	1,843
Corporate Dividend Tax on Dividend	450	273
Provision for Taxation [Net of advance payment of tax of Rs. 2,354 {as at March 31, 2014: Rs. 895} Millions]	208	325
Provision for claims for product expiry and return of goods [*]	51	42
Total	3,166	2,483
	3,195	2,507
[*] 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	42	35
ii Additional provision made during the year	51	42
iii Amount used	42	35
iv Carrying amount at the end of the year	51	42

Notes to the Financial Statements

Note: 11-Fixed Assets:								INR-Millions
A Tangible Assets:	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block:								
As at March 31, 2013	504	243	4,535	14,585	495	436	130	20,928
Additions	153	1	235	1,241	10	77	24	1,741
Disposals				(213)	(28)	(40)		(281)
Other adjustments			19	233				252
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
Depreciation and Impairment:								
As at March 31, 2013	-	20	892	4,910	282	160	20	6,284
Depreciation for the year		2	140	956	34	40	9	1,181
Impairment for the year								-
Disposals				(185)	(20)	(18)	6	(217)
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
Disposals				(32)		(24)		(56)
As at March 31, 2015	-	25	1,173	7,566	368	228	99	9,459
Net Block:								
As at March 31, 2014	657	222	3,757	10,165	181	291	119	15,392
As at March 31, 2015	838	220	4,071	11,805	129	364	103	17,530
B Intangible Assets:			Goodwill	Brands/ Trademarks	Computer Softwares	Commercial Rights	Technical Know-how	Total
Gross Block:								
As at March 31, 2013			102	2,516	279	307	978	4,182
Additions					15			15
Disposals								-
Other adjustments								-
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
Amortisation and Impairment:								
As at March 31, 2013			20	2,457	146	260	972	3,855
Amortisation for the year			21	19	46	5	2	93
Impairment for the year								-
Disposals								-
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
Net Block:								
As at March 31, 2014			61	40	102	42	4	249
As at March 31, 2015			41	13	57	37	3	151
Notes:								
1	Buildings include Rs. 0.02 [As at March 31, 2014: 0.02] Millions being the value of unquoted shares held in cooperative societies.							
2	Additions of Rs. 363 [Previous Year: Rs. 112] Millions in research assets during the year are included in "Additions" under the respective heads of Gross Block of Tangible assets as above.							
3	Capital expenditure on Research and Development [including net decrease in Capital Work-in-progress of Rs. 49 {Previous year: Rs. 19} Millions] is Rs. 314 [Previous Year: Rs. 93] Millions.							
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.							

Notes to the Financial Statements

	Nos. [*]	Face Value [**]	INR - Millions	
			As at March 31	
			2015	2014
Note: 12-Non-Current Investments:				
Long Term Investments [Valued at cost]:				
Trade Investments:				
Investments in Equity Instruments			12,361	10,334
Investments in Preference Shares			5,032	2,199
Investments in a Partnership Firm			96	96
			17,489	12,629
Other Investments:				
Investments in Equity Instruments			10	10
Investments in Preference Shares			9	9
Investments in Government Securities			-	5
			19	24
			17,508	12,653
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	24,000	100	2	2
Biochem Pharmaceutical Industries Limited	7,500,000	10	5,242	5,250
[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
Zydus BSV Pharma Private Limited [@]	22,330,000	10	158	-
[@] 11,165,000 shares acquired pursuant to share purchase agreement [\$]	[0]			
Zydus International Private Limited, Ireland	42,424,120	€ 1.462843	4,238	2,959
[11,099,186 shares subscribed pursuant to conversion of loan into equity during the year]	[31,324,934]			
ZAHL BV, the Netherlands	180	€ 100	276	276
Zydus Lanka (Private) Limited, Sri Lanka	100,000	LKR 10	1	1
Zydus Healthcare Philippines Inc.	987,637	PHP 10	15	12
[187,637 shares subscribed during the year]	[800,000]			
Zydus Worldwide DMCC	36,750 [0]	AED 1,000	636	-
[36,750 shares subscribed during the year]				
			11,063	8,995
Joint Venture Companies [Unquoted]:				
In fully paid-up equity shares of:				
Zydus BSV Pharma Private Limited [@]	0 [11,165,000]	10	-	157
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	582
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]	\$0.001	116	-
[1,415,539 shares subscribed during the year]			303	187
			12,361	10,334
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 Zydus BSV Pharma Private Limited [#]	5,800,000 [0]	100	539	-
[#] 50,000 shares subscribed during the year and 2,900,000 shares acquired pursuant to share purchase agreement [\$]				
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus International Private Limited [33,173,182 shares subscribed during the year]	50,516,574	€1	4,003	1,424
	[17,343,392]		4,832	1,714

Notes to the Financial Statements

	Nos. [*]	Face Value [**]	INR - Millions	
			As at March 31	
			2015	2014
Note: 12-Non-Current Investments - Continued:				
Investment in Preference Shares: Joint Venture Companies [Unquoted]: In fully paid-up, 10%, Redeemable Cumulative Preference Shares of Zydus BSV Pharma Private Limited [\$]	0 [2,850,000]	100	-	285
In fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of Bayer Zydus Pharma Private Limited	20,000,000	10	200	200
			200	485
			5,032	2,199
Investment in the Fixed Capital of a Partnership Firm [Unquoted]			96	96
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 [76,000]	1 [2]	-	-
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 [Formerly known as Narmada Clean Tech Limited]	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
Investments in Government Securities: National Highway Authority of India - 54EC Capital Gains Bonds [Series - XII] [Lock in for a period of three years from date of allotment, redeemed during the year]	0 [500]	10,000	-	5
Total [Aggregate Book Value of Investments]			17,508	12,653
C a i Aggregate amount of quoted investments			875	759
ii Market value of quoted investments			29,290	14,457
b Aggregate amount of unquoted investments			16,633	11,894
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 is a partner in M/s. Zydus Healthcare, the relevant details of which are as under:				
Fixed Capital			100	100
Current Capital			4,055	3,147
Total Capital of the Firm			4,155	3,247
Name of Partners and their Profit Sharing Ratio:				
Cadila Healthcare Limited			96 %	96%
German Remedies Limited			2 %	2%
Cadila Healthcare Staff Welfare Trust			2 %	2%
[\$] Pursuant to share purchase agreement with the joint venture partner, the Company has acquired remaining 50% shares held by Bharat Serums and Vaccines Limited [the joint venture partner] in Zydus BSV Pharma Private Limited [ZBSV]. Consequently, it has become wholly owned subsidiary of the Company w.e.f. March 26, 2015.				

Notes to the Financial Statements

	INR - Millions	
	As at March 31	
	2015	2014
Note: 13-Long Term Loans and Advances:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	655	409
Security Deposits	119	234
Loans and Advances to Related Parties [*]	5,190	5,926
Other Loans and Advances:		
Balances with Custom/ Central Excise/ Sales Tax Authorities	1,108	1,019
Advance payment of Tax [Net of provision for taxation of Rs. 733 {as at March 31, 2014: Rs. 862} Millions]	302	385
Advances recoverable in cash or in kind or for value to be received:		
Considered good	169	217
Considered doubtful	2	12
	171	229
Less: Provision for doubtful advances	2	12
	169	217
	1,579	1,621
	7,543	8,190
Total		
[*] 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	1,905	1,264
b Biochem Pharmaceutical Industries Limited	130	130
c Dialforhealth India Limited	124	132
d Liva Pharmaceuticals Limited	305	-
e Zydus International Private Limited	2,371	4,250
f Zydus Worldwide DMCC	205	-
	5,040	5,776
B Joint venture:		
a Bayer Zydus Pharma Private Limited	150	150
Total	5,190	5,926
(#) Loans which are outstanding as at March 31, 2015.		
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 18 months to 5 years.		
Note: 14-Current Investments:		
	Nos. [*]	
Investments in Government Securities [Unquoted] [Valued at cost]		7
Investment in Mutual Funds [Quoted] [Valued at cost]:		6
ICICI Prudential Liquid - Direct Plan - Growth [*]	966,172.840	
	[1,054,517.500]	200
IDFC Cash Fund - Growth [*]	[0] 128,425.650	-
Axis Liquid Fund - Direct Growth [*]	129,016.535 [0]	200
DSP BlackRock Liquidity Fund - Direct Plan - Growth [*]	99,984.048 [0]	200
Religare Invesco Liquid Fund - Direct Plan - Growth [*]	103,958.382 [0]	200
SBI Premier Liquid Fund - Direct Plan - Growth [*]	91,120.406 [0]	200
Sundaram Money Fund - Direct Plan - Growth [*]	6,779,086.518 [0]	200
		1,200
Investments in Current Capital of a Partnership Firm [Refer Note-12 E]		3,376
Total		4,583
A a i Aggregate amount of quoted investments		1,200
ii Market value of quoted investments		1,201
b Aggregate amount of unquoted investments		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		

Notes to the Financial Statements

	INR - Millions	
	As at March 31	
	2015	2014
Note: 15-Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	2,990	2,460
Work-in-Progress	1,362	1,112
Finished Goods	1,869	1,675
Stock-in-Trade	1,097	794
Stores and Spares	3	10
Others:		
Packing Materials	722	584
Total	8,043	6,635
The above includes Goods in transit as under:		
Raw Materials	12	16
Stock-in-Trade	2	10
Packing Materials	5	10
Note: 16-Trade Receivables:		
Outstanding for a period exceeding six months from the date they are due for payment:		
Secured - Considered good	2	8
Unsecured - Considered good	113	102
Considered doubtful	9	9
	124	119
Less: Provision for doubtful debts	9	9
	115	110
Others- Considered good:		
Secured	585	708
Unsecured	9,861	6,402
	10,446	7,110
Total	10,561	7,220
Note: 17-Cash and Bank Balances:		
Balances with Banks [*]	1,284	885
Cash on Hand	10	9
Total	1,294	894
[*] Earmarked balances with banks:		
A Balances with Banks include:		
i Balances in unclaimed dividend accounts	21	18
ii Balances to the extent held as margin money deposits against Guarantee	5	8
B Bank deposits with maturity of more than 12 months	1	10
C Company keeps Fixed deposit with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.		
Note: 18-Short Term Loans and Advances:		
[Unsecured, Considered Good]		
Loans and advances to related parties [*]	76	627
Others:		
Balances with Custom/ Central Excise/ Sales Tax Authorities	1,367	1,382
Advances to Suppliers	520	432
Advances recoverable in cash or in kind or for value to be received	56	110
Total	2,019	2,551
[*] Details of Loans and Advances to Related Parties [Refer Note-39 for relationship] are as under:		
a Etna Biotech S.R.L. [Advance given for research activities]	-	5
b Zydus International Private Limited [Advance for subscription to Optionally Convertible Redeemable Preference Shares]	-	622
c Zydus BSV Pharma Private Limited		
i Advance for subscription to 10%, Redeemable Cumulative Preference Shares	15	-
ii Advance for processing activities	25	-
d Zydus Healthcare Philippines Inc. [Advance for subscription to Equity Shares]	36	-
	76	627

Notes to the Financial Statements

	INR - Millions	
	As at March 31	
	2015	2014
Note: 19-Other Current Assets:		
[Unsecured, Considered Good]		
Interest Receivables	94	33
Income Receivables	-	3
Insurance Claim Receivables	-	8
Export Incentive Receivables	250	276
Prepaid Expenses	129	97
Total	473	417
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, 2014: Rs. 2} Million in respect of Amalgamated {*} Companies]	106	92
b i In respect of guarantees given by Banks and/ or counter guarantees given by the Company	140	32
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	11,933	11,095
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. 15 {Previous Year: Rs. 11} Millions]		
[Including Rs. 9 {as at March 31, 2014: Rs. 9} Millions in respect of Amalgamated {*} Companies]	319	258
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. 264} Millions]		
[Including Rs. 49 {as at March 31, 2014: Rs. 49} Millions in respect of Amalgamated {*} Companies]	134	227
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. 13 {Previous Year: Rs. 33} Millions]	24	28
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. 65 {Previous Year: Rs. 50} Millions]	121	55
v Letters of Credit for Imports	3	56
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. 1,081 Millions approx.{Previous Year: US \$ 10 Millions (equivalent to Rs. 611 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 [*] 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.	180	102
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances of Rs. 224 {Previous Year: Rs. 59} Millions]	1,244	477
Note: 21- Dividends proposed to be distributed:		
The Board of Directors, at its meeting held on May 15, 2015, recommended the final dividend of Rs. 12/- per equity share of Rs. 5/- each.		

Notes to the Financial Statements

	INR - Millions	
	Year ended March 31	
	2015	2014
Note: 22-Revenue from Operations:		
Details of Gross Sales under broad heads:		
Tablets	21,334	15,891
Capsules	8,645	5,156
Injections	4,399	3,092
Bulk Drugs	3,934	3,747
Others	9,324	7,987
Total	47,636	35,873
Other Operating Revenues:		
Share of Profit from a Partnership Firm	3,898	3,782
Royalty Income	384	301
Net Gain on foreign currency transactions and translation [*]	-	351
Licence Fees	1,055	-
Miscellaneous Income	646	742
Total	5,983	5,176
[*] includes research related Net Loss on foreign currency transactions and translation	-	45
Note: 23-Other Income:		
Interest Income [Gross]:		
From Long Term Investments [Rs. 149,589 {Previous Year: Rs. 300,000}]	0	0
From Others [Other than current investments]	327	250
	327	250
Dividend Income [Gross]:		
From Long Term Investments [*]	1,399	2,725
Gain on Sale of Investments	18	13
Other Non-operating Income	108	98
Total	1,852	3,086
[*] Includes dividend from subsidiary companies	233	377
Note: 24-Cost of Materials Consumed:		
Raw Materials [Pharmaceutical Ingredients]: [*]		
Stock at commencement	2,460	2,199
Add: Purchases	10,532	8,688
	12,992	10,887
Less: Stock at close	2,990	2,460
	10,002	8,427
Packing Materials consumed	2,859	2,254
Total	12,861	10,681
[*] 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 [*]	4,415	3,827
Total	4,415	3,827
[*] Details of purchases of Stock-in-trade under broad heads:		
Tablets	1,602	1,274
Capsules	435	446
Injections	508	367
Dry Powder Injections	327	299
Others	1,543	1,441
Total	4,415	3,827

Notes to the Financial Statements

	INR - Millions		
	Year ended March 31		
	2015	2014	
Note: 26-Changes in Inventories:			
Stock at commencement:			
Work-in-progress [*]	1,112	945	
Finished Goods [**]	1,675	1,575	
Stock-in-Trade [***]	794	708	
	3,581	3,228	
Less: Stock at close:			
Work-in-progress [*]	1,362	1,112	
Finished Goods [**]	1,869	1,675	
Stock-in-Trade [***]	1,097	794	
	4,328	3,581	
Differential Excise Duty on Opening and Closing stock of Finished Goods	(747)	(353)	
Total	(13)	(4)	
	(760)	(357)	
	INR - Millions		
	As at March 31		
	2015	2014	2013
[*] Details of Work-in-progress under broad heads:			
Tablets	226	116	127
Capsules	52	86	53
Injections	85	37	38
Bulk Drugs	855	737	538
Vaccines	117	111	160
Others	27	25	29
Total	1,362	1,112	945
[**] Details of Finished Goods under broad heads:			
Tablets	680	617	571
Capsules	148	204	153
Injections	238	167	199
Bulk Drugs	431	400	370
Others	372	287	282
Total	1,869	1,675	1,575
[***] Details of Stock-in-Trade under broad heads:			
Tablets	454	310	296
Capsules	88	84	60
Injections	125	76	81
Dry Powder Injections	50	58	90
Liquids	84	90	72
Others	296	176	109
Total	1,097	794	708

Notes to the Financial Statements

	INR - Millions	
	Year ended March 31	
	2015	2014
Note: 27-Employee Benefits Expense:		
Salaries and wages	6,449	5,676
Contribution to provident and other funds [*]	537	460
Staff welfare expenses	223	193
Gross Expenses	7,209	6,329
Less: Recovery of expenses towards Cost Allocation Charges [**]	1,138	1,078
Total	6,071	5,251
Above expenses includes Research related expenses as follows:		
Salaries and wages	809	755
Contribution to provident and other funds	64	60
Staff welfare expenses	33	33
Total	906	848
[*] The Company's contribution towards the defined contribution plan 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.	295	266
[**] This refers to the recovery of cost allocation from Zydus Healthcare, Sikkim, 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.		
Note: 28-Finance Cost:		
Interest expense [*]	338	700
Other Borrowing Costs	1	7
Net [Gain]/ Loss on foreign currency transactions and translation	54	(321)
Bank commission & charges	35	39
Total	428	425
[*] The break up of interest expense into major heads is given below:		
On term loans	160	191
On debentures	77	212
On working capital loans	94	291
Others	7	6
Total	338	700

Notes to the Financial Statements

	INR - Millions	
	Year ended March 31	
	2015	2014
Note: 29-Other Expenses:		
Research Materials	940	499
Analytical Expenses	1,287	1,123
Consumption of Stores and spare parts	913	887
Power & fuel	1,303	1,133
Rent [*]	68	58
Repairs to Buildings	58	85
Repairs to Plant and Machinery	421	360
Repairs to Others	121	112
Insurance	139	109
Rates and Taxes [excluding taxes on income]	22	22
Processing Charges	426	426
Managing Directors' Remuneration	250	200
Commission to Directors	9	6
Traveling Expenses	804	756
Legal and Professional Fees	965	1,153
Net Loss on foreign currency transactions and translation	99	-
Commission on sales	442	418
Freight and forwarding on sales	1,153	859
Representative Allowances	682	607
Other marketing expenses	3,026	2,636
Bad Debts:		
Bad debts written off	38	24
Less: Transferred from Provision for Doubtful Debts	-	(5)
	38	19
Doubtful Advances:		
Doubtful advances written off	1	1
Provision for Doubtful Advances	-	1
	1	2
Less: Transferred from Provision for Doubtful Advances	(10)	-
	(9)	2
Directors' fees	1	1
Net Loss on disposal of Fixed Assets [Net of gain of Rs. 1 {Previous Year: Rs. 1} Million]	7	32
Donations [**]	4	147
Miscellaneous Expenses [***]	2,140	1,701
Gross Expenses	15,309	13,351
Less: Recovery of expenses towards Cost Allocation Charges [Refer Note: 27 (**)]	393	402
Total	14,916	12,949

Notes to the Financial Statements

	INR - Millions		
	Year ended March 31		
	2015	2014	
Note: 29-Other Expenses - Continued:			
Above expenses includes Research related expenses as follows:			
Research Materials	940	499	
Analytical expenses	1,287	1,123	
Consumption of Stores and spare parts	357	419	
Power & Fuel	137	92	
Repairs to Buildings	14	3	
Repairs to Plant and Machinery	28	24	
Repairs to Others	18	16	
Insurance	6	6	
Traveling Expenses	47	29	
Legal and Professional fees	342	559	
Net Loss on foreign currency transactions and translation	88	-	
Loss on Fixed Assets [Rs. 162,825]	-	5	
Miscellaneous Expenses [excluding Depreciation of Rs. 376 {Previous Year: Rs.213} Millions]	756	690	
Total	4,020	3,465	
[*] 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:	63	58	
[**] Donations include political donations pursuant to Section 182 (3) of the Companies Act, 2013 to:			
a Bharatiya Janata Party	-	20	
b Nationalist Congress Party	-	10	
[***] Miscellaneous Expenses include:			
a Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013	108	-	
b Payment to the Statutory Auditors [excluding Service Tax]:			
i - As Auditor	6	5	
- For taxation matters	1	1	
- For Other Services	1	1	
- Total	8	7	
ii Cost Auditor's Remuneration including fees for other services [excluding Service Tax]	1	1	
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	12,711	9,036
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	204,748,520	204,748,520
C Nominal value of Equity share	INR	5	5
D Basic & Diluted EPS	INR	62.08	44.13
Note: 31-Value of Imports calculated on CIF basis:			
Raw materials	3,621	2,907	
Packing Materials	333	232	
Finished goods	401	303	
Spare Parts	428	354	
Capital goods	608	414	
Note: 32-Expenditure in Foreign Currency:			
Royalty	31	45	
Professional and Consultation Fees	462	622	
Interest	185	221	
Others [including Travelling, Commission, Patent fees, Trademarks, Personnel cost, Research & Development expenses, Marketing expenses etc.,]	2,024	1,766	

Notes to the Financial Statements

		INR - Millions		
		Year ended March 31		
		2015	2014	
Note: 33-Earnings in Foreign Exchange:				
Export of goods calculated on F.O.B. basis		28,080	20,038	
Royalty, Know-how, professional and consultation fees		384	301	
Others		1,202	274	
Note: 34-Remittances made on account of dividend in Foreign currency		Nil	Nil	
Note: 35-Raw Materials and Spare parts consumed:				
	Year ended March 31			
	2015		2014	
	INR - Millions	% to Total	INR - Millions	% to Total
Value of Raw Materials Consumed:				
Imported	3,340	33	2,403	29
Indigenous	6,662	67	6,024	71
Total	10,002	100	8,427	100
Value of Spare parts Consumed:				
Imported	428	47	355	40
Indigenous	485	53	532	60
Total	913	100	887	100
Note: 36-Derivative Financial Instruments:				
A i The Company has entered into various derivative transactions, which are not intended for trading or speculation purpose but to hedge interest rate fluctuations.				
ii The position of outstanding currency derivative instruments are as under:				
			Amount in Millions As at March 31	
Instruments	Exposure	Risk	Currency Pair	
Interest Rate Swap	Floating Rate Loan	Interest Rate	USD	
				2015
				2014
				-
				3
iii The company has following unhedged foreign currency risk:				
			Amount in Millions As at March 31	
			2015	2014
	Currency			
Loans, Receivables and Cash & Bank Balances	USD		137	100
	EUR		44	53
	JPY		232	5
Payables including borrowings	USD		219	212
	EUR		6	2
B i. The effective portion on fair valuation of derivative instruments and non derivative financial liabilities designated as cash flow hedge, amounting to Rs. Nil [Previous year : Rs. (1)] Millions is shown under "Hedge Reserve" under "Reserves and Surplus".				

Notes to the Financial Statements**Note: 37-Financial Reporting of Interest in Joint Venture:**

A 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:

Name of the Company	% of holdings	Reporting year ending on	Status	INR - Millions			
				Amount of interest based on last audited accounts			
				Assets	Liabilities	Income	Expenditure
Zydus Takeda Healthcare Private Limited	50	March 31, 2015	Unaudited	1,452	298	829	621
		March 31, 2014	Audited	1,355	193	929	505
Zydus Hospira Oncology Private Limited	50	March 31, 2015	Audited	2,177	460	1,738	965
		March 31, 2014	Audited	2,423	804	2,275	959
Zydus BSV Pharma Private Limited [Became wholly owned subsidiary of Cadila Healthcare Limited w.e.f. March 26, 2014]	50	March 31, 2015	-	-	-	-	-
		March 31, 2014	Audited	314	33	95	124
Bayer Zydus Pharma Private Limited	50	March 31, 2015	Audited	718	473	1,314	1,269
		March 31, 2014	Audited	592	391	1,196	1,193

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	
	2015	2014
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	980	858
d Arrears of Dividend on Cumulative Preference Shares [including Distribution Tax]	-	52
C The Company's share in estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advance]	5	8

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.

Notes to the 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	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]
Zydus BSV Pharma Private Limited [Refer Note-12 (\$)]	Zydus Nikkho Farmaceutica Ltda. [Brazil]
M/s. Zydus Healthcare, a Partnership Firm	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.

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	Zest Aviation Private Limited
Zydus Hospitals (Vadodra) Private Limited	Zandra Infrastructure LLP
Zydus Hospitals (Rajkot) Private Limited	Zydus Hospital 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
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]

Nature of Transactions	Value of the Transactions [INR - Millions]					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	2015	2014	Year ended March 31		2015	2014
Purchases:						
Goods:						
Zydus Healthcare (USA) LLC	32	71				
Zydus BSV Pharma Private Limited	45			61		
Zydus Hospira Oncology Private Limited			23	31		
Others	12	8			6	9
Total	89	79	23	92	6	9
Fixed Assets:						
Zydus Wellness Limited	67					
Zandra Infrastructure LLP					55	
Cadam Enterprise					36	54
Others	1				9	18
Total	68	-	-	-	100	72
Reimbursement of Expenses paid:						
Zydus Pharmaceuticals (USA) Inc.	665	722				
Others	97	176		1		
Total	762	898	-	1	-	-

Notes to the Financial Statements

Note: 39-Related Party Transactions-Continued:

Nature of Transactions	Value of the Transactions [INR - Millions]					
	Subsidiary Companies		Joint Venture Companies Year ended March 31		Enterprises significantly influenced by Directors and/or their relatives	
	2015	2014	2015	2014	2015	2014
Services:						
Etna Biotech S.R.L.	30	20				
Biochem Pharmaceutical Industries Limited	13	10				
Zydus Infrastructure Private Limited					7	17
Others				3		59
Total	43	30	-	3	7	76
Sales:						
Goods:						
Zydus Pharmaceuticals (USA) Inc.	19,035	11,868				
Others	1,216	1,508	305	146		
Total	20,251	13,376	305	146	-	-
Fixed Assets:						
Liva Pharmaceutical Limited	1					
Others		1				
Total	1	1	-	-	-	-
Cost Allocation Charges Recovered:						
M/s. Zydus Healthcare	1,720	1,663				
Reimbursement of Expenses Recovered:						
Zydus France, SAS	2	1				
Others		1				
Total	2	2	-	-	-	-
Licence Fees:						
Zydus Discovery DMCC	1,055					
Services:						
Zydus Pharmaceuticals (USA) Inc.	80	68				
Others	28	30	5	5		
Total	108	98	5	5	-	-
Investments:						
Purchases/ Subscription to Share Capital:						
Zydus International Private Limited	1,957	2,046				
Zydus Worldwide DMCC	636					
Others	58	232		68		
Total	2,651	2,278	-	68	-	-
Change in Partner's Capital [Net]:						
M/s. Zydus Healthcare	(3,040)	(3,288)				
Share of Profit from a firm Received:						
M/s. Zydus Healthcare	3,898	3,782				
Dividend Received:						
Zydus Wellness Limited	169	169				
Zydus Hospira Oncology Private Limited			983	2,145		
Zydus Takeda Healthcare Private Limited			180	200		
Others	64	208				
Total	233	377	1,163	2,345	-	-
Finance:						
Inter Corporate Loans given:						
Liva Pharmaceutical Limited	305					
Zydus Technologies Limited	641	889				
Zydus Worldwide DMCC	197					
Others	5	1,207				
Total	1,148	2,096	-	-	-	-
Inter Corporate Loans repaid:						
Dialforhealth India Limited	8					
Zydus BSV Pharma Private Limited	5					
Others		1,145		100		
Total	13	1,145	-	100	-	-
Interest Received:						
Zydus Technologies Limited	207	103				
Others	30	13	15	16		
Total	237	116	15	16	-	-

Notes to the Financial Statements

Note: 39-Related Party Transactions-Continued:

Nature of Transactions	Value of the Transactions [INR - Millions]					
	Subsidiary Companies		Joint Venture Companies As at March 31		Enterprises significantly influenced by Directors and/or their relatives	
	2015	2014	2015	2014	2015	2014
Outstanding:						
Payable:						
Zydus Pharmaceuticals (USA) Inc.	473	48				
Others	28	113		3	22	22
Total	501	161	-	3	22	22
Receivable:						
Zydus Technologies Limited	1,959	1,297				
Zydus Pharmaceuticals (USA) Inc.	6,252	2,633				
Zydus International Private Limited	2,370	4,250				
Others	1,242	822	221	154		
Total	11,823	9,002	221	154	-	-
Outstanding Guarantees:						
Zydus Pharmaceuticals (USA) Inc.	7,660	5,485				
Zydus Technologies Limited	2,263	2,022				
Others	2,010	3,545				
Total	11,933	11,052	-	-	-	-

Remuneration:	INR-Millions Year ended March 31	
	2015	2014
	Shri Pankaj R. Patel [Chairman & Managing Director]	150
Dr. Sharvil P. Patel [Deputy Managing Director]	100	80
Outstanding remuneration payable:	As at March 31	
	2015	2014
Shri Pankaj R. Patel [Chairman & Managing Director]	147	118
Dr. Sharvil P. Patel [Deputy Managing Director]	88	67

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 [#]:

Subsidiary Company:	INR - Millions	
	As at March 31	
	2015	2014
a Zydus Technologies Limited	2,263	2,022
b Zydus International Private Limited	808	1,652
c Zydus Pharmaceuticals (USA) Inc.	7,660	5,485
d Zydus Healthcare S.A. (Pty) Ltd	191	296
e Zydus France, SAS	69	424
f Laboratorios Combix S.L.	67	107
g Zydus Noveltch Inc.	875	479
h Zydus Pharma Japan Co. Ltd.	-	583
i Zydus BSV Pharma Private Limited [Refer Note-12 (\$)]	-	4
Total	11,933	11,052
(#) Corporate guarantees which are outstanding as at March 31, 2015.		

Notes to the Financial Statements

Note: 41

Effective from April 1, 2014, the Company has 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 is higher by Rs. 645 Millions. Further, an amount of Rs. 249 Millions has 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 and on behalf of the Board

For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number: 106625W

Pankaj R. Patel
Chairman & Managing Director

Mukesh M. Shah
Partner
Membership Number: 030190
Ahmedabad, Dated: May 15, 2015

Nitin D. Parekh
Chief Financial Officer

Upen H. Shah
Company Secretary

Sharvil P. Patel
Deputy Managing Director

Auditors' Report

TO THE MEMBERS OF

CADILA HEALTHCARE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CADILA HEALTHCARE LIMITED** (the "the Holding Company"), its subsidiaries and jointly controlled companies (the Holding Company, its subsidiaries and jointly controlled companies together referred to as "**the Group**") comprising the Consolidated Balance Sheet as at March 31, 2015, 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:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group and jointly controlled entities as at 31st March, 2015;
- (b) 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
- (c) 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

- a) We did not audit the financial statements / financial information of 12 subsidiaries, and 2 jointly controlled entities, whose financial statements / financial information reflect total assets of Rs.33,567 Million as at 31st March, 2015, total revenues of Rs. 43,184 Million and net cash inflows amounting to Rs. 727 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, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
- b) We also did not audit the financial statements / financial information of 18 subsidiaries and 1 jointly controlled entity, whose financial statements / financial information reflect total assets of Rs.7482 Million as at 31st March, 2015, total revenues of Rs. 7464 Million and net cash outflows amounting to Rs. 140 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 the Companies (Auditor's Report) Order, 2015 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 31st March, 2015 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 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) 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

Mukesh M. Shah
Partner
Membership No.: 030190
Place : Ahmedabad
Date : May 15, 2015

Annexure referred to in the Independent Auditors' Report of even date to the members of CADILA HEALTHCARE LIMITED on the Consolidated Financial Statements for the year ended March 31, 2015

Our reporting on the CARO 2015 includes 5 subsidiary companies and 2 jointly controlled companies incorporated in India, to which CARO 2015 is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under CARO 2015 in the case of the consolidated financial statements.

In respect of 2 partnership firms incorporated in India to which the requirement of CARO is not applicable, the possible effects of the same on our reporting under CARO 2015 have not been considered.

In respect of a jointly controlled company incorporated in India, which has been included in the consolidated financial statements based on unaudited financial statements provided to us by the management of such entity and no report under CARO 2015 is available, the possible effects of the same on our reporting under CARO 2015 have not been considered.

1. In respect of the fixed assets of the Holding Company, subsidiary companies, and jointly controlled companies incorporated in India:
 - a. The respective entities have 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 of the respective entities in accordance with programme of verification, which in our opinion and the opinion of the other auditors provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, 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.
2. In respect of the inventories of the Holding Company, subsidiary companies and jointly controlled companies incorporated in India:
 - a. As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - b. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - c. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification of inventory.
3. The Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. 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 the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies and jointly controlled companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit, no major weaknesses has been noticed in such internal control system in respect of these areas.
5. The Holding Company, subsidiary companies and jointly controlled companies incorporated in India have 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 Companies Act, 2013 and the rules framed 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. According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, wherever applicable. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:

a. The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. Moreover, as at March 31, 2015, there are no material such undisputed dues payable for a period of more than six months from the date they became payable except-

Name of Jointly controlled company	Nature of the Statute	Amount (Rs. In Millions)	Period to which the amount relates	Due date	Date of payment
Bayer Zydus Pharma Private Limited	Service Tax	1.84	July 2011 to August 2014	Various dates prior to September 30, 2015	Paid in April, 2015

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, 2015 which have not been deposited on account of any dispute by the aforesaid entities are given below:

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	9.81	2007-08, to 2010-11	Income Tax Appellate Tribunal
		39.24	2005-06, 2009-10, 2010-11, 2011-12	Commissioner of Income Tax (Appeals)
The Central Sales Tax and Local Sales Tax Acts	Sales Tax	120.04	1996-97 to 1999-2000, 2001-02, 2004-05 to 2013-14	Commissioner / Deputy Commissioner / Joint Commissioner of Sales Tax / Revision Board / Adjudicating Authority
		10.02	1997-98, 2001-02	Appellate Tribunal
		3.32	2003-04, 2004-05 to 2009-10	High Court / Supreme Court
The Central Excise Act and The Service Tax Act	Excise Duty Service Tax	34.18	Various cases for the period 1986-87 to 1988-89, 1990-91 to 1992-99, 2010-11 to 2014-15	ACCE / DCCE / JCCE / Add.Comm.
		311.41	Various cases for the period 2005-06 to 2013-14	Commissioner (Appeals)
		351.85	Various cases for the period 1995-96 to 1999-2000 to 2013-14	Central Excise and Service Tax Appellate Tribunal
		13.61	1995-96, 2000-2002, 2005-06 to 2011-12	High Court / Supreme Court

c. The amount required to be transferred to Investor Education and Protection Fund by the respective entities in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder, has been transferred to such fund within time.

8. The Holding Company, subsidiary companies and jointly controlled companies incorporated in India do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders during the year.
10. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there are no guarantees given by the Holding Company, subsidiary companies and jointly controlled companies incorporated in India for loans taken by others from banks and financial institutions. Hence, reporting requirement under this clause is not applicable.
11. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
12. To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, subsidiary companies and jointly controlled companies incorporated in India and no material fraud on the Holding Company, subsidiary companies and jointly controlled companies incorporated in India has been noticed or reported during the period covered by our audit.

For MUKESH M. SHAH & CO.
Chartered Accountants
Firm Registration No.: 106625W

Mukesh M. Shah
Partner
Membership No.: 030190

Place : Ahmedabad
Date : May 15, 2015

Consolidated Balance Sheet as at March 31, 2015

Particulars	Note No.	INR - Millions	
		As at March 31	
		2015	2014
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	1,024	1,024
Reserves and Surplus	2	41,492	33,366
		42,516	34,390
Minority Interest		1,689	1,443
Non-Current Liabilities:			
Long Term Borrowings	3	11,504	13,622
Deferred Tax Liabilities [Net]	4	586	961
Other Long Term Liabilities	5	421	548
Long Term Provisions	6	1,106	761
		13,617	15,892
Current Liabilities:			
Short Term Borrowings	7	11,835	9,024
Trade Payables	8	10,909	9,108
Other Current Liabilities	9	6,282	7,081
Short Term Provisions	10	3,623	2,927
		32,649	28,140
Total		90,471	79,865
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	11	24,175	21,576
Intangible Assets	11	9,347	9,662
Capital work-in-progress		7,979	8,915
		41,501	40,153
Non-Current Investments	12	332	222
Long Term Loans and Advances	13	6,371	5,111
		48,204	45,486
Current Assets:			
Current Investments	14	1,212	644
Inventories	15	15,357	13,675
Trade Receivables	16	15,884	11,337
Cash and Bank Balances	17	6,699	5,488
Short Term Loans and Advances	18	2,408	2,549
Other Current Assets	19	707	686
		42,267	34,379
Total		90,471	79,865
Significant Accounting Policies	I		
Notes to the Financial Statements	1 to 38		
As per our report of even date		For and on behalf of the Board	
For Mukesh M. Shah & Co., Chartered Accountants Firm Registration Number: 106625W		Pankaj R. Patel Chairman & Managing Director	
Mukesh M. Shah Partner Membership Number: 030190 Ahmedabad, Dated: May 15, 2015	Nitin D. Parekh Chief Financial Officer	Upen H. Shah Company Secretary	Sharvil P. Patel Deputy Managing Director

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note No.	INR - Millions	
		Year ended March 31	
		2015	2014
REVENUE:			
Revenue from Operations:	21		
Sale of Products [Gross]		86,577	72,083
Less: Excise Duty		1,606	1,483
Sale of Products [Net]		84,971	70,600
Other Operating Revenue		1,542	1,640
Net Revenue from Operations		86,513	72,240
Other Income	22	554	507
Total Revenue		87,067	72,747
EXPENSES:			
Cost of Materials Consumed	23	18,967	16,288
Purchases of Stock-in-Trade	24	13,970	11,543
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	25	(971)	(695)
Employee Benefits Expense	26	12,085	10,711
Finance Costs	27	679	902
Depreciation, Amortisation and Impairment Expenses	28 & 36	2,873	2,012
Other Expenses	29	24,905	22,392
Total Expenses		72,508	63,153
Profit before extraordinary items and Tax		14,559	9,594
Less : Exceptional Items	30	104	172
Profit before Tax		14,455	9,422
Less/ [Add]: Tax Expenses:			
Current Tax		2,978	1,346
Deferred Tax	4	(342)	(21)
Prior year's tax adjustments		(42)	(265)
		2,594	1,060
Profit for the year		11,861	8,362
Add: Pre-acquisition Loss transferred to Goodwill arising on consolidation	37	21	-
Less: Profit attributable to Minority Interest		376	326
Net Profit for the year		11,506	8,036
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	31	56.20	39.25
Significant Accounting Policies	1		
Notes to the Financial Statements	1 to 38		
As per our report of even date		For and on behalf of the Board	
For Mukesh M. Shah & Co., Chartered Accountants Firm Registration Number: 106625W		Pankaj R. Patel Chairman & Managing Director	
Mukesh M. Shah Partner Membership Number: 030190 Ahmedabad, Dated: May 15, 2015	Nitin D. Parekh Chief Financial Officer	Upen H. Shah Company Secretary	Sharvil P. Patel Deputy Managing Director

Consolidated Cash Flow Statement for the year ended March 31, 2015

Particulars	INR - Millions	
	Year ended March 31	
	2015	2014
A Cash flows from operating activities:		
Profit before Tax	14,455	9,422
Adjustments for:		
Depreciation, Impairment and Amortisation	2,873	2,012
Loss on sale of assets [Net]	2	37
Interest income	(409)	(384)
Dividend income	(4)	(4)
Interest expenses	622	832
Bad debts written off	54	43
Provision for doubtful debts	(1)	(30)
Doubtful advances written off	1	2
Provision for doubtful advances written back	(10)	1
Provisions for employee benefits	365	114
Provisions for probable product expiry claims and return of goods	(48)	67
Total	3,445	2,690
Operating profit before working capital changes	17,900	12,112
Adjustments for:		
[Increase] in trade receivables	(4,506)	(1,762)
[Increase] in inventories	(1,682)	(1,540)
Decrease/ [Increase] in short term advances	137	(167)
Decrease/ [Increase] in long term advances	46	(48)
[Increase]/ Decrease in other current assets	(26)	8
Increase in trade payables	1,805	2,948
Increase in other current liabilities	337	32
[Decrease]/ Increase in other long term liabilities	(127)	78
Change in Minority Interest	246	250
Total	(3,770)	(201)
Cash generated from operations	14,130	11,911
Direct taxes paid [Net of refunds]	(3,869)	(1,728)
Foreign Currency Monetary Items Translation Difference Account written off	(467)	325
Hedge Reserve [Net of Liability]	-	(20)
Exchange Rate Fluctuation and other adjustments arising on Consolidation	142	(1,460)
Net cash from operating activities	9,936	9,028

Consolidated Cash Flow Statement for the year ended March 31, 2015 - Continued:

Particulars	INR - Millions	
	Year ended March 31	
	2015	2014
B Cash flows from investing activities:		
Purchase of fixed assets	(5,124)	(4,840)
Proceeds from sale of fixed assets	169	106
Purchase of investments	(115)	(10)
Proceeds from sale of Investments	5	-
Interest received	414	360
Dividend received	4	4
Net cash used in investing activities	(4,647)	(4,380)
C Cash flows from financing activities:		
Proceeds from Long Term Borrowings	5,696	5,524
Repayment of Long Term Borrowings	(8,998)	(4,209)
Short Term Borrowings [Net]	2,811	(3,547)
Interest paid	(671)	(863)
Dividends paid	(1,839)	(1,533)
Tax on dividends paid	(510)	(659)
Net cash used in financing activities	(3,511)	(5,287)
Net increase/ [decrease] in cash and cash equivalents	1,778	(639)
Cash and cash equivalents at the beginning of the year	6,126	6,765
Cash and cash equivalents at the end of the year	7,904	6,126

Notes to the Cash Flow Statement

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

	As at March 31		
	2015	2014	2013
a Cash on Hand	12	11	7
b Balances with Banks	6,164	4,786	4,207
c Group's proportionate share in Cash and Bank balances of Joint Ventures	523	691	1,624
d Investment in Liquid Mutual Funds	1,200	450	129
e Group's proportionate share in Investment in Liquid Mutual Funds of Joint Ventures	5	188	798
f Total	7,904	6,126	6,765

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number: 106625W

Pankaj R. Patel
Chairman & Managing Director

Mukesh M. Shah
Partner
Membership Number: 030190
Ahmedabad, Dated: May 15, 2015

Nitin D. Parekh
Chief Financial Officer

Upen H. Shah
Company Secretary

Sharvil P. Patel
Deputy Managing Director

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 pronouncement 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 and Laboratorios Combix S.L.], Dialforhealth India Limited, Biochem Pharmaceutical Industries Limited and Zydus BSV Pharma Private 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".
 - 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	
	2015	2014
Note: 1-Share Capital:		
Authorised: 345,000,000 [as at March 31, 2014: 345,000,000] Equity Shares of Rs.5/- each	1,725	1,725
	1,725	1,725
Issued, Subscribed and Paid-up: 204,748,520 [as at March 31, 2014: 204,748,520] Equity Shares of Rs.5/- each, fully paid up	1,024	1,024
	1,024	1,024
A There is no change in the number of shares as at the beginning and end of the year. Number of shares at the beginning and at the end of the year	204,748,520	204,748,520
B The Company has only one class of equity shares having a par value of Rs. 5/- 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 Rs. 5/- each, fully paid: Zydus Family Trust Number of Shares % to total share holding	153,107,446 74.78%	153,107,446 74.78%
D 100,885,305 [as at March 31, 2014: 100,885,305] Equity Shares of Rs. 5/- each, fully paid-up were issued and allotted without payment being received in cash and 90,000,000 [as at March 31, 2014: 90,000,000] Equity Shares of Rs. 5/- each were extinguished in February, 2009 pursuant to Composite Scheme of Arrangement.		
E Equity Shares allotted as fully paid bonus shares during the last five years	68,249,507	68,249,507
Note: 2-Reserves and Surplus:		
Capital Reserve: Balance as per last Balance Sheet Less: Capital Reserve arising due to consolidation	290 (1)	290 -
	289	290
Subsidy Received under Capital Investment Subsidy Scheme	131	-
Debenture Redemption Reserve: Balance as per last Balance Sheet Less: Transferred to General Reserve Add: Transfer from Surplus in statement of Profit and Loss	1,550 1,550 -	1,100 - 450
	-	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 Add: Transfer from Debenture Redemption Reserve Add: Transfer from Surplus in statement of Profit and Loss	14,438 1,550 -	13,342 - 1,096
	15,988	14,438
Foreign Currency Monetary Items Translation Difference Account: Balance as per last Balance Sheet [Less]/Add: [Debited]/ Credited during the year	287 (467)	(38) 325
	(180)	287
Hedge Reserve: Balance as per last Balance Sheet Add/ [Less]: Credited/ [Debited] during the year	(1) 1	14 (15)
	-	(1)
Foreign Currency Translation Reserve: Balance as per last Balance Sheet Add/ [Less]: Exchange differences on consolidation	(1,875) 367	(741) (1,134)
	(1,508)	(1,875)

Notes to the Consolidated Financial Statements

	INR - Millions			
	As at March 31			
	2015		2014	
Note: 2-Reserves and Surplus-Continued:				
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	15,283		11,263	
Less: Additional depreciation upon revision in useful lives of tangible assets [Refer Note-36]	256		-	
Add: Profit for the year	11,506		8,036	
	26,533		19,299	
Less: Appropriations:				
Dividends:				
Proposed Dividend	2,457		1,843	
Corporate Dividend Tax on Dividend [Net of CDT Credit]	699		423	
Transfer to Debenture Redemption Reserve	-		450	
Transfer to General Reserve	-		1,096	
Group's proportionate share in Transfer to Reserves of Joint Ventures	(4)		204	
	3,152		4,016	
Balance as at the end of the year	23,381		15,283	
Group's proportionate share in reserves [other than surplus in statement of Profit and Loss] of Joint Ventures	1,391		1,394	
Total	41,492		33,366	
Note: 3-Long Term Borrowings:				
	INR - Millions			
	Non-current portion		Current Maturities	
	As at March 31		As at March 31	
	2015	2014	2015	2014
A Debentures [Secured]:				
9.70% Redeemable, Non Convertible privately placed	-	1,750	-	-
8.50% Redeemable, Non Convertible privately placed	-	-	-	500
	-	1,750	-	500
B Term Loans from Banks:				
a Term Loans [Secured]	-	1,250	147	1,000
b Term Loans [Unsecured]	3,551	3,836	1,162	1,858
c External Commercial Borrowings in Foreign Currency [Secured]	6,640	5,514	1,855	720
d External Commercial Borrowings in Foreign Currency [Unsecured]	1,251	1,199	-	200
	11,442	11,799	3,164	3,778
C Deferred Payment Liabilities [Unsecured]:				
Interest free deemed loan against deferment of sales tax:				
From a Financial Institution	-	-	-	14
Deferred amount	-	-	-	56
	-	-	-	70
D From Others [Unsecured]	62	73	10	10
E Group's proportionate share in long term borrowings of Joint Ventures	-	-	-	-
Total	11,504	13,622	3,174	4,358
The above amount includes:				
Secured borrowings	6,640	8,514	2,002	2,220
Unsecured borrowings	4,864	5,108	1,172	2,138
Amount disclosed under "Other Current Liabilities" [Note-9]	-	-	(3,174)	(4,358)
Group's proportionate share disclosed under "Other Current Liabilities" [Note-9]	-	-	-	-
Net amount	11,504	13,622	-	-

Notes to the Consolidated Financial Statements

	INR - Millions	
	As at March 31	
	2015	2014
Note: 4-Deferred Tax:		
A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:		
Deferred Tax Liabilities:		
Depreciation	2,386	2,379
Deferred Tax Assets:		
Employee benefits	182	128
Receivables	4	13
Unabsorbed depreciation	289	395
Others	1,354	894
Total	1,829	1,430
Net Deferred Tax Liabilities	557	949
Group's proportionate share in Deferred Tax of Joint Ventures	29	12
Total	586	961
B The Deferred Tax Liabilities/ [Assets] for the year provided in the statement of Profit and Loss:		
Deferred Tax [Assets]/ Liabilities	(358)	(26)
Group's proportionate share in Deferred Tax Liabilities/ [Assets] of Joint Ventures	16	4
Total	(342)	(22)
Note: 5-Other Long Term Liabilities:		
Trade Deposits	55	54
Others	364	489
	419	543
Group's proportionate share in other long term liabilities of Joint Ventures	2	5
Total	421	548
Note: 6-Long Term Provisions:		
Provision for Employee Benefits	1,064	727
Group's proportionate share in long term provisions of Joint Ventures	42	34
Total	1,106	761
Note: 7-Short Term Borrowings:		
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured]	3,049	1,982
Working Capital Loans from Banks [Unsecured]	8,708	7,040
	11,757	9,022
Group's proportionate share in short term borrowings of Joint Ventures	78	2
Total	11,835	9,024

Notes to the Consolidated Financial Statements

	INR - Millions	
	As at March 31	
	2015	2014
Note: 8-Trade Payables:		
Trade Payables	10,212	8,710
Group's proportionate share in trade payables of Joint Ventures	697	398
Total	10,909	9,108
Note: 9-Other Current Liabilities:		
Current Maturities of Long Term Debt [Refer Note- 3]	3,174	4,358
Interest accrued but not due on borrowings	37	86
Unpaid Dividends	25	21
Advances from Customers	263	157
Other Payables:		
Bank Book overdraft	81	59
Provision for Expenses	2,044	1,762
Payable to Statutory Authorities	512	523
Derivative Liability	-	1
Others	70	43
	2,707	2,388
Group's proportionate share in other current liabilities of Joint Ventures	76	71
Total	6,282	7,081
Note: 10-Short Term Provisions:		
Provision for Employee Benefits	161	145
Others:		
Proposed Dividend	2,522	1,908
Corporate Dividend Tax on Dividend	513	324
Provision for Taxation [Net of advance payment of tax]	213	364
Provision for claims for product expiry and return of goods	105	156
	3,353	2,752
Group's proportionate share in short term provisions of Joint Ventures	109	30
Total	3,623	2,927

Notes to the Consolidated Financial Statements

Note: 11-Fixed Assets:

A Tangible Assets :	INR - Millions							Total
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	
Gross Block:								
As at March 31, 2013	815	477	6,347	18,118	739	478	214	27,188
Acquired subsidiaries	-	-	-	-	-	-	-	-
Additions	248	1	540	1,685	75	82	36	2,667
Disposals	-	-	(25)	(230)	(31)	(43)	(3)	(332)
Other adjustments	24	5	165	429	11	-	8	642
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
Depreciation and Impairment:								
As at March 31, 2013	-	28	1,277	6,008	416	175	76	7,980
Acquired subsidiaries	-	-	-	-	-	-	-	-
Depreciation for the year	-	4	215	1,321	62	45	17	1,664
Impairment for the year	-	-	-	38	2	-	-	40
Disposals	-	-	-	(202)	(23)	(22)	(4)	(251)
Other adjustments	-	-	33	59	5	-	7	104
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
Net Block:								
As at March 31, 2014	1,087	451	5,502	12,778	332	319	159	20,628
As at March 31, 2015	1,120	466	6,476	14,571	268	391	135	23,427
B Intangible Assets :								
			Goodwill	Brands/ Trademarks	Computer Softwares	Commercial Rights	Technical Know-how	Total
Gross Block:								
As at March 31, 2013			9,294	3,709	405	599	1,035	15,042
Acquired subsidiaries			-	-	-	-	-	-
Additions			-	2	29	6	15	52
Disposals/ adjustments			-	(110)	2	(157)	-	(265)
Other adjustments			(215)	191	11	51	6	44
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
Amortisation and Impairment:								
As at March 31, 2013			62	3,290	214	458	978	5,002
Acquired subsidiaries			-	-	-	-	-	-
Amortisation for the year			21	102	69	36	6	234
Impairment for the year			7	(12)	1	-	-	(4)
Disposals/ adjustments			-	(52)	2	(157)	-	(207)
Other adjustments			-	154	5	34	1	194
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
Net Block:								
As at March 31, 2014			8,989	310	156	128	71	9,654
As at March 31, 2015			8,950	168	100	61	64	9,343

Notes to the Consolidated Financial Statements

Note: 11-Fixed Assets - Continued:

C Group's proportionate share in net block of fixed assets of Joint Ventures:

	Tangible Assets		INR - Millions		Intangible Assets	
	Gross Block	Depreciation and Impairment	Net Block	Gross Block	Amortisation and Impairment	Net Block
As at March 31, 2013	1,484	490	994	48	34	14
Additions	76	118	(42)	1	7	(6)
Disposals	(7)	(3)	(4)	-	-	-
Other adjustments	-	-	-	-	-	-
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

Note: Other adjustments include adjustments on account of borrowing costs and exchange rate difference.

[*] Refer Note-36

[#] Refer Note-37

	INR - Millions	
	As at March 31	
	2015	2014
Note: 12-Non Current Investments:		
Long Term Investments:		
Trade Investments:		
Investments in Common Stock [Quoted]	303	187
Other Investments:		
Investments in Equity Instruments:		
Quoted	12	12
Unquoted	8	8
Investments in Preference Shares [Unquoted]	20	20
Investments in Government Securities	9	10
	-	5
	29	35
Group's proportionate share in non current investments of Joint Ventures	-	-
Total	332	222
Note: 13-Long Term Loans and Advances:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	909	458
Security Deposits	165	289
Other Loans and Advances:		
Balances with Custom/ Central Excise/ Sales Tax Authorities	1,194	1,096
Advance payment of Tax [Net of provision for taxation]	385	513
Alternate Minimum Tax Credit Entitlement	2,711	1,864
Other advances recoverable in cash or in kind or for value to be received:		
Considered good	221	244
Considered doubtful	2	12
	223	256
Less: Provision for doubtful advances	2	12
	221	244
Group's proportionate share in long term loans and advances of Joint Ventures	786	647
Total	6,371	5,111

Notes to the Consolidated Financial Statements

	INR - Millions	
	As at March 31	
	2015	2014
Note: 14-Current Investments:		
Investment in Government Securities [Unquoted]	7	6
Investment in Mutual Funds [Quoted][*]	1,200	450
	1,207	456
Group's proportionate share in current investments of Joint Ventures [*]	5	188
Total	1,212	644
[*] Considered as cash and cash equivalents for Cash Flow Statement		
Note: 15-Inventories:		
Classification of Inventories:		
Raw Materials	4,238	3,621
Work-in-progress	1,756	1,340
Finished Goods	2,992	2,998
Stock-in-Trade	4,294	3,790
Stores and Spares	4	10
Others:		
Packing Materials	891	708
	14,175	12,467
Group's proportionate share in inventories of Joint Ventures	1,182	1,208
Total	15,357	13,675
Note: 16-Trade Receivables:		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	219	140
Considered doubtful	34	95
	253	235
Less: Provision for doubtful debts	34	95
	219	140
Others- Considered good	14,854	10,680
	15,073	10,820
Group's proportionate share in trade receivables of Joint Ventures	811	517
Total	15,884	11,337
Note: 17-Cash and Bank Balances:		
Balances with Banks	6,164	4,786
Cash on Hand	12	11
	6,176	4,797
Group's proportionate share in cash and bank balances of Joint Ventures	523	691
Total	6,699	5,488
Note: 18-Short Term Loans and Advances:		
[Unsecured, Considered Good]		
Others:		
Balances with Custom/ Central Excise/ Sales Tax Authorities	1,741	1,763
Advances to Suppliers	538	517
Advances recoverable in cash or in kind or for value to be received	115	226
	2,394	2,506
Group's proportionate share in short term loans and advances of Joint Ventures	14	43
Total	2,408	2,549

Notes to the Consolidated Financial Statements

	INR - Millions			
	As at March 31			
	2015		2014	
Note: 19-Other Current Assets:				
[Unsecured, Considered Good]				
Interest Receivables	29			35
Income Receivables	96			3
Insurance Claim Receivables	-			9
Export Incentive Receivables	256			277
Prepaid Expenses	265			273
Other Receivables	1			-
	647			597
Group's proportionate share in other current assets of Joint Ventures	60			89
Total	707			686
Note: 20-Contingent Liabilities and Commitments [to the extent not provided for]:				
	INR - Millions			
	Cadila Healthcare Limited and Subsidiaries		Joint Ventures	
	As at March 31			
	2015	2014	2015	2014
A Contingent liabilities:				
a In respect of claims against the Companies not acknowledged as debts	112	178		
b In respect of guarantees given by Banks and/ or counter guarantees given by the Companies	159	115	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	751	656	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	167	256		
iii In respect of Income Tax matters pending before appellate authorities	43	48	980	858
iv In respect of Sales Tax matters pending before appellate authorities	134	75		
v In respect of custom duty liability under EPCG scheme	180	102		
vi In respect of letters of credit for Imports	3	56		
vii In respect of arrears of Dividend on Cumulative Preference Shares				52
viii In respect of other matters [Employees Indemnity on retirement/ guaranteed severance package]	88	88		
B Commitments:				
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances]	2,505	620	5	8

Notes to the Consolidated Financial Statements

	INR - Millions	
	Year ended March 31	
	2015	2014
Note: 21-Revenue from Operations:		
Group's proportionate share in the Sale of products [Gross] of Joint Ventures	3,724	4,083
Other Operating Revenues:		
Royalty Income	390	301
Net Gain on foreign currency transactions and translation [*]	-	206
Government Grants	29	-
Miscellaneous Income	1,040	933
Total	1,459	1,440
Group's proportionate share in revenue from operations of Joint Ventures	83	200
Total	1,542	1,640
[*] includes Research related net loss on foreign currency transactions and translation	-	45
Note: 22-Other Income:		
Interest Income [Gross]:		
From Others	387	343
Dividend Income [Gross]:		
From Long Term Investments	4	4
Net Gain on Sale of Investments	20	14
Other Non-operating Income	92	28
	505	389
Group's proportionate share in other income of Joint Ventures	49	118
Total	554	507
Note: 23-Cost of Materials Consumed:		
Raw Materials:		
Stock at commencement	3,621	3,255
Add: Stock of a joint venture converted into subsidiary during the year [Refer Note-37]	21	-
Add: Purchases	14,816	12,599
	18,458	15,854
Less: Stock at close	4,238	3,621
	14,220	12,233
Packing Materials consumed	3,825	3,010
	18,045	15,243
Group's proportionate share in cost of materials consumed of Joint Ventures	922	1,045
Total	18,967	16,288
Note: 24-Purchases of Stock-in-Trade:		
Purchases of Stock-in-Trade	13,474	11,071
Group's proportionate share in purchases of stock-in-trade of Joint Ventures	496	472
Total	13,970	11,543

Notes to the Consolidated Financial Statements

	INR - Millions	
	Year ended March 31	
	2015	2014
Note: 25-Changes in Inventories:		
Stock at commencement:		
Work-in-progress	1,340	1,277
Work-in-progress of a joint venture converted into a subsidiary during the year [Refer Note-37]	7	-
Finished Goods	2,998	2,339
Finished Goods of a joint venture converted into a subsidiary during the year [Refer Note-37]	6	-
Stock-in-Trade	3,790	3,914
	8,141	7,530
Less: Stock at close:		
Work-in-progress	1,756	1,340
Finished Goods	2,992	2,998
Stock-in-Trade	4,294	3,790
	9,042	8,128
	(901)	(598)
Less: Transferred from Provision for write off of Inventories	47	-
Less: Differential Excise Duty on Opening and Closing stock of Finished Goods	29	16
	(977)	(614)
Group's proportionate share in changes in inventories of Joint Ventures	6	(81)
Total	(971)	(695)
Note: 26-Employee Benefits Expense:		
Salaries and wages	10,137	8,929
Contribution to provident and other funds	1,045	947
Staff welfare expenses	456	419
	11,638	10,295
Group's proportionate share in employee benefits expense of Joint Ventures	447	416
Total	12,085	10,711
Above expenses includes Research related expenses as follows:		
Salaries and wages	985	855
Contribution to provident and other funds	96	75
Staff welfare expenses	39	41
Total	1,120	971
Note: 27-Finance Cost:		
Interest Expense [*]	555	1,101
Other Borrowing Costs	1	7
Net Loss/ [Gain] on foreign currency transactions and translation	66	(279)
Bank commission & charges	56	70
	678	899
Group's proportionate share in finance cost of Joint Ventures	1	3
Total	679	902
[*] The break up of interest cost in to major heads is given below:		
On term loans	299	353
On debentures	77	212
On working capital loans	124	480
Others	55	56
	555	1,101
Note: 28-Depreciation, Amortisation and Impairment Expenses:		
Depreciation, Amortisation and Impairment Expenses	2,778	1,887
Group's proportionate share in depreciation, amortisation and impairment Expenses of Joint Ventures	95	125
Total	2,873	2,012

Notes to the Consolidated Financial Statements

	INR - Millions	
	Year ended March 31	
	2015	2014
Note: 29-Other Expenses:		
Research Materials	1,090	574
Analytical Expenses	1,324	1,173
Consumption of Stores and spare parts	1,131	1,075
Power & fuel	1,592	1,389
Rent	193	194
Repairs to Buildings	119	136
Repairs to Plant and Machinery	515	455
Repairs to Others	159	147
Insurance	232	197
Rates and Taxes	334	368
Processing Charges	435	441
Managing Directors' Remuneration	289	239
Commission to Directors	11	7
Traveling Expenses	1,074	1,011
Legal and Professional Fees	1,537	1,595
Net Loss on foreign currency transactions and translation	143	-
Advertisement Expenses	674	628
Commission on sales	937	906
Freight and forwarding on sales	1,938	1,607
Representative Allowances	869	781
Other marketing expenses	6,054	5,883
Bad Debts:		
Bad debts written off	54	43
Provision for Doubtful Debts	7	40
	61	83
Less: Transferred from Provision for Doubtful Debts	(8)	(73)
	53	10
Doubtful Advances:		
Doubtful advances written off	1	1
Provision for Doubtful Advances	-	1
	1	2
Less: Transferred from Provision for Doubtful Advances	(10)	-
	(9)	2
Directors' fees	2	2
Net Loss on disposal of Fixed Assets	-	32
Donations	35	174
Miscellaneous Expenses	3,511	2,736
	24,242	21,762
Group's proportionate share in other expenses of Joint Ventures	663	630
Total	24,905	22,392
Above expenses include Research related expenses as follows:		
Research Materials	1,090	574
Analytical expenses	1,324	1,173
Stores and spare parts consumed	357	419
Power & Fuel	138	92
Repairs to Buildings	14	3
Repairs to Plant and Machinery	34	24
Repairs to Others	18	16
Insurance	7	6
Traveling Expenses	48	29
Legal and Professional fees	358	559
Net Loss on disposal of Fixed Assets	88	5
Miscellaneous Expenses	1,012	692
Total	4,488	3,592

Notes to the Consolidated Financial Statements

	INR - Millions		
	Year ended March 31		
	2015	2014	
Note: 30-Exceptional Items:			
A Provision for various expenses related to the closure of business operations in Japan	(3)	172	
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	-	
Total	104	172	
Note: 31-Calculation of Earning 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	11,506	8,036
B Basic & weighted average number of Equity shares outstanding during the year	Numbers	204,748,520	204,748,520
C Nominal value of equity share	INR	5	5
D Basic & Diluted EPS	INR	56.20	39.25
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	35,291	32,570	
ii US	35,536	22,882	
iii Others	15,686	16,789	
iv Total	86,513	72,240	
b Carrying amount of segment assets:			
i India	60,441	54,436	
ii US	18,456	12,769	
iii Others	7,782	9,719	
iv Total	86,679	76,924	
c Additions to fixed assets:			
i India	3,718	3,763	
ii US	357	486	
iii Others	195	106	
iv Total	4,270	4,355	

Notes to the Consolidated Financial Statements

Note: 33-Notes on Consolidated Accounts:

A CFS as at March 31, 2015 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	31-03-15
2	Dialforhealth India Limited [DFH]	India	WOS	Audited	31-03-15
3	Dialforhealth Unity Limited	India	55% holding of DFH	Audited	31-03-15
4	Dialforhealth Greencross Limited	India	WOS of DFH	Audited	31-03-15
5	Zydus Wellness Limited [ZWL]	India	72.08% holding of CHL	Audited	31-03-15
6	Liva Pharmaceuticals Limited	India	WOS	Audited	31-03-15
7	Zydus Technologies Limited	India	85% holding of CHL	Audited	31-03-15
8	Biochem Pharmaceutical Industries Limited	India	WOS	Audited	31-03-15
9	Zydus BSV Pharma Private Limited [Note-1]	India	WOS	Audited	31-03-15

B Foreign Subsidiaries:					
1	Zydus Lanka (Private) Limited	Sri Lanka	WOS of CHL	Audited	31-03-15
2	Zydus International Private Limited [ZIPL]	Ireland	WOS of CHL	**	31-03-15
3	ZAHL B.V.	the Netherlands	WOS of CHL	Unaudited	31-03-15
4	Zydus Healthcare Philippines Inc.	Philippines	WOS of CHL	Unaudited	31-03-15
5	Zydus Worldwide DMCC [ZWD] [Note-2]	Dubai	WOS of CHL	Unaudited	31-03-15
6	Zydus Healthcare SA (Pty) Ltd. [Zydus SA]	South Africa	WOS of ZIPL	Unaudited	31-03-15
7	Zydus Healthcare (USA) LLC	U. S. A.	WOS of ZIPL	**	31-03-15
8	Zydus Pharmaceuticals (USA) Inc. [ZPUI]	U. S. A.	WOS of ZIPL	**	31-03-15
9	Nesher Pharmaceuticals (USA) LLC	U. S. A.	WOS of ZPUI	**	31-03-15
10	Zydus France, SAS	France	WOS of ZIPL	Unaudited	31-03-15
11	Zydus Netherlands B.V. [ZNBV]	the Netherlands	WOS of ZIPL	Unaudited	31-03-15
12	Zydus Pharma Japan Co. Ltd.	Japan	WOS of ZIPL	Unaudited	31-03-15
13	Etna Biotech S.R.L.	Italy	WOS of ZIPL	Unaudited	31-03-15
14	Zydus Pharmaceuticals Mexico SA De CV	Mexico	WOS of ZIPL	Unaudited	31-03-15
15	Zydus Pharmaceuticals Mexico Service Company SA De CV.	Mexico	WOS of ZIPL	Unaudited	31-03-15
16	Zydus Noveltech Inc., USA [ZNI]	U. S. A.	85% holding of ZIPL	Unaudited	31-03-15
17	Laboratorios Combix S.L.	Spain	WOS of ZNBV	Unaudited	31-03-15
18	Zydus Nikkho Farmaceutica Ltda.	Brazil	WOS of ZNBV	Unaudited	31-03-15
19	Zydus Discovery DMCC [Note-3]	Dubai	WOS of ZWD	Unaudited	31-03-15
20	Simayla Pharmaceuticals (Pty) Ltd	South Africa	WOS of Zydus SA	Unaudited	31-03-15
21	Script Management Services (Pty) Ltd.	South Africa	WOS of Zydus SA	Unaudited	31-03-15
22	Hercon Pharmaceuticals, LLC	U. S. A.	WOS of ZNI	Unaudited	31-03-15
23	ZAHL Europe B. V.	the Netherlands	WOS of ZAHL B.V.	Unaudited	31-03-15
24	Bremer Pharma GmbH	Germany	WOS of ZAHL Europe B.V.	Audited	31-03-15

[b] Joint Ventures

1	Zydus Takeda Healthcare Private Limited	India	50% holding of CHL	Unaudited	31-03-15
2	Zydus Hospira Oncology Private Limited	India	50% holding of CHL	Audited	31-03-15
3	Bayer Zydus Pharma Private Limited	India	50% holding of CHL	Audited	31-03-15

[c] Partnership Firms

1	M/s. Zydus Healthcare- Sikkim	India	96% holding of CHL & 2% holding of GRL	Audited	31-03-15
2	M/s. Zydus Wellness- Sikkim	India	98% holding of ZWL	Audited	31-03-15

Explanatory Notes

Note- 1 Became WOS of CHL w.e.f. March 26, 2015.

Note- 2 New subsidiary incorporated on April 21, 2014.

Note- 3 New subsidiary incorporated on June 15, 2014.

* 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, 2015.

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.

C During the year, the Company has incorporated Zydus Worldwide DMCC [ZWD] and Zydus Discovery DMCC as wholly owned subsidiaries of Cadila Healthcare Limited and ZWD respectively. The figures for the current year are, therefore, not comparable with those of the previous year.

Notes: 34- Additional Information, as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III of 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	106.44	45,254	110.47	12,711
B	Subsidiaries:				
a	Indian:				
1	Zydus Wellness Limited	9.55	4,060	9.46	1,089
2	Biochem Pharmaceutical Industries Limited	1.16	492	1.44	166
3	German Remedies Limited	0.32	138	0.70	80
4	Zydus BSV Pharma Private Limited [Refer Note-37]	1.27	541	(0.38)	(43)
5	Liva Pharmaceuticals Limited	0.05	20	0.00	0
6	Zydus Technologies Limited	1.35	574	(0.03)	(4)
7	Dialforhealth India Limited	0.38	162	0.04	4
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]	10.09	4,289	35.29	4,061
11	M/s. Zydus Wellness- Sikkim [Partnership Firm]	2.52	1,072	0.76	87
b	Foreign:				
1	Zydus Lanka (Private) Limited	0.00	0	(0.00)	(0)
2	Zydus Healthcare Philippines Inc.	0.13	57	0.08	9
3	Zydus International Private Limited	13.52	5,748	(1.30)	(149)
4	Zydus Netherlands B.V.	8.85	3,761	(0.09)	(10)
5	Zydus France, SAS	1.00	426	0.09	11
6	Laboratorios Combig S.L.	(0.67)	(285)	(2.91)	(334)
7	Etna Biotech S.R.L.	0.04	17	0.16	18
8	ZAHL B.V.	0.88	373	(0.02)	(3)
9	ZAHL Europe B.V.	0.77	327	(0.02)	(2)
10	Bremer Pharma GmbH	0.48	204	(0.04)	(5)
11	Zydus Pharmaceuticals (USA) Inc.	12.54	5,330	12.34	1,420
12	Nesher Pharmaceuticals (USA) LLC	(5.83)	(2,477)	(7.48)	(861)
13	Zydus Healthcare (USA) LLC	0.06	24	0.01	1
14	Zydus Noveltech Inc.	0.20	85	(0.19)	(22)
15	Hercon Pharmaceuticals LLC	(1.26)	(537)	(1.56)	(179)
16	Zydus Worldwide DMCC	1.44	610	(0.13)	(16)
17	Zydus Discovery DMCC	1.16	491	(0.08)	(9)
18	Zydus Healthcare S.A. (Pty) Ltd	0.29	125	1.08	125
19	Simayla Pharmaceuticals (Pty) Ltd	(1.23)	(522)	(0.00)	(0)
20	Script Management Services (Pty) Ltd	0.01	4	(0.00)	(0)
21	Zydus Nikkho Farmaceutica Ltda.	3.73	1,586	(1.33)	(153)
22	Zydus Pharma Japan Co. Ltd.	(0.11)	(47)	(0.46)	(52)
23	Zydus Pharmaceuticals Mexico SA De CV	(0.19)	(81)	(3.07)	(353)
24	Zydus Pharmaceuticals Mexico Services Company SA De C.V.	(0.03)	(11)	0.18	21
C	Minority Interests in all subsidiaries	(3.97)	(1,689)	(3.27)	(376)
D	Joint Ventures [as per proportionate consolidation method]				
a	Zydus Hospira Oncology Private Limited	4.04	1,717	5.20	598
b	Zydus Takeda Healthcare Private Limited	2.71	1,154	1.78	205
c	Bayer Zydus Pharma Private Limited	0.58	246	0.39	45
E	Total Eliminations/ Consolidation Adjustments	(72.26)	(30,721)	(57.11)	(6,571)
F	Grand Total	100.00	42,516	100.00	11,506

The above amounts/ percentage 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.

Notes to the Consolidated Financial Statements

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	Zydus Hospira Oncology Private Limited
Bayer Zydus Pharma Private Limited	Zydus BSV Pharma Private Limited [Refer Note-37]

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
Zest Aviation Private Limited	

B Transactions with Related Parties:

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

Nature of Transactions	Value of the Transactions [INR - Millions]			
	Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
	Year ended March 31			
	2015	2014	2015	2014
Purchases:				
Goods:				
Zydus BSV Pharma Private Limited		31		
Zydus Hospira Oncology Private Limited	12	15		
Cadmach Machinery Company Private Limited			5	8
M/s. C. M. C. Machinery			1	2
Total	12	46	6	10
Fixed Assets:				
Cadmach Machinery Company Private Limited			9	18
M/s. Cadam Enterprises			36	54
Zandra Infrastructure LLP			55	
Total	-	-	100	72
Services:				
Zydus BSV Pharma Private Limited		1		
Zest Aviation Private Limited				59
Zydus Infrastructure Private Limited			9	19
Total	-	1	9	78
Sales:				
Goods:				
Bayer Zydus Pharma Private Limited	170	92		
Zydus Takeda Healthcare Private Limited	26	4		
Others		1		
Total	196	97	-	-
Services:				
Bayer Zydus Pharma Private Limited	3	3		
Investments:				
Purchases/ Subscription to Share Capital:				
Zydus BSV Pharma Private Limited		68		
Dividend Received:				
Zydus Hospira Oncology Private Limited	983	2,145		
Zydus Takeda Healthcare Private Limited	180	200		
Total	1,163	2,345	-	-

Notes to the Consolidated Financial Statements

Nature of Transactions		Value of the Transactions [INR - Millions]			
		Joint Venture Companies		Enterprises significantly influenced by Directors and/or their relatives	
		Year ended March 31			
		2015	2014	2015	2014
Finance:					
Inter Corporate Loans repaid:					
Bayer Zydus Pharma Private Limited			100		
Interest Received:					
Bayer Zydus Pharma Private Limited		15	16		
				As at March 31	
		2015	2014	2015	2014
Outstanding:					
Payable:					
Bayer Zydus Pharma Private Limited			2		
Cadila Laboratories Private Limited				22	22
Total			2	22	22
Receivable:					
Bayer Zydus Pharma Private Limited		176	157		
Zydus Takeda Healthcare Private Limited		24	2		
Total		200	159	-	-

Note: 36

Effective from April 1, 2014, the Company has 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 is higher by Rs. 708 Millions. Further, an amount of Rs. 256 Millions has 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 has acquired remaining 50% shares held by Bharat Serums and Vaccines Limited [the joint venture partner] in Zydus BSV Pharma Private Limited [ZBSV]. Consequently, ZBSV has become wholly owned subsidiary of the Company w.e.f. March 26, 2015. The consolidated balance sheet as at March 31, 2015 has 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 has 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, has been adjusted against goodwill arising on consolidation.

Note: 38

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 38 to the Financial Statements

As per our report of even date		For and on behalf of the Board	
For Mukesh M. Shah & Co., Chartered Accountants Firm Registration Number: 106625W		Pankaj R. Patel Chairman & Managing Director	
Mukesh M. Shah Partner Membership Number: 030190 Ahmedabad, Dated: May 15, 2015	Nitin D. Parekh Chief Financial Officer	Upen H. Shah Company Secretary	Sharvil P. Patel Deputy Managing Director

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	INR - Millions										
					Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment other than Investment in subsidiaries	Turnover & Other Income from operations*	Profit / [Loss] before Taxation*	Provision for Taxation*	Profit / [Loss] after Taxation*	Proposed Dividend	% of Shareholding
1	Zydus Wellness Limited	March 31, 2015	INR	1.00	390.70	3,669.70	4,509.80	449.40	-	2,191.10	1,087.20	(2.30)	1,089.50	234.40	72.08%
2	Biochem Pharmaceutical Industries Limited	March 31, 2015	INR	1.00	75.00	416.75	1,417.70	925.95	-	3,183.78	259.60	93.89	165.71	15.00	100.00%
3	German Remedies Limited	March 31, 2015	INR	1.00	2.40	135.69	213.26	75.17	9.59	81.22	80.18	-	80.18	62.40	100.00%
4	Zydus BSV Pharma Private Limited (\$)	March 31, 2015	INR	1.00	818.30	(277.43)	772.07	231.20	-	263.06	(43.35)	-	(43.35)	-	100.00%
5	Liva Pharmaceuticals Limited (#)	March 31, 2015	INR	1.00	20.00	(0.37)	354.23	334.60	-	-	0.26	0.13	0.13	-	100.00%
6	Zydus Technologies Limited (#)	March 31, 2015	INR	1.00	590.00	(15.80)	4,914.12	4,339.92	-	-	(2.66)	0.96	(3.62)	-	85.00%
7	Dialforhealth India Limited	March 31, 2015	INR	1.00	250.00	(87.95)	290.70	128.65	-	138.03	4.08	-	4.08	-	100.00%
8	Dialforhealth Unity Limited	March 31, 2015	INR	1.00	0.50	(2.53)	0.02	2.05	-	-	(0.05)	-	(0.05)	-	55.00%
9	Dialforhealth Greencross Limited	March 31, 2015	INR	1.00	2.50	(1.92)	0.62	0.04	-	-	(0.02)	-	(0.02)	-	100.00%
10	Zydus Lanka (Private) Limited (#)	March 31, 2015	LKR	0.49	0.49	(0.38)	0.13	0.02	-	-	(0.11)	-	(0.11)	-	100.00%
11	Zydus Healthcare Philippines Inc. (#)	December 31, 2014	PHP	1.43	14.12	(5.52)	12.04	3.44	-	-	(6.04)	(1.82)	(4.22)	-	100.00%
12	Zydus International Private Limited	December 31, 2014	Euro	76.30	7,183.04	(2,123.42)	9,155.02	4,095.40	-	84.34	(185.37)	(12.64)	(172.73)	-	100.00%
13	Zydus Netherlands B.V.	December 31, 2014	Euro	76.30	3,784.63	(635.12)	4,419.30	1,269.79	-	-	(12.48)	-	(12.48)	-	100.00%
14	Zydus France, SAS	December 31, 2014	Euro	76.30	593.39	(159.85)	1,530.58	1,097.04	-	2,837.16	3.23	-	3.23	-	100.00%
15	Laboratorios Combix S.L.	December 31, 2014	Euro	76.30	568.66	(1,159.30)	646.18	1,236.82	-	826.57	(340.47)	(3.24)	(337.23)	-	100.00%
16	Etna Biotech S.R.L.	December 31, 2014	Euro	76.30	6.87	12.92	86.48	66.69	-	51.37	9.56	-	9.56	-	100.00%
17	ZAHL B.V.	March 31, 2015	Euro	67.10	1.21	372.14	385.89	12.54	-	-	(2.56)	-	(2.56)	-	100.00%
18	ZAHL Europe B.V.	March 31, 2015	Euro	67.10	1.21	325.23	328.86	2.42	-	-	(3.14)	-	(3.14)	-	100.00%
19	Bremer Pharma GmbH	March 31, 2015	Euro	67.10	32.21	171.17	266.79	63.41	-	556.16	(5.05)	-	(5.05)	-	100.00%
20	Zydus Pharmaceuticals (USA) Inc.	December 31, 2014	USD	63.06	145.04	2,554.12	16,349.82	13,650.66	-	28,400.86	1,523.12	279.21	1,243.91	-	100.00%
21	Nesher Pharmaceuticals (USA) LLC	December 31, 2014	USD	63.06	0.63	(2,219.90)	3,625.45	5,844.72	-	2,255.30	(684.52)	-	(684.52)	-	100.00%
22	Zydus Healthcare (USA) LLC	December 31, 2014	USD	63.06	12.61	11.35	188.36	164.40	-	36.07	0.67	0.30	0.37	-	100.00%
23	Zydus Noveltech Inc.	December 31, 2014	USD	63.06	315.30	(223.99)	1,001.83	910.52	-	161.49	(19.71)	-	(19.71)	-	85.00%
24	Hercon Pharmaceuticals LLC	December 31, 2014	USD	63.06	6.31	(468.64)	388.60	850.93	-	220.62	(171.36)	-	(171.36)	-	100.00%
25	Zydus Worldwide DMCC	March 31, 2015	USD	62.53	626.17	(14.68)	823.22	211.73	-	-	(14.39)	-	(14.39)	-	100.00%
26	Zydus Discovery DMCC	March 31, 2015	USD	62.53	501.11	(10.39)	1,073.82	583.10	-	-	(10.17)	-	(10.17)	-	100.00%
27	Zydus Healthcare S.A. (Pty) Ltd	December 31, 2014	ZAR	5.47	347.37	(281.19)	1,041.92	975.74	-	505.12	76.51	(28.72)	105.23	-	100.00%
28	Simayla Pharmaceuticals (Pty) Ltd	December 31, 2014	ZAR	5.47	0.00	(552.76)	0.10	552.86	-	-	(0.02)	-	(0.02)	-	100.00%
29	Script Management Services (Pty) Ltd	December 31, 2014	ZAR	5.47	0.00	3.39	10.51	7.12	-	50.80	0.02	0.01	0.01	-	100.00%
30	Zydus Nikkho Farmaceutica Ltda.	December 31, 2014	BRL	23.75	2,820.48	(1,122.09)	2,437.42	739.03	-	2,300.94	(49.03)	9.30	(58.33)	-	100.00%
31	Zydus Pharma Japan Co. Ltd.	December 31, 2014	JPY	0.53	2,007.75	(2,080.78)	63.89	136.92	-	132.95	(48.84)	-	(48.84)	-	100.00%
32	Zydus Pharmaceuticals Mexico SA De CV	December 31, 2014	MXN	4.30	556.06	(606.39)	229.14	279.47	-	96.93	(322.45)	-	(322.45)	-	100.00%
33	Zydus Pharmaceuticals Mexico Services Company SA De CV.	December 31, 2014	MXN	4.30	24.08	(34.42)	46.26	56.60	-	237.45	6.96	3.57	3.39	-	100.00%

* Converted using average exchange rates prevailing during the year.

(\$) Pursuant to share purchase agreement with the joint venture partner, the Company has acquired remaining 50% shares held by Bharat Serums and Vaccines Limited [the joint venture partner] in Zydus BSV Pharma Private Limited. Consequently, it has become wholly owned subsidiary of the Company w.e.f. March 26, 2015.

(#) Subsidiaries are yet to commence commercial operations.

For and on behalf of the Board

Nitin D. Parekh
Chief Financial Officer
Ahmedabad, Dated: May 15, 2015

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, 2015	7,500,000	75	50.00%	N.A.	N.A.	1,717	598	-
2	Zydus Takeda Healthcare Private Limited	March 31, 2014	10,000,000	100	50.00%	N.A.	N.A.	1,162	205*	-
3	Bayer Zydus Pharma Private Limited	March 31, 2015	25,000,000	250	50.00%	N.A.	N.A.	246	45	-

* Based on unaudited financial statements for the year ended March 31, 2015.

For and on behalf of the Board

Nitin D. Parekh Chief Financial Officer Ahmedabad, Dated: May 15, 2015	Upen H. Shah Company Secretary	Sharvil P. Patel Deputy Managing Director	Pankaj R. Patel Chairman & Managing Director
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CADILA HEALTHCARE LIMITED

[CIN L24230GJ1995PLC025878]

Regd. Office: "Zydus Tower", Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad - 380 015.

Email: investor.grievance@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 Twentieth Annual General Meeting of the members of the Company will be held on Wednesday, the 12th day of August, 2015 at 10.00 a.m. at H. T. Parekh Hall, 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 financial year ended March 31, 2015 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Pankaj R. Patel [DIN 00131852], who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint 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 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 consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, of Rs.1.10 mio to M/s Dalwadi & Associates., Cost Accountants appointed by the Board to conduct the audit of cost records pertaining to Drugs and Pharmaceuticals manufactured by the Company for the financial year ending on March 31, 2016."

By order of the Board of Directors

Place : Ahmedabad
Date : May 15, 2015

Upen H. Shah
Company Secretary

NOTES :

1. The Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the business under item No. 5 of the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from August 3, 2015 to August 12, 2015 [both days inclusive] for the purpose of determining the names of the members entitled to dividend and Annual General Meeting.
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 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.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. 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, 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, 2008	July 29, 2008	90%	August 4, 2015
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

@ 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 Nineteenth Annual General Meeting held on July 30, 2014 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. Sharepro Services (India) Private Limited [Unit: Cadila Healthcare Limited], 416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Nr. M. J. Library, Ellis bridge, Ahmedabad - 380 006, changes, if any, in their registered address along with pin code number. Members holding shares in electronic form shall update such details with their respective Depository Participant.
7. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Director seeking re-appointment at the Annual General Meeting is provided at **Annexure - A** to this Notice.
8. Notice of the Twentieth 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 Twentieth 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 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 Twentieth 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 investor.grievance@zyduscadila.com
10. **Voting through electronic means:**
In compliance with provisions of section 108 of the Companies Act, 2013 read with the Companies [Management and Administration] Rules, 2014 and in compliance of clause 35B of Listing Agreement with the Stock Exchanges, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The detailed process, instructions and manner for availing e-voting facility is provided in the **Annexure - B** to this Notice.
11. Proxy shall not vote, except on a poll.

Request to the members:

- 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.
- 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: investor.grievance@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 Special Business mentioned in the accompanying Notice.

In respect of item No. 5

The Board of Directors after considering the recommendation of Audit Committee, appointed M/s Dalwadi & Associates., Cost Accountants as the Cost Auditors to carry out the audit of cost records of the Company for the financial year ending on March 31, 2016 and approved the remuneration of Rs.1.10 mio plus service tax and out of pocket expenses.

As per the provisions of section 148[3] of the Companies Act, 2013 read with the Rule 14 of the Companies [Audit and Auditors] Rules, 2014, the remuneration to the cost auditors fixed by the Board of Directors shall be ratified by the members by passing a resolution.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in item No. 5 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending on March 31, 2016.

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. 5 of the Notice. Your Directors recommend the passing of resolution.

By order of the Board of Directors

Place : Ahmedabad
Date : May 15, 2015

Upen H. Shah
Company Secretary

Annexure - A

**Details of Director seeking re-appointment at the forthcoming Annual General Meeting
(Pursuant to clause 49 of the Listing Agreement)**

Name of the Director	Mr. Pankaj R. Patel
Age	62 years
Date of Appointment on the Board	15 th May, 1995
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 50 research papers in peer reviewed journals and is a co-inventor in 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. 8658 Crores on consolidated basis in FY14-15.</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>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>Appointed by his Excellency, the President of India, 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>
Directorships held in other public Companies (excluding foreign and private Companies)	<p>Other Directorships :</p> <ol style="list-style-type: none"> 1. Torrent Power Limited 2. Nirma Limited
Memberships / Chairmanships of Committees across public Companies	<p>Committee Memberships:</p> <p>Stakeholders Relationship Committee:</p> <ol style="list-style-type: none"> 1. Torrent Power Limited - Chairman 2. Cadila Healthcare Limited - Member
Shareholding of Executive Directors	153,122,446*

* Includes shares held as Karta of HUF and Trustee of Family Trusts.

Annexure - B

The instructions for shareholders for voting electronically are as under:

- (i) The voting period begins from 9:00 a.m. on Saturday, August 8, 2015 and ends at 5:00 p.m. on Tuesday, August 11, 2015. 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. August 5, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.
- (v) 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,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

	For shareholders holding shares in Demat and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department [Applicable for shareholders holding shares in demat as well as physical form].
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 (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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 also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of CADILA HEALTHCARE LIMITED on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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 user 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

Mr. Wenceslaus Furtado
Deputy Manager, CDSL
17th Floor, PJ Towers, Dalal Street
Fort, Mumbai-400 001
Email: wenceslausf@cdslindia.com
Tel: 022-22723333 / 8588

ATTENDANCE SLIP**CADILA HEALTHCARE LIMITED**

[CIN:L24230GJ1995PLC025878]

Regd. Office: "Zydus Tower", Satellite Cross Roads, Ahmedabad – 380 015

Email: investor.grievance@zyduscadila.com Website: www.zyduscadila.com

Phone: +91 268 68 100 [20 Lines] | Fax +91 268 62 365

Twentieth Annual General Meeting**2015**

I/We hereby record my/our presence at the Twentieth Annual General Meeting of the Company at H.T. Parekh Hall, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 on Wednesday, August 12, 2015 at 10.00 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 2014-15 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 2014-15 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is 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, Ahmedabad - 380 015

Email: investor.grievance@zyduscadila.com Website: www.zyduscadila.com

Phone: +91 268 68 100 [20 Lines] | 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 Twentieth Annual General Meeting of the Company, to be held on Wednesday, August 12, 2015 at 10.00 a.m. at H.T. Parekh Hall, 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	Vote* (Optional)	
		For	Against
Ordinary Business:			
1.	Adoption of Financial Statements [including consolidated financial statements] for the year ended on March 31, 2015		
2.	Declaration of Dividend		
3.	Reappointment of Mr. Pankaj R. Patel, Director retiring by rotation		
4.	Appointment of Statutory Auditors		
Special Business:			
5.	Ratification of remuneration to Cost Auditors		

*Please mention number of share(s).



Signed this day of 2015

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 Twentieth 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.



FROM ACROSS THE ZYDUS WORLD...





If undelivered, please return to:
Cadila Healthcare Limited

Regd. Office: Zydus Tower, Satellite Cross Roads, Ahmedabad - 380 015, Gujarat, India.

www.zyduscadila.com

CIN L24230GJ1995PLC025878



Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2015.

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:	2014-15		
7. Sector(s) that the Company is engaged in (industrial activity code-wise):			
	Group 210	Class 2100	Sub Class 21001
	Description 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. The Company's locations of plants are provided in this annual report. Details of business performance in India markets as well as international markets are reported as a part of the Management Discussion and Analysis, 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):	47,636 millions
Total profit after taxes (INR):	12,711 millions
Total spending on Corporate Social Responsibility (CSR) (INR)	108.15 millions

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

The Company has spent 2% of average profit for previous three years, computed as prescribed under the Companies Act, 2013 on Rural Community Development project, education and healthcare, including preventive healthcare. Annual Report on CSR activities is attached to the Directors' Report.

Section C [Other Details]:

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. The subsidiary companies' Business Responsibility 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:

DIN Number : 00131852
Name : Mr. Pankaj R. Patel
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	upen.shah@zyduscadila.com

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	30	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	30	Yes
Businesses should promote the well-being of all employees.	Building people to build our business	30	Yes
Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Zydus Srishti	31	Yes
Businesses should respect and promote human rights.	Human Rights	31	Yes
Businesses should respect, protect and make efforts to restore the environment.	Green Impact	31	Yes
Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Policy advocacy	32	Yes
Business should support inclusive growth and equitable development.	Zydus Srishti	32	Yes
Business should engage with and provide value to their customers and consumers in a responsible manner.	The Zydus Way of manufacturing and marketing of healthcare products	32	Yes

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

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 conform 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.								
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?	All the policies are communicated to the relevant stakeholders. The Directors and Senior Management Personnel are required to affirm to the Code of Conduct and business ethics annually. Policies on Employees are available on internal portal, which has to be signed by the employees at the time of joining and a declaration every year.								

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	Respective business / unit head attend to any grievances pertaining to their department and address the grievances. The Company has formed a Shareholders' and Investors' Grievance Committee to redress any grievances of shareholders and investors.								
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.								

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

4. Governance related to BR:

The Company has a well-defined governance structure to review different aspects of Business Responsibility. A four tier structure starts with a monthly performance review meeting which is chaired by the concerned Business Unit / Function Head. Zydus Management Committee [ZMC] Meeting – a conclave of all business functional heads is held three times in a year. Zydus Executive Board [ZEB] comprising Chairman and Managing Director, Deputy Managing Director and Executive Director meet once every month for strategic reviews. Site Business Reviews are held at global and Indian locations every quarter. The Board of Directors of the Company also meets every quarter to review financial and business performance of the company and all important strategic decisions. Annual Organizational Development Meetings (AOM) and the Chairman's Annual Meeting are held once a year to discuss and set the agenda for broad-based organizational development and goal setting.

Strategic Guidance	By the Board of Directors
Strategic Goal setting and decision making	By the Zydus Executive Board
Strategic Management	By the Zydus Management Committee
Operational Reviews and Executive management	By Business Function Heads

The Company has formed a CSR Committee, which monitors the CSR activities carried out by the Company. CSR Policy of the Company is posted on the website of the Company. A report in the format prescribed by Ministry of Corporate Affairs on CSR activities carried out by the Company forms part of this Annual Report.

Section E [Principle-wise Performance]:

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

The Company firmly believes and adhere 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 reported and reviewed 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 conform 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.

The Company received 28 complaints from the investors / shareholders and no complaint remained unresolved / unattended by the end of the year. 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 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 conform 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 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 part of operational management. Full-fledged Solvent Recovery Plant at our API manufacturing sites recovers solvents generated during the process manufacturing. The Company reuses appx. 50% of solvents generated in the manufacturing process.

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

1. 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, 2015 is provided in the below table.

Sr. No.	Category of Employees	No. of Employees
1.	Management staff	5206
2.	Marketing field staff	5973
3.	Others	2001
4.	Total From the total :	13180
5.	Contractual employees	1589
6.	Permanent Woman employees	719
7.	Permanent employees with disabilities	27

2. The Company has a recognised employees association and 3.14% 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.
3. 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. 47% 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 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 neighboring 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 whole with systematic approach, fifteen company units are accredited for ISO 14001 and thirteen company units are accredited for OHSAS 18001.

Towards a green initiative, 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 includes 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 and notices received were satisfactorily responded to the authority.

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 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.

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

The Company's CSR initiatives are spearheaded by 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 programmes 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 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. This makes it one of the most comprehensive and self-sustaining healthcare centers of world class standards. GCS' mission is to provide integrated cancer care encompassing prevention, diagnosis, prognosis, treatment, education, rehabilitation, clinical research and after-care at one location. A report in the prescribed format on CSR activities carried out by the Company forms 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 that 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 as at the end of financial year 2014-15.

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

The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell has been 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.

TRUE COPY
For, Cadila Healthcare Limited

Company Secretary

Date: 15th May, 2015

FORM A
[Pursuant to clause 31[a] of the Listing Agreement]

1.	Name of the Company	Cadila Healthcare Limited
2.	Annual financial statement for the year ended	31 st March, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not Applicable

For, Cadila Healthcare Limited



Pankaj R. Patei
Chairman & Managing Director

For, Cadila Healthcare Limited



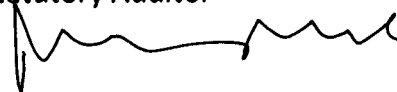
Nitin D. Parekh
Chief Financial Officer

For, Cadila Healthcare Limited



Nitin R. Desai
Chairman of Audit Committee

For, Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration No. 106625W
Statutory Auditor



Mukesh M. Shah
Partner
Membership No. 030190