Zydus
dedicated to life

Cadila
Healthcare Limited

**Regd. Office :**
'Zydus Tower',
Satellite Cross Roads,
Ahmedabad 380 015. India.
Phone : +91-79-2686 8100 (20 Lines)
Fax : +91-79-2686 2368
www.zyduscadila.com
CIN:L24230GJ1995PLC025878

May 15, 2015

Bombay stock Exchange Limited
1st Floor, P.J. Towers
Dalal Street
MUMBAI – 400 001

**Kind Attn.:** Mr. Kapoor
Mr. Goopalkrishnan

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra – (East)
Mumbai – 400 051

**Kind Attn.:** Famroze Pochara
Asst. Vice President

Ahmedabad Stock Exchange Limited
Kamdhenu Complex
Opp. Sahajanand College
Panjara Pole,
Ahmedabad – 380 015

**Sub.:** Report of the Auditors under clause-41 of the Listing Agreement in respect of audited financial results for the year ended on March 31, 2015.

Dear Sir

We are forwarding herewith Report from M/s. Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company, as aforesaid in compliance with Clause-41 of the Listing Agreement; the same may please receive in order.

Thanking you

Yours faithfully
For **CADILA HEALTHCARE LIMITED**

**UPEN H. SHAH**
**COMPANY SECRETARY**

**Encl.:** As above.

1st Floor, H.K. House,
Ashram Road, Ahmedabad-380 009.
Phone : 079 - 2658 0549, 2658 5814
Fax : 079 - 2658 1236
E mail : mukesh@mmsco.in / contact@mmsco.in
Website : www.mmsco.in

MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD • MUMBAI • BANGALORE

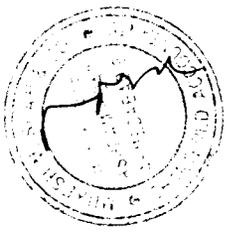
**Auditors' Report on Consolidated Quarterly Financial Results and Consolidated Year to Date Financial Results of Cadila Healthcare Limited pursuant to the Clause 41 of the Listing Agreement**

**To**
**Board of Directors of**
**CADILA HEALTHCARE LIMITED**

We have audited the consolidated quarterly financial results of **CADILA HEALTHCARE LIMITED** ("the Company"), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute "the Group"), for the quarter ended on 31st March, 2015 and the consolidated year to date financial results for the period from 1st April, 2014 to 31st March, 2015, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. These quarterly / year to date consolidated financial results have been prepared from consolidated financial statements, which is the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of consolidated financial statements, which have been prepared in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Companies Act, 2013 (hereinafter referred as "the Act"); read with Rule 7 of the Companies (Accounts) Rules, 2014 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

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, as well as the total revenue of Rs. 43,184 million for the year ended on that date and Rs. 12,527 million for the quarter ended on 31st March, 2015, as considered in the consolidated financial statements. These financial statements / financial information have been audited/ reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.



1st Floor, H.K. House,
Ashram Road, Ahmedabad-380 009.
Phone : 079 - 2658 0549, 2658 5814
Fax : 079 - 2658 1236
E mail : mukesh@mmsco.in / contact@mmsco.in
Website : www.mmsco.in

MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD • MUMBAI • BANGALORE

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, as well as the total revenue of Rs. 7464 million for the year ended on that date and Rs. 1741 million for the quarter ended on 31st March, 2015, 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.

In our opinion and to the best of our information and according to the explanations given to us, these quarterly consolidated financial results as well as the year to date consolidated financial results:

(i) in case of the consolidated financial results of the Group, includes the financial results for the year ended 31st March, 2015 of the entities listed in Note No. 32 of the audited Consolidated Financial Statement;

(ii) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regards; and

(iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended 31st March, 2015 as well as the consolidated year the to date results for the period from 1st April, 2014 to 31st March, 2015.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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

**Mukesh Shah**
**Partner**
**Membership No. 030190**

Place: Ahmedabad
Date: May 15, 2015.

Zydus
enhancing life

# Cadila Healthcare Limited

Registered Office: Zydus Tower, Satellite Cross Roads, Ahmedabad - 380015
Tel. No.: (+91-79) 2686 8100 Fax No.: (+91-79) 2686 2365/66 Website: www.zyduscadila.com
CIN : L24230GJ1995PLC025878

**PART I**

**Statement of Results for the Quarter and Year Ended 31/03/2015**

| Rupees in Lacs CONSOLIDATED | | | | | Sr. No. | | Particulars | Rupees in Lacs COMPANY | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **3 Months ended 31/03/2015** | Preceding 3 months ended 31/12/2014 | Corresponding 3 months ended 31/03/2014 in the previous year | **Year to date figures for the current period ended 31/03/2015** | Previous year ended 31/03/2014 | | | | **3 Months ended 31/03/2015** | Preceding 3 months ended 31/12/2014 | Corresponding 3 months ended 31/03/2014 in the previous year | **Year to date figures for the current period ended 31/03/2015** | Previous year ended 31/03/2014 |
| **(Audited)** | (Unaudited) | (Audited) | **(Audited)** | (Audited) | | | | **(Audited)** | (Unaudited) | (Audited) | **(Audited)** | (Audited) |
| | | | | | 1 | | **Income from operations** | | | | | |
| **229,665** | 219,791 | 195,198 | **865,769** | 720,834 | | i | Gross Sales | **135,609** | 126,780 | 100,478 | **476,361** | 358,733 |
| **4,953** | 3,182 | 3,565 | **16,057** | 14,827 | | ii | Less: Excise Duty | **1,853** | 2,413 | 1,436 | **7,752** | 6,280 |
| **224,712** | 216,609 | 191,633 | **849,712** | 706,007 | | a | Net Sales | **133,756** | 124,367 | 99,042 | **468,609** | 352,453 |
| **4,111** | 3,890 | 5,217 | **15,422** | 16,396 | | b | Other operating income | **11,639** | 22,121 | 11,112 | **59,834** | 51,758 |
| **228,823** | 220,499 | 196,850 | **865,134** | 722,403 | | c | Total income from operations (net) | **145,395** | 146,488 | 110,154 | **528,443** | 404,211 |
| | | | | | 2 | | **Expenses** | | | | | |
| **45,054** | 47,088 | 41,956 | **189,668** | 162,882 | | a | Cost of materials consumed | **29,678** | 31,301 | 26,673 | **128,606** | 106,814 |
| **31,147** | 32,303 | 33,620 | **139,703** | 115,430 | | b | Purchases of stock-in-trade | **12,666** | 10,762 | 10,580 | **44,150** | 38,266 |
| **4,012** | (3,479) | 2,187 | **(9,706)** | (6,949) | | c | Changes in inventories of finished goods, work-in-progress and stock-in-trade | **(536)** | (536) | 32 | **(7,598)** | (3,571) |
| **31,408** | 31,704 | 27,357 | **120,852** | 107,111 | | d | Employee benefits expense | **15,009** | 16,209 | 13,303 | **60,713** | 52,514 |
| **7,554** | 7,072 | 5,278 | **28,725** | 20,123 | | e | Depreciation and amortisation expense | **5,539** | 5,127 | 3,217 | **21,185** | 12,740 |
| **67,615** | 66,609 | 55,875 | **249,046** | 223,915 | | f | Other expenses | **42,282** | 40,415 | 32,079 | **149,161** | 129,489 |
| **186,790** | 181,297 | 166,273 | **718,288** | 622,512 | | g | Total expenses | **104,638** | 103,278 | 85,884 | **396,217** | 336,252 |
| **42,033** | 39,202 | 30,577 | **146,846** | 99,891 | 3 | | **Profit/ (Loss) from Operations before other income, finance costs and exceptional items (1-2)** | **40,757** | 43,210 | 24,270 | **132,226** | 67,959 |
| **2,034** | 1,001 | 1,313 | **5,537** | 5,067 | 4 | | Other income | **1,490** | 1,018 | 2,035 | **18,521** | 30,859 |
| **44,067** | 40,203 | 31,890 | **152,383** | 104,958 | 5 | | **Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)** | **42,247** | 44,228 | 26,305 | **150,747** | 98,818 |
| **1,628** | 1,624 | 2,404 | **6,786** | 9,019 | 6 | | Finance costs | **1,386** | 1,050 | 1,001 | **4,284** | 4,251 |
| **42,439** | 38,579 | 29,486 | **145,597** | 95,939 | 7 | | **Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)** | **40,861** | 43,178 | 25,304 | **146,463** | 94,567 |
| **(143)** | 1,092 | 1,368 | **1,044** | 1,715 | 8 | | Exceptional items | **0** | 0 | 0 | **0** | 0 |
| **42,582** | 37,487 | 28,118 | **144,553** | 94,224 | 9 | | **Profit/ (Loss) from ordinary activities before tax (7-8)** | **40,861** | 43,178 | 25,304 | **146,463** | 94,567 |
| **7,075** | 7,910 | 3,476 | **25,942** | 10,601 | 10 | | Tax expense | **6,155** | 7,062 | 3,636 | **19,351** | 4,208 |
| **35,507** | 29,577 | 24,642 | **118,611** | 83,623 | 11 | | **Net Profit/ (Loss) from ordinary activities after tax (9-10)** | **34,706** | 36,116 | 21,668 | **127,112** | 90,359 |
| **0** | 0 | 0 | **0** | 0 | 12 | | Extraordinary items (net of tax expense) | **0** | 0 | 0 | **0** | 0 |
| **35,507** | 29,577 | 24,642 | **118,611** | 83,623 | 13 | | **Net Profit/ (Loss) for the period (11-12)** | **34,706** | 36,116 | 21,668 | **127,112** | 90,359 |
| **214** | 0 | 0 | **214** | 0 | 14 | | Pre-acquisition loss transferred to Goodwill arising on consolidation | **0** | 0 | 0 | **0** | 0 |
| **(683)** | (1,386) | (723) | **(3,766)** | (3,264) | 15 | | Minority interest | **0** | 0 | 0 | **0** | 0 |
| **35,038** | 28,191 | 23,919 | **115,059** | 80,359 | 16 | | **Net Profit/ (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13+14+15)** | **34,706** | 36,116 | 21,668 | **127,112** | 90,359 |
| **10,237** | 10,237 | 10,237 | **10,237** | 10,237 | 17 | | Paid-up equity share capital (Face Value Rs. 5/-) | **10,237** | 10,237 | 10,237 | **10,237** | 10,237 |
| | | | **414,917** | 333,662 | 18 | | Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year | | | | **442,295** | 352,754 |
| | | | | | 19 | i | **Earnings per share (before extraordinary items)** | | | | | |
| | | | | | | | **(of Rs. 5/- each) (not annualised):** | | | | | |
| **17.11** | 13.77 | 11.68 | **56.20** | 39.25 | | a | Basic (Rs.) | **16.95** | 17.64 | 10.58 | **62.08** | 44.13 |
| **17.11** | 13.77 | 11.68 | **56.20** | 39.25 | | b | Diluted (Rs.) | **16.95** | 17.64 | 10.58 | **62.08** | 44.13 |
| | | | | | 19 | ii | **Earnings per share (after extraordinary items)** | | | | | |
| | | | | | | | **(of Rs. 5/- each) (not annualised):** | | | | | |
| **17.11** | 13.77 | 11.68 | **56.20** | 39.25 | | a | Basic (Rs.) | **16.95** | 17.64 | 10.58 | **62.08** | 44.13 |
| **17.11** | 13.77 | 11.68 | **56.20** | 39.25 | | b | Diluted (Rs.) | **16.95** | 17.64 | 10.58 | **62.08** | 44.13 |

**Notes :**

[1] The above results for the quarter/ year ended on March 31, 2015 were reviewed by the Audit Committee on May 14, 2015 and then approved by the Board of Directors at their meeting held on May 15, 2015.

[2] In the consolidated accounts, the accounts of some of the foreign subsidiaries are audited up to December 31, 2014 and subjected to limited review by their auditors for the balance period up to March 31, 2015, wherever applicable.

[3] The Board of Directors have recommended a dividend of Rs. 12/- [@ 240%] per equity share on 204,748,520 equity shares of Rs. 5/- each for the financial year ended on March 31, 2015.

[4] During the quarter, the Company has purchased 50% shares of Zydus BSV Pharma Private Limited [Zydus BSV] from Bharat Serums and Vaccines Limited [joint venture partner] and now Zydus BSV has become 100% subsidiary of the Company w.e.f. March 26, 2015.

[5] Effective from April 1, 2014, the Company has changed the depreciation charge based on the revised remaining useful lives of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to this, the depreciation charge for the quarter ended March 31, 2015 is higher by Rs. 1,613 Lacs on Standalone basis [Rs. 1,754 Lacs on Consolidated basis] and for the year ended March 31, 2015 is higher by Rs. 6,452 Lacs on Standalone basis [Rs. 7,079 Lacs on Consolidated basis]. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs. 2,495 Lacs on Standalone basis [Rs.2,562 Lacs on Consolidated basis], which pertains to the carrying value of the assets whose remaining useful lives as on April 1, 2014 is "Nil", has been adjusted to the Retained Earnings.

[6] Exceptional items in the consolidated results include:

| No. | Particulars | Rupees in Lacs | | | | |
|---|---|---|---|---|---|---|
| | | **3 Months ended 31/03/2015** | Preceding 3 months ended 31/12/2014 | Corresponding 3 months ended 31/03/2014 in the previous year | **Year to date figures for the current period ended 31/03/2015** | Previous year ended 31/03/2014 |
| | | **(Audited)** | (Unaudited) | (Audited) | **(Audited)** | (Audited) |
| a | Provision for various expenses related to the closure of business operations in Japan | **(143)** | 22 | 1,368 | **(26)** | 1,715 |
| 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 | **0** | 1,070 | 0 | **1,070** | 0 |

[7] In consolidated results, credit of additional excise duty received by M/s. Zydus Wellness, Sikkim pursuant to the order received in the preceding quarter from the Office of the Commissioner of Customs, Central Excise and Service Tax of Rs. 655 Lacs related to the financial year 2013-14 has been reduced from Excise Duty and Rs. 898 Lacs related to the financial years 2011-12 and 2012-13 has been considered as and disclosed under Other Operating Income. Consequently, the figures of the preceding quarter have been regrouped accordingly.

[8] The figures of the quarter ended March 31, 2015 are balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

[9] Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

[10] The Company has one segment of activity viz., "Pharmaceuticals".

**PART II**

**Select information for the Quarter and Year Ended 31/03/2015**

| | | **Particulars** | **3 Months ended 31/03/2015** | Preceding 3 months ended 31/12/2014 | Corresponding 3 months ended 31/03/2014 in the previous year | **Year to date figures for the current period ended 31/03/2015** | Previous year ended 31/03/2014 |
|---|---|---|---|---|---|---|---|
| | A | **PARTICULARS OF SHAREHOLDING** | | | | | |
| | 1 | **Public shareholding** | | | | | |
| **51,610,474** | | - Number of shares | **51,610,474** | 51,610,474 | 51,610,474 | **51,610,474** | 51,610,474 |
| **25.21%** | | - Percentage of Shareholding | **25.21%** | 25.21% | 25.21% | **25.21%** | 25.21% |
| | 2 | **Promoters and Promoter Group Shareholding** | | | | | |
| | a | Pledged / Encumbered | | | | | |
| **Nil** | | - Number of shares | **Nil** | Nil | Nil | **Nil** | Nil |
| **N.A.** | | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | **N.A.** | N.A. | N.A. | **N.A.** | N.A. |
| **N.A.** | | - Percentage of shares (as a % of the total share capital of the company) | **N.A.** | N.A. | N.A. | **N.A.** | N.A. |
| | b | Non - encumbered | | | | | |
| **153,138,046** | | - Number of shares | **153,138,046** | 153,138,046 | 153,138,046 | **153,138,046** | 153,138,046 |
| **100.00%** | | - Percentage of shares (as a % of the total shareholding of Promoter and Promoter group) | **100.00%** | 100.00% | 100.00% | **100.00%** | 100.00% |
| **74.79%** | | - Percentage of shares (as a % of the total share capital of the company) | **74.79%** | 74.79% | 74.79% | **74.79%** | 74.79% |

| | **Particulars** | **3 months ended 31/03/2015** |
|---|---|---|
| **B** | **INVESTOR COMPLAINTS [In Numbers]** | |
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | 5 |
| | Disposed of during the quarter | 5 |
| | Remaining unresolved at the end of the quarter | Nil |

## Audited Statement of Assets & Liabilities

| CONSOLIDATED Rupees in Lacs | | | | | COMPANY Rupees in Lacs | |
|---|---|---|---|---|---|---|
| As at current year end 31/03/2015 | As at previous year end 31/03/2014 | | | Particulars | As at current year end 31/03/2015 | As at previous year end 31/03/2014 |
| | | | | **EQUITY AND LIABILITIES** | | |
| | | | 1 | **Shareholders' funds** | | |
| 10,237 | 10,237 | | a | Share capital | 10,237 | 10,237 |
| 414,917 | 333,662 | | b | Reserves and surplus | 442,295 | 352,754 |
| 425,154 | 343,899 | | | **Sub-total - Shareholders' funds** | 452,532 | 362,991 |
| 16,889 | 14,427 | | 2 | **Minority Interest** | 0 | 0 |
| | | | 3 | **Non-current liabilities** | | |
| 115,042 | 136,223 | | a | Long-term borrowings | 58,356 | 85,356 |
| 5,856 | 9,608 | | b | Deferred tax liabilities (net) | 12,364 | 12,364 |
| 4,214 | 5,478 | | c | Other long-term liabilities | 2,391 | 2,056 |
| 11,063 | 7,606 | | d | Long-term provisions | 8,050 | 4,682 |
| 136,175 | 158,915 | | | **Sub-total - Non-current liabilities** | 81,161 | 104,458 |
| | | | 4 | **Current liabilities** | | |
| 118,355 | 90,238 | | a | Short-term borrowings | 67,957 | 55,761 |
| 109,087 | 91,080 | | b | Trade payables | 67,132 | 46,173 |
| 62,823 | 70,806 | | c | Other current liabilities | 33,000 | 29,855 |
| 36,231 | 29,269 | | d | Short-term provisions | 31,955 | 25,075 |
| 326,496 | 281,393 | | | **Sub-total - Current liabilities** | 200,044 | 156,864 |
| **904,714** | **798,634** | | | **TOTAL - EQUITY AND LIABILITES** | **733,737** | **624,313** |
| | | B | | **ASSETS** | | |
| | | | 1 | **Non-current assets** | | |
| 341,702 | 328,032 | | a | Fixed assets | 213,503 | 209,468 |
| 73,309 | 73,500 | | b | Goodwill on consolidation | 0 | 0 |
| 3,316 | 2,219 | | c | Non-current investments | 175,075 | 126,529 |
| 63,714 | 51,105 | | d | Long-term loans and advances | 75,426 | 81,898 |
| 0 | 0 | | e | Other non-current assets | 0 | 0 |
| 482,041 | 454,856 | | | **Sub-total - Non-current assets** | 464,004 | 417,895 |
| | | | 2 | **Current assets** | | |
| 12,124 | 6,437 | | a | Current investments | 45,834 | 29,242 |
| 153,568 | 136,749 | | b | Inventories | 80,432 | 66,348 |
| 158,839 | 113,365 | | c | Trade receivables | 105,612 | 72,196 |
| 66,989 | 54,882 | | d | Cash and cash equivalents | 12,939 | 8,945 |
| 24,082 | 25,488 | | e | Short-term loans and advances | 20,185 | 25,513 |
| 7,071 | 6,857 | | f | Other current assets | 4,731 | 4,174 |
| 422,673 | 343,778 | | | **Sub-total - Current assets** | 269,733 | 206,418 |
| **904,714** | **798,634** | | | **TOTAL - ASSETS** | **733,737** | **624,313** |

By Order of the Board,
For Cadila Healthcare Limited,

Pankaj R. Patel
Chairman & Managing Director

Ahmedabad, May 15, 2015