BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH, AT AHMEDABAD

CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Cadila Healthcare Limited;

And

In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India.

...Applicant Company

NOTICE UNDER SECTION 230(5) OF THE COMPANIES ACT, 2013

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051.

Notice is hereby given in pursuance of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the Hon'ble National Company Law Tribunal ("Hon'ble Tribunal") by an order dated 15.2.2017, passed in CA (CAA) No. 5/230-232/NCLT/AHM/2017, under sections 230-232 of the Companies Act, 2013, separate meetings of the equity shareholders, secured creditors and unsecured creditors of Cadila Healthcare Limited shall be held on 30.3.2017 at 10.00 a.m.,

Zydus dedicated to life

Cadila Healthcare Limited

NOTICE - UNSECURED CREDITORS

CADILA HEALTHCARE LIMITED

Registered Office	:	Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India
Tel No	:	+91-79-26868100
CIN	:	L24230GJ1995PLC025878
Website	:	www.zyduscadila.com
E-mail	:	upen.shah@zyduscadila.com

MEETING OF THE UNSECURED CREDITORS
OF
CADILA HEALTHCARE LIMITED

(***convened pursuant to final order dated 15th day of February 2017 passed by the National Company Law Tribunal, Bench at Ahmedabad***)

MEETING:

Day	Thursday
Date	30th day of March 2017
Time	12.00 noon (1200 hours)
Venue	J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India

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Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India. } } } } …Applicant Company

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY

To,

The unsecured creditors of Cadila Healthcare Limited (the "**Applicant Company**"):

TAKE NOTICE that by a final order made on the 15th day of February 2017 in the abovementioned Company Application (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) has directed that a meeting of the unsecured creditors of the Applicant Company, be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 12.00 noon (1200 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors (**"Scheme"**).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the unsecured creditors of the Applicant Company, will be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 12.00 noon (1200 hours), at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

***"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated January 20, 2017 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if*

any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Mr. Humayun Dhanrajgir, an Independent Director of the Applicant Company and in his absence, Mr. Apurva S. Diwanji, an Independent Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.



Humayun Dhanrajgir
Chairman appointed for the meeting

Dated this 18th day of February 2017.

Registered office: Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015,
Gujarat, India.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only unsecured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an unsecured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors of the Applicant Company. The authorised representative of a body corporate which is an unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 5 (five) unsecured creditors of the Applicant Company, present in person.
4. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
5. Unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.

6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.

7. NCLT by its said Order has directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 12.00 noon (1200 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.

8. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.

9. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors either by registered post or speed post/ airmail or by courier service or electronically by e-mail. The Notice will be displayed on the website of the Applicant Company www.zyduscadila.com.

10. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement, amongst others, will be published through advertisement in the following newspapers, namely, (i) Indian Express (Ahmedabad Edition) in the English language; and (ii) translation thereof in Sandesh (Ahmedabad Edition) in the Gujarati language.

11. Mr. Hitesh D. Buch, Practicing Company Secretary (Membership No. FCS 3145/COP 8195) has been appointed as the scrutinizer to conduct the voting process through ballot or polling at the venue of the meeting in a fair and transparent manner.

12. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through ballot or polling paper at the venue of the meeting will be announced on or before 2nd day of April 2017 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company www.zyduscadila.com.

Encl.: As above

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EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the final order dated 15th day of February 2017, passed by the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (the **"NCLT"**), in CA(CAA) No.5/230-232/NCLT/AHM/2017 (**"Order")**, a meeting of the unsecured creditors of Cadila Healthcare Limited (hereinafter referred to as the **"Applicant Company"** or the **"Transferor Company"** as the context may admit) is being convened at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 12.00 noon (1200 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between the Applicant Company and Zydus Healthcare Limited (hereinafter referred to as the **"Transferee Company"**) and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the **"Scheme"**). The Transferor Company and the Transferee Company are together referred to as the **"Companies"**. A copy of the Scheme, which has been, inter alios, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 17th day of November 2016, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
2. In terms of the said Order, the quorum for the said meeting shall be 5 (five) unsecured creditors present in person. Further in terms of the said Order, NCLT, has appointed Mr. Humayun Dhanrajgir, an Independent Director of the Applicant Company and in his absence, Mr. Apurva S. Diwanji, an Independent Director of the Applicant Company as the Chairman of the meeting of the unsecured creditors of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the **"Act"**) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the **"Rules"**).
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 12.00 noon (1200 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.

   In addition, the Applicant Company is seeking the approval of its unsecured creditors to the Scheme by way of voting in the meeting either in person or through proxy.
5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the unsecured creditors, or class of unsecured creditors, of the Applicant Company, as the case may be, voting in person or by proxy agree to the Scheme.

6. In terms of the Order dated 15th day of February 2017, passed by the NCLT, in CA(CAA) No.5/230-232/NCLT/AHM/2017, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the unsecured creditors are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting.

Particulars of the Transferor Company

7. The Transferor Company, the flagship company of Zydus Group, is incorporated on 15th day of May 1995, under the provisions of the Companies Act, 1956 (the **"Act of 1956"**) in the name of Cadila Healthcare Private Limited. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect from 17th day of July 1996. The Transferor Company is a listed public limited company. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited (hereinafter referred to as "NSE") and BSE Limited (hereinafter referred to as "BSE"). There has been no further change in the name of the Transferor Company in the last five (5) years. The Corporate Identification Number of the Transferor Company is L24230GJ1995PLC025878. The Permanent Account Number of the Transferor Company is AAACC6253G.

8. The registered office of the Transferor Company is situated at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is upen.shah@zyduscadila.com

9. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main object of the Transferor Company is, as follows:

   "III. (A)

   1. To manufacture, buy, sell, process, import, export, grow, refine, research, mix, pack, market, act as distributors, whole-sellers, dealers, consignment agents and handling agents and consultants in all kinds of pharmaceuticals, drugs, medicaments, intermediates and their raw-materials, surgical equipments, appartus, and devices, cosmetics, medicated soaps, shampoos, toiletories and health care products, hospital products and items of personal hygiene whether prepared by ayurvedic, homeopathic, unani, allopathic, naturecure, herbal or any other medicinal system for human beings, birds, animals, insects or other purpose and to run hospitals and diagnostic centres."

   There has been no change in the object clause of the Transferor Company in the last five (5) years.

10. The Transferor Company is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of the Transferor Company is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit (SBU) Biologics Business, and (b) India Human Formulations Business.

    SBU Biologics Business is carrying on the business of marketing and selling human formulations in India through its several divisions, viz. (i) Oncosciences, (ii) Ingenia, (iii) Heptiza-Alpha and Omega, (iv) Synovia, (v) Ostivia, (vi) Biovation, (vii) Bionext, (viii) Vaxxicare and (ix) Nephrosciences- Dialysis and Transplant.

    All other business pertaining to marketing and selling of human formulations in India, other than SBU Biologics Business, is carried out through various divisions of India Human Formulations Business. Some of the divisions, amongst others, under India Human Formulations Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc. The plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445, manufactures various formulations for India Human Formulations Business. The Research & Development activity for India Human Formulations Business is carried out at Pharmaceutical Technology Centre (PTC) situated at Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015. Further, the analytical laboratory for stability study in respect of India Human Formulations Business is situated at Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059, and that the activities for development of formulations in respect of India Human Formulations Business is situated at 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210.

11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st January 2017 was as follows:

Share Capital	Amount (in Rs.)
Authorized	
172,50,00,000 Equity shares of Re. 1/- each	172,50,00,000
TOTAL	**172,50,00,000**
Issued, subscribed and paid-up	
102,37,42,600 Equity shares of Re. 1/- each fully paid up	102,37,42,600
TOTAL	**102,37,42,600**

12. Subsequent to 31st January 2017 there has been no change in the share capital of the Transferor Company.

Particulars of the Transferee Company

13. The Transferee Company is a company incorporated on 2nd day of August 1989 under the provisions of the Companies Act, 1956 in the name of GR Exports Limited in the State of Maharashtra. The name of GR Exports Limited was changed to German Remedies Specialities Limited with effect from 1st day of April 2002. The name was further changed to German Remedies Limited and thereafter to Zydus Healthcare Limited with effect from 8th day of October 2003 and 8th day of September 2016, respectively. Except as stated hereinabove, there has been no further change in the name of the Transferee Company in the last five (5) years. The registered office of the Transferee Company was shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. The Transferee Company is an unlisted public limited company. The Transferee Company is a wholly owned subsidiary of the Transferor Company. The Corporate Identification Number of the Transferee Company is U51900GJ1989PLC079501. The Permanent Account Number of the Transferee Company is AAACG1859Q.

14. The registered office of the Transferee Company is situated at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. Before 2nd April 2014, the registered office of the Transferee Company was situated at Shiv Sagar Estate, "A", Dr. Annie Besant Road, Worli, Mumbai-400 018. Except the aforesaid, there has been no further change in the registered office address of the Transferee Company in the last five (5) years. The e-mail address of the Transferee Company is sanjayd.gupta@zyduscadila.com

15. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are as follows:

"III (A)

1. To carry on business as exporters, importers, buyers, sellers, distributors, dealers and manufacturers of raw materials, ingredients, reagents, catalysts, mixtures, derivatives, intermediates, compounds, processed or semi processed products, industrial agricultural pharmaceutical and medical preparations including pharmaceutical and medical products, bulk drugs and chemicals, foodstuffs, beverages, wines, tonics, flowers, medicinal plants, hospital requisites, surgical and other ligatures, syringes etc., cosmetics, beauty products and articles of personal beauty, toilets, requisites, dye, dyestuffs, chemicals, petrochemicals, bio-chemicals, natural and artificial fibres, garments, handicrafts, leather, leather products, plant and machinery, equipment, apparatus, instruments, tools, accessories, fittings and stores.

2. To engage the employees / agents / representatives for using their services or for providing their services to other Companies / firms / entities on contractual basis or otherwise for marketing of their products including Drugs and Pharmaceuticals, diagnostics, cosmesuticals, ayurvedic, unani, healthcare and personal hygiene and allied products as the company may decide both in domestic and international market, to act as sales organizers as well as consultants, agents and in such capacity, to give advise and information and render services while carrying on business as aforesaid which may lead to or be conducive to the adoption by the constituent or principals or generally of

i) *efficient methods of effecting sales and marketing goods.*

ii) *economy in effecting sales and marketing goods*

iii) *rendering of all services whether incidental to the above or not;*

iv) *to organize in any part of India or abroad, sales promotion drives, seminars, exhibitions, fairs and other similar activities for and on behalf of clients to attain the aforesaid objects of the company."*

Clause III. (B) 7[a] was inserted to the objects incidental or ancillary to the attainment of the main objects with effect from 25th day of January 2016. Except as stated above, there has been no change in the object clause of the Transferee Company in the last five (5) years.

16. The Transferee Company is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the Transferee Company is similar to the India Human Formulations Business of the Transferor Company.

17. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st January 2017 was as follows:

Share Capital	**Amount (in Rs.)**
Authorized	
21,00,000 equity shares of Rs. 100/- each	21,00,00,000
3,00,000 8% non-cumulative redeemable preference shares of Rs. 100/- each	3,00,00,000
7,26,00,000 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	726,00,00,000
TOTAL	**750,00,00,000**
Issued, subscribed and paid-up	
19,38,242 equity shares of Rs. 100/- each fully paid up	19,38,24,200
2,54,460 8% non-cumulative redeemable preference shares of Rs. 100/- each fully paid up	2,54,46,000
7,15,00,000 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid-up	715,00,00,000
TOTAL	**736,92,70,200**

Note: A separate Scheme of Amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company is pending before the National Company Law Tribunal, Bench, at Ahmedabad. Pursuant to the sanctioning of the said Scheme of Amalgamation and upon the same becoming effective, the Transferee Company will issue and allot equity shares to the shareholders of Biochem Pharmaceutical Industries Limited as per the share exchange ratio as stipulated in the said Scheme of Amalgamation. The equity shares to be issued under the said Scheme of Amalgamation has not been taken into consideration, while determining the above capital structure.

18. Subsequent to 31st January 2017 there has been no change in the share capital of the Transferee Company.

Description and Rationale for the Scheme

19. The Scheme provides for transfer and vesting of the India Human Formulations Undertaking of the Transferor Company with effect from the Appointed Date, as a going concern, on Slump Sale basis, and for which a lump sum cash consideration shall be paid by the Transferee Company to the Transferor Company, in accordance with Section 2 (42C) of the IT Act and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

20. The rationale for the Scheme is as under:

It is desired to consolidate the business of marketing and selling of human formulations in India (which does not include the SBU Biologics Business) of Zydus Group within the Transferee Company. In this regard, one of the group companies, namely, the erstwhile Zydus Healthcare Limited merged into German Remedies Limited (the name of German Remedies Limited was changed to Zydus Healthcare Limited, the Transferee Company). Further, it is also contemplated to amalgamate Biochem Pharmaceutical Industries Limited, a wholly owned subsidiary of the Transferor Company, carrying on the business of manufacturing, marketing and selling of human formulations primarily in India, with the Transferee Company and that necessary process for seeking sanction of the scheme of amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company has been initiated, which is presently pending before this Hon'ble Tribunal.

As a part of the aforesaid consolidation, it is proposed to transfer the India Human Formulations Undertaking of the Transferor Company to the Transferee Company which would, inter alia, bring more focused and concentrated efforts by management to grow the respective operations of both the companies which would be in the best interest of the stakeholders.

Corporate Approvals

21. The proposed Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on 17th day of November 2016. The Audit Committee of the Transferor Company took into account the Valuation Report, dated 16th day of November 2016, issued by B S R & Associates LLP, Chartered Accountants (the **"Valuation Report"**) and the fairness opinion, dated 16th day of November 2016, provided by Dalmia Securities Private Limited, a Category I Merchant Banker (**"Fairness Opinion"**), appointed for this purpose by the Transferor Company. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company for its approval.

22. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at its meeting held on 17th day of November 2016. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on 17th day of November 2016, was attended by 5 (five) directors (namely, Mr. Pankaj R. Patel, Dr. Sharvil P. Patel, Mr. Nitin R. Desai, Mr. Humayun Dhanrajgir and Mr. Mukesh M. Patel in person). None of the directors of the Transferor Company who attended the meeting, voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

23. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at its meeting held on 17th day of November 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on 17th day of November 2016, was attended by 4 (four) directors (namely, Dr. Sharvil P. Patel, Mr. Anil Matai, Mr. Nitin D. Parekh and Mr. Deevyesh J. Radia in person). None of the directors of the Transferee Company, who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

24. NSE was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with the Securities and Exchange Board of India (**"SEBI"**), pursuant to Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 (the **"SEBI Circular"**) issued by SEBI. The Transferor Company has received observation letters regarding the Scheme from BSE and NSE, respectively, both on 20th day of January 2017. In terms of the observation letters of BSE and NSE, respectively, both dated 20th day of January 2017, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble High Court. Copies of the observation letters, both dated 20th day of January 2017, received from BSE and NSE, respectively, are enclosed as **Annexures 4** and **5**.

25. As required by the SEBI Circular, the Transferor Company had filed the complaint reports with BSE and NSE, both on 3rd day of January 2017. These reports indicate that the Transferor Company received nil complaints. Copy of the complaint reports submitted by the Transferor Company to BSE and NSE, both dated 3rd day of January 2017 is enclosed as **Annexure 6**.

26. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

27. The applications along with the annexures thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 30th day of January 2017.

Salient extracts of the Scheme

28. The salient extracts of the Scheme are as under:

    A. "Appointed Date" means 1st April 2016.

    B. "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 18 of the Scheme have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

    C. "India Human Formulations Undertaking" means all the businesses, undertakings, activities, properties and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to the India Human Formulations Business (which does not include the SBU Biologics Business), including specifically the following:

        (a) the manufacturing plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445;

(b) facilities situated at (i) the Pharmaceutical Technology Centre (PTC) Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015; (ii) Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059; and (iii) 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210;

(c) all other immovable properties i.e. land together with the buildings and structures standing thereon (whether, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the India Human Formulations Business and all documents (including panchnamas, declarations, receipts, etc.) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

(d) all assets, as are movable in nature pertaining to and in relation to the India Human Formulations Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and receivables, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, deferred tax assets/liabilities, if any.

(e) all permits, licenses, permissions including municipal permissions, product permissions especially under the Drugs and Cosmetics Act, 1940 and that under the Narcotic Drugs and Psychotropoic Substances Act, 1985, price approvals under Drugs (Prices Control) Order, 2013, right of way, approvals, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the India Human Formulations Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the India Human Formulations Business;

(f) all contracts, agreements including consultancy agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the India Human Formulations Business;

(g) all trade marks (except the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks), registered or used by the Transferor Company as the owner or licensee, related only to India Territory, and pertaining to the India Human Formulations Business; all copyrights of the Transferor Company in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works that pertain to the India Human Formulations Business and relate to the India Territory; and right to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights of the Transferor Company in respect of formulations, processes, methods, molecules, improvements, etc. for India Territory and pertaining to India Human Formulations Business;

(h) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties

or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the India Human Formulations Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the India Human Formulations Business;

(i) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, marketing and publicity materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the India Human Formulations Business;

(j) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the India Human Formulations Business and/or arising out of and/or relatable to the India Human Formulations Business;

(k) all employees of the Transferor Company employed/engaged in the India Human Formulations Business as on the Effective Date; and

(l) all legal or other proceedings of whatsoever nature that pertain to the India Human Formulations Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the India Human Formulations Business or whether it arises out of the activities or operations of the India Human Formulations Business, and in each case, subject to Clause 11 of the Scheme, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

D. "India Territory" means the Union of India.

E. "LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

F. "Non-India Territory" means other than the India Territory.

G. "Slump Sale" means Slump Sale as defined under Section 2(42C) of the IT Act.

H. "Remaining Business" means all the undertakings, businesses, activities, investments and their respective assets and liabilities of the Transferor Company other than those forming part of the India Human Formulations Undertaking pursuant to this Scheme.

I. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the India Human Formulations Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in Transferee Company on a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Transferee Company, pursuant to Section 394(2) of the Act.

J. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor Company, and the rights and benefits under the same, in so far as they relate to the India Human Formulations Undertaking and all quality certifications and approvals, and all other interests relating to the goods or services being dealt with by the India Human Formulations Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the

Transferor Company in relation to the India Human Formulations Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company and continuation of operations pertaining to the India Human Formulations Undertaking of the Transferor Company in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

K. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/ benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the India Human Formulations Undertaking, vest with and be available to the Transferee Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

L. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of The Transferor Company relating to the India Human Formulations Undertaking shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, duties, obligations and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company and to keep the Transferor Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

M. In so far as loans and borrowings of the Transferor Company are concerned, the loans and borrowings, if any, and such amounts pertaining to the India Human Formulations Undertaking, which are to be transferred to the Transferee Company in terms of clause 4.11 of the Scheme shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company, as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee Company. However, without prejudice to such transfer of liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Transferee Company may discharge such liability (including accretions) by making payments on the respective due dates to the Transferor Company, which in turn shall make payments to the respective creditors.

N. In so far as the assets of the India Human Formulations Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Transferor Company (except the loans and borrowings of the Remaining Business of the Transferor Company which relate to the External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas) shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company.

So far as the security and existing charges over the assets of India Human Formulations Undertaking are concerned, to the extent they relate to the aforesaid External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas by the Remaining Business of the Transferor Company, shall, without any further act, instrument or deed, continue to subsist over such assets of the India Human Formulations Undertaking and that such assets would be available to the aforesaid External Commercial Borrowings lenders for discharge of the liabilities in respect of the loans and borrowings availed by the Transferor Company for its Remaining Business.

O. Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual and irrevocable license to use the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks for use in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

P. It is clarified that upon the coming into effect of this Scheme, the Transferor Company's copyrights in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works, in so far as they relate to

or pertain to the Non-India Territory, the same shall continue to belong to and remain vested in the Transferor Company.

Q. Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual royalty-free and irrevocable license to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights (other than the trade marks and copyrights which shall vest in the Transferee Company upon the coming into effect of this Scheme and subject to Clause 4.20 and Clause 4.21 of the Scheme) in respect of formulations, processes, methods, molecules, improvements, etc. in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

R. Notwithstanding anything contained above, the Transferor Company shall be entitled to register in its name the trademarks, copyrights, etc. used or to be used in the Non-India Territory, for the purpose of export/sale of goods bearing the said trade marks in the Non-India Territory.

S. The Transferor Company and the Transferee Company shall be entitled to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents as may be required to give effect to the foregoing clauses.

T. Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company shall extend all co-operation and give necessary support to each other, as may be required in the ongoing or future disputes, litigations relating to and/or for enforcement of their respective rights in trade marks, copyrights, patents, technical know how, process know how, etc. against the third party or parties.

U. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the India Human Formulations Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the India Human Formulations Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

V. It is hereby clarified that all assets and liabilities of the India Human Formulations Undertaking, which are set forth in the closing balance sheet of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date, shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date.

W. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the India Human Formulations Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the India Human Formulations Undertaking or not, a decision jointly taken by the Board of Directors of the Transferor Company and the Transferee Company in this regard, shall be conclusive evidence of the matter.

X. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments of whatsoever nature to which the India Human Formulations Undertaking of the Transferor Company is a party or to the benefit of which the India Human Formulations Undertaking of the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be and may be enforced by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

Y. Upon the coming into effect of this Scheme, all the employees relating to the India Human Formulations Undertaking that were employed by the Transferor Company, immediately before the Effective Date, shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were

applicable to such employees relating to the India Human Formulations Undertaking of the Transferor Company immediately prior to the transfer and vesting of the India Human Formulations Undertaking.

Z. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum cash consideration of INR 693 millions (Rupees Six Hundred Ninety Three Millions) to the Transferor Company.

AA. Upon coming into effect of this Scheme, the Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as a part of the India Human Formulations Undertaking pursuant to the Scheme.

BB. In compliance with Indian Accounting Standards (Ind AS), the difference between the lump sum consideration and book value of the net asset pertaining to India Human Formulations Undertaking, as on the Appointed Date, shall be credited to profit and loss account or debited to the investment in the Transferee Company, as the case may be.

CC. Upon coming into effect of this Scheme, the Transferee Company shall record the assets and liabilities comprised in the India Human Formulations Undertaking transferred to and vested in the Transferee Company pursuant to this Scheme, at the respective book values appearing in the books of accounts of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date in accordance with Ind AS.

DD. In compliance with Ind AS, the deficit or excess, if any, remaining after recording the aforesaid entries over the value of lump sum consideration payable to the Transferor Company shall be debited/credited by the Transferee Company to Capital Reserve Account, as the case may be.

EE. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of the Scheme.

FF. This Scheme is and shall be conditional upon and subject to:

a) obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

b) the approval of the Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company in accordance with Sections 391-394 and other relevant provisions of the Act;

c) the Scheme being sanctioned and orders being obtained by the Transferor Company and the Transferee Company from the High Court in terms of Sections 391 to 394 of the Act and other relevant provisions of the Act; and

d) certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company, respectively.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Other matters

29. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 7**.

30. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.

31. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter shareholders and non-promoter shareholders) as the India Human Formulations Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

Under Clause 8 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of

service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.

There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferor Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The individual shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferor Company.

32. Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders and/or its preference shareholders. No rights of the equity shareholders and/or preference shareholders of the Transferee Company are being affected pursuant to the transfer of India Human Formulations Undertaking.

    Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.

    As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

    The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.

    There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferee Company.

    Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The individual shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferee Company.

33. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Transferor Company and the Transferee Company, in their separate meetings held on 31st day of January 2017 and 24th day of January 2017, respectively, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Transferor Company and the Transferee Company are enclosed as **Annexure 8** and **Annexure 9**, respectively.

34. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.

35. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

36. The copy of the proposed Scheme has been filed by the Companies before the concerned Registrar of Companies on 31st day of January 2017.

37. The Supplementary Unaudited Accounting Statement of the Transferor Company and the Transferee Company for the period ended 31st December 2016 are enclosed as **Annexure 10** and **Annexure 11**, respectively.

38. As per the books of accounts (as on 31st December 2016) of the Transferor Company and the Transferee Company, respectively, the amount due to the unsecured creditors are Rs. 2,615 crores and Rs. 228 crores, respectively.

39. The name and addresses of the promoters of the Transferor Company including their shareholding in the Companies as on 10th day of February 2017 are as under:

Sr. No.	Name of the Promoters	Address	No. of Equity Shares of Re. 1/- each held in Cadila Healthcare Limited	No. of 8 % Non-Cumulative Redeemable Preference Shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Zydus Family Trust	8th Floor, Zydus Tower, Satellite Cross Roads, Ahmedabad – 380015	76,55,37,230	0
2.	Pripan Investment Private Limited	Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380015	18,000	0
3.	Mrs. Shivani Pankajbhai Patel Jtly. Pankajbhai Ramanbhai Patel	8th Floor, Zydus Tower, Satellite Cross Roads, Ahmedabad – 380015	15,000	0
4.	Mr. Pankajbhai Ramanbhai Patel Jtly. Mrs. Pritiben Pankajbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
5.	Mr. Pankajbhai Ramanbhai Patel (HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
6.	Mrs. Pritiben Pankajbhai Patel Jtly. Mr. Pankajbhai Ramanbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
7.	Taraben Patel Family Will Trust	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
8.	Mr. Ramanbhai B. Patel (HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
9.	Mr. Pankajbhai Ramanbhai Patel Jtly. Dr. Sharvil Pankajbhai Patel (P.R. Patel Smaller HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
10.	Dr. Sharvil Pankajbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	42,410
11.	Mr. Pankajbhai R. Patel Jtly. Mrs. Pritiben Pankajbhai Patel (R. B. Patel Will Pankaj Trust)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0

40. The name and addresses of the promoters of the Transferee Company including their shareholding in the Companies as on 10th day of February 2017 are as under:

The Transferee Company is a wholly owned subsidiary company of the Transferor Company. Hence, Transferor Company is the only promoter of the Transferee Company and its details of holding are as under:

Sr. No.	Name of the Promoter(s)	Address	No. of Equity Shares of Rs. 100/- each held in Zydus Healthcare Limited	No. of 8 % Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Cadila Healthcare Limited and its nominees	Zydus Tower Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015	19,38,242	7,15,00,000

41. The details of the directors of the Transferor Company as on 10th day of February 2017 are as follows:

Sr. No.	Name of the Director	Designation of the Director	Address of the Director
1.	Mr. Pankaj R. Patel	Chairman and Managing Director	16, Azad Society, Ambawadi, Ahmedabad – 380015
2.	Dr. Sharvil P. Patel	Joint Managing Director	16, Azad Society, Ambawadi, Ahmedabad – 380015
3.	Mr. Mukesh M. Patel	Non–Executive Director	Prakruti No. 11, Ashwamegh Bungalows Part II, Satellite Road, Ahmedabad – 380015
4.	Mr. Humayun Dhanrajgir	Independent Director	F37/38, Dhanraj Mahal, CSM Road, Apollo Bunder, Mumbai – 400001
5.	Ms. Dharmishtaben N. Rawal	Independent Director	25, Saurabh Society, Navrangpura, Ahmedabad – 380009
6.	Mr. Nitin R. Desai	Independent Director	457, Sind Housing Society, Aundh, Pune, Maharashtra – 411007
7.	Mr. Apurva S. Diwanji	Independent Director	Wyoming Building, 5th Floor, 12-A, Little Gibbs Road, Malabar Hill, Mumbai – 400006

42. The details of the directors of the Transferee Company as on 10th day of February 2017 are as follows:

Sr. No.	Name of the Director	Designation of the Director	Address of the Director
1.	Dr. Sharvil P. Patel	Chairman	16, Azad Society, Ambawadi, Ahmedabad – 380015
2.	Mr. Anil Matai	Managing Director	601, Evershine Jewel, 15th Road, Khar (West), Mumbai – 400052
3.	Mr. Deevyesh J. Radia	Independent Director	C-1/3, "Tirthjal", 4th Floor, Nr. Ashwamegh Bungalows, Ring Road, Off. Satellite Road, Ahmedabad–380015
4.	Dr. Bhavna S. Doshi	Independent Director	2301/2302, Vighnahar Heights, Sector 14, Palm Beach Road, Nerul [W], Navi Mumbai – 400706
5.	Mr. Nitin D. Parekh	Non-Executive Director	A-3, Aryaman Bunglows, Near Railway Crossing, Thaltej – Shilaj Road, Ahmedabad – 380059

43. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Transferor Company in the Companies as on 10th day of February 2017 are as follows:

Sr. No.	Name and designation of Director(s)	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mr. Pankaj R. Patel Chairman and Managing Director	76,56,12,230 *	2 **	42,410
2.	Dr. Sharvil P. Patel Joint Managing Director	15,000	2 **	42,410
3.	Mr. Humayun Dhanrajgir Independent Director	0	0	0
4.	Mr. Apurva S. Diwanji Independent Director	0	0	0
5.	Ms. Dharmishtaben N. Rawal Independent Director	0	0	0
6.	Mr. Mukesh M. Patel Non- Executive Director	12,000	0	0
7.	Mr. Nitin R. Desai Independent Director	4,42,000	0	0

* Including 76,55,37,230 Equity Shares held as a Trustee of the Trusts.

** As nominee of Cadila Healthcare Limited.

Sr. No.	Name of KMP(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- held in Zydus Healthcare Limited
1.	Mr. Pankaj R. Patel Managing Director	76,56,12,230 *	2 **	42,410
2.	Dr. Sharvil P. Patel Joint Managing Director	15,000	2 **	42,410
3.	Mr. Nitin D. Parekh Chief Financial Officer	40,000	2 **	0
4.	Mr. Upen H. Shah Company Secretary	300	0	0

* Including 76,55,37,230 Equity Shares held as a Trustee of the Trusts.

** Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of relative of Director(s) / KMP(s)	Relationship	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mrs. Pritiben P. Patel	Wife of Pankaj R. Patel	15,000	2 *	42,410
2.	Mrs. Shivani P. Patel	Daughter of Pankaj R. Patel	15,000	2 *	0
3.	Dr. Sharvil P. Patel	Son of Pankaj R. Patel	15,000	2 *	42,410
4.	Mrs. Mehaben S. Patel	Wife of Dr. Sharvil P. Patel	0	0	42,410
5.	Mrs. Ketki U. Shah	Wife of Upen H. Shah	2,300	0	0

* Held as a nominee of Cadila Healthcare Limited.

44. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Transferee Company in the Companies as on 10th day of February 2017 are as follows:

Sr. No.	Name of Director(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Dr. Sharvil P. Patel Chairman	15,000	2 *	42,410
2.	Mr. Anil Matai Managing Director	0	0	0
3.	Mr. Deevyesh J. Radia Independent Director	0	0	0
4.	Dr. Bhavna S. Doshi Independent Director	0	0	0
5.	Mr. Nitin D. Parekh Non-Executive Director	40,000	2 *	0

* Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of KMP(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- held in Zydus Healthcare Limited
1.	Mr. Anil Matai Managing Director	0	0	0
2.	Mr. P A Padmanabhan Chief Financial Officer	0	2 *	0
3.	Mr. Sanjay Kumar Gupta Company Secretary	0	0	0

* Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of relative of Director(s) / KMP(s)	Relationship	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mrs. Pritiben P. Patel	Mother of Dr. Sharvil P. Patel	15,000	2 **	42,410
2.	Mrs. Shivaniben P. Patel	Sister of Dr. Sharvil P. Patel	15,000	2 **	0
3.	Mr. Pankaj R. Patel	Father of Dr. Sharvil P. Patel	76,56,12,230*	2**	42,410
4.	Mrs. Mehaben S. Patel	Wife of Dr. Sharvil P. Patel	0	0	42,410

* Including 76,55,37,230 Equitys Shares held as a trustee of the trusts.

** Held as a nominee of Cadila Healthcare Limited.

45. There would be no change in the shareholding pattern of the Transferor Company and the Transferee Company pursuant to the present Scheme. The pre Scheme shareholding pattern of the Transferor Company and the Transferee Company as on 10th day of February 2017 and the post Scheme shareholding pattern of the Transferor Company and the Transferee Company (assuming the continuing shareholding pattern as on 10th day of February 2017) are as under:

Transferor Company (Pre and Post)

Shareholding Pattern as on 10. 02. 2017				
1.	Name of Listed Entity:		Cadila Healthcare Limited	
2.	Scrip Code / Name of Scrip / Class of Security		532321	
3.	Share Holding Pattern Filed under: Reg. 31(1)(a) / Reg. 31(1)(b) / Reg. 31(1)(c)		31(1)(b)	
	a. If under 31(1)(b) then indicate the report as on.		10.02.2017	
	b. If under 31(1)(c) then indicate date of allotment / extinguishment			
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-			
		Particulars	**YES***	**NO***
	1	Whether the Listed Entity has issued any partly paid up shares?		√
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		√
	3	Whether the Listed Entity has any shares against which depository receipts are issued?		√
	4	Whether the Listed Entity has any shares in locked-in?		√
	5	Whether any shares held by promoters are pledge or otherwise encumbered?		√
	6	Whether the Listed Entity has issued any Differential Voting Rights.		√
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securiteis / Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also whether there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			

5. The tabular format for disclosure of holding of specified securities is as follows:-

For **Cadila Healthcare Limited**
Sd/-
Upen H. Shah
Company Secretary

Place : Ahmedabad

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)		Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)
						No. of voting Rights			
						Class eg: X	Total		
(A)	Promoter & Promoter Group	11	765690230	765690230	74.79	765690230	765690230	74.79	765690230
(B)	Public	89039	258052370	258052370	25.21	258052370	258052370	25.21	252733355
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-
	Total	89050	1023742600	1023742600	100.00	1023742600	1023742600	100.00	1018423585

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.

Further, there are no underlying outstanding convertible securities, including warrants. Company has only one class of securities i.e. Equity Shares.

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholder (I)	PAN (II)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of A+B+C2	Number of equity shres held in demate-rialized form (XIV)
							No. of voting Rights		Total as a % of total voting rights		
							Class X	Total			
(1)	Indian										
(a)	**Individuals/Hindu undivided Family**		**9**	**135000**	**135000**	**0.0132**	**135000**	**135000**	**0.01**	**0.01**	**135000**
1	Shivani Pankajbhai Patel jointly Pankaj Ramanbhai Patel	ABCPP1505C	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
2	Pankaj Ramanbhai Patel jointly Pritiben Pankajbhai Patel	AFUPP4143C	3	45000	45000	**0.0059**	45000	**45000**	**0.00**	0.00	45000
3	Pankaj Ramanbhai Patel HUF	AADHP8061M	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
4	Pritiben Pankajbhai Patel jointly Pankaj Ramanbhai Patel	AAMPP3673L	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
5	Taraben Patel Family Will Trust – Trustee Pankaj R. Patel	AACTT7030K	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
6	Ramanbhai B. Patel HUF	AAEHR4129P	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
9	Sharvil Pankajbhai Patel	ABCPP1507A	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
(b)	Central Government / State Government(s)	0	0	0	0	0	0	**0**	-	-	-
(c)	Financial Institutions / Banks	0	0	0	0	0	0	**0**	-	-	-
(d)	**Any Other (specify) -**		**2**	**765555230**	**765555230**	**74.782**	**765555230**	**765555230**	**74.78**	74.78	**765555230**
	Body Corporate		**1**	**18000**	**18000**	**0.002**	**18000**	**18000**	**0.00**	0.00	**18000**
1	Prinpan Investment Pvt. Ltd.	AAACP9017B	1	18000	18000	**0.002**	18000	**18000**	**0.00**	0.00	18000
	Promoter Trust		**1**	**765537230**	**765537230**	**74.78**	**765537230**	**765537230**	**74.78**	74.78	**765537230**
	Zydus Family Trust	AAATZ0092P	1	765537230	765537230	74.78	765537230	**765537230**	**74.78**	74.78	765537230
	Sub-Total (A)(1)		**11**	**765690230**	**765690230**	**74.80**	**765690230**	**765690230**	**74.79**	74.79	**765690230**
(2)	Foreign							-	-	-	-
(a)	Individuals (Non-Resident Individuals / Forieng Individuals)		-	-	-	-	-	-	-	-	-
(b)	Government		-	-	-	-	-	-	-	-	-
(c)	Institutions		-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor		-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)		-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)		-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**11**	**765690230**	**765690230**	**74.796**	**765690230**	**765690230**	**74.79**	74.79	**765690230**

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.

Further, there are no underlying outstanding convertible securities, including warrants. Company has only one class of securities i.e. Equity Shares.

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholder (I)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of equity shres held in dematerialized form (XIV)
						No. of voting Rights		Total as a % of total voting rights		
						Class X	Total			
(1)	Institutions									
(a)	**Mutual Funds**	**75**	**35396143**	**35396143**	**3.46**	**35396143**	**35396143**	**3.46**	**3.46**	**35381728**
(b)	Venture Capital funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	**378**	**101024438**	101024438	**9.87**	**101024438**	**101024438**	-	**9.87**	**101024438**
	Government Pension Fund Global	1	10900598	10900598	**1.06**	**10900598**	**10900598**	**1.06**	**1.06**	**10900598**
	Franklin Templeton Investment Funds	1	15654760	15654760	**1.53**	15654760	15654760	**1.53**	**1.53**	15654760
(f)	Financial Institutions / Banks	31	37618474	37618474	**3.67**	**37618474**	**37618474**	**3.67**	**3.67**	37611754
(g)	Life Insurance Corporation Of India	**1**	**28389958**	**28389958**	**2.77**	**28389958**	**28389958**	**2.77**	**2.77**	28389958
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	
(i)	Any Other (specify)				-	-	-	-	-	
	Foreign Institutional Investors	-	-	-	-	-	-	-	-	
	Sub-Total (B)(1)	**484**	**174039055**	**174039055**	**17.00**	**174039055**	**174039055**	**17.00**	**17.00**	**174017920**
(2)	Central Government / State Government(s) / President of India	3	1414279	1414279	**0.14**	**1414279**	**1414279**	**0.14**	**0.14**	1414279
	Sub-Total (B)(2)	**487**	**175453334**	**175453334**	**17.14**	**175453334**	**175453334**	**17.14**	**17.14**	**175432199**

	Category & Name of the shareholder (I)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of equity shres held in dematerialized form (XIV)
						No. of voting Rights		Total as a % of total voting rights		
						Class X	Total			
(3)	Non-institutions				-	-	**0**	-	-	
(a)	Individuals -				-	-	**0**	-	-	
	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs.	83590	44983906	44983906	**4.39**	**44983906**	**44983906**	**4.39**	**4.39**	39711661
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	10	8493760	8493760	**0.83**	**8493760**	**8493760**	**0.83**	**0.83**	8493760
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	
(c)	Employee Trusts	-	-	-	-	-	-	-	-	
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	
(e)	Any Other (specify)	4952	29121370	29121370	**2.84**	29121370	29121370	-	**2.84**	29095735
	Trust	16	1018981	1018981	**0.10**	**1018981**	**1018981**	**0.10**	**0.10**	1018981
	Hindu Undivided Family	1754	1870137	1870137	**0.18**	**1870137**	**1870137**	**0.18**	**0.18**	1870137
	Non-resident Repatriates	1360	1461546	1461546	**0.14**	**1461546**	**1461546**	**0.14**	**0.14**	1445751
	Non-resident Non-repatriates	586	879916	879916	**0.09**	**879916**	**879916**	**0.09**	**0.09**	871951
	Overseas Corporate Bodies	2	1875	1875	**0**	**1875**	**1875**	**0.00**	-	-
	Bodies Corporates	879	23155060	23155060	**2.26**	**23155060**	**23155060**	**2.26**	**2.26**	23155060
	Clearing Members	355	733855	733855	**0.07**	**733855**	**733855**	**0.07**	**0.07**	**733855**
	Sub-Total (B)(3)	**88552**	**82599036**	**82599036**	**10.91**	**82599036**	**82599036**	**8.07**	**10.9127559**	**77301156**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**89039**	**258052370**	**258052370**	**45.05**	**258052370**	**258052370**	**25.21**	**25.21**	**252733355**

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.. Further, there are no underlying outstanding convertible securities, including warrants.

Transferee Company

Equity Shares of Rs.100 each fully paid-up				8% Non Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up				8% Optionally Convertible Non Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up			
Sr. No.	Name of the Shareholder(s)	No. of Shares Pre	No. of Shares Post	Sr. No.	Name of the Shareholders	No. of Shares	% of holding	Sr. No.	Name of the Shareholder	No. of Shares	% of holding
1	Cadila Healthcare Limted	1938230	1938230	1	Mrs. Pritiben P. Patel	42410	16.67%	1	Cadila Healthcare Limited	71500000	100%
2	Mrs. Pritiben P. Patel Jtl. with Cadila Healthcare Limited	2	2	2	Mr. Pankaj R. Patel	42410	16.66%				
3	Mrs. Shivani P. Patel jtly with Cadila Healthcare Limited	2	2	3	Dr. Sharvil P. Patel	42410	16.66%				
4	Dr. Sharvil P. Patel Jtly with Cadila Healthcare Limited	2	2	4	Mrs. Meha Patel	42410	16.66%				
5	Mr. Pankaj R. Patel Jtly with Cadila Healthcare Limited	2	2	5	Dr. Mukesh Patel	42410	16.66%				
6	Mr. Nitin D. Parekh Jtly with Cadila Healthcare Limited	2	2	6	Mr. Chirag Patel	42410	16.66%				
7	Mr. P. A. Padmanabhan Jointly with Cadila Healthcare Limited	2	2		**Total**	**254460**	**100%**				
	Total	**1938242**	**1938242**								

Note: Equity Shareholders under 2 to 7 in the above table hold shares, the beneficial owner of which is Cadila Healthcare Limited.

46. There would be no change in the capital structure of the Transferor Company and the Transferee Company post sanctioning of the Scheme except as enumerated in the Note to the capital structure of the Transferee Company at clause 17 above.

47. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

48. The following documents will be open for inspection by the unsecured creditors of the Transferor Company at its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015, Gujarat, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:

(i) Copy of the order passed by NCLT in CA(CAA) No.5/230-232/NCLT/AHM/2017, dated 15th day of February 2017 directing the Transferor Company to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;

(ii) Copy of the order passed by NCLT in CA(CAA) No.6/230-232/NCLT/AHM/2017, dated 15th day of February 2017 directing the Transferee Company to, inter alia, convene the meetings of its equity shareholders, preference shareholders, secured creditor and unsecured creditors of the Transferee Company;

(iii) Copy of the CA(CAA) No.5/230-232/NCLT/AHM/2017 along with annexures filed by the Transferor Company before NCLT;

(iv) Copy of the CA(CAA) No.6/230-232/NCLT/AHM/2017 along with annexures filed by the Transferee Company before NCLT;

(v) Copy of the Memorandum and Articles of Association of the Transferor Company and the Transferee Company, respectively;

(vi) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial years ended 31st March 2015 and 31st March 2014, respectively;

(vii) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial year ended 31st March 2016;

(viii) Copy of the Supplementary Unaudited Accounting Statement of the Transferor Company and the Transferee Company, respectively, for the period ended 31st December 2016;

(ix) Statement showing assets and liabilities of the India Human Formulations Undertaking of the Transferor Company as on 31st March 2016 proposed to be transferred to the Transferee Company;

(x) Copy of the Register of Directors' shareholding of each of the Companies;

(xi) Copy of Valuation Report submitted by B S R & Associates LLP, Chartered Accountants;

(xii) Copy of the Fairness Opinion, dated 16th day of November 2016, issued by Dalmia Securities Private Limited, to the Board of Directors of the Transferor Company;

(xiii) Copy of the Audit Committee Report, dated 17th day of November 2016, of the Transferor Company;

(xiv) Copy of the resolutions, dated 17th day of November 2016, passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;

(xv) Copy of the extracts of the minutes of the meetings, held on 17th day of November 2016, of the Board of Directors of the Transferor Company and the Transferee Company, respectively, in respect of the approval of the Scheme;

(xvi) Copy of the Statutory Auditors' certificate dated 30th day of November 2016 issued by M/s. Mukesh M. Shah & Co., Chartered Accountants to the Transferor Company;

(xvii) Copy of the Statutory Auditors' certificate dated 30th day of November 2016 issued by M/s. K. S. Aiyar & Co., Chartered Accountants to the Transferee Company;

(xviii) Copy of the complaint reports, dated 3rd day of January 2017, submitted by the Transferor Company to BSE and NSE;

(xix) Copy of the no adverse observations/no objection letter issued by BSE and NSE, both dated 20th day of January 2017, respectively, to the Transferor Company;

(xx) Summary of the Valuation Report including the basis of valuation;

(xxi) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan dated 31st day of January 2017, evidencing filing of the Scheme;

(xxii) Copy of the certificate, dated 31st day of January 2017, issued by A B N & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of the Transferor Company as on 31st December 2016;

(xxiii) Copy of the certificate, dated 31st day of January 2017, issued by A B N & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of the Transferee Company as on 31st December 2016;

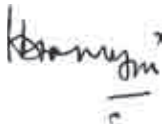
(xxiv) Copy of the Scheme; and

(xxv) Copy of the Reports dated 31st day of January 2017 and 24th day of January 2017 adopted by the Board of Directors of the Transferor Company and the Transferee Company, respectively, pursuant to the provisions of Section 232(2)(c) of the Act.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (vii), (xvi) and (xvii) above.

49. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its shareholders/creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors of the Transferor Company.

50. After the Scheme is approved by the equity shareholders, secured creditors and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.



Humayun Dhanrajgir
Chairman appointed for the meeting

Dated this 18th day of February 2017.

Registered office: Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015,
Gujarat, India.

Annexure 1

SCHEME OF ARRANGEMENT
BETWEEN
CADILA HEALTHCARE LIMITED
AND
ZYDUS HEALTHCARE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 391 to 394 of the Act (*as defined hereinafter*) and other relevant provisions of the Act including corresponding provisions of the Companies Act, 2013, as may be applicable, for transfer and vesting of the India Human Formulations Undertaking (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) with effect from Appointed Date, as a going concern, on Slump Sale (*as defined hereinafter*) basis, and for which a lump sum cash consideration shall be paid by the Transferee Company (*as defined hereinafter*) to the Transferor Company on the agreed terms and conditions as set out herein, in accordance with Section 2(42C) of the IT Act (*as defined hereinafter*) and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith.

A. BACKGROUND, RATIONALE AND PURPOSE OF THE SCHEME

(i) The Transferor Company, the flagship company of Zydus group, is incorporated on 15th day of May 1995, under the provisions of the Act, in the name of Cadila Healthcare Private Limited. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect from 17th day of July 1996. The Transferor Company is a listed public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

(ii) The Transferor Company is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of the Transferor Company is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit (SBU) Biologics Business, and (b) India Human Formulations Business.

SBU Biologics Business is carrying on the business of marketing and selling human formulations in India through its several divisions, viz. (i) Oncosciences, (ii) Ingenia, (iii) Heptiza-Alpha and Omega, (iv) Synovia, (v) Ostivia, (vi) Biovation, (vii) Bionext, (viii) Vaxxicare and (ix) Nephrosciences- Dialysis and Transplant.

All other business pertaining to marketing and selling of human formulations in India, other than SBU Biologics Business, is carried out through various divisions of India Human Formulations Business. Some of the divisions, amongst others, under India Human Formulations Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc. The plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445, manufactures various formulations for India Human Formulations Business. The Research & Development activity for India Human Formulations Business is carried out at Pharmaceutical Technology Centre (PTC) situated at Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015. Further, the analytical laboratory for stability study in respect of India Human Formulations Business is situated at Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059, and that the activities for development of formulations in respect of India Human Formulations Business is situated at 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210.

(iii) The Transferee Company is a company incorporated on 2nd day of August 1989 under the provisions of the Act in the name of GR Exports Limited in the State of Maharashtra. The name of GR Exports Limited was changed to German Remedies Specialities Limited with effect from 1st day of April 2002. The name was further changed to German Remedies Limited and thereafter to Zydus Healthcare Limited with effect from 8th day of October 2003 and 8th day of September 2016, respectively. The registered office of the Transferee Company was shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. The Transferee Company is an unlisted public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. The Transferee Company is a wholly owned subsidiary of the Transferor Company.

(iv) The Transferee Company is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the Transferee Company is similar to the India Human Formulations Business of the Transferor Company.

(v) It is desired to consolidate the business of marketing and selling of human formulations in India (which does not include the SBU Biologics Business) of Zydus group within the Transferee Company. In this regard, one of the group companies, namely, the erstwhile Zydus Healthcare Limited merged into German Remedies Limited (the name of German Remedies Limited was changed to Zydus Healthcare Limited, the Transferee Company). Further, it is also contemplated to amalgamate Biochem Pharmaceutical Industries Limited, a wholly owned subsidiary of the Transferor Company, carrying on the business of manufacturing, marketing and selling of human formulations primarily in India, with the Transferee Company and that necessary process for seeking sanction of the scheme of amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company has been initiated before the Hon'ble High Court of Gujarat at Ahmedabad.

(vi) As a part of the aforesaid consolidation, it is proposed to transfer the India Human Formulations Undertaking of the Transferor Company to the Transferee Company which would, inter alia, bring more focused and concentrated efforts by management to grow the respective operations of both the companies which would be in the best interest of the stakeholders.

1. DEFINITIONS FOR THE PURPOSES OF THE SCHEME

In this scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1 **"Act"** or **"the Act"** means the Companies Act, 1956 (to the extent of the sections thereof that have not been repealed) and the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force).

1.2 **"Appointed Date"** means 1st April 2016.

1.3 **"Board of Directors"** means the board of directors of the Transferor Company and the Transferee Company as the context may require and shall include a committee of such board of directors duly constituted and authorised.

1.4 **"Companies"** shall mean together the Transferor Company and the Transferee Company.

1.5 **"Effective Date"** means the last of the dates on which all conditions, matters and filings referred to in Clause 18 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date.

1.6 **"High Court"** means the Hon'ble High Court of Gujarat at Ahmedabad and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with the powers of a High Court in relation to the Scheme under the Act.

1.7 **"India Human Formulations Undertaking"** means all the businesses, undertakings, activities, properties and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to the India Human Formulations Business (which does not include the SBU Biologics Business), including specifically the following:

(a) the manufacturing plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445;

(b) facilities situated at (i) the Pharmaceutical Technology Centre (PTC) Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015; (ii) Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059; and (iii) 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210;

(c) all other immovable properties i.e. land together with the buildings and structures standing thereon (whether, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the India Human Formulations Business and all documents (including panchnamas, declarations, receipts, etc.) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

(d) all assets, as are movable in nature pertaining to and in relation to the India Human Formulations Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or

incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and receivables, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, deferred tax assets/liabilities, if any.

(e) all permits, licenses, permissions including municipal permissions, product permissions especially under the Drugs and Cosmetics Act, 1940 and that under the Narcotic Drugs and Psychotropic Substances Act, 1985, price approvals under Drugs (Prices Control) Order, 2013, right of way, approvals, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the India Human Formulations Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the India Human Formulations Business;

(f) all contracts, agreements including consultancy agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the India Human Formulations Business;

(g) all trade marks (except the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks), registered or used by the Transferor Company as the owner or licensee, related only to India Territory, and pertaining to the India Human Formulations Business; all copyrights of the Transferor Company in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works that pertain to the India Human Formulations Business and relate to the India Territory; and right to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights of the Transferor Company in respect of formulations, processes, methods, molecules, improvements, etc. for India Territory and pertaining to India Human Formulations Business;

(h) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the India Human Formulations Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the India Human Formulations Business;

(i) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, marketing and publicity materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit

information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the India Human Formulations Business;

(j) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the India Human Formulations Business and/or arising out of and/or relatable to the India Human Formulations Business;

(k) all employees of the Transferor Company employed/engaged in the India Human Formulations Business as on the Effective Date; and

(l) all legal or other proceedings of whatsoever nature that pertain to the India Human Formulations Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the India Human Formulations Business or whether it arises out of the activities or operations of the India Human Formulations Business, and in each case, subject to Clause 11 hereof, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

1.8 **"India Territory"** means the Union of India.

1.9 **"IT Act"** means the Income-tax Act, 1961 and rules and regulations made thereunder and shall include any statutory modification, amendment or re-enactment thereof for the time being in force.

1.10 **"LODR"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.11 **"Non-India Territory"** means other than the India Territory.

1.12 **"Scheme" or "the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form including any modification or amendment hereto, made in accordance with the terms hereof.

1.13 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.14 **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 issued by the SEBI, as amended or replaced from time to time.

1.15 **"Slump Sale"** means Slump Sale as defined under Section 2(42C) of the IT Act.

1.16 **"Stock Exchanges"** shall mean National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) collectively.

1.17 **"Remaining Business"** means all the undertakings, businesses, activities, investments and their respective assets and liabilities of the Transferor Company other than those forming part of the India Human Formulations Undertaking pursuant to this Scheme.

1.18 **"Transferee Company"** means Zydus Healthcare Limited, a company incorporated under the provisions of the Act and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015.

1.19 **"Transferor Company"** means Cadila Healthcare Limited, a company incorporated under the provisions of the Act and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015.

2. SHARE CAPITAL

The share capital of the Transferor Company as on 15th day of November 2016 was as under:

Share Capital	**Amount (in Rs.)**
Authorized	
172,50,00,000 Equity shares of Re. 1/- each	172,50,00,000
TOTAL	**172,50,00,000**
Issued, subscribed and paid-up	
102,37,42,600 Equity shares of Re. 1/- each fully paid up	102,37,42,600
TOTAL	**102,37,42,600**

The share capital of the Transferee Company as on 15th day of November 2016 was as under:

Share Capital	Amount (in Rs.)
Authorized	
21,00,000 equity shares of Rs. 100/- each	21,00,00,000
3,00,000 8% non-cumulative redeemable preference shares of Rs. 100/- each	3,00,00,000
TOTAL	**24,00,00,000**
Issued, subscribed and paid-up	
19,38,242 equity shares of Rs. 100/- each fully paid up	19,38,24,200
2,54,460 8% non-cumulative redeemable preference shares of Rs. 100/- each fully paid up	2,54,46,000
TOTAL	**21,92,70,200**

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. TRANSFER AND VESTING OF THE INDIA HUMAN FORMULATIONS UNDERTAKING

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the India Human Formulations Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in Transferee Company on a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Transferee Company, pursuant to Section 394(2) of the Act.

4.2 In respect of such of the assets of the India Human Formulations Undertaking as are movable in nature and/ or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the India Human Formulations Undertaking.

4.3 In respect of the movable assets other than those dealt with in clause 4.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of Sections 391 to 394 read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

4.4 In respect of such of the assets belonging to the India Human Formulations Undertaking other than those referred to in clause 4.2 and 4.3 above, the same shall, as more particularly provided in clause 4.1 above, without any further act, instrument or deed, be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391-394 of the Act.

4.5 All assets, rights, titles, interests and investments of the Transferor Company in relation to the India Human Formulations Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391-394 of the Act.

4.6 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/leave and license/right of way properties of the Transferor Company in relation to the India Human Formulations Undertaking, shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company automatically and on the same terms and conditions.

4.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor Company, and the rights and benefits under the same, in so far as they relate to the India Human Formulations Undertaking and all quality certifications and approvals, and all other interests relating to the goods or services being dealt with by the India Human Formulations Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Transferor Company in relation to the India Human Formulations Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company and continuation of operations pertaining to the India Human Formulations Undertaking of the Transferor Company in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

4.8 In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/ benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the India Human Formulations Undertaking, vest with and be available to the Transferee Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

4.9 Any claims due to the Transferor Company from its customers or otherwise and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the India Human Formulations Undertaking, shall also belong to and be received by the Transferee Company.

4.10 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operation of the India Human Formulations Undertaking shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

4.11 Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of The Transferor Company relating to the India Human Formulations Undertaking shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, duties, obligations and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company and to keep the Transferor Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

4.12 In so far as loans and borrowings of the Transferor Company are concerned, the loans and borrowings, if any, and such amounts pertaining to the India Human Formulations Undertaking, which are to be transferred to the Transferee Company in terms of clause 4.11 above shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company, as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee Company. However, without prejudice to such transfer of liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor

discharge, the Transferee Company may discharge such liability (including accretions) by making payments on the respective due dates to the Transferor Company, which in turn shall make payments to the respective creditors.

4.13 Subject to clause 4.12 above, from the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities of the India Human Formulations Undertaking as the borrower/issuer thereof, and the Transferor Company shall not have any obligations in respect of the said liabilities.

4.14 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all liabilities and obligations incurred by the Transferor Company for the operations of the India Human Formulations Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee Company and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

4.15 Any claims, liabilities or demands arising on account of the India Human Formulations Undertaking of the Transferor Company which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Transferor Company, then the Transferee Company shall indemnify the Transferor Company for any payments made in relation to the same.

4.16 In so far as the assets of the India Human Formulations Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Transferor Company (except the loans and borrowings of the Remaining Business of the Transferor Company which relate to the External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas) shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company. So far as the security and existing charges over the assets of India Human Formulations Undertaking are concerned, to the extent they relate to the aforesaid External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas by the Remaining Business of the Transferor Company, shall, without any further act, instrument or deed, continue to subsist over such assets of the India Human Formulations Undertaking and that such assets would be available to the aforesaid External Commercial Borrowings lenders for discharge of the liabilities in respect of the loans and borrowings availed by the Transferor Company for its Remaining Business.

4.17 Without any prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the provisions of this clause and foregoing clauses, if required.

4.18 Upon the coming into effect of this Scheme, the Transferor Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of the Transferor Company and the Transferee Company shall not have any obligations in respect of the Remaining Business of the Transferor Company.

4.19 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4.20 Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual and irrevocable license to use the trade marks “Lipaglyn®”, “Zydus”, “Zydus” logo and related trade marks for use in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

4.21 It is clarified that upon the coming into effect of this Scheme, the Transferor Company’s copyrights in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works, in so far as they relate to or pertain to the Non-India Territory, the same shall continue to belong to and remain vested in the Transferor Company.

4.22 Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual royalty-free and irrevocable license to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights (other than the trade marks and copyrights which shall vest in the Transferee Company upon the coming into effect of this Scheme and subject to clause 4.20 and clause 4.21 above) in respect of formulations, processes, methods, molecules, improvements, etc. in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

4.23 Notwithstanding anything contained above, the Transferor Company shall be entitled to register in its name the trademarks, copyrights, etc. used or to be used in the Non-India Territory, for the purpose of export/sale of goods bearing the said trade marks in the Non-India Territory.

4.24 The Transferor Company and the Transferee Company shall be entitled to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents as may be required to give effect to the foregoing clauses.

4.25 Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company shall extend all co-operation and give necessary support to each other, as may be required in the ongoing or future disputes, litigations relating to and/or for enforcement of their respective rights in trade marks, copyrights, patents, technical know how, process know how, etc. against the third party or parties.

4.26 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the India Human Formulations Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the India Human Formulations Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

4.27 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of this Scheme.

4.28 It is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the India Human Formulations Undertaking at manufacturing location(s) or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of the Transferee Company after the Effective Date.

4.29 It is hereby clarified that all assets and liabilities of the India Human Formulations Undertaking, which are set forth in the closing balance sheet of the Transferor Company as on the close of business hours on the date immediately

preceding the Appointed Date, shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date.

5. LEGAL PROCEEDINGS

5.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the India Human Formulations Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the India Human Formulations Undertaking or not, a decision jointly taken by the Board of Directors of the Transferor Company and the Transferee Company in this regard, shall be conclusive evidence of the matter.

5.2 If proceedings are taken against the Transferor Company in respect of the matters referred to in clause 5.1 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all the liabilities and obligations incurred by the Transferee Company in respect thereof.

5.3 The Transferee Company shall have all legal or other proceedings initiated by or against the Transferor Company with respect to the India Human Formulations Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.

6. CONTRACTS, DEEDS, ETC.

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments of whatsoever nature to which the India Human Formulations Undertaking of the Transferor Company is a party or to the benefit of which the India Human Formulations Undertaking of the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be and may be enforced by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 Notwithstanding the fact that the vesting of the India Human Formulations Undertaking of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company, and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

6.3 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the India Human Formulations Undertaking which the Transferor Company own or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

7. SAVING OF CONCLUDED TRANSACTIONS

7.1 The transfer and the vesting of the assets, liabilities and obligations of the India Human Formulations Undertaking under clause 4 hereof and the continuance of proceedings by or against the Transferee Company thereof shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by,

and/or on behalf of the Transferor Company as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

8. EMPLOYEES

8.1 Upon the coming into effect of this Scheme, all the employees relating to the India Human Formulations Undertaking that were employed by the Transferor Company, immediately before the Effective Date, shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the India Human Formulations Undertaking of the Transferor Company immediately prior to the transfer and vesting of the India Human Formulations Undertaking.

8.2 The Transferee Company agrees that the service of all employees pertaining to the India Human Formulations Undertaking with the Transferor Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

8.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees relating to the India Human Formulations Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations in respect of the India Human Formulations Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company.

8.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Company for employees of the India Human Formulations Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the India Human Formulations Undertaking as on the Effective Date, who are being transferred along with the India Human Formulations Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

9. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEREE COMPANY

With effect from the Appointed Date and upto and including the Effective Date:

9.1 the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the India Human Formulations Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the India Human Formulations Undertaking for and on account of, and in trust for, the Transferee Company;

9.2 all profits and income accruing or arising to the Transferor Company from the India Human Formulations Undertaking and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to India Human Formulations Undertaking shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;

9.3 any of the rights, powers, authorities, privileges, attached, related or pertaining to the India Human Formulations Undertaking exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the India Human Formulations Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

9.4 The Transferor Company undertakes that it will preserve and carry on the business of the India Human Formulations Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or

sell, transfer, alienate, charge, mortgage, or encumber the India Human Formulations Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees or undertake substantial expansion or change the general character or nature of the business of the India Human Formulations Undertaking or any part thereof save and except in each case:

(a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of Directors of the Transferee Company has been obtained.

9.5 The Transferor Company and/ or the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consent, approvals and sanctions, which the Transferee Company may require to carry on the business of the India Human Formulations Undertaking.

10. TAX CREDIT/DUTIES/CESS ETC.

10.1 The Transferee Company will be the successor of the Transferor Company vis-à-vis the India Human Formulations Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-à-vis the India Human Formulations Undertaking and the obligations, if any, for payment of taxes on any assets of the India Human Formulations Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by the Transferee Company, or as the case may be deemed to be the obligation of the Transferee Company.

10.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by the Transferor Company relating to the India Human Formulations Undertaking including all or any refunds/ credits/claims/tax losses/unabsorbed depreciation relating thereto shall be treated as the assets/liability or refund/credit/claims/tax losses/unabsorbed depreciation, as the case may be, of the Transferee Company.

10.3 The Transferor Company and the Transferee Company are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/returns and to claim refund, advance tax, credits, excise and service tax credits, set off etc. on the basis of the accounts of the India Human Formulations Undertaking as vested with the Transferee Company upon coming into effect of this Scheme.

10.4 Upon this Scheme becoming effective, both the Transferee Company and the Transferor Company, if required, are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted/collected at source returns, service tax returns, excise tax returns, sales tax/VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

11. CONSIDERATION BY THE TRANSFEREE COMPANY

11.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum cash consideration of INR 693 millions (Rupees Six Hundred Ninety Three Millions) to the Transferor Company.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

12.1 Upon coming into effect of this Scheme, the Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as a part of the India Human Formulations Undertaking pursuant to the Scheme.

12.2 In compliance with Indian Accounting Standards (Ind AS), the difference between the lump sum consideration and book value of the net assets pertaining to India Human Formulations Undertaking, as on the Appointed Date, shall be credited to profit and loss account or debited to the investment in the Transferee Company, as the case may be.

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

13.1 Upon coming into effect of this Scheme, the Transferee Company shall record the assets and liabilities comprised in the India Human Formulations Undertaking transferred to and vested in the Transferee Company pursuant to

this Scheme, at the respective book values appearing in the books of accounts of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date in accordance with Ind AS.

13.2 In compliance with Ind AS, the deficit or excess, if any, remaining after recording the aforesaid entries over the value of lump sum consideration payable to the Transferor Company shall be debited/credited by the Transferee Company to Capital Reserve Account, as the case may be.

14. REMAINING BUSINESS

14.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of the Scheme.

14.2 All legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Transferor Company.

14.3 With effect from the Appointed Date and up to and including the Effective Date:

a) The Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

b) all profits and income accruing or arising to the Transferor Company, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Transferor Company; and

c) all employees relatable to the Remaining Business shall continue to be employed by the Transferor Company and the Transferee Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

15. APPLICATIONS TO THE HIGH COURT

15.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications/petitions, under Sections 391 to 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme.

16. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

16.1 The Companies by their respective Board of Directors or any Director/Executive/Employee authorized in this behalf, (hereinafter referred as to the "Delegates") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the High Court or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Companies may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Companies or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the High Court or SEBI or any authorities, which the Board of Directors of the Companies find unacceptable for any reason, then the Companies shall be at liberty to withdraw the Scheme.

16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of the Transferor Company and the Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of

doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Companies to be obtained for any matter, the same may be given through their Delegates.

17. SEVERABILITY

17.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

18.1 This Scheme is and shall be conditional upon and subject to:

a) obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

b) the approval of the Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company in accordance with Sections 391-394 and other relevant provisions of the Act;

c) the Scheme being sanctioned and orders being obtained by the Transferor Company and the Transferee Company from the High Court in terms of Sections 391 to 394 of the Act and other relevant provisions of the Act; and

d) certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company, respectively.

19. EFFECT OF NON-RECEIPT OF APPROVALS

19.1 In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

20. COSTS, CHARGES AND EXPENSES

20.1 All costs, duties, levies, charges and expenses payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferor Company.

Annexure 2
VALUATION REPORT

B S R & Associates LLP
Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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16 November 2016

Board of Directors
Cadila Healthcare Limited
Zydus Tower, Satellite Cross Roads,
Sarkhej – Gandhinagar Highway,
Ahmedabad – 380 015,
Gujarat, India

Sub: Report on the NAV valuation of the India Human Formulations Undertaking of Cadila Healthcare Limited for the proposed transfer to its wholly owned subsidiary

Dear Sirs,

We refer to the engagement letter dated 12 August 2016, wherein the Board of Directors ("Management") of Cadila Healthcare Limited ("CHL", or "You", or "Client") has engaged B S R & Associates LLP ("B S R" or "We") for performing the NAV valuation of the India Human Formulations Undertaking ("Specified Business"), for the purpose of proposed transfer of the Specified Business on slump sale basis to Zydus Healthcare Limited ("Proposed Transaction").

The NAV valuation is carried out as at 31 March 2016 ("Valuation Date").

SCOPE AND PURPOSE OF THE VALUATION REPORT

We understand that CHL proposes to transfer the Specified Business on slump sale basis to Zydus Healthcare Limited (previously known as German Remedies Limited) ("Zydus").

The Proposed Transaction is expected to be carried out by way of a scheme of arrangement under Section 391 – 394 of the Companies Act, 2013 and applicable provisions prescribed by the Securities and Exchange Board of India ("SEBI").

Further, we understand that CHL is proposing to transfer the Specified Business at book value and hence the valuation is required as per the Net Asset Value.

This valuation report ("Valuation Report") is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

B S R & Associates (a partnership firm with Registration No. BA68226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office
5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

BACKGROUND

CHL is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. CHL's product portfolio includes active pharmaceutical ingredients, human formulations and veterinary. CHL has its registered office in Ahmedabad, India.

The equity shares of CHL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Specified Business is engaged in marketing and selling products relating to human formulations in India. Some of the divisions, amongst others, under the Specified Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc.

Zydus is engaged in the business of manufacturing and marketing of pharmaceutical products in areas of female healthcare, respiratory care, gastroenterology, cardiovascular care, etc. Zydus is a wholly owned subsidiary of Cadila Healthcare Limited ("Cadila") and has its registered office in Ahmedabad, India.

SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the Management:

- Draft Scheme of Arrangement pertaining to the Proposed Transaction.
- Carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business.
- Other information, explanations and representations that were required and provided by the Management.
- Such other analysis, reviews and inquires as we considered necessary.

B S R & Associates LLP
1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011, India.
Chartered Accountants

SCOPE AND LIMITATIONS OF WORK

B S R has been appointed to carry out the NAV valuation of the Specified Business based on book value of the net assets as at 31 March 2016.

This Valuation Report is based on and relies solely on the carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business. B S R has read, analysed and discussed but not independently verified the financial statements and underlying data and accordingly provide no opinion on the factual basis of the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.

Our work did not constitute an audit of the carved out financial statements and accordingly, we do not express any opinion on the truth and fairness of the financial position as indicated in this Valuation Report. Similarly, our work did not constitute validation of the carved out financial statements of the Specified Business and accordingly, we do not express any opinion on the same.

For the purpose of this Engagement and Valuation Report, we have made no investigation of, and assume no responsibility for the title to, or liabilities against the Specified Business. The value contained herein is not intended to represent the NAV of the Specified Business at any time other than 31 March 2016, as per the agreed scope of our engagement. Our conclusion of value assumes that the title to the assets and liabilities of Specified Business reflected in the unaudited carved out financial statements as on 31 March 2016 is intact as at the date of this Valuation Report. For the purposes of this Engagement, we are not required to carry out a valuation of tangible/ intangible assets of the Specified Business.

Although we have read, analysed and discussed the information relating to the Specified Business, prepared and provided to us by the Management for the purpose of making the Valuation Report, we have not commented on the appropriateness of or independently verified the assumptions or information provided to us, for arriving at the valuation.

Neither B S R nor any of its affiliates are responsible for updating this Valuation Report because of events or transactions occurring subsequent to the date of this Valuation Report. B S R has not considered any finding made by other external agencies in carrying out this valuation.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information furnished by the Management and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell direction, for which specific opinion needs to be taken from expert advisors).



The Valuation Report assumes that the Specified Business complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated; and that the Specified Business will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to the following matters –

- Matters of a legal nature, including issues of legal title and compliance with local laws, and
- Litigation and other contingent liabilities that are not recorded in the carved out statement of assets and liabilities of the Specified Business as on 31 March 2016.

No enquiry into the Specified Business' claim to title of assets or property has been made for the purpose of this valuation. With regard to the Specified Business' claim to title of assets or property, we have relied solely on representations, whether verbal or otherwise, made by the Management to us for the purpose of this Valuation Report. We have not verified such representations against any title documents or any agreements evidencing right or interest in or over such assets or property, and have assumed the Specified Business' claim to such rights, title or interest as valid for the purpose of this Valuation Report. No Information has been given to us about liens or encumbrances against the assets, if any, beyond the loans disclosed in the accounts. Accordingly, no due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

We express no opinion or recommendation as to how the shareholders of CHL should vote at any shareholders' meeting(s) to be held in connection with the proposed Transaction.

Our Valuation Report is confidential to the Client and will be issued by us on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party or used for any purpose other than the proposed Transaction without B S R's prior written consent.

This Valuation Report is prepared on the basis of the sources of information listed hereinafter in this Valuation Report. B S R has relied upon written representation provided by the Management and that the information contained in the Valuation Report is materially accurate and complete, fair in its manner of portrayal and therefore forms a reliable basis for the valuation.

The Valuation Report should be read in whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Valuation Report as a whole is taken into account.



VALUATION SUMMARY

As discussed above, the Management is proposing transfer of the Specified Business to its wholly owned subsidiary at book value. Hence, we have only considered the net asset value ("NAV") method for the valuation.

The NAV is arrived based on the carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business.

The summary of the NAV valuation of the Specified Business is presented below:

Specified Business	
INR million	**31-Mar-2016**
Assets	
Net Tangible Assets	456
Net Intangible Assets	36
Capital work in progress	70
Long term loans and advances	260
Current assets	
Inventory	1,190
Sundry debtors	925
Cash and bank	209
Short term loans and advances	96
Other current assets	9
Total assets	**3,251**
Liabilities	
Long term provisions	(436)
Other long term liabilities	(64)
Current liabilities	
Trade payables	(1,655)
Other current liabilities	(363)
Short term provisions	(40)
Total liabilities	**(2,558)**
Net assets value before adjustments	**693**
Adjustments	
Less: Contingent liabilities	-
Net asset value	**693**

Note: As represented by Management, the Specified Business has contingent liabilities pertaining to certain business, legal and employee related matters, etc. We understand that the probability of materialization of the aforementioned liabilities is remote.

CONCLUSION

Based on, the Scope and Limitations of our work, Sources of Information, valuation methodology and approach, the net asset value of the Specified Business as at 31 March 2016 is INR 693 million (INR Six Hundred Ninety Three million only).

Respectfully submitted,

For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231W

Mahek Vikamsey
ICAI Membership No. 108235
Place: Mumbai
Date: 16 November 2016

Annexure 3
FAIRNESS OPINION

Dalmia Securities Private Limited

STRICTLY PRIVATE & CONFIDENTIAL

DSPL/CPL /FO/1 **16th November, 2016**

The Board of Directors
Cadila Healthcare Limited
Zydus Tower, Satellite Cross Roads,
Sarkhej - Gandhinagar Highway ,
Ahmedabad,Gujarat,380015

Dear Sirs,

Subject: Fairness Opinion for the proposed transfer of India Human Formulations Undertakingof Cadila Healthcare Limited(Transferor Company) on slump sale basisto its wholly owned subsidiary Zydus Healthcare Limited (ZHL) (Transferee Company), pursuant to the proposed Scheme ('Draft Scheme' or 'Scheme') in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Please refer to the engagement letter no. DSPL/CHL/FO/1 dated November 16 2016 appointing Dalmia Securities Private Limited, to furnish Fairness Opinion,pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, for the proposed in terms of provisions of section 391 to 394 of the Companies Act 1956 ('the Act') and other applicable provisions of the Act and /or Rules/Regulations made there under:

1. Background

1.1 Cadila Healthcare Limited ('CHL' or 'the Transferor Company')

CHL, is a company incorporated on 15th day of May 1995, under the provisions of the A[illegible] the name of Cadila Healthcare Private Limited, having CIN L24230GJ1995PLC025878. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect fr[illegible]

Regd. Office : Ideal Plaza, Suite S-401, 4th Floor, 11/1, Sarat Bose Road, Kolkata - 700020, P 91-33-22806544, 91-33-66120500 F 91-33-22806643
Corporate Office : Mumbai Office : 17, Khetan Bhavan, 2nd Floor,198, J. Tata Road, Mumbai 400 020 Ph:91-22-30272810

SEBI Regn Nos. NSE INB230645339 F&O INF230645339 Code 06453 BSE INBO 10684638 F&O INFO10684638 Code 530

NSDL IN300222 CDSL 14500 BARN 0284

CIN : U67120WB1993PTC060525
www.dalmiasec.com

day of July 1996. CHL is a listed public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015 and the equity shares of the Transferor Company are listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

CHL is engaged in the business of R&D, manufacture and marketing of drugs and pharmaceuticals (both domestic and international markets). The company has, inter-alia, India Human Formulations Undertakingthat is manufacturing,selling and marketing human formulations,in India, for various medical requirements. The plant of the India Human Formulations is located in GIDC Vatva, while the R&D activity for this business unit is at Pharmaceutical Technology Centre (PTC) situated in Ahmedabad.

1.2 Shareholding pattern of CHL as on September 30,2016 is as under:

Category	Shareholding of equity shares (%)
Promoters	74.79
Public	25.21
Total	**100.00**

1.3 Summary of Financials (standalone) of CHL is as under:

Year ending March 31 (INR Cr)	2016	2015	2014
Total Revenue	7,169.40	5,469.64	4,042.11
Total Expenditure	4,735.90	4,005.00	3,405.00
PBDT	2,654.70	1,676.48	1,073.07
Profit Before Tax	2,433.50	1,464.63	945.67
Profit After Tax	1,977.30	1,271.12	903.59

Source:Annual reports of CHL and filing with BSE/NSE

1.4 Zydus Healthcare Limited ('ZHL') (Transferee Company):

ZHL is a company incorporated on 2nd day of August 1989 under the provisions of the [illegible] name of GR Exports Limited in the State of Maharashtra. After several name change[illegible] intervening period, the company is presently known as Zydus Healthcare Limited. The registered

office of ZHLwas shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. ZHL is an unlisted public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380015 and it is a wholly owned subsidiary of the Transferor Company. ZHL is engaged in the business of manufacturing, marketing and selling of human formulations in India with manufacturing plants in the State of Sikkim. ZHL's existing business is similar to the business of India Human Formulations Undertaking of the CHL.

2. Proposed Scheme:

2.1 We have been informed that Zydus Group intends to consolidate its formulation business into ZHL in order to iner-alia, bring focused and concentrated efforts to grow the operations of both CHL and ZHL.

2.2 Accordingly, it is proposed to transfer the India Human Formulations Undertakingof CHL to ZHL, a wholly owned subsidiary of CHL with effect from April 1,2016 (hereinafter referred to as 'Appointed Date') pursuant to the Draft Scheme under section 391-394 of theCompanies Act 1956 by way of a slump sale for a lump sum consideration. The Draft Scheme would need approval from the jurisdictional High Court and other regulatory authorities, etc as applicable.

2.3 The Salient features of the Draft Scheme are as under:

a. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, India Human Formulations Undertaking(including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the ZHLor be deemed to have been transferred to and vested in ZHL on a going concern basis by way of a Slump Sale.

b. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of CHL relating to the India Human Formulations Undertakingshall without any further act, instrument or deed be and stand transferred to ZHL.

c. Upon the Scheme coming into effect and in consideration of the transfer and vesting of the India Human Formulations Undertakingby way of Slump Sale on a going concern basis ZHL shall pay a

lump sum cash consideration of INR 693 million(RupeesSix Hundred and Ninety Threemillions) to CHL, representing the net asset value i.e., book value of the assets and liabilities being transferred pertaining to the India Human Formulations Undertakingas on the Appointed Date.Such consideration is based on the net book value of the assets of the India Human Formulations Undertakingas on March 31,2016.

3. Scope of Engagement

For the aforesaid purpose, CHL has appointed B S R & Associates LLP ("B S R") for deciding the Net Asset Value of the India Human Formulations Undertaking.

Further, CHL appointed us to issue a fairness opinion for the intended Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. This report is intended only for the sole use of CHLand ZHL in connection with the Draft Scheme including for the purpose of obtaining judicial and regulatory approvals for the Scheme.

4. Sources of Information

We have relied on the following information in issuing this fairness opinion for the purpose of the arrangement:

- Draft Scheme under Section 391 to 394 of the Companies Act, 1956;
- Copy of Memorandum and Article of Association of CHL
- Shareholding pattern of CHL as on March 31, 2016 respectively.
- Audited financial statement of the Companyfor the years ending March 31, 2016,March 31, 2015 andMarch 31, 2014respectively.
- Valuation report dated November 16,2016 issued by M/s. BSR& Associates LLP
- Such other information, documents, data, reports, discussions and verbal &written explanations from CHL and ZHL as well as advisors for the proposed Scheme, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.

5. Key Facts from the Valuation Report:

a. The valuation of the India Human Formulations Undertakingof CHL has been conducted by the NAV method.

b. For arriving at NAV, BSR& Associates LLP has relied on the carved out unaudited statement of assets and liabilities as on 31 March 2016 of the India Human Formulations Undertaking. The carved out statement has been provided as a representation by the Management of CHL, the Transferor Company.

c. Since the India Human Formulations Undertaking proposed to be transferred to ZHL, a wholly owned subsidiary, as a slump sale, the valuation of the business using NAV is considered reasonable as it would not make substantial impact on the financials of CHL, the Transferor Company.

d. BSR & Associates LLP has arrived at the NAV of Rs.693million as value of the India Human Formulations Undertaking. (*Valuation sheet at Annexure 1*).

Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter.

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

6.1. In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.



6.2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.

6.3. Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

6.4. We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the Draft Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Draft Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Draft Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of CHL will trade following the announcement of the Draft Scheme or as to the financial performance of CHL following the consummation of the Draft Scheme.

6.5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

6.6. No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for purpose of this report.

6.7. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the Draft Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this



report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

6.8. This report has been issued for the sole purpose to facilitate the Company to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and it shall not be valid for any other purpose.

7. Opinion & Conclusion

In light of the forgoing and subject to the caveats as detailed hereinbefore, we as a Merchant Banker hereby certify that in our opinion the proposed valuation of the India Human Formulations Undertakingat Rs.693-million, to be transferred to Zydus Healthcare Limited, as a slump sale, as per the proposed Draft Scheme of Arrangement is fair and reasonable.

(JEYAKUMAR.S)
Chief Operating Officer (Investment Banking)
Dalmia Securities Private Limited
SEBI Registration No: INM000011476

Mumbai

Annexure 1 - Net Asset Value of Specified Undertaking

Specified Business	
INR million	31-Mar-2016
Assets	
Net Tangible Assets	456
Net Intangible Assets	30
Capital work in progress	70
Long term loans and advances	260
Current assets	
Inventory	1,190
Sundry debtors	925
Cash and bank	209
Short term loans and advances	96
Other current assets	9
Total assets	3,251
Liabilities	
Long term provisions	(436)
Other long term liabilities	(64)
Current liabilities	
Trade payables	(1,655)
Other current liabilities	(363)
Short term provisions	(40)
Total liabilities	(2,558)
Net assets value before adjustments	693
Adjustments	
Less: Contingent liabilities	-
Net asset value	693





Annexure 4
OBSERVATION LETTER FROM BSE

BSE EXPERIENCE THE NEW

DCS/AMAL/ND/R37/683/2016-17 January 20, 2017

The Company Secretary
CADILA HEALTHCARE LTD.
Zydus Tower, Satellite Cross Roads,
Sarkhej - Gandhinagar Highway,
Ahmedabad 380015

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited.

We are in receipt of Draft Scheme Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated January 19, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

S&P BSE SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

Annexure 5

OBSERVATION LETTER FROM NSE

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/10268

January 20, 2017

The Company Secretary,
Cadila Healthcare Limited
'Zydus' Tower,
Satellite Cross Roads,
Sarkhej- Ghandhinagar Highway,
Ahmedabad 380015

Kind Attn.: Mr. Upen H Shah

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Cadila Healthcare Limited with Zydus Healthcare Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between Cadila Healthcare Limited with Zydus Healthcare Limited and their respective shareholders and creditors filed by the Company vide its letter dated December 03, 2016.

Based on our letter reference no Ref: NSE/LIST/100066 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015, SEBI has vide letter dated January 19, 2017, has given following comments on the draft Scheme of Arrangement:

"a) The Company shall duly comply with various provisions of the Circulars."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 20, 2017, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

1.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com

Continuation Sheet

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Divya Babu Poojari
Date: Fri, Jan 20, 2017 12:34:50 GMT+05:30
Location: NSE

2.

NSE

Annexure 6
COMPLAINT REPORTS SENT TO BSE AND NSE

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

January 3, 2017

To
BSE Limited
P. J. Tower,
Dalal Street,
Mumbai – 400 001

Stock Code: Equity 532321

Re.: **Submission of "Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015**

Ref.: **Application No. 45003 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

This is with reference to the draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors as approved by the Board of Directors of the Company vide their resolution dated 17th November 2016.

In compliance with the requirements of the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, we submit herewith the "Complaints Report", in the prescribed format.

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme at the earliest.

Thanking You,

Yours Faithfully,

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

CADILA HEALTHCARE LIMITED AHMEDABAD

Enclosed: As stated above.

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

Complaints Report:

"Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 with respect to Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors, approved by the Board of Directors of the Company at its Meeting held on 17th November 2016

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Nil			

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

Date: January 3, 2017
Place: Ahmedabad

CADILA HEALTHCARE LIMITED AHMEDABAD

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

January 3, 2017

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

Stock Code: Equity – CADILAHC

Re..: Submission of "Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015

Ref.: Application No. 10268 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

This is with reference to the draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors as approved by the Board of Directors of the Company vide their resolution dated 17th November 2016.

In compliance with the requirements of the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, we submit herewith the "Complaints Report", in the prescribed format.

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme at the earliest.

Thanking You,

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

CADILA HEALTHCARE LIMITED AHMEDABAD

Enclosed: As stated above.

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

Complaints Report:

"Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 with respect to Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors, approved by the Board of Directors of the Company at its Meeting held on 17th November 2016

Complaint Report from the date of filing of papers with the Stock Exchanges, with respect to the Scheme, i.e. December 13, 2016 till January 2, 2017.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
N.A.			

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

CADILA HEALTHCARE LIMITED AHMEDABAD

Date: January 3, 2017
Place: Ahmedabad

Annexure 7

SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION

Zydus dedicated to life / Cadila Healthcare Limited	Zydus dedicated to life / Zydus Healthcare Limited (Formerly known as German Remedies Limited)
Registered Office: 'Zydus Tower' Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015	**Registered Office:** 'Zydus Tower' Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015

Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any

Background

- Cadila Healthcare Limited ('CHL') is engaged in the business of research and development, manufacture, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of CHL is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit Biologics Business, and (b) India Human Formulations Business.

- The equity shares of CHL are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

- Zydus Healthcare Limited ('ZHL') is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the ZHL is similar to the India Human Formulations Business of the CHL.

- The Zydus Group intended to consolidate its formulation business into ZHL in order to inter-alia, bring focused and concentrated efforts to grow the operations of both CHL & ZHL.

- Accordingly, the Scheme under sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Act including corresponding provisions of the Companies Act, 2013, as may be applicable, for the transfer and vesting of the India Human Formulations Undertaking of CHL with effect from 1st April 2016, as a going concern, on slump sale basis, and for which a lump sum cash consideration shall be paid by ZHL, a wholly owned subsidiary of CHL.

Basis of valuation

- B S R & Associates LLP, Chartered Accountants ('B S R') carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking based on book value of the net assets of the India Human Formulations Undertaking as on 31 March 2016.

Fairness opinion of registered Merchant Banker

- Dalmia Securities Private Limited, a Category I Merchant Banker has concluded that the NAV of the India Human Formulations Undertaking based on book value of the net assets of the India Human Formulations Undertaking as on 31 March 2016 is fair and reasonable.

For, **CADILA HEALTHCARE LIMITED**	For, **ZYDUS HEALTHCARE LIMITED**
PANKAJ R. PATEL **CHAIRMAN AND MANAGING DIRECTOR**	**NITIN D. PAREKH** **DIRECTOR**

Annexure 8

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEROR COMPANY

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CADILA HEALTHCARE LIMITED AT ITS MEETING HELD ON TUESDAY THE 31ST DAY OF JANUARY, 2017 AT ZYDUS TOWER, SATELLITE CROSS ROADS, SARKHEJ-GANDHINAGAR HIGHWAY, AHMEDABAD – 380 015, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON PROMOTER SHAREHOLDERS

1. Background

1.1 The proposed Scheme of Arrangement between Cadila Healthcare Limited ("Cadila" or "the Transferor Company") and Zydus Healthcare Limited ("Zydus" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of the Transferor Company vide resolution dated 17th day of November 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 ('the Act'), inter alia, governing amalgamation of companies has become operative with effect from the 15th day of December 2016. Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement and amalgamation on the class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the company laying out in particular the share exchange ratio and the same is required to be circulated to the shareholders and creditors along with the notice and explanatory statement of their respective court convened meeting. The Board of Directors of the Transferor Company noted that in the Scheme there is no allotment of shares of the Transferor Company.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;

1.3.2 Valuation Report dated 16th November 2016 of B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants describing the methodology adopted by them in arriving at the valuation of India Human Formulations Undertaking ("Valuation Report");

1.3.3 Fairness Opinion dated 16th November 2016 prepared by Dalmia Securities Private Limited, a Category I Merchant Banker, providing the Fairness Opinion on the valuation of India Human Formulations Undertaking ("Fairness Opinion") as recommended by B S R & Associates LLP, Chartered Accountants;

1.3.4 Report of the Audit Committee of the Board of Directors dated 16th November 2016; and

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1.3.5 Summary of the Valuation report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders (promoter and non-promoter shareholders):

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter shareholders and non-promoter shareholders) as the India Human Formulations Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

2.2 Further, upon the effectiveness of the Scheme, i.e. transfer and vesting of India Human Formulations Undertaking of the Transferor Company on a going concern basis and the Transferee Company will pay a cash consideration INR 630 million to the Transferor Company .

3. Effect of the Scheme of Arrangement on creditors of Cadila:

3.1 In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

3.3 As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, the Transferor Company has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

4. Effect of the Scheme of Arrangement on the Employees of Cadila:

4.1 Under the Scheme, no rights of the Employees of the Transferor Company are being affected. The services of the Employees of the Transferor Company, under the Scheme, shall continue on the same terms and conditions on which they were engaged by the Transferor Company .

4.2 Under Clause 8 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.

CADILA HEALTHCARE LIMITED AHMEDABAD

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5. Effect of the Scheme of Arrangement on the key managerial personnel and/or the Directors of Cadila:

5.1 There is no effect of the Scheme on the key managerial personnel and/or the Directors of the Transferor Company.

5.2 Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

5.3 The individual shareholding, of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferor Company.

6. Valuation:

6.1 B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants had carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking of the Transferor Company based on the book value of the net asset of the said undertaking as on 31st March 2016 at INR 630 million.

6.2 No special valuation difficulties were reported.

By Order of the Board

PANKAJ R. PATEL
CHAIRMAN AND MANAGING DIRECTOR
DIN 00131852

Date and Place: 31st day of January, 2017 at Ahmedabad.

Annexure 9

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEREE COMPANY

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ZYDUS HEALTHCARE LIMITED AT ITS MEETING HELD ON TUESDAY THE 24th DAY OF JANUARY, 2017 AT ZYDUS TOWER, SATELLITE CROSS ROADS, SARKHEJ-GANDHINAGAR HIGHWAY, AHMEDABAD – 380 015, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON PROMOTERS SHAREHOLDERS

1. Background

1.1 The proposed Scheme of Arrangement between Cadila Healthcare Limited ("Cadila" or "the Transferor Company") and Zydus Healthcare Limited ("Zydus" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of the Transferee Company vide resolution dated 17th day of November 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act"), inter alia, governing amalgamation of companies has become operative with effect from the 15th day of December 2016. Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement and amalgamation on the class of shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders. The Board of Directors of the Transferee Company noted that in the Scheme there is no allotment of shares of the Transferor Company.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Act.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;

1.3.2 Valuation Report dated 16th November 2016 of B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants describing the methodology adopted by them in arriving at the valuation of India Human Formulations Undertaking ("Valuation Report"); and

1.3.4 Summary of the Valuation report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders and preference shareholders (promoter and non-promoter shareholders):

2.1 Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders and/or its preference shareholders. No rights of the equity shareholders and/or preference shareholders of the Transferee Company are being affected pursuant to the transfer of India Human Formulations Undertaking.

ZYDUS HEALTHCARE LIMITED AHMEDABAD

3. Effect of the Scheme of Arrangement on creditors of Zydus:

3.1 Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.

3.2 As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

4. Effect of the Scheme of Arrangement on the Employees of Zydus:

4.1 The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.

5. Effect of the Scheme of Arrangement on the key managerial personnel and/or the Directors of Zydus:

5.1 There is no effect of the Scheme on the key managerial personnel and/or the Directors of the Transferee Company.

5.2 Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

5.3 The individual shareholding, of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferee Company.

6. Valuation:

6.1 B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants had carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking of the Transferor Company based on the book value of the net asset of the said undertaking as on 31st March 2016 at INR [illegible] million.

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6.2 No special valuation difficulties were reported.

By Order of the Board

Parekh Nitin D.

NITIN D. PAREKH
DIRECTOR
DIN 00155570

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Date and Place: 24th day of January, 2017 at Ahmedabad.

Annexure 10

SUPPLEMENTARY UNAUDITED ACCOUNTING STATEMENT OF THE TRANSFEROR COMPANY FOR THE PERIOD ENDED 31ST DECEMBER 2016

CADILA HEALTHCARE LIMITED
Unaudited Balance Sheet as at December 31, 2016

Particulars	Note No.	INR-Millions As at December 31, 2016
ASSETS:		
Non-Current Assets:		
Property, Plant and Equipment	1	22,143
Capital work in-progress		5,874
Goodwill	1	21
Other Intangible Assets	1	1,467
Financial Assets:		
Investments	2	30,436
Loans	3	8,202
Other Non-Current Financial Assets	4	2,947
Other Non-Current Assets	5	1,797
Current tax assets [Net]	6	366
		73,253
Current Assets:		
Inventories	7	10,009
Financial Assets:		
Investments	8	502
Trade Receivables	9	10,338
Cash and Bank Balances	10	982
Loans	11	370
Other Current Financial Assets	12	1,798
		13,990
Other Current Assets	13	923
		24,922
Total		98,175
EQUITY AND LIABILITIES:		
Equity:		
Equity Share Capital	14	1,024
Other Equity	15	65,109
		66,133
Non-Current Liabilities:		
Financial Liabilities:		
Borrowings	16	3,238
Other Non-current Financial Liabilities	17	355
Provisions	18	1,120
Deferred Tax Liabilities [Net]		2,244
		6,957
Current Liabilities:		
Financial Liabilities:		
Borrowings	19	10,449
Trade Payables	20	11,023
Other Financial Liabilities	21	3,271
Other Current Liabilities	22	63
Provisions	23	254
Liabilities for Current Tax [Net]	24	25
		25,085
Total		98,175

For and on behalf of the Board

Pankaj R. Patel
Chairman & Managing Director
Ahmedabad, Dated: January 31, 2017

CADILA HEALTHCARE LIMITED

Unaudited Statement of Profit and Loss for the period ended December 31, 2016

Particulars	Note No.	INR-Millions Period ended December 31, 2016
REVENUE:		
Revenue from Operations	25	35,410
Other Income	26	1,798
Total Revenue		37,208
EXPENSES:		
Cost of Materials Consumed	27	8,511
Purchases of Stock-in-Trade	28	4,470
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	29	(1,479)
Excise Duty on Sales		768
Employee Benefits Expense	30	6,406
Finance Costs	31	152
Depreciation, Amortisation and Impairment expenses	1	2,018
Other Expenses	32	12,339
Total Expenses		33,185
Profit before Tax		4,023
Less: Tax Expense:		
Current Tax		661
Deferred Tax		84
Prior year's tax adjustments		(2)
		743
Profit for the year		3,280
OTHER COMPREHENSIVE INCOME:		
Other Comprehensive Income for the year, net of tax		(81)
Total Comprehensive Income for the year		3,199
Basic & Diluted Earning per Equity Share (EPS) [in Rupees]	33	3.20

For and on behalf of the Board

Pankaj R. Patel
Chairman & Managing Director
Ahmedabad, Dated: January 31, 2017

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

Note: 1:

A Property, Plant and Equipment:

INR-Millions

	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block:								
Opening Balance	864	285	4,524	15,657	159	381	163	22,033
Additions [#]	739	10	332	2,674	47	90	56	3,948
Disposals	-	-	-	(64)	-	(34)	(1)	(99)
Other adjustments	-	-	20	88	-	-	-	108
Closing Balance	1,603	295	4,876	18,355	206	437	218	25,990
Depreciation and Impairment:								
Opening Balance	-	3	156	1,782	28	37	41	2,047
Depreciation for the year	-	3	130	1,621	18	50	29	1,851
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	(37)	-	(14)	-	(51)
Closing Balance	-	6	286	3,366	46	73	70	3,847
Net Block:								
Closing Balance	1,603	289	4,590	14,989	160	364	148	22,143

B Intangible Assets:

		Other Intangible Assets				
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Total
Gross Block:						
Opening Balance	59	1,126	152	186	141	1,605
Additions [#]	-	4	89	-	-	93
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Closing Balance	59	1,130	241	186	141	1,698
Amortisation and Impairment:						
Opening Balance	21	22	47	7	5	81
Amortisation for the year	17	88	37	15	10	150
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing Balance	38	110	84	22	15	231
Net Block:						
Closing Balance	21	1,020	157	164	126	1,467

	INR-Millions As at December 31, 2016
Note: 2-Investments:	
Long Term Investments :	
Trade Investments:	
Investments in Equity Instruments	15,102
Investments in Preference Shares	15,012
	30,114
Other Investments:	
Investments in Equity Instruments	313
Investments in Preference Shares	9
	322
	30,436
A Details of Trade Investments :	
Investment in Equity Instruments:	
Subsidiary Companies:	
Quoted:	
In fully paid-up equity shares of Zydus Wellness Limited	570
Unquoted:	
In fully paid-up equity shares of:	
Zydus Technologies Limited	425
Dialforhealth India Limited	110
Zydus Healthcare Limited [Formerly known as German Remedies Limited]	100
Biochem Pharmaceutical Industries Limited	5,242
Liva Pharmaceuticals Limited	20
Alidac Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited]	158
Zydus International Private Limited, Ireland	6,657
Zydus Lanka (Private) Limited, Sri Lanka	1
Zydus Healthcare Philippines Inc.	351
Zydus Worldwide DMCC	806
	13,870
Joint Venture Companies [Unquoted]:	
In fully paid-up equity shares of:	
Zydus Hospira Oncology Private Limited	75
Zydus Takeda Healthcare Private Limited	100
Bayer Zydus Pharma Private Limited	341
	516

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions
	As at
	December 31, 2018
Note: 2-Investments-Continued:	
Others [Quoted]:	
In fully paid-up Common Stock of:	
Onconova Therapeutic Inc. USA	10
Pieris Pharmaceuticals Inc., USA	136
	146
	15,102
Investment in Preference Shares:	
Subsidiary Companies [Unquoted]:	
In fully paid-up, 8%, Redeemable Cumulative Preference shares of Zydus Technologies Limited	90
In fully paid-up, 5%, Redeemable Non-Cumulative Preference shares of Dialforhealth India Limited	200
In fully paid-up, 10%, Redeemable Cumulative Preference Shares of Alidac Pharmaceuticals Limited	689
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus Healthcare Limited	7,150
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus Healthcare Philippines Inc.	14
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus International Private Limited	6,694
	14,837
Joint Venture Company [Unquoted]:	
In fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of Bayer Zydus Pharma Private Limited	175
	15,012
B Details of Other Investments:	
Quoted:	
Investment in Equity Instruments:	
In fully paid-up Equity Shares of:	
Housing Development Finance Corporation Limited	278
HDFC Bank Limited	5
Kokuyo Camlin Limited	6
Camlin Fine Sciences Limited	15
Accelya Kale Consultants Limited	1
Saket Projects Limited [Rs. 50,000/-]^	-
	305
Unquoted:	
In fully paid-up Equity Shares of:	
Bharuch Enviro Infrastructure Limited [Rs. 12,140/-]^	-
Narmada Clean Tech	6
Enviro Infrastructure Company Limited	1
Gujarat Venture Finance Limited	1
Saraswat Co-Op Bank Limited [Rs. 20,350/-]^	-
Shamrao Vithal Co-Op Bank Limited [Rs. 2,500/-]^	-
The Green Environment Co-operative Society Limited [Rs. 5,000/-]^	-
Shivalik Solid Waste Management Limited [Rs. 2,00,000/-]^	-
	8
	313
Investment in Preference Shares:	
Unquoted:	
In fully paid-up, 1%, Redeemable Cumulative preference shares of Enviro Infrastructure Company Limited	9
Total	30,436
Note: 3-Loans:	
[Unsecured, Considered Good unless otherwise stated]	
Loans and Advances to Related Parties [*]	8,031
Others:	
Considered good	171
Considered doubtful	2
	173
Less: Provision for doubtful advances	2
	171
Total	8,202
[*] 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	3,667
b Biochem Pharmaceutical Industries Limited	200
c Dialforhealth India Limited	97
d Liva Pharmaceuticals Limited	2,262
e Zydus International Private Limited	1,805
Total	8,031
(#) Loans which are outstanding at the end of the respective period end.	
Notes:	
a All the above loans have been given for business purposes.	
b All the loans are interest bearing except the loan given to Dialforhealth India Limited.	
c All the above loans are repayable within a period of 3 to 5 years.	

CADILA HEALTHCARE LIMITED AHMEDABAD

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 4-Other Non-Current Financial Assets:	
[Unsecured, Considered Good unless otherwise stated]	
Balances with Statutory Authorities	1,087
Security Deposits	120
Derivative Assets	1,740
Total	2,947
Note: 5-Other Non-Current Assets:	
[Unsecured, Considered Good unless otherwise stated]	
Capital Advances	1,797
Total	1,797
Note: 6-Current tax assets (Net):	
[Unsecured, Considered Good unless otherwise stated]	
Advance payment of Tax (Net of provision for taxation)	366
Total	366
Note: 7-Inventories:	
[The Inventory is valued at lower of cost and net realisable value]	
Classification of Inventories:	
Raw Materials	4,122
Work-in-progress	1,535
Finished Goods	2,502
Stock-in-Trade	1,244
Others:	
Packing Materials	606
Total	10,009
Note: 8-Investments:	
Investment in Mutual Funds [Quoted]	502
Total	502
Note: 9-Trade Receivables:	
Outstanding for a period exceeding six months from the date they are due for payment:	
Considered doubtful	25
Less: Provision for doubtful debts	25
	-
Others- Considered good	10,338
Total	10,338
Note: 10-Cash and Bank Balances:	
Balances with Banks	980
Cash on Hand	2
Total	982
Note: 11-Loans:	
[Unsecured, Considered Good]	
Loans and advances to related parties [*]	342
Others	28
Total	370
[*] Details of Loans and Advances to Related Parties are as under:	
a Zydus Worldwide DMCC [Dubai] [Advance for subscription to Equity Shares]	342
	342
Note: 12-Other Current Financial Assets:	
[Unsecured, Considered Good]	
Balances with Statutory Authorities	1,219
Interest Receivables	579
Total	1,798
Note: 13-Other Current Assets:	
[Unsecured, Considered Good]	
Advances to Suppliers	421
Export Incentive Receivables	387
Prepaid Expenses	115
Total	923

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 14-Equity Share Capital:	
Authorised:	
1,725,000,000 Equity Shares of Re.1/-	1,725
	1,725
Issued, Subscribed and Paid-up:	
1,023,742,600 Equity Shares of Re.1/- each, fully paid-up	1,024
Total	1,024
Note: 15-Other Equity:	
Other Reserves:	
International Business Development Reserve:	
Balance as per last Balance Sheet	2,000
General Reserve:	
Balance as per last Balance Sheet	15,550
Foreign Currency Monetary Items Translation Difference Account:	
Balance as per last Balance Sheet	(10)
Add/ [Less]: Credited/ [Debited] during the year	11
	1
Surplus in Statement of Profit and Loss:	
Balance as per last Balance Sheet	44,359
Add: Profit for the year	3,199
Balance as at the end of the year	47,558
Total	65,109

Note: 16-Borrowings:

	INR-Millions	
	Non-current portion	Current Maturities
	December 31, 2016	
A Term Loans from Banks:		
a External Commercial Borrowings in Foreign Currency [Secured]	1,359	1,136
b External Commercial Borrowings in Foreign Currency [Unsecured]	1,834	476
	3,193	1,612
B From Others [Unsecured]	45	10
Total	3,238	1,622
The above amount includes:		
Secured borrowings	1,359	1,136
Unsecured borrowings	1,879	486
Amount disclosed under the head "Other Current Liabilities" [Note-21]	-	(1,622)
Net amount	3,238	-

	INR-Millions As at December 31, 2016
Note: 17-Other Non-Current Financial Liabilities:	
Trade Deposits	64
Others	291
Total	355
Note: 18-Provisions:	
Provision for Employee Benefits	1,120
Total	1,120
Note: 19-Borrowings:	
Loans repayable on Demand:	
Working Capital Loans from Banks [Secured]	1,150
Working Capital Loans from Banks [Unsecured]	9,299
Total	10,449
Note: 20-Trade Payables:	
Others	11,023
Total	11,023
Note: 21-Other Financial Liabilities:	
Current Maturities of Long Term Debt [Refer Note- 16]	1,622
Interest accrued but not due on borrowings	3
Provision for Expenses	1,139
Payable to Statutory Authorities	477
Unpaid Dividends [*]	30
Total	3,271
[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.	

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 22-Other Current Liabilities:	
Advances from customers	63
Total	63
Note: 23-Provisions:	
Provision for Employee Benefits	196
Provision for claims for product expiry and return of goods	58
Total	254
Note: 24-Liabilities for Current Tax (Net):	
Provision for Taxation (Net of advance payment of tax)	25
Total	25

	INR-Millions Period ended December 31, 2016
Note: 25-Revenue from Operations:	
Sale of Products (Gross)	34,221
Other Operating Revenues:	
Royalty Income	65
Net Gain on foreign currency transactions and translation [^]	157
License Fees	6
Export Incentives	645
Miscellaneous Income	316
	1,189
Total	35,410
[^] includes research related Net Loss on foreign currency transactions and translation	8
Note: 26-Other Income:	
Interest Income (Gross):	
From Others (Other than current investments)	801
Dividend Income (Gross):	
From Long Term Investments [*]	826
Gain on Sale of Investments	57
Other Non-operating Income	114
Total	1,798
[*] Includes dividend from subsidiary companies	-
Note: 27-Cost of Materials Consumed:	
Raw Materials (Pharmaceutical Ingredients):	
Stock at commencement	2,324
Add: Purchases	8,257
	10,581
Less: Stock at close	4,122
	6,459
Packing Materials consumed	2,052
Total	8,511
Note: 28-Purchases of Stock-in-Trade:	
Purchases of Stock-in-Trade	4,470
Total	4,470
Note: 29-Changes in Inventories:	
Stock at commencement:	
Work-in-progress	1,250
Finished Goods	1,369
Stock-in-Trade	1,183
	3,802
Less: Stock at close:	
Work-in-progress	1,535
Finished Goods	2,502
Stock-in-Trade	1,244
	5,281
Total	(1,479)

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions
	Period ended
	December 31, 2016
Note: 30-Employee Benefits Expense:	
Salaries and wages	6,692
Contribution to provident and other funds	473
Staff welfare expenses	249
Gross Expenses	7,414
Less: Recovery of expenses towards Cost Allocation Charges	1,008
Total	6,406
Above expenses includes Research related expenses as follows:	
Salaries and wages	844
Contribution to provident and other funds	66
Staff welfare expenses	38
Total	948
Note: 31-Finance Cost:	
Interest expense [*]	131
Other Borrowing Costs	2
Net [Gain]/ Loss on foreign currency transactions and translation	(10)
Bank commission & charges	29
Total	152
[*] The break up of interest expense into major heads is given below:	
On term loans	86
On working capital loans	42
Others	3
Total	131
Note: 32-Other Expenses:	
Research Materials	923
Analytical Expenses	818
Consumption of Stores and spare parts	1,270
Power & fuel	1,140
Rent	73
Repairs to Buildings	152
Repairs to Plant and Machinery	302
Repairs to Others	63
Insurance	184
Rates and Taxes [excluding taxes on income]	17
Processing Charges	385
Managing Directors' Remuneration	225
Traveling Expenses	630
Legal and Professional Fees	1,345
Commission on sales	402
Freight and forwarding on sales	774
Representative Allowances	613
Other marketing expenses	1,425
Bad Debts:	
Bad debts written off	1
Provision for Doubtful Debts [Net]	15
	16
Directors' fees	4
Net Loss on disposal of Fixed Assets	6
Donations	4
Miscellaneous Expenses	1,875
Gross Expenses	12,645
Less: Recovery of expenses towards Cost Allocation Charges	306
Total	12,339
Above expenses includes Research related expenses as follows:	
Research Materials	923
Analytical expenses	818
Consumption of Stores and spare parts	619
Power & Fuel	112
Repairs to Buildings	13
Repairs to Plant and Machinery	35
Repairs to Others	12
Insurance	7
Traveling Expenses	42
Legal and Professional fees	746
Miscellaneous Expenses [excluding Depreciation]	611
Total	3,938

Note: 33-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	3,280
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600
C Nominal value of equity share	INR	1
D Basic & Diluted EPS	INR	3.20

Annexure 11

SUPPLEMENTARY UNAUDITED ACCOUNTING STATEMENT OF THE TRANSFEREE COMPANY FOR THE PERIOD ENDED 31ST DECEMBER 2016

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Particulars	Note No.	INR-Millions As at 31st Dec, 16	INR-Millions As at 31st Mar, 16
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Property, Plant and Equipment	1	876	867
Capital work-in-progress		976	1
Goodwill	2	37,385	40,485
Other Intangible Assets	2	5,533	587
		44,770	41,941
Other Non-Current Assets			
Alternate Minimum Tax Credit Entitlement	3	3,135	3,135
Financial Assets:			
Non-Current Investments	4	14	9
Long Term Loans and Advances	5	550	50
		564	59
Current Assets:			
Inventories	6	1,092	959
Financial Assets:			
Current Investments	7	0	-
Trade Receivables	8	791	707
Cash and Bank Balances	9	402	100
Short Term Loans and Advances	10	248	82
		2,533	1,847
Other Current Assets	11	275	135
		2,807	1,982
Total		51,276	47,116
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	12	7,344	5
Other Equity	13	41,552	41,757
		48,896	41,762
Non-Current Liabilities:			
Financial Liabilities:			
8% non- cumulative redeemable preference share		25	25
Long Term Provisions	14	10	5
Deferred Tax Liabilities [Net]	15	79	83
		114	113
Current Liabilities:			
Financial Liabilities:			
Short Term Borrowings	16	0	4,504
Trade Payables			
Dues to Micro, Small and Small Enterprises		0	8
Dues to Others	17	1,939	417
Other Current Financial Liabilities	18	117	162
		2,056	5,091
Other Current Liabilities	19	140	85
Short Term Provisions	20	30	32
Liabilities for Current Tax [Net]	21	40	33
		210	150
Total		51,276	47,116

For Zydus Healthcare Limited

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Parekh Niten D

Niten D Parekh
Director

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Statement of Profit and Loss for the period ended December 31, 2016

Particulars	Note No.	INR-Millions	
		Period ended December 31	
		2016	March 31, 2016
REVENUE:			
Revenue from Operations	23	**7,829**	1,629
Other Income	23	**20**	83
Total Revenue		**7,849**	1,712
EXPENSES:			
Cost of Materials Consumed	24	**1,437**	261
Purchases of Stock-in-Trade	25	**79**	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	26	**-34**	(69)
Excise Duty on Sales		**374**	85
Employee Benefits Expense	27	**135**	22
Finance Costs	28	**241**	62
Depreciation, Amortisation and Impairment expenses		**3,256**	682
Other Expenses	29	**2,310**	459
Total Expenses		**7,797**	1,504
Profit before Tax		**52**	209
Less: Tax Expense:			
Current Tax		**13**	28
Deferred Tax		**-4**	90
Prior year's tax adjustments			
		9	118
Profit for the year		**43**	90
OTHER COMPREHENSIVE INCOME:			
Items that will be reclassified to profit or loss:			
Net Gain/ (Loss) on of a net investment		**5**	(3)
Re-measurement gains/ (losses) on defined benefit plans			
Income tax effect			
Other Comprehensive Income for the year, net of tax		**5**	(3)
Total Comprehensive Income for the year		**48**	87
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]			
Notes to the Financial Statements			

For Zydus Healthcare Limited



Parekh Nitin D

Nitin D Parekh
Director

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

Note 1- Property, Plant and Equipment:

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment
Gross Block:						
Acquired under the Scheme	289	202	366	2	5	2
Additions		3	16	0	0	
Disposals						
Other adjustments						
As at March 31, 2016	289	205	382	2	5	2
Additions	76		14	0		2
Disposals			(1)		(0)	
Other adjustments						
As at December 31, 2016	365	205	396	2	5	4
Depreciation and Impairment:						
Acquired under the Scheme						
Depreciation for the year	1	1	16	0	0	0
Impairment for the year						
Disposals						
As at March 31, 2016	1	1	16	0	0	0
Depreciation for the year	3	7	74	0	1	0
Impairment for the year						
Disposals						
As at December 31, 2016	3	8	90	0	1	0
Net Block:						
As at March 31, 2016	289	203	367	2	5	1
As at December 31, 2016	362	197	306	2	4	3



Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

Note 2- Goodwill and Other Intangible Assets:

	Goodwill	Brands/ Trademarks	Technical Know-how
Gross Block:			
Acquired under the Scheme	**41,149**		
Additions		578	11
Disposals			
Other adjustments			
As at March 31, 2016	**41,149**	578	11
Acquired under the Scheme			
Additions		5,000	17
Disposals			
Other adjustments			
As at December 31, 2016	**41,149**	5,578	27
Depreciation and Impairment:			
Acquired under the Scheme			
Depreciation for the year	**663**	1	0
Impairment for the year			
Disposals			
As at March 31, 2016	**663**	1	0
Depreciation for the year	**3,100**	70	1
Impairment for the year			
Disposals			
As at December 31, 2016	**3,764**	71	1
Net Block:			
As at March 31, 2016	**40,485**	577	10
As at December 31, 2016	**37,385**	5,507	26



Zydus Healthcare Limited [Formerly known as German Remedies Limited]

Notes to the Financial Statements

	INR-Millions As at	
	31st Dec, 16	31st Mar, 16
Note 3- Other Non Current Assets:		
Alternate Minimum Tax Credit Entitlement	3,135	3,135
Total	3,135	3,135
Note 4- Non Current Investments:		
Other Investments:		
Investments in Equity Instruments	14	9
Investment in Fixed Capital of Partnership Firm		
Total	14	9
Note 5- Long Term Loans and Advances:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	493	42
Security Deposits	7	7
Advance Payment of Taxes		
Loan to Biochem	50	
Total	550	50
Note 6- Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	481	385
Work-in-progress	49	18
Finished Goods	490	506
Finished Goods Traded	19	-
Others:		
Packing Materials	52	50
Total	1,092	959
Note 7- Current Investments:		
Investment in Current Capital of Partnership Firm	-	-
	-	-
Note 8- Trade Receivables:		
Outstanding for a period exceeding six months from the date they are due for payment:		
Secured - Considered good		
Unsecured - Considered good		
Considered doubtful	16	
	16	0
Less: Provision for doubtful debts	16	0
	-	0
Others- Considered good:		
Unsecured	791	707
	791	707
Total	791	707
Note 9- Cash and Bank Balances:		
Balances with Banks	402	99
Cash on Hand	0	0
Total	402	100
Note 10- Short Term Loans and Advances:		
[Unsecured, Considered Good]		
Others:		
Balances with Customs/ Central Excise/ Sales Tax Authorities	248	81
Advances recoverable in cash or in kind or for value to be received	0	0
Total	248	82
Note 11- Other Current Assets:		
Advance payment of Taxes	244	
Int.Accrued But Not Due	0	
Advances to Suppliers	31	135
	275	135

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Note 12: Equity Share Capital:

	31st Dec, 16		31st Mar, 16		1st Apr,15	
	No. of Shares	INR-Mio	No. of Shares	INR-Mio	No. of Shares	INR-Mio
Equity Shares of INR 100/- each, Issued, Subscribed and Fully Paid-up:						
As at March 31, 2016	48,000	5	24,000	2	24,000	2
Add: Issued Bonus Shares during the year			24,000	3		
Add: Issued shares as a part of schement of Amalgmation of Rs. 100/- each	1,890,242	189				
Add: Preference Share		7,150				
As at December 31, 2016		7,344		5		2

Note 13: Other Equity:

	INR - Millions				
Particulars	General Reserve	Capital Reserve	Surplus in Statement of Profit and Loss	Share Capital Susp. Ac.	Total
Balance as on 01st April, 2015 as per I GAAP	101	-	35		136
Add Fair Valuation of Non Current Investment					3
Add Re-classification of Proposed Dividend					62
Add Re-classification of Corporate Dividend Tax					13
Add Gain on Fair Valuation of Inv. In Fixed Capital of Partnership Firm					846
Balance as on 01st April, 2015 as per IND AS	101	-	35	-	1,060

Particulars	**General Reserve**	**Capital Reserve**	**Surplus in Statement of Profit and Loss**	**Share Capital Susp. Ac.**	**Total**
Balance as on 01st April, 2015	101	-	35	-	**1,060**
Add Profit for the year			90		**90**
Add Subsidy Received under Capital Investment Scheme [acquired under Scheme of Amalgamation]		134			**134**
Add Share Capital pending for Allotment				41,536	**41,536**
Add Fair Valuation of Non Current Investment					**(3)**
Les: Amount utilised for Bonus of Shares	(2)				**(2)**
Les: Gain on Fair Valuation of Inv. In Fixed Capital of Partnership Firm (Knock off)					**(846)**
Les: Payment of Proposed Dividend			(153)		**(153)**
Les: Payment of Corporate Dividend Tax			(32)		**(32)**
Les: Re-classification of Preference Share Capital Value				(25)	**(25)**
Balance as on 31st March, 2016	99	134	(61)	41,511	**41,757**

Particulars	**General Reserve**	**Capital Reserve**	**Surplus in Statement of Profit and Loss**	**Share Capital Susp. Ac.**	**Total**
Balance as on 1st April, 2016	99	134	(61)	41,511	**41,757**
Add Profit for the year			43		**43**
Add Tr. From Securities Premium Account	41,322				**41,322**
Add Fair Valuation of Non Current Investment					**5**
Les: Tr. To Securities Premium Account				(41,511)	**(41,511)**
Les: Stamp duty paid on Issuance of Equity & Preference Shares	(65)				**(65)**
Balance as on 31st December, 2016	41,356	134	(17)	-	**41,552**

	INR-Millions	
	As at	
	31st Dec, 16	31st Mar, 16
Note 14: Financial Liabilities:		
8% non- cumulative redeemable preference share [*]		
2,54,460 shares at face value of Rs. 100/- each	25	25
	25	25
Note 14: Long Term Provisions:		
Provision for employee Benefits	10	5
	10	5

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Note 15: Deferred Tax Liabilities:

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

	Acquired under Scheme	Charge for the previous year	INR - Millions As at March 31, 2016	Charge for the current year	As at Dec 31, 2016
Deferred Tax Liabilities:					
Depreciation	8	1,626	1,633	1,362	**2,996**
Deferred Tax Assets:					
Retirement benefits	2	0	2	3	**4**
Provision for Bad and Doubtful debts	2		2	1	**3**
Provision for Expiry and Breakages	11	(1)	10	-	**10**
Unabsorbed depreciation	-	1,536	1,536	1,362	**2,898**
Others	-	1	1	-	**1**
Total	15	1,536	1,550	1,366	**2,917**
Net Deferred Tax Liabilities	(7)	90	83	(4)	**79**

Note 16- Short Term Borrowing:

Others: [Unsecured]:			
From Related Party			
Cadila Healthcare Limited [*]	**0**	4,504	
	0	4,504	-

Note 17- Trade Payables - Dues to Others:

Trade Payables	**1,939**	417	
	1,939	417	-

Note 18- Other Current Financial Liabilities:

Int.Accrued Due but not paid	**24**	54	
Bank Book overdraft	**93**	108	
	117	162	-

Note 19- Other Current Liabilities:

Advances from customers		8	
Others:			
Provision for Expenses	**15**	12	
Payable to Statutory Authorities	**125**	65	
	140	77	0
Total	**140**	85	0

Note 20- Short Term Provisions:

Provision for Employee Benefits		2	
Others:			
Provision for Taxation	**0**		
Provision for claims for product expiry and return of goods [*]	**30**	30	
	30	30	0
	30	32	0

Note 21- Liabilities for Current Tax [Net]:

Provision for Taxation [Net of advance payment of tax of Rs. 9 {As at March 31 March 31, 2015: Rs. 7} Millions]	**40**	33	
	40	33	-

Note: 22- Contingent Liabilities and commitments [to the extent not provided for]:

A Contingent Liabilities:			
a Other money for which the company is contingently liable:			
i In respect of the demand raised by the Central Excise, State Excise & Service Tax dept. against which the Company has preferred an appeal. The Company has been legally advised that the demand is not tenable	**88**	82	-
B Commitments:			
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances of Rs. 1,98,375 {Previous Year: Rs. Nil} Thousands]	**1,094**	12	-

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

		INR-Millions	
		Period ended December 31	
		2016	2015
Note: 23- Revenue from Operation:			
Details of Gross Sales under broad heads:			
Tablets		7,829	1,629
Capsules			-
Other			-
Total		7,829	1,629
Other Operating Revenues:			
Miscellaneous Income		18	3
Share of Profit from Partnership Firm			78
Interest Income [Gross]:			
From Others [Other than current investments]		0	1
Dividend Income [Gross]:			
From Long Term Investments		2	1
Total		20	83
Note: 24- Cost of Material Consumed:			
Opening Stock		385	348
Add: Purchases		1,329	36
		1,714	385
Less: Stock at close		481	385
		1,233	223
Packing Materials consumed		204	39
		1,437	261
Note: 25- Purchase of Stock in Trade:			
Purchase of Stock in Trade		79	
Total		79	0
Details of purcahses of Stock-in-trade under broas heads:			
Tablet		43	
Capsules			
Others		36	
Total		79	
Note: 26- Change in Inventories:			
Opening Stock			
Work-in-progress		18	55
Finished Goods		506	401
Stock-In-Trade			
		524	456
Less: Stock at close:			
Work-in-progress [*]	-31	49	18
Finished Goods [**]	16	490	506
Stock-In-Trade	60	19	0
		558	524
		(34)	(69)
Differential Excise Duty on Opening and Closing stock of Finished Goods			
		(34)	(69)

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

	INR-Millions	
	Period ended December 31	
	2016	2015
Note: 27- Employee Benefit Expense:		
Salaries and wages	117	17
Contribution to provident and other funds [*]	8	2
Staff welfare expenses	9	3
Total	135	22

[*] 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 respective Regional Provident Fund Commissioner under the Pension Scheme.

Note: 28- Finance Cost:		
Interest expense [*]	240	3
Other Borrowing Costs		60
Bank commission & charges	2	0
Total	241	62
[*] The break up of interest expense into major heads is given below:		
On working capital loans	0	0
Others	240	3
Total	240	3
Note: 29- Other Expenses:		
Consumption of Stores and spare parts	35	2
Power & fuel	51	9
Rent [*]	2	1
Repairs to Buildings	7	1
Repairs to Plant and Machinery	21	2
Repairs to Others	3	1
Advertisement Expesnes	0	
Insurance	10	4
Rates and Taxes [excluding taxes on income]	1	1
Royalty	124	24
Traveling Expenses	6	5
Legal and Professional Fees	8	8
Net Loss on foreign currency transactions and translation		0
Commission on sales	92	22
Freight and forwarding on sales	19	2
Cost Allocation Charges [**]	1,321	288
Other marketing expenses	535	62
Bad Debts:		
Bad debts written off	8	4
Provision for Doubtful Debts		3
	8	7
Net Loss on disposal of Fixed Assets	0	0
Miscellaneous Expenses	66	22
Gross Expenses	2,310	459
[*] 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:	2	
[**] This refers to the payment of cost allocation charges to Cadila Healthcare Ltd. [CHL], pursuant to the Cost Allocation Agreement between the Company and CHL, wherein the parties have agreed to share the common resources of CHL.		

CADILA HEALTHCARE LIMITED AHMEDABAD

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;
And
In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;
And
In the matter of Cadila Healthcare Limited;
And
In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India. } } } } …Applicant Company

UNSECURED CREDITORS
FORM OF PROXY

I/We, _____, the undersigned Unsecured Creditor/s of Cadila Healthcare Limited, being the Applicant Company abovenamed, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors of the Applicant Company to be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 12.00 noon (1200 hours) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (**Strike out whatever is not applicable*)

Affix 15 paise revenue stamp

Dated this _____ day of _____ 2017. Signature _____

Name : _____

Address : _____

Signature of Unsecured Creditor :_____

Signature of Proxy :_____

CADILA HEALTHCARE LIMITED

Registered office: Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India
Phone No: +91-79-26868100 CIN: L24230GJ1995PLC025878 Website: www.zyduscadila.com

UNSECURED CREDITORS
ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

MEETING OF THE UNSECURED CREDITORS ON THURSDAY THE 30TH DAY OF MARCH 2017 AT 12.00 NOON

I/We hereby record my/our presence at the meeting of the Unsecured Creditors of Cadila Healthcare Limited, the Applicant Company, convened pursuant to the final order dated 15th day of February 2017 of the NCLT at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 12.00 noon (1200 hours).

Name and address of Unsecured Creditor (IN BLOCK LETTERS) _____

_____

Signature _____

Name of the Proxy* (IN BLOCK LETTERS) _____ Signature _____

*(To be filled in by the Proxy in case he/she attends instead of the unsecured creditor)

Notes:

1. The proxy must be deposited at the registered office of Cadila Healthcare Limited at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be an unsecured creditor of Cadila Healthcare Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of an unsecured creditor blind or incapable of writing would be accepted if such unsecured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address, provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor before he attached his signature or mark.
8. The proxy of an unsecured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the unsecured creditor in the language known to him, and gives the unsecured creditor's name in English below the signature.

Notes:

1. Unsecured creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Unsecured creditors who come to attend the meeting are requested to bring their copy of the Scheme with them.

Route Map for the venue of the meeting, Ahmedabad Management Association (AMA)



If undelivered please return to :

CADILA HEALTHCARE LIMITED
Registered office:
Zydus Tower, Satellite Cross Roads,
Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India
Phone No: +91-79-26868100 CIN: L24230GJ1995PLC025878 Website: www.zyduscadila.com

11.00 a.m., and 12.00 noon, respectively, at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, to consider and approve the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors (hereinafter referred to as the **'Scheme'**).

Copy of the printed booklets sent to the equity shareholders, secured creditors and unsecured creditors of Cadila Healthcare Limited which, inter alia, contain notice, explanatory statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, amongst others, are enclosed. Copy of the order dated 15.2.2017 passed by the Hon'ble Tribunal in the aforementioned CA (CAA) No. 5/230-232/NCLT/AHM/2017 is also enclosed.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the Hon'ble Tribunal within thirty (30) days from the date of receipt of this notice. The address of the Hon'ble Tribunal is Anand House, Ground Floor, 1st and 2nd Floor, Nr. Jalsa Party Plot, S.G. Highway, Thaltej, Ahmedabad- 380 054. Copy of the representation may simultaneously be sent to Cadila Healthcare Limited at its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India.

In case no representation is received within the stated period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed Scheme.

CADILA HEALTHCARE LIMITED AHMEDABAD

For Cadila Healthcare Limited

Authorised Signatory

Dated this 23rd day of February 2017

Place: Ahmedabad

Enclosures: As above.

12
16
15/2/17

Free Copy

NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD

CA(CAA) No. 5/230-232/NCLT/AHM/2017

Coram: **Present: Hon'ble Mr. BIKKI RAVEENDRA BABU**
MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 15.02.2017

Name of the Company: Cadila Healthcare Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

S.NO.	NAME (CAPITAL LETTERS)	DESIGNATION	REPRESENTATION	SIGNATURE
1.	Sandeep Singhi	Advocate	Applicant	
2.	Pranjal Buch for Singhi & Co.	Advocate	"	

ORDER

Learned Advocate Mr. Sandeep Singhi with Learned Advocate Mr. Pranjal Buch present for Applicant.

Order pronounced in open Court vide separate sheet.

15/2/17
BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Dated this the 15th day of February, 2017.

TRUE COPY

15-2-17
Court Officer
NCLT, Ahmedabad

15/2/17
Asstt. Registrar
NCLT Ahmedabad Bench
Ahmedabad

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD

CORAM: SRI BIKKI RAVEENDRA BABU, MEMBER JUDICIAL

Date: 15th day of February, 2017

C.A.(CAA) 5/230-232/NCLT/AHM/2017

In the matter of: -

Cadila Healthcare Limited,
A company incorporated under
the provisions of the Companies
Act, 1956 and having its Registered
Office at Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad - 380 015. ..... Applicant.

Appearance: -

Mr. Sandeep Singhi and Mr. Pranjal Buch,
Advocates, for M/s Singhi & Co.,
Advocates, for the Applicant.

FINAL ORDER
(Date:15.02.2017)

1. Cadila Healthcare Limited (hereinafter referred to as "Transferor Company" or "CHL", as the context may admit) is a public limited listed company, having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015.

2. Zydus Healthcare Limited (hereinafter referred to as "Transferee Company" or "ZHL", as the context may admit) is an unlisted public limited company, having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015.

3. The issued subscribed and paid up share capital of CHL is 102,37,42,600/-.

4. The issued subscribed and paid up share capital of ZHL is 736,92,70,200/-. The Transferee Company is the wholly owned subsidiary of the Transferor Company.

5. In the Scheme of Arrangement between the Transferor Company and the Transferee Company, it is proposed to transfer the India Human Formulations Undertaking of CHL to ZHL.

6. Learned Advocate appearing for the Applicant-company contended that, although the Transferee Company is a wholly owned subsidiary of the Transferor Company, Section 233 of the Companies Act, 2013 is not applicable for the following reasons: -

(1) It is a case of de-merger or transfer of Indian Human Formulations Undertaking from the Transferor Company to the Transferee Company.

(2) The Transferor Company and the Transferee Company are not small companies.

(3) Section 233(9) of the Companies Act gives option to the company to adopt the procedure laid down under Section 232.

(4) There is no winding up of Transferor Company as contemplated under sub-section (3) and sub-section (7) in view of sub-section (8) of Section 233 of the Companies Act.

7. A perusal of the application and its annexures goes to show that the transfer of India Human Formulations Undertaking from the Transferor Company to the Transferee is proposed to take effect only after the amalgamation of Biochem Pharmaceuticals Industries Limited, a wholly owned subsidiary of the Transferor Company, with

the Transferee Company, i.e. ZHL, and the sanction of the said scheme of amalgamation is also pending before this Tribunal.

8. Considering all the above aspects, it is not a case of amalgamation of the holding company with the subsidiary company. Even if the proposed scheme is accepted, both the Transferor Company and the Transferee Company shall remain in existence, which is not contemplated in case of the registration under sub-section (3) and sub-section (7) in view of sub-section (8) of Section 233.

9. Moreover, sub-section (14) of Section 233 also gives option to a company to use Section 232. In view of the above said facts, this Tribunal has got jurisdiction to entertain this application.

10. In this application, CHL has prayed for the following reliefs: -

(a) permit it to convene and hold separate meetings of its equity shareholders, secured creditors and unsecured creditors and, if thought fit, approve with or without modification, the composite scheme of arrangement between CHL and ZHL and their respective shareholders and creditors;

(b) issue necessary directions as to the method of convening, holding and conducting of the aforesaid meetings including the fixation of day, date, time and venue of the meetings and for directions as to the notices and advertisements to be issued in that behalf;

(c) appoint Chairman including Scrutinizer for the aforesaid meetings of the Applicant-company and in respect of adjournments thereof and to direct the Chairman to report the result of the meetings to this Tribunal;

(d) fix the quorum for the said meetings and to lay down the procedure for voting at the meetings, including voting by proxy;

(e) issue necessary directions for publication of notices of the said meetings in Indian Express (All editions) in the English language and a Gujarati translation thereof in Sandesh (Ahmedabad edition) or such other newspaper; and

(f) issue necessary directions in view of the averments made in paragraphs iv.27 to iv.38 of the application.

11. Heard learned Advocates Mr. Sandeep Singhi and Mr. Pranjal Buch for M/s Singhi & Company, Advocates for the Applicant-company. Perused the application and the supporting affidavit of Mr. Upen Shah, Senior General Manager and Company Secretary of the Applicant-company, dated 30.01.2017 and the annexures annexed thereto.

12. The Transferor Company obtained Valuation Report, Fairness Opinion, report of the Audit Committee of CHL vide Annexures H, I and J, respectively.

13. The Board of Directors of the Transferor Company and the Transferee Company passed resolutions approving the scheme vide Annexure K and L, respectively. BSE and NSE issued No Adverse Observations/No Objection letters dated 20th January, 2017 to CHL vide Annexure N. Statutory Auditor of CHL issued certificate under Section 133 of the Companies Act dated 30th November, 2016 vide Annexure P. Statutory Auditor issued certificate dated 17th November, 2016 in respect of non-applicability of paragraph 9(a) of SEBI Circular dated 30th November, 2015 (Annexure R) basing on the undertaking in relation to non-applicability of requirements prescribed in para (1)(A)9(a) of Annexure 1 of SEBI Circular No.CIR/CFD/CMD/16/2015 dated 30.11.2015. It is stated in the

application that no investigation has been instituted or pending in relation to the Transferor Company or the Transferee Company under Chapter XIV of the Companies Act, 2013. It is also stated in the application that no winding up proceedings are filed or pending either against the Transferor Company or against the Transferee Company.

14. Having considered the entire material on record, this Tribunal passes the following order: -

(1) A meeting of the equity shareholders of the Applicant-company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad – 380 015, on Thursday, on the 30th March, 2017, at 10 A.M., for the purpose of considering and, if thought fit, approving with or without modification(s) the scheme.

(2) A meeting of the secured creditors of the Applicant-company shall be convened and held on the 30th March, 2017, at 11 A.M., at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad – 380 015, for the purpose of considering and, if thought fit, approving with or without modification(s) the scheme.

(3) A meeting of the unsecured creditors of the Applicant-company shall be held on the 30th March, 2017, at 12 noon, at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad – 380 015, for the purpose of considering and, if thought fit, approving with or without modification(s) in the agreement embodied in the scheme.

(4) In view of Sections 230(4) and 232(1) of the Companies Act, 2013 read with Rules 5 and 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, the

Applicant-company is required to provide the facility of postal ballot and e-voting to its shareholders. Accordingly, voting by equity shareholders of the Applicant-company to the scheme shall be carried out through (i) postal ballot and e-voting; and (ii) electronic voting system or ballot or polling paper at the venue of the meeting to be held on 30th March, 2017. In the case of meetings of secured creditors and unsecured creditors, the voting shall be carried out through ballot/polling paper.

(5) At least one month before 30th March, 2017, i.e. the date of aforesaid meetings, an advertisement about convening of the said meetings, indicating the day, date, place and time, as aforesaid, shall be published in Indian Express (All editions in English language) and a Gujarati translation thereof in Sandesh (Ahmedabad edition). The publication shall indicate the time within which copies of the scheme shall be made available to the concerned persons free of charge from the registered office of the company. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 of the Act and the prescribed form of proxy can be obtained free of charge at the registered office of the Applicant-company or at the office of its Advocates, i.e. M/s. Singhi & Co., 1, Magnet Corporate Park, Near Sola Flyover, S. G. Highway, Ahmedabad – 380 059 in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016.

(6) At least one month before 30th March, 2017, i.e. the date of aforesaid meetings of equity shareholders (including public shareholders), a notice in Form No.CAA.2 convening the said meeting indicating the day, date, place and time aforesaid, containing instructions with regard to postal ballot and e-voting (in case of equity shareholders) together with a copy of the scheme, a copy of the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 of the Act and Rule 6 of the

Companies (CAA) Rules, 2016 and the prescribed form of proxy shall be sent to each of the equity shareholders of the Applicant-company at their respective registered or last known addresses either by Registered Post or Speed Post /Airmail or by Courier or e-mail. The aforesaid notice and other documents shall also be placed on the website of the Applicant-company, if any, and the same shall be sent to Securities and Exchange Board of India [proviso to Section 230(3)]. The notices shall be sent to the equity shareholders of the Applicant-company with reference to the list of persons appearing on the record of the Applicant-company and its register as on 21st February, 2017, being a cut of date as prescribed under Rule 20 of the Companies (Management and Administration) Rules, 2014. The aforesaid cut of date would be the date determining the eligibility to vote by the equity shareholders.

(7) In addition, at least one month before the date of the aforesaid meetings of the secured creditors and unsecured creditors to be held as aforesaid, a notice convening the said meetings, indicating the day, date, place and time, as aforesaid, together with a copy of the scheme, a copy of the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 and Rule 6 of the Companies (CAA) Rules, 2016 and the prescribed form of proxy shall be sent to each of the secured creditors and the unsecured creditors of the Applicant-company at their respective registered or last known addresses either by Registered Post or Speed Post/Airmail or by Courier. The notice shall be sent to the secured creditors and the unsecured creditors of the Applicant-company with reference to the list of the persons appearing on the record of the Applicant-company as on 31st January, 2017.

(8) Mr. Humayun Dhanrajgir, an Independent Director of the Applicant-company and, in his absence, Mr. Apurva Diwanji, an Independent Director of the Applicant-company shall be the

Chairman of the aforesaid meetings to be held on 30th March, 2017 and in respect of any adjournment or adjournments thereof.

(9) Mr. Hitesh D. Buch, a Practising Company Secretary, is appointed as the Scrutinizer for the meeting of the equity shareholders (which includes public shareholders) of the Applicant-company including for conducting the postal ballot and e-voting process and also for the meeting of the secured creditors and unsecured creditors of the Applicant-company.

(10) The Chairman appointed for the aforesaid meetings shall issue the advertisements and send out the notices of the meetings referred to above. The Chairman is free to avail the services of the Applicant-company or any agency for carrying out the aforesaid directions. The Chairman shall have all powers under the Articles of Association of the Applicant-company and also under the Rules in relation to the conduct of meetings, including for deciding any procedural questions that may arise at the meetings or adjournments thereof proposed at the said meetings, amendment(s) to the aforesaid scheme or resolutions, if any, proposed at the aforesaid meetings by any person(s) and to ascertain the decision of the sense of the meeting of equity shareholders by (i) postal ballot and e-voting; and (ii) electronic voting system or ballot or polling paper at the venue of the meeting of the equity shareholders and for the secured creditors and the unsecured creditors by polling paper/ballot.

(11) The quorum for the meeting of equity shareholders shall be thirty (30) persons present in person. The quorum for the meeting of the secured creditors shall be 2 (two) persons present in person. The quorum for the meeting of the unsecured creditors shall be five (five) persons present in person.

(12) Voting by proxy/authorised representative is permitted, provided that the proxy in the prescribed form/authorisation duly

signed by the person entitled to attend and vote at the aforesaid meetings is filed with the Applicant-company at its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015, not later than 48 hours before the meetings vide Rule 10 of Companies (CAA) Rules, 2016 read with Section 105 of the Companies Act.

(13) The number and value of equity shares of the equity shareholders or the value of the debts of the secured creditors and unsecured creditors, as the case may be, shall be in accordance with the records or registers of the Applicant-company and where the entries in the records or registers are disputed, the Chairman of the meetings shall determine the number or value, as the case may be, for purposes of the meetings.

(14) The Chairman to file an affidavit not less than 7 (seven) days before the date fixed for the holding of the meetings and to report to this Tribunal that the directions regarding issuance of notices and advertisement of the meetings have been duly complied with as per Rule 12 of Companies (CAA) Rules, 2016.

(15) It is further ordered that the Chairman shall, report to this Tribunal on the result of the meeting in Form No.CAA.4, verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 in Form No.CAA.4 within seven days after conclusion of meeting.

(16) In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant-company shall send a notice of meeting under sub-section (3) of Section 230 read with Rule 6 of the Companies (CAA) Rules, 2016 in Form No.CAA.3 along with a copy of the scheme of arrangement, the explanatory statement and the disclosures mentioned under Rule 6, to (i) the Central Government through the Regional Director, North Western Region, (ii) the Registrar of Companies, (iii) the Income-tax

authorities, (iv) the Reserve Bank of India, (v) the Securities and Exchange Board of India, (vi) the Competition Commission of India, (vii) BSE Limited, (viii) NSE Limited and (ix) the Official Liquidator stating that representations, if any, to be made by them shall be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the proposed scheme. The said notice shall be sent forthwith after notice is sent to the members or creditors of the company by registered post or by speed post or by courier or by hand delivery at the office of the authority as required by sub-rule (2) of Rule 8 of the Companies (CAA) Rules, 2016. The aforesaid authorities, who desire to make any representation under sub-section (5) of Section 230, shall sent the same to the Tribunal within a period of 30 days from the date of receipt of such notice, failing which it will be deemed that they have no representation to make on the proposed arrangement.

This Company Application is disposed of accordingly.

15.2.17

BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Pronounced by me in open court on this
15th day of February, 2017.

TRUE COPY

15-2-17

Court Officer
NCLT, Ahmedabad

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

Asstt. Registrar
NCLT Ahmedabad Bench
Ahmedabad

NOTICE - EQUITY SHAREHOLDERS

CADILA HEALTHCARE LIMITED

Registered Office	:	Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India
Tel No	:	+91-79-26868100
CIN	:	L24230GJ1995PLC025878
Website	:	www.zyduscadila.com
E-mail	:	upen.shah@zyduscadila.com

MEETING OF THE EQUITY SHAREHOLDERS
OF
CADILA HEALTHCARE LIMITED

(***convened pursuant to final order dated 15th day of February 2017 passed by the National Company Law Tribunal, Bench at Ahmedabad***)

MEETING:

Day	Thursday
Date	30th day of March 2017
Time	10.00 a.m. (1000 hours)
Venue	J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India

POSTAL BALLOT AND E-VOTING:

Start Date and Time	28th day of February 2017 at 9.00 a.m. (0900 hours)
End Date and Time	29th day of March 2017 at 5.00 p.m. (1700 hours)

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Cadila Healthcare Limited;

And

In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India. } …Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,
The equity shareholders of Cadila Healthcare Limited (the **"Applicant Company"):**

TAKE NOTICE that by a final order made on the 15th day of February 2017 in the abovementioned Company Application (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) has directed that a meeting of the equity shareholders of the Applicant Company, be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between **Cadila Healthcare Limited and Zydus Healthcare Limited** and their respective shareholders and creditors (**"Scheme"**).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the equity shareholders of the Applicant Company, will be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours), at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

***"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated January 20, 2017 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.*

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

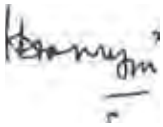
TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of voting through ballot or polling paper at the venue of the meeting. Accordingly, you may cast your vote either through postal ballot or through e-voting or through ballot or polling paper at the venue of the meeting.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Mr. Humayun Dhanrajgir, an Independent Director of the Applicant Company and in his absence, Mr. Apurva S. Diwanji, an Independent Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.



Humayun Dhanrajgir
Chairman appointed for the meeting

Dated this 18th day of February 2017.

Registered office: Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015,
Gujarat, India.

Notes:

1. Only registered equity shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors (**"RFPI"**) or Foreign Institutional Investor (**"FII"**), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.

   As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.

2. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

3. All alterations made in the form of proxy should be initialed.

4. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.

5. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 30 (thirty) equity shareholders of the Applicant Company, present in person.

6. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.

7. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.

8. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited (**"NSDL"**)/ Central Depository Services (India) Limited (**"CDSL"**) in respect of such joint holding, will be entitled to vote.

9. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.

10. NCLT by its said Order has directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

    In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting.

11. The Applicant Company has provided the facility of voting through ballot or polling paper at the venue of the meeting.

12. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by postal ballot and e-voting, agree to the Scheme.

13. The Applicant Company has engaged the services of CDSL for facilitating e-voting for the said meeting to be held on 30th day of March 2017. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 30 below.

14. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post/ airmail or by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents/ NSDL/CDSL, whose names appear in the register of members/list of beneficial owners as received from NSDL/CDSL as on 21st day of February 2017. The Notice will be displayed on the website of the Applicant Company www.zyduscadila.com and on the website of CDSL www.cdslindia.com

15. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement along with the postal ballot, amongst others, will be published through advertisement in the following newspapers, namely, (i) Indian Express (All Editions) in the English language; and (ii) translation thereof in Sandesh (Ahmedabad Edition) in the Gujarati language.

16. Mr. Hitesh D. Buch, Practicing Company Secretary (Membership No. FCS 3145/COP 8195) has been appointed as the scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.

17. In compliance with the provisions as stated hereinabove, the Applicant Company is pleased to offer postal ballot and e-voting facility to its equity shareholders holding equity shares as on 21st day of February 2017, being the cut off date, to exercise their right to vote on the above resolution. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL as on the cut off date i.e. 21st day of February 2017 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on 30th day of March 2017. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the members as on Tuesday, the 21st day of February 2017. Persons who are not equity shareholders of the Applicant Company as on the cut-off date should treat this notice for information purposes only.

18. The equity shareholders have the option either to vote through e-voting process or through the postal ballot form.

19. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website www.zyduscadila.com or seek duplicate postal ballot form from the Applicant Company.

20. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 29th day of March 2017. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.

21. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected.

22. The vote on postal ballot cannot be exercised through proxy.

23. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.

24. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney **("PoA"**) on behalf of an equity shareholder may vote on the postal

ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.

25. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Applicant Company through (i) e-voting process, (ii) postal ballot, and (iii) ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process, (ii) postal ballot, and (iii) ballot or polling paper at the venue of the meeting will be announced on or before 2nd day of April 2017 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company www.zyduscadila.com and on the website of CDSL www.cdslindia.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

26. Kindly note that the equity shareholders of the Applicant Company can opt only one mode for voting i.e. either by physical postal ballot or e-voting. If an equity shareholder has opted for e-voting, then he/she should not vote by physical postal ballot form also and vice versa. However, in case equity shareholder(s) cast their vote both via physical postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by physical postal ballot shall be treated as invalid.

27. The equity shareholders of the Applicant Company attending the meeting and who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.

28. The voting including e-voting period will commence at 9.00 a.m. on Tuesday, the 28th day of February 2017 and will end at 5.00 p.m. on Wednesday, the 29th day of March 2017. During this period, the equity shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut off date, i.e. 21st day of February 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on 29th day of March 2017 at 5.00 p.m. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.

29. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Upen H. Shah, Company Secretary of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India, or through email to upen.shah@zyduscadila.com. Mr. Upen H. Shah, Company Secretary of the Applicant Company can also be contacted at +91 79 26868100 (20 lines).

30. **Voting through Electronic Means**

The instructions for equity shareholders voting electronically are as under:

(i) The voting period begins at 9.00 a.m. on Tuesday, the 28th day of February 2017 and will end at 5.00 p.m. on Wednesday, the 29th day of March 2017. During this period equity shareholders' of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of the 21st day of February 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on 29th day of March 2017 at 5.00 p.m.

(ii) The equity shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding equity 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.

(vii) If you are a first time user follow the steps given below:

	For Equity Shareholders holding equity shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Equity Shareholders who have not updated their PAN with the Applicant Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Applicant Company records in order to login. • If both the details are not recorded with the depository or the Applicant Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Equity Shareholders holding equity shares in physical form will then directly reach the Applicant Company selection screen. However, equity shareholders holding equity 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.

(x) For Equity Shareholders holding equity shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Cadila Healthcare Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) 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.

(xviii) **Equity Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Equity Shareholders and Custodians**

- Non-Individual equity 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.

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.

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Cadila Healthcare Limited;

And

In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India. } …Applicant Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the final order dated 15th day of February 2017, passed by the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (the **"NCLT"**), in CA(CAA) No.5/230-232/NCLT/AHM/2017 (**"Order")**, a meeting of the equity shareholders of Cadila Healthcare Limited (hereinafter referred to as the **"Applicant Company"** or the **"Transferor Company"** as the context may admit) is being convened at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between the Applicant Company and Zydus Healthcare Limited (hereinafter referred to as the **"Transferee Company"**) and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the **"Scheme"**). The Transferor Company and the Transferee Company are together referred to as the **"Companies"**. A copy of the Scheme, which has been, inter alios, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 17th day of November 2016, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
2. In terms of the said Order, the quorum for the said meeting shall be 30 (thirty) members present in person. Further in terms of the said Order, NCLT, has appointed Mr. Humayun Dhanrajgir, an Independent Director of the Applicant Company and in his absence, Mr. Apurva S. Diwanji, an Independent Director of the Applicant Company as the Chairman of the meeting of the equity shareholders of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the **"Act"**) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the **"Rules"**).
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

   In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting.

5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the members, or class of members, of the Applicant Company, as the case may be, voting in person or by proxy or by postal ballot (which includes e-voting), agree to the Scheme.

6. In terms of the Order dated 15th day of February 2017, passed by the NCLT, in CA(CAA) No.5/230-232/NCLT/AHM/2017, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the equity shares are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting.

Particulars of the Transferor Company

7. The Transferor Company, the flagship company of Zydus Group, is incorporated on 15th day of May 1995, under the provisions of the Companies Act, 1956 (the **"Act of 1956"**) in the name of Cadila Healthcare Private Limited. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect from 17th day of July 1996. The Transferor Company is a listed public limited company. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited (hereinafter referred to as "NSE") and BSE Limited (hereinafter referred to as "BSE"). There has been no further change in the name of the Transferor Company in the last five (5) years. The Corporate Identification Number of the Transferor Company is L24230GJ1995PLC025878. The Permanent Account Number of the Transferor Company is AAACC6253G.

8. The registered office of the Transferor Company is situated at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is upen.shah@zyduscadila.com

9. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main object of the Transferor Company is, as follows:

"III. (A)

1. To manufacture, buy, sell, process, import, export, grow, refine, research, mix, pack, market, act as distributors, whole-sellers, dealers, consignment agents and handling agents and consultants in all kinds of pharmaceuticals, drugs, medicaments, intermediates and their raw-materials, surgical equipments, appartus, and devices, cosmetics, medicated soaps, shampoos, toiletories and health care products, hospital products and items of personal hygiene whether prepared by ayurvedic, homeopathic, unani, allopathic, naturecure, herbal or any other medicinal system for human beings, birds, animals, insects or other purpose and to run hospitals and diagnostic centres."

There has been no change in the object clause of the Transferor Company in the last five (5) years.

10. The Transferor Company is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of the Transferor Company is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit (SBU) Biologics Business, and (b) India Human Formulations Business.

SBU Biologics Business is carrying on the business of marketing and selling human formulations in India through its several divisions, viz. (i) Oncosciences, (ii) Ingenia, (iii) Heptiza-Alpha and Omega, (iv) Synovia, (v) Ostivia, (vi) Biovation, (vii) Bionext, (viii) Vaxxicare and (ix) Nephrosciences- Dialysis and Transplant.

All other business pertaining to marketing and selling of human formulations in India, other than SBU Biologics Business, is carried out through various divisions of India Human Formulations Business. Some of the divisions, amongst others, under India Human Formulations Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc. The plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445, manufactures various formulations for India Human Formulations Business. The Research & Development activity for India Human Formulations Business is carried out at Pharmaceutical Technology Centre (PTC) situated at Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad-380 015. Further, the analytical laboratory for stability study in respect of India Human Formulations Business is situated at Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059, and that the activities for development of formulations in respect of India Human Formulations Business is situated at 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210.

11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st January 2017 was as follows:

Share Capital	Amount (in Rs.)
Authorized	
172,50,00,000 Equity shares of Re. 1/- each	172,50,00,000
TOTAL	**172,50,00,000**
Issued, subscribed and paid-up	
102,37,42,600 Equity shares of Re. 1/- each fully paid up	102,37,42,600
TOTAL	**102,37,42,600**

12. Subsequent to 31st January 2017 there has been no change in the share capital of the Transferor Company.

Particulars of the Transferee Company

13. The Transferee Company is a company incorporated on 2nd day of August 1989 under the provisions of the Companies Act, 1956 in the name of GR Exports Limited in the State of Maharashtra. The name of GR Exports Limited was changed to German Remedies Specialities Limited with effect from 1st day of April 2002. The name was further changed to German Remedies Limited and thereafter to Zydus Healthcare Limited with effect from 8th day of October 2003 and 8th day of September 2016, respectively. Except as stated hereinabove, there has been no further change in the name of the Transferee Company in the last five (5) years. The registered office of the Transferee Company was shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. The Transferee Company is an unlisted public limited company. The Transferee Company is a wholly owned subsidiary of the Transferor Company. The Corporate Identification Number of the Transferee Company is U51900GJ1989PLC079501. The Permanent Account Number of the Transferee Company is AAACG1859Q.

14. The registered office of the Transferee Company is situated at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. Before 2nd April 2014, the registered office of the Transferee Company was situated at Shiv Sagar Estate, "A", Dr. Annie Besant Road, Worli, Mumbai-400 018. Except the aforesaid, there has been no further change in the registered office address of the Transferee Company in the last five (5) years. The e-mail address of the Transferee Company is sanjayd.gupta@zyduscadila.com

15. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are as follows:

"III (A)

1. To carry on business as exporters, importers, buyers, sellers, distributors, dealers and manufacturers of raw materials, ingredients, reagents, catalysts, mixtures, derivatives, intermediates, compounds, processed or semi processed products, industrial agricultural pharmaceutical and medical preparations including pharmaceutical and medical products, bulk drugs and chemicals, foodstuffs, beverages, wines, tonics, flowers, medicinal plants, hospital requisites, surgical and other ligatures, syringes etc., cosmetics, beauty products and articles of personal beauty, toilets, requisites, dye, dyestuffs, chemicals, petrochemicals, bio-chemicals, natural and artificial fibres, garments, handicrafts, leather, leather products, plant and machinery, equipment, apparatus, instruments, tools, accessories, fittings and stores.
2. To engage the employees / agents / representatives for using their services or for providing their services to other Companies / firms / entities on contractual basis or otherwise for marketing of their products including Drugs and Pharmaceuticals, diagnostics, cosmesuticals, ayurvedic, unani, healthcare and personal hygiene and allied products as the company may decide both in domestic and international market, to act as sales organizers as well as consultants, agents and in such capacity, to give advise and information and render services while carrying on business as aforesaid which may lead to or be conducive to the adoption by the constituent or principals or generally of
   i) *efficient methods of effecting sales and marketing goods.*
   ii) *economy in effecting sales and marketing goods*
   iii) *rendering of all services whether incidental to the above or not;*
   iv) *to organize in any part of India or abroad, sales promotion drives, seminars, exhibitions, fairs and other similar activities for and on behalf of clients to attain the aforesaid objects of the company."*

Clause III. (B) 7[a] was inserted to the objects incidental or ancillary to the attainment of the main objects with effect from 25th day of January 2016. Except as stated above, there has been no change in the object clause of the Transferee Company in the last five (5) years.

16. The Transferee Company is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the Transferee Company is similar to the India Human Formulations Business of the Transferor Company.

17. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st January 2017 was as follows:

Share Capital	**Amount (in Rs.)**
Authorized	
21,00,000 equity shares of Rs. 100/- each	21,00,00,000
3,00,000 8% non-cumulative redeemable preference shares of Rs. 100/- each	3,00,00,000
7,26,00,000 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	726,00,00,000
TOTAL	**750,00,00,000**
Issued, subscribed and paid-up	
19,38,242 equity shares of Rs. 100/- each fully paid up	19,38,24,200
2,54,460 8% non-cumulative redeemable preference shares of Rs. 100/- each fully paid up	2,54,46,000
7,15,00,000 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid-up	715,00,00,000
TOTAL	**736,92,70,200**

Note: A separate Scheme of Amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company is pending before the National Company Law Tribunal, Bench, at Ahmedabad. Pursuant to the sanctioning of the said Scheme of Amalgamation and upon the same becoming effective, the Transferee Company will issue and allot equity shares to the shareholders of Biochem Pharmaceutical Industries Limited as per the share exchange ratio as stipulated in the said Scheme of Amalgamation. The equity shares to be issued under the said Scheme of Amalgamation has not been taken into consideration, while determining the above capital structure.

18. Subsequent to 31st January 2017 there has been no change in the share capital of the Transferee Company.

Description and Rationale for the Scheme

19. The Scheme provides for transfer and vesting of the India Human Formulations Undertaking of the Transferor Company with effect from the Appointed Date, as a going concern, on Slump Sale basis, and for which a lump sum cash consideration shall be paid by the Transferee Company to the Transferor Company, in accordance with Section 2 (42C) of the IT Act and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

20. The rationale for the Scheme is as under:

It is desired to consolidate the business of marketing and selling of human formulations in India (which does not include the SBU Biologics Business) of Zydus Group within the Transferee Company. In this regard, one of the group companies, namely, the erstwhile Zydus Healthcare Limited merged into German Remedies Limited (the name of German Remedies Limited was changed to Zydus Healthcare Limited, the Transferee Company). Further, it is also contemplated to amalgamate Biochem Pharmaceutical Industries Limited, a wholly owned subsidiary of the Transferor Company, carrying on the business of manufacturing, marketing and selling of human formulations primarily in India, with the Transferee Company and that necessary process for seeking sanction of the scheme of amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company has been initiated, which is presently pending before this Hon'ble Tribunal.

As a part of the aforesaid consolidation, it is proposed to transfer the India Human Formulations Undertaking of the Transferor Company to the Transferee Company which would, inter alia, bring more focused and concentrated efforts by management to grow the respective operations of both the companies which would be in the best interest of the stakeholders.

Corporate Approvals

21. The proposed Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on 17th day of November 2016. The Audit Committee of the Transferor Company took into account the Valuation Report, dated 16th day of November 2016, issued by B S R & Associates LLP, Chartered Accountants (the **"Valuation Report"**) and the fairness opinion, dated 16th day of November 2016, provided by Dalmia Securities Private Limited, a Category I Merchant Banker (**"Fairness Opinion"**), appointed for this purpose by the Transferor Company. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company for its approval.

22. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at its meeting held on 17th day of November 2016. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on 17th day of November 2016, was attended by 5 (five) directors (namely, Mr. Pankaj R. Patel, Dr. Sharvil P. Patel, Mr. Nitin R. Desai, Mr. Humayun Dhanrajgir and Mr. Mukesh M. Patel in person). None of the directors of the Transferor Company who attended the meeting, voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

23. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at its meeting held on 17th day of November 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on 17th day of November 2016, was attended by 4 (four) directors (namely, Dr. Sharvil P. Patel, Mr. Anil Matai, Mr. Nitin D. Parekh and Mr. Deevyesh J. Radia in person). None of the directors of the Transferee Company, who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

24. NSE was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with the Securities and Exchange Board of India (**"SEBI"**), pursuant to Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 (the **"SEBI Circular"**) issued by SEBI. The Transferor Company has received observation letters regarding the Scheme from BSE and NSE, respectively, both on 20th day of January 2017. In terms of the observation letters of BSE and NSE, respectively, both dated 20th day of January 2017, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble High Court. Copies of the observation letters, both dated 20th day of January 2017, received from BSE and NSE, respectively, are enclosed as **Annexures 4** and **5**.

25. As required by the SEBI Circular, the Transferor Company had filed the complaint reports with BSE and NSE, both on 3rd day of January 2017. These reports indicate that the Transferor Company received nil complaints. Copy of the complaint reports submitted by the Transferor Company to BSE and NSE, both dated 3rd day of January 2017 is enclosed as **Annexure 6**.

26. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

27. The applications along with the annexures thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 30th day of January 2017.

Salient extracts of the Scheme

28. The salient extracts of the Scheme are as under:

    A. "Appointed Date" means 1st April 2016.

    B. "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 18 of the Scheme have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

    C. "India Human Formulations Undertaking" means all the businesses, undertakings, activities, properties and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to the India Human Formulations Business (which does not include the SBU Biologics Business), including specifically the following:

        (a) the manufacturing plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445;

(b) facilities situated at (i) the Pharmaceutical Technology Centre (PTC) Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015; (ii) Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059; and (iii) 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210;

(c) all other immovable properties i.e. land together with the buildings and structures standing thereon (whether, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the India Human Formulations Business and all documents (including panchnamas, declarations, receipts, etc.) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

(d) all assets, as are movable in nature pertaining to and in relation to the India Human Formulations Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and receivables, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, deferred tax assets/liabilities, if any.

(e) all permits, licenses, permissions including municipal permissions, product permissions especially under the Drugs and Cosmetics Act, 1940 and that under the Narcotic Drugs and Psychotropoic Substances Act, 1985, price approvals under Drugs (Prices Control) Order, 2013, right of way, approvals, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the India Human Formulations Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the India Human Formulations Business;

(f) all contracts, agreements including consultancy agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the India Human Formulations Business;

(g) all trade marks (except the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks), registered or used by the Transferor Company as the owner or licensee, related only to India Territory, and pertaining to the India Human Formulations Business; all copyrights of the Transferor Company in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works that pertain to the India Human Formulations Business and relate to the India Territory; and right to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights of the Transferor Company in respect of formulations, processes, methods, molecules, improvements, etc. for India Territory and pertaining to India Human Formulations Business;

(h) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties

or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the India Human Formulations Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the India Human Formulations Business;

(i) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, marketing and publicity materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the India Human Formulations Business;

(j) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the India Human Formulations Business and/or arising out of and/or relatable to the India Human Formulations Business;

(k) all employees of the Transferor Company employed/engaged in the India Human Formulations Business as on the Effective Date; and

(l) all legal or other proceedings of whatsoever nature that pertain to the India Human Formulations Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the India Human Formulations Business or whether it arises out of the activities or operations of the India Human Formulations Business, and in each case, subject to Clause 11 of the Scheme, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

D. "India Territory" means the Union of India.

E. "LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

F. "Non-India Territory" means other than the India Territory.

G. "Slump Sale" means Slump Sale as defined under Section 2(42C) of the IT Act.

H. "Remaining Business" means all the undertakings, businesses, activities, investments and their respective assets and liabilities of the Transferor Company other than those forming part of the India Human Formulations Undertaking pursuant to this Scheme.

I. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the India Human Formulations Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in Transferee Company on a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Transferee Company, pursuant to Section 394(2) of the Act.

J. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor Company, and the rights and benefits under the same, in so far as they relate to the India Human Formulations Undertaking and all quality certifications and approvals, and all other interests relating to the goods or services being dealt with by the India Human Formulations Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the

Transferor Company in relation to the India Human Formulations Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company and continuation of operations pertaining to the India Human Formulations Undertaking of the Transferor Company in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

K. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/ benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the India Human Formulations Undertaking, vest with and be available to the Transferee Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

L. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of The Transferor Company relating to the India Human Formulations Undertaking shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, duties, obligations and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company and to keep the Transferor Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

M. In so far as loans and borrowings of the Transferor Company are concerned, the loans and borrowings, if any, and such amounts pertaining to the India Human Formulations Undertaking, which are to be transferred to the Transferee Company in terms of clause 4.11 of the Scheme shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company, as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee Company. However, without prejudice to such transfer of liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Transferee Company may discharge such liability (including accretions) by making payments on the respective due dates to the Transferor Company, which in turn shall make payments to the respective creditors.

N. In so far as the assets of the India Human Formulations Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Transferor Company (except the loans and borrowings of the Remaining Business of the Transferor Company which relate to the External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas) shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company.

So far as the security and existing charges over the assets of India Human Formulations Undertaking are concerned, to the extent they relate to the aforesaid External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas by the Remaining Business of the Transferor Company, shall, without any further act, instrument or deed, continue to subsist over such assets of the India Human Formulations Undertaking and that such assets would be available to the aforesaid External Commercial Borrowings lenders for discharge of the liabilities in respect of the loans and borrowings availed by the Transferor Company for its Remaining Business.

O. Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual and irrevocable license to use the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks for use in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

P. It is clarified that upon the coming into effect of this Scheme, the Transferor Company's copyrights in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works, in so far as they relate to

or pertain to the Non-India Territory, the same shall continue to belong to and remain vested in the Transferor Company.

Q. Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual royalty-free and irrevocable license to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights (other than the trade marks and copyrights which shall vest in the Transferee Company upon the coming into effect of this Scheme and subject to Clause 4.20 and Clause 4.21 of the Scheme) in respect of formulations, processes, methods, molecules, improvements, etc. in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

R. Notwithstanding anything contained above, the Transferor Company shall be entitled to register in its name the trademarks, copyrights, etc. used or to be used in the Non-India Territory, for the purpose of export/sale of goods bearing the said trade marks in the Non-India Territory.

S. The Transferor Company and the Transferee Company shall be entitled to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents as may be required to give effect to the foregoing clauses.

T. Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company shall extend all co-operation and give necessary support to each other, as may be required in the ongoing or future disputes, litigations relating to and/or for enforcement of their respective rights in trade marks, copyrights, patents, technical know how, process know how, etc. against the third party or parties.

U. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the India Human Formulations Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the India Human Formulations Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

V. It is hereby clarified that all assets and liabilities of the India Human Formulations Undertaking, which are set forth in the closing balance sheet of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date, shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date.

W. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the India Human Formulations Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the India Human Formulations Undertaking or not, a decision jointly taken by the Board of Directors of the Transferor Company and the Transferee Company in this regard, shall be conclusive evidence of the matter.

X. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments of whatsoever nature to which the India Human Formulations Undertaking of the Transferor Company is a party or to the benefit of which the India Human Formulations Undertaking of the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be and may be enforced by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

Y. Upon the coming into effect of this Scheme, all the employees relating to the India Human Formulations Undertaking that were employed by the Transferor Company, immediately before the Effective Date, shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were

applicable to such employees relating to the India Human Formulations Undertaking of the Transferor Company immediately prior to the transfer and vesting of the India Human Formulations Undertaking.

Z. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum cash consideration of INR 693 millions (Rupees Six Hundred Ninety Three Millions) to the Transferor Company.

AA. Upon coming into effect of this Scheme, the Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as a part of the India Human Formulations Undertaking pursuant to the Scheme.

BB. In compliance with Indian Accounting Standards (Ind AS), the difference between the lump sum consideration and book value of the net asset pertaining to India Human Formulations Undertaking, as on the Appointed Date, shall be credited to profit and loss account or debited to the investment in the Transferee Company, as the case may be.

CC. Upon coming into effect of this Scheme, the Transferee Company shall record the assets and liabilities comprised in the India Human Formulations Undertaking transferred to and vested in the Transferee Company pursuant to this Scheme, at the respective book values appearing in the books of accounts of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date in accordance with Ind AS.

DD. In compliance with Ind AS, the deficit or excess, if any, remaining after recording the aforesaid entries over the value of lump sum consideration payable to the Transferor Company shall be debited/credited by the Transferee Company to Capital Reserve Account, as the case may be.

EE. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of the Scheme.

FF. This Scheme is and shall be conditional upon and subject to:

a) obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

b) the approval of the Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company in accordance with Sections 391-394 and other relevant provisions of the Act;

c) the Scheme being sanctioned and orders being obtained by the Transferor Company and the Transferee Company from the High Court in terms of Sections 391 to 394 of the Act and other relevant provisions of the Act; and

d) certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company, respectively.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Other matters

29. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 7**.

30. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.

31. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter shareholders and non-promoter shareholders) as the India Human Formulations Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

Under Clause 8 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, on

the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.

There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferor Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The individual shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferor Company.

32. Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders and/or its preference shareholders. No rights of the equity shareholders and/or preference shareholders of the Transferee Company are being affected pursuant to the transfer of India Human Formulations Undertaking.

    Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.

    As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

    The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.

    There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferee Company.

    Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The individual shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferee Company.

33. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Transferor Company and the Transferee Company, in their separate meetings held on 31st day of January 2017 and 24th day of January 2017, respectively, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Transferor Company and the Transferee Company are enclosed as **Annexure 8** and **Annexure 9**, respectively.

34. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.

35. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

36. The copy of the proposed Scheme has been filed by the Companies before the concerned Registrar of Companies on 31st day of January 2017.

37. The Supplementary Unaudited Accounting Statement of the Transferor Company and the Transferee Company for the period ended 31st December 2016 are enclosed as **Annexure 10** and **Annexure 11**, respectively.

38. As per the books of accounts (as on 31st December 2016) of the Transferor Company and the Transferee Company, respectively, the amount due to the unsecured creditors are Rs. 2,615 crores and Rs. 228 crores, respectively.

39. The name and addresses of the promoters of the Transferor Company including their shareholding in the Companies as on 10th day of February 2017 are as under:

Sr. No.	Name of the Promoters	Address	No. of Equity Shares of Re. 1/- each held in Cadila Healthcare Limited	No. of 8 % Non-Cumulative Redeemable Preference Shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Zydus Family Trust	8th Floor, Zydus Tower, Satellite Cross Roads, Ahmedabad – 380015	76,55,37,230	0
2.	Pripan Investment Private Limited	Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380015	18,000	0
3.	Mrs. Shivani Pankajbhai Patel Jtly. Pankajbhai Ramanbhai Patel	8th Floor, Zydus Tower, Satellite Cross Roads, Ahmedabad – 380015	15,000	0
4.	Mr. Pankajbhai Ramanbhai Patel Jtly. Mrs. Pritiben Pankajbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
5.	Mr. Pankajbhai Ramanbhai Patel (HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
6.	Mrs. Pritiben Pankajbhai Patel Jtly. Mr. Pankajbhai Ramanbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
7.	Taraben Patel Family Will Trust	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
8.	Mr. Ramanbhai B. Patel (HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
9.	Mr. Pankajbhai Ramanbhai Patel Jtly. Dr. Sharvil Pankajbhai Patel (P.R. Patel Smaller HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
10.	Dr. Sharvil Pankajbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	42,410
11.	Mr. Pankajbhai R. Patel Jtly. Mrs. Pritiben Pankajbhai Patel (R. B. Patel Will Pankaj Trust)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0

40. The name and addresses of the promoters of the Transferee Company including their shareholding in the Companies as on 10th day of February 2017 are as under:

The Transferee Company is a wholly owned subsidiary company of the Transferor Company. Hence, Transferor Company is the only promoter of the Transferee Company and its details of holding are as under:

Sr. No.	Name of the Promoter(s)	Address	No. of Equity Shares of Rs. 100/- each held in Zydus Healthcare Limited	No. of 8 % Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Cadila Healthcare Limited and its nominees	Zydus Tower Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015	19,38,242	7,15,00,000

41. The details of the directors of the Transferor Company as on 10th day of February 2017 are as follows:

Sr. No.	Name of the Director	Designation of the Director	Address of the Director
1.	Mr. Pankaj R. Patel	Chairman and Managing Director	16, Azad Society, Ambawadi, Ahmedabad – 380015
2.	Dr. Sharvil P. Patel	Joint Managing Director	16, Azad Society, Ambawadi, Ahmedabad – 380015
3.	Mr. Mukesh M. Patel	Non–Executive Director	Prakruti No. 11, Ashwamegh Bungalows Part II, Satellite Road, Ahmedabad – 380015
4.	Mr. Humayun Dhanrajgir	Independent Director	F37/38, Dhanraj Mahal, CSM Road, Apollo Bunder, Mumbai – 400001
5.	Ms. Dharmishtaben N. Rawal	Independent Director	25, Saurabh Society, Navrangpura, Ahmedabad – 380009
6.	Mr. Nitin R. Desai	Independent Director	457, Sind Housing Society, Aundh, Pune, Maharashtra – 411007
7.	Mr. Apurva S. Diwanji	Independent Director	Wyoming Building, 5th Floor, 12-A, Little Gibbs Road, Malabar Hill, Mumbai – 400006

42. The details of the directors of the Transferee Company as on 10th day of February 2017 are as follows:

Sr. No.	Name of the Director	Designation of the Director	Address of the Director
1.	Dr. Sharvil P. Patel	Chairman	16, Azad Society, Ambawadi, Ahmedabad – 380015
2.	Mr. Anil Matai	Managing Director	601, Evershine Jewel, 15th Road, Khar (West), Mumbai – 400052
3.	Mr. Deevyesh J. Radia	Independent Director	C-1/3, "Tirthjal", 4th Floor, Nr. Ashwamegh Bungalows, Ring Road, Off. Satellite Road, Ahmedabad–380015
4.	Dr. Bhavna S. Doshi	Independent Director	2301/2302, Vighnahar Heights, Sector 14, Palm Beach Road, Nerul [W], Navi Mumbai – 400706
5.	Mr. Nitin D. Parekh	Non-Executive Director	A-3, Aryaman Bunglows, Near Railway Crossing, Thaltej – Shilaj Road, Ahmedabad – 380059

43. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Transferor Company in the Companies as on 10th day of February 2017 are as follows:

Sr. No.	Name and designation of Director(s)	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mr. Pankaj R. Patel Chairman and Managing Director	76,56,12,230 *	2 **	42,410
2.	Dr. Sharvil P. Patel Joint Managing Director	15,000	2 **	42,410
3.	Mr. Humayun Dhanrajgir Independent Director	0	0	0
4.	Mr. Apurva S. Diwanji Independent Director	0	0	0
5.	Ms. Dharmishtaben N. Rawal Independent Director	0	0	0
6.	Mr. Mukesh M. Patel Non- Executive Director	12,000	0	0
7.	Mr. Nitin R. Desai Independent Director	4,42,000	0	0

* Including 76,55,37,230 Equity Shares held as a Trustee of the Trusts.

** As nominee of Cadila Healthcare Limited.

Sr. No.	Name of KMP(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- held in Zydus Healthcare Limited
1.	Mr. Pankaj R. Patel Managing Director	76,56,12,230 *	2 **	42,410
2.	Dr. Sharvil P. Patel Joint Managing Director	15,000	2 **	42,410
3.	Mr. Nitin D. Parekh Chief Financial Officer	40,000	2 **	0
4.	Mr. Upen H. Shah Company Secretary	300	0	0

* Including 76,55,37,230 Equity Shares held as a Trustee of the Trusts.

** Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of relative of Director(s) / KMP(s)	Relationship	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mrs. Pritiben P. Patel	Wife of Pankaj R. Patel	15,000	2 *	42,410
2.	Mrs. Shivani P. Patel	Daughter of Pankaj R. Patel	15,000	2 *	0
3.	Dr. Sharvil P. Patel	Son of Pankaj R. Patel	15,000	2 *	42,410
4.	Mrs. Mehaben S. Patel	Wife of Dr. Sharvil P. Patel	0	0	42,410
5.	Mrs. Ketki U. Shah	Wife of Upen H. Shah	2,300	0	0

* Held as a nominee of Cadila Healthcare Limited.

44. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Transferee Company in the Companies as on 10th day of February 2017 are as follows:

Sr. No.	Name of Director(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Dr. Sharvil P. Patel Chairman	15,000	2 *	42,410
2.	Mr. Anil Matai Managing Director	0	0	0
3.	Mr. Deevyesh J. Radia Independent Director	0	0	0
4.	Dr. Bhavna S. Doshi Independent Director	0	0	0
5.	Mr. Nitin D. Parekh Non-Executive Director	40,000	2 *	0

* Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of KMP(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- held in Zydus Healthcare Limited
1.	Mr. Anil Matai Managing Director	0	0	0
2.	Mr. P A Padmanabhan Chief Financial Officer	0	2 *	0
3.	Mr. Sanjay Kumar Gupta Company Secretary	0	0	0

* Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of relative of Director(s) / KMP(s)	Relationship	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mrs. Pritiben P. Patel	Mother of Dr. Sharvil P. Patel	15,000	2 **	42,410
2.	Mrs. Shivaniben P. Patel	Sister of Dr. Sharvil P. Patel	15,000	2 **	0
3.	Mr. Pankaj R. Patel	Father of Dr. Sharvil P. Patel	76,56,12,230*	2**	42,410
4.	Mrs. Mehaben S. Patel	Wife of Dr. Sharvil P. Patel	0	0	42,410

* Including 76,55,37,230 Equity Shares held as a trustee of the trusts.

** Held as a nominee of Cadila Healthcare Limited.

45. There would be no change in the shareholding pattern of the Transferor Company and the Transferee Company pursuant to the present Scheme. The pre Scheme shareholding pattern of the Transferor Company and the Transferee Company as on 10th day of February 2017 and the post Scheme shareholding pattern of the Transferor Company and the Transferee Company (assuming the continuing shareholding pattern as on 10th day of February 2017) are as under:

Transferor Company (Pre and Post)

Shareholding Pattern as on 10. 02. 2017				
1.	Name of Listed Entity:		Cadila Healthcare Limited	
2.	Scrip Code / Name of Scrip / Class of Security		532321	
3.	Share Holding Pattern Filed under: Reg. 31(1)(a) / Reg. 31(1)(b) / Reg. 31(1)(c)		31(1)(b)	
	a. If under 31(1)(b) then indicate the report as on.		10.02.2017	
	b. If under 31(1)(c) then indicate date of allotment / extinguishment			
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-			
		Particulars	**YES***	**NO***
	1	Whether the Listed Entity has issued any partly paid up shares?		√
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		√
	3	Whether the Listed Entity has any shares against which depository receipts are issued?		√
	4	Whether the Listed Entity has any shares in locked-in?		√
	5	Whether any shares held by promoters are pledge or otherwise encumbered?		√
	6	Whether the Listed Entity has issued any Differential Voting Rights.		√
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securiteis / Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also whether there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			

5. The tabular format for disclosure of holding of specified securities is as follows:-

For **Cadila Healthcare Limited**
Sd/-
Upen H. Shah
Company Secretary

Place : Ahmedabad

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)		Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)
						No. of voting Rights			
						Class eg: X	Total		
(A)	Promoter & Promoter Group	11	765690230	765690230	74.79	765690230	765690230	74.79	765690230
(B)	Public	89039	258052370	258052370	25.21	258052370	258052370	25.21	252733355
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-
	Total	89050	1023742600	1023742600	100.00	1023742600	1023742600	100.00	1018423585

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.

Further, there are no underlying outstanding convertible securities, including warrants. Company has only one class of securities i.e. Equity Shares.

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholder (I)	PAN (II)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of A+B+C2	Number of equity shres held in demate-rialized form (XIV)
							No. of voting Rights		Total as a % of total voting rights		
							Class X	Total			
(1)	Indian										
(a)	**Individuals/Hindu undivided Family**		**9**	**135000**	**135000**	**0.0132**	**135000**	**135000**	**0.01**	**0.01**	**135000**
1	Shivani Pankajbhai Patel jointly Pankaj Ramanbhai Patel	ABCPP1505C	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
2	Pankaj Ramanbhai Patel jointly Pritiben Pankajbhai Patel	AFUPP4143C	3	45000	45000	**0.0059**	45000	**45000**	**0.00**	0.00	45000
3	Pankaj Ramanbhai Patel HUF	AADHP8061M	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
4	Pritiben Pankajbhai Patel jointly Pankaj Ramanbhai Patel	AAMPP3673L	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
5	Taraben Patel Family Will Trust – Trustee Pankaj R. Patel	AACTT7030K	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
6	Ramanbhai B. Patel HUF	AAEHR4129P	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
9	Sharvil Pankajbhai Patel	ABCPP1507A	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
(b)	Central Government / State Government(s)	0	0	0	0	0	0	**0**	-	-	-
(c)	Financial Institutions / Banks	0	0	0	0	0	0	**0**	-	-	-
(d)	**Any Other (specify) -**		**2**	**765555230**	**765555230**	**74.782**	**765555230**	**765555230**	**74.78**	74.78	**765555230**
	Body Corporate		**1**	**18000**	**18000**	**0.002**	**18000**	**18000**	**0.00**	0.00	**18000**
1	Prinpan Investment Pvt. Ltd.	AAACP9017B	1	18000	18000	**0.002**	18000	**18000**	**0.00**	0.00	18000
	Promoter Trust		**1**	**765537230**	**765537230**	**74.78**	**765537230**	**765537230**	**74.78**	74.78	**765537230**
	Zydus Family Trust	AAATZ0092P	1	765537230	765537230	74.78	765537230	**765537230**	**74.78**	74.78	765537230
	Sub-Total (A)(1)		**11**	**765690230**	**765690230**	**74.80**	**765690230**	**765690230**	**74.79**	74.79	**765690230**
(2)	Foreign							-	-	-	-
(a)	Individuals (Non-Resident Individuals / Forieng Individuals)		-	-	-	-	-	-	-	-	-
(b)	Government		-	-	-	-	-	-	-	-	-
(c)	Institutions		-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor		-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)		-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)		-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**11**	**765690230**	**765690230**	**74.796**	**765690230**	**765690230**	**74.79**	74.79	**765690230**

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.

Further, there are no underlying outstanding convertible securities, including warrants. Company has only one class of securities i.e. Equity Shares.

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholder (I)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of equity shres held in dematerialized form (XIV)
						No. of voting Rights		Total as a % of total voting rights		
						Class X	Total			
(1)	Institutions									
(a)	**Mutual Funds**	**75**	**35396143**	**35396143**	**3.46**	**35396143**	**35396143**	**3.46**	**3.46**	**35381728**
(b)	Venture Capital funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	**378**	**101024438**	101024438	**9.87**	**101024438**	**101024438**	-	**9.87**	**101024438**
	Government Pension Fund Global	1	10900598	10900598	**1.06**	**10900598**	**10900598**	**1.06**	**1.06**	**10900598**
	Franklin Templeton Investment Funds	1	15654760	15654760	**1.53**	15654760	15654760	**1.53**	**1.53**	15654760
(f)	Financial Institutions / Banks	31	37618474	37618474	**3.67**	**37618474**	**37618474**	**3.67**	**3.67**	37611754
(g)	Life Insurance Corporation Of India	**1**	**28389958**	**28389958**	**2.77**	**28389958**	**28389958**	**2.77**	**2.77**	28389958
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	
(i)	Any Other (specify)				-	-	-	-	-	
	Foreign Institutional Investors	-	-	-	-	-	-	-	-	
	Sub-Total (B)(1)	**484**	**174039055**	**174039055**	**17.00**	**174039055**	**174039055**	**17.00**	**17.00**	**174017920**
(2)	Central Government / State Government(s) / President of India	3	1414279	1414279	**0.14**	**1414279**	**1414279**	**0.14**	**0.14**	1414279
	Sub-Total (B)(2)	**487**	**175453334**	**175453334**	**17.14**	**175453334**	**175453334**	**17.14**	**17.14**	**175432199**

	Category & Name of the shareholder (I)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of equity shres held in dematerialized form (XIV)
						No. of voting Rights		Total as a % of total voting rights		
						Class X	Total			
(3)	Non-institutions				-	-	**0**	-	-	
(a)	Individuals -				-	-	**0**	-	-	
	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs.	83590	44983906	44983906	**4.39**	**44983906**	**44983906**	**4.39**	**4.39**	39711661
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	10	8493760	8493760	**0.83**	**8493760**	**8493760**	**0.83**	**0.83**	8493760
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	
(c)	Employee Trusts	-	-	-	-	-	-	-	-	
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	
(e)	Any Other (specify)	4952	29121370	29121370	**2.84**	29121370	29121370	-	**2.84**	29095735
	Trust	16	1018981	1018981	**0.10**	**1018981**	**1018981**	**0.10**	**0.10**	1018981
	Hindu Undivided Family	1754	1870137	1870137	**0.18**	**1870137**	**1870137**	**0.18**	**0.18**	1870137
	Non-resident Repatriates	1360	1461546	1461546	**0.14**	**1461546**	**1461546**	**0.14**	**0.14**	1445751
	Non-resident Non-repatriates	586	879916	879916	**0.09**	**879916**	**879916**	**0.09**	**0.09**	871951
	Overseas Corporate Bodies	2	1875	1875	**0**	**1875**	**1875**	**0.00**	-	-
	Bodies Corporates	879	23155060	23155060	**2.26**	**23155060**	**23155060**	**2.26**	**2.26**	23155060
	Clearing Members	355	733855	733855	**0.07**	**733855**	**733855**	**0.07**	**0.07**	**733855**
	Sub-Total (B)(3)	**88552**	**82599036**	**82599036**	**10.91**	**82599036**	**82599036**	**8.07**	**10.9127559**	**77301156**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**89039**	**258052370**	**258052370**	**45.05**	**258052370**	**258052370**	**25.21**	**25.21**	**252733355**

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.. Further, there are no underlying outstanding convertible securities, including warrants.

Transferee Company

Equity Shares of Rs.100 each fully paid-up				8% Non Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up				8% Optionally Convertible Non Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up			
Sr. No.	Name of the Shareholder(s)	No. of Shares Pre	No. of Shares Post	Sr. No.	Name of the Shareholders	No. of Shares	% of holding	Sr. No.	Name of the Shareholder	No. of Shares	% of holding
1	Cadila Healthcare Limted	1938230	1938230	1	Mrs. Pritiben P. Patel	42410	16.67%	1	Cadila Healthcare Limited	71500000	100%
2	Mrs. Pritiben P. Patel Jtl. with Cadila Healthcare Limited	2	2	2	Mr. Pankaj R. Patel	42410	16.66%				
3	Mrs. Shivani P. Patel jtly with Cadila Healthcare Limited	2	2	3	Dr. Sharvil P. Patel	42410	16.66%				
4	Dr. Sharvil P. Patel Jtly with Cadila Healthcare Limited	2	2	4	Mrs. Meha Patel	42410	16.66%				
5	Mr. Pankaj R. Patel Jtly with Cadila Healthcare Limited	2	2	5	Dr. Mukesh Patel	42410	16.66%				
6	Mr. Nitin D. Parekh Jtly with Cadila Healthcare Limited	2	2	6	Mr. Chirag Patel	42410	16.66%				
7	Mr. P. A. Padmanabhan Jointly with Cadila Healthcare Limited	2	2		**Total**	**254460**	**100%**				
	Total	**1938242**	**1938242**								

Note: Equity Shareholders under 2 to 7 in the above table hold shares, the beneficial owner of which is Cadila Healthcare Limited.

46. There would be no change in the capital structure of the Transferor Company and the Transferee Company post sanctioning of the Scheme except as enumerated in the Note to the capital structure of the Transferee Company at clause 17 above.

47. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

48. The following documents will be open for inspection by the shareholders of the Transferor Company at its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015, Gujarat, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:

    (i) Copy of the order passed by NCLT in CA(CAA) No.5/230-232/NCLT/AHM/2017, dated 15th day of February 2017 directing the Transferor Company to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;

    (ii) Copy of the order passed by NCLT in CA(CAA) No.6/230-232/NCLT/AHM/2017, dated 15th day of February 2017 directing the Transferee Company to, inter alia, convene the meetings of its equity shareholders, preference shareholders, secured creditor and unsecured creditors of the Transferee Company;

    (iii) Copy of the CA(CAA) No.5/230-232/NCLT/AHM/2017 along with annexures filed by the Transferor Company before NCLT;

(iv) Copy of the CA(CAA) No.6/230-232/NCLT/AHM/2017 along with annexures filed by the Transferee Company before NCLT;

(v) Copy of the Memorandum and Articles of Association of the Transferor Company and the Transferee Company, respectively;

(vi) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial years ended 31st March 2015 and 31st March 2014, respectively;

(vii) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial year ended 31st March 2016;

(viii) Copy of the Supplementary Unaudited Accounting Statement of the Transferor Company and the Transferee Company, respectively, for the period ended 31st December 2016;

(ix) Statement showing assets and liabilities of the India Human Formulations Undertaking of the Transferor Company as on 31st March 2016 proposed to be transferred to the Transferee Company;

(x) Copy of the Register of Directors' shareholding of each of the Companies;

(xi) Copy of Valuation Report submitted by B S R & Associates LLP, Chartered Accountants;

(xii) Copy of the Fairness Opinion, dated 16th day of November 2016, issued by Dalmia Securities Private Limited, to the Board of Directors of the Transferor Company;

(xiii) Copy of the Audit Committee Report, dated 17th day of November 2016, of the Transferor Company;

(xiv) Copy of the resolutions, dated 17th day of November 2016, passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;

(xv) Copy of the extracts of the minutes of the meetings, held on 17th day of November 2016, of the Board of Directors of the Transferor Company and the Transferee Company, respectively, in respect of the approval of the Scheme;

(xvi) Copy of the Statutory Auditors' certificate dated 30th day of November 2016 issued by M/s. Mukesh M. Shah & Co., Chartered Accountants to the Transferor Company;

(xvii) Copy of the Statutory Auditors' certificate dated 30th day of November 2016 issued by M/s. K. S. Aiyar & Co., Chartered Accountants to the Transferee Company;

(xviii) Copy of the complaint reports, dated 3rd day of January 2017, submitted by the Transferor Company to BSE and NSE;

(xix) Copy of the no adverse observations/no objection letter issued by BSE and NSE, both dated 20th day of January 2017, respectively, to the Transferor Company;

(xx) Summary of the Valuation Report including the basis of valuation;

(xxi) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan dated 31st day of January 2017, evidencing filing of the Scheme;

(xxii) Copy of the certificate, dated 31st day of January 2017, issued by A B N & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of the Transferor Company as on 31st December 2016;

(xxiii) Copy of the certificate, dated 31st day of January 2017, issued by A B N & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of the Transferee Company as on 31st December 2016;

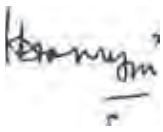
(xxiv) Copy of the Scheme; and

(xxv) Copy of the Reports dated 31st day of January 2017 and 24th day of January 2017 adopted by the Board of Directors of the Transferor Company and the Transferee Company, respectively, pursuant to the provisions of Section 232(2)(c) of the Act.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (vii), (xvi) and (xvii) above.

49. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its shareholders/creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors of the Transferor Company.

50. After the Scheme is approved by the equity shareholders, secured creditors and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.



Humayun Dhanrajgir
Chairman appointed for the meeting

Dated this 18th day of February 2017.

Registered office: Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015,
Gujarat, India.

Annexure 1

SCHEME OF ARRANGEMENT

BETWEEN

CADILA HEALTHCARE LIMITED

AND

ZYDUS HEALTHCARE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 391 to 394 of the Act (*as defined hereinafter*) and other relevant provisions of the Act including corresponding provisions of the Companies Act, 2013, as may be applicable, for transfer and vesting of the India Human Formulations Undertaking (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) with effect from Appointed Date, as a going concern, on Slump Sale (*as defined hereinafter*) basis, and for which a lump sum cash consideration shall be paid by the Transferee Company (*as defined hereinafter*) to the Transferor Company on the agreed terms and conditions as set out herein, in accordance with Section 2(42C) of the IT Act (*as defined hereinafter*) and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith.

A. BACKGROUND, RATIONALE AND PURPOSE OF THE SCHEME

(i) The Transferor Company, the flagship company of Zydus group, is incorporated on 15th day of May 1995, under the provisions of the Act, in the name of Cadila Healthcare Private Limited. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect from 17th day of July 1996. The Transferor Company is a listed public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

(ii) The Transferor Company is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of the Transferor Company is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit (SBU) Biologics Business, and (b) India Human Formulations Business.

SBU Biologics Business is carrying on the business of marketing and selling human formulations in India through its several divisions, viz. (i) Oncosciences, (ii) Ingenia, (iii) Heptiza-Alpha and Omega, (iv) Synovia, (v) Ostivia, (vi) Biovation, (vii) Bionext, (viii) Vaxxicare and (ix) Nephrosciences- Dialysis and Transplant.

All other business pertaining to marketing and selling of human formulations in India, other than SBU Biologics Business, is carried out through various divisions of India Human Formulations Business. Some of the divisions, amongst others, under India Human Formulations Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc. The plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445, manufactures various formulations for India Human Formulations Business. The Research & Development activity for India Human Formulations Business is carried out at Pharmaceutical Technology Centre (PTC) situated at Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015. Further, the analytical laboratory for stability study in respect of India Human Formulations Business is situated at Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059, and that the activities for development of formulations in respect of India Human Formulations Business is situated at 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210.

(iii) The Transferee Company is a company incorporated on 2nd day of August 1989 under the provisions of the Act in the name of GR Exports Limited in the State of Maharashtra. The name of GR Exports Limited was changed to German Remedies Specialities Limited with effect from 1st day of April 2002. The name was further changed to German Remedies Limited and thereafter to Zydus Healthcare Limited with effect from 8th day of October 2003 and 8th day of September 2016, respectively. The registered office of the Transferee Company was shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. The Transferee Company is an unlisted public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. The Transferee Company is a wholly owned subsidiary of the Transferor Company.

(iv) The Transferee Company is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the Transferee Company is similar to the India Human Formulations Business of the Transferor Company.

(v) It is desired to consolidate the business of marketing and selling of human formulations in India (which does not include the SBU Biologics Business) of Zydus group within the Transferee Company. In this regard, one of the group companies, namely, the erstwhile Zydus Healthcare Limited merged into German Remedies Limited (the name of German Remedies Limited was changed to Zydus Healthcare Limited, the Transferee Company). Further, it is also contemplated to amalgamate Biochem Pharmaceutical Industries Limited, a wholly owned subsidiary of the Transferor Company, carrying on the business of manufacturing, marketing and selling of human formulations primarily in India, with the Transferee Company and that necessary process for seeking sanction of the scheme of amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company has been initiated before the Hon'ble High Court of Gujarat at Ahmedabad.

(vi) As a part of the aforesaid consolidation, it is proposed to transfer the India Human Formulations Undertaking of the Transferor Company to the Transferee Company which would, inter alia, bring more focused and concentrated efforts by management to grow the respective operations of both the companies which would be in the best interest of the stakeholders.

1. DEFINITIONS FOR THE PURPOSES OF THE SCHEME

In this scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1 **"Act"** or **"the Act"** means the Companies Act, 1956 (to the extent of the sections thereof that have not been repealed) and the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force).

1.2 **"Appointed Date"** means 1st April 2016.

1.3 **"Board of Directors"** means the board of directors of the Transferor Company and the Transferee Company as the context may require and shall include a committee of such board of directors duly constituted and authorised.

1.4 **"Companies"** shall mean together the Transferor Company and the Transferee Company.

1.5 **"Effective Date"** means the last of the dates on which all conditions, matters and filings referred to in Clause 18 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date.

1.6 **"High Court"** means the Hon'ble High Court of Gujarat at Ahmedabad and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with the powers of a High Court in relation to the Scheme under the Act.

1.7 **"India Human Formulations Undertaking"** means all the businesses, undertakings, activities, properties and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to the India Human Formulations Business (which does not include the SBU Biologics Business), including specifically the following:

(a) the manufacturing plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445;

(b) facilities situated at (i) the Pharmaceutical Technology Centre (PTC) Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015; (ii) Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059; and (iii) 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210;

(c) all other immovable properties i.e. land together with the buildings and structures standing thereon (whether, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the India Human Formulations Business and all documents (including panchnamas, declarations, receipts, etc.) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

(d) all assets, as are movable in nature pertaining to and in relation to the India Human Formulations Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or

incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and receivables, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, deferred tax assets/liabilities, if any.

(e) all permits, licenses, permissions including municipal permissions, product permissions especially under the Drugs and Cosmetics Act, 1940 and that under the Narcotic Drugs and Psychotropic Substances Act, 1985, price approvals under Drugs (Prices Control) Order, 2013, right of way, approvals, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the India Human Formulations Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the India Human Formulations Business;

(f) all contracts, agreements including consultancy agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the India Human Formulations Business;

(g) all trade marks (except the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks), registered or used by the Transferor Company as the owner or licensee, related only to India Territory, and pertaining to the India Human Formulations Business; all copyrights of the Transferor Company in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works that pertain to the India Human Formulations Business and relate to the India Territory; and right to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights of the Transferor Company in respect of formulations, processes, methods, molecules, improvements, etc. for India Territory and pertaining to India Human Formulations Business;

(h) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the India Human Formulations Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the India Human Formulations Business;

(i) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, marketing and publicity materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit

information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the India Human Formulations Business;

(j) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the India Human Formulations Business and/or arising out of and/or relatable to the India Human Formulations Business;

(k) all employees of the Transferor Company employed/engaged in the India Human Formulations Business as on the Effective Date; and

(l) all legal or other proceedings of whatsoever nature that pertain to the India Human Formulations Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the India Human Formulations Business or whether it arises out of the activities or operations of the India Human Formulations Business, and in each case, subject to Clause 11 hereof, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

1.8 **"India Territory"** means the Union of India.

1.9 **"IT Act"** means the Income-tax Act, 1961 and rules and regulations made thereunder and shall include any statutory modification, amendment or re-enactment thereof for the time being in force.

1.10 **"LODR"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.11 **"Non-India Territory"** means other than the India Territory.

1.12 **"Scheme" or "the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form including any modification or amendment hereto, made in accordance with the terms hereof.

1.13 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.14 **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 issued by the SEBI, as amended or replaced from time to time.

1.15 **"Slump Sale"** means Slump Sale as defined under Section 2(42C) of the IT Act.

1.16 **"Stock Exchanges"** shall mean National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) collectively.

1.17 **"Remaining Business"** means all the undertakings, businesses, activities, investments and their respective assets and liabilities of the Transferor Company other than those forming part of the India Human Formulations Undertaking pursuant to this Scheme.

1.18 **"Transferee Company"** means Zydus Healthcare Limited, a company incorporated under the provisions of the Act and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015.

1.19 **"Transferor Company"** means Cadila Healthcare Limited, a company incorporated under the provisions of the Act and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015.

2. SHARE CAPITAL

The share capital of the Transferor Company as on 15th day of November 2016 was as under:

Share Capital	**Amount (in Rs.)**
Authorized	
172,50,00,000 Equity shares of Re. 1/- each	172,50,00,000
TOTAL	**172,50,00,000**
Issued, subscribed and paid-up	
102,37,42,600 Equity shares of Re. 1/- each fully paid up	102,37,42,600
TOTAL	**102,37,42,600**

The share capital of the Transferee Company as on 15th day of November 2016 was as under:

Share Capital	Amount (in Rs.)
Authorized	
21,00,000 equity shares of Rs. 100/- each	21,00,00,000
3,00,000 8% non-cumulative redeemable preference shares of Rs. 100/- each	3,00,00,000
TOTAL	**24,00,00,000**
Issued, subscribed and paid-up	
19,38,242 equity shares of Rs. 100/- each fully paid up	19,38,24,200
2,54,460 8% non-cumulative redeemable preference shares of Rs. 100/- each fully paid up	2,54,46,000
TOTAL	**21,92,70,200**

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. TRANSFER AND VESTING OF THE INDIA HUMAN FORMULATIONS UNDERTAKING

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the India Human Formulations Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in Transferee Company on a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Transferee Company, pursuant to Section 394(2) of the Act.

4.2 In respect of such of the assets of the India Human Formulations Undertaking as are movable in nature and/ or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the India Human Formulations Undertaking.

4.3 In respect of the movable assets other than those dealt with in clause 4.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of Sections 391 to 394 read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

4.4 In respect of such of the assets belonging to the India Human Formulations Undertaking other than those referred to in clause 4.2 and 4.3 above, the same shall, as more particularly provided in clause 4.1 above, without any further act, instrument or deed, be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391-394 of the Act.

4.5 All assets, rights, titles, interests and investments of the Transferor Company in relation to the India Human Formulations Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391-394 of the Act.

4.6 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/leave and license/right of way properties of the Transferor Company in relation to the India Human Formulations Undertaking, shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company automatically and on the same terms and conditions.

4.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor Company, and the rights and benefits under the same, in so far as they relate to the India Human Formulations Undertaking and all quality certifications and approvals, and all other interests relating to the goods or services being dealt with by the India Human Formulations Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Transferor Company in relation to the India Human Formulations Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company and continuation of operations pertaining to the India Human Formulations Undertaking of the Transferor Company in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

4.8 In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/ benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the India Human Formulations Undertaking, vest with and be available to the Transferee Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

4.9 Any claims due to the Transferor Company from its customers or otherwise and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the India Human Formulations Undertaking, shall also belong to and be received by the Transferee Company.

4.10 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operation of the India Human Formulations Undertaking shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

4.11 Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of The Transferor Company relating to the India Human Formulations Undertaking shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, duties, obligations and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company and to keep the Transferor Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

4.12 In so far as loans and borrowings of the Transferor Company are concerned, the loans and borrowings, if any, and such amounts pertaining to the India Human Formulations Undertaking, which are to be transferred to the Transferee Company in terms of clause 4.11 above shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company, as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee Company. However, without prejudice to such transfer of liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor

discharge, the Transferee Company may discharge such liability (including accretions) by making payments on the respective due dates to the Transferor Company, which in turn shall make payments to the respective creditors.

4.13 Subject to clause 4.12 above, from the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities of the India Human Formulations Undertaking as the borrower/issuer thereof, and the Transferor Company shall not have any obligations in respect of the said liabilities.

4.14 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all liabilities and obligations incurred by the Transferor Company for the operations of the India Human Formulations Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee Company and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

4.15 Any claims, liabilities or demands arising on account of the India Human Formulations Undertaking of the Transferor Company which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Transferor Company, then the Transferee Company shall indemnify the Transferor Company for any payments made in relation to the same.

4.16 In so far as the assets of the India Human Formulations Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Transferor Company (except the loans and borrowings of the Remaining Business of the Transferor Company which relate to the External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas) shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company. So far as the security and existing charges over the assets of India Human Formulations Undertaking are concerned, to the extent they relate to the aforesaid External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas by the Remaining Business of the Transferor Company, shall, without any further act, instrument or deed, continue to subsist over such assets of the India Human Formulations Undertaking and that such assets would be available to the aforesaid External Commercial Borrowings lenders for discharge of the liabilities in respect of the loans and borrowings availed by the Transferor Company for its Remaining Business.

4.17 Without any prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the provisions of this clause and foregoing clauses, if required.

4.18 Upon the coming into effect of this Scheme, the Transferor Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of the Transferor Company and the Transferee Company shall not have any obligations in respect of the Remaining Business of the Transferor Company.

4.19 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4.20 Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual and irrevocable license to use the trade marks “Lipaglyn®”, “Zydus”, “Zydus” logo and related trade marks for use in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

4.21 It is clarified that upon the coming into effect of this Scheme, the Transferor Company’s copyrights in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works, in so far as they relate to or pertain to the Non-India Territory, the same shall continue to belong to and remain vested in the Transferor Company.

4.22 Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual royalty-free and irrevocable license to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights (other than the trade marks and copyrights which shall vest in the Transferee Company upon the coming into effect of this Scheme and subject to clause 4.20 and clause 4.21 above) in respect of formulations, processes, methods, molecules, improvements, etc. in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

4.23 Notwithstanding anything contained above, the Transferor Company shall be entitled to register in its name the trademarks, copyrights, etc. used or to be used in the Non-India Territory, for the purpose of export/sale of goods bearing the said trade marks in the Non-India Territory.

4.24 The Transferor Company and the Transferee Company shall be entitled to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents as may be required to give effect to the foregoing clauses.

4.25 Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company shall extend all co-operation and give necessary support to each other, as may be required in the ongoing or future disputes, litigations relating to and/or for enforcement of their respective rights in trade marks, copyrights, patents, technical know how, process know how, etc. against the third party or parties.

4.26 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the India Human Formulations Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the India Human Formulations Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

4.27 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of this Scheme.

4.28 It is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the India Human Formulations Undertaking at manufacturing location(s) or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of the Transferee Company after the Effective Date.

4.29 It is hereby clarified that all assets and liabilities of the India Human Formulations Undertaking, which are set forth in the closing balance sheet of the Transferor Company as on the close of business hours on the date immediately

preceding the Appointed Date, shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date.

5. LEGAL PROCEEDINGS

5.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the India Human Formulations Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the India Human Formulations Undertaking or not, a decision jointly taken by the Board of Directors of the Transferor Company and the Transferee Company in this regard, shall be conclusive evidence of the matter.

5.2 If proceedings are taken against the Transferor Company in respect of the matters referred to in clause 5.1 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all the liabilities and obligations incurred by the Transferee Company in respect thereof.

5.3 The Transferee Company shall have all legal or other proceedings initiated by or against the Transferor Company with respect to the India Human Formulations Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.

6. CONTRACTS, DEEDS, ETC.

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments of whatsoever nature to which the India Human Formulations Undertaking of the Transferor Company is a party or to the benefit of which the India Human Formulations Undertaking of the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be and may be enforced by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 Notwithstanding the fact that the vesting of the India Human Formulations Undertaking of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company, and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

6.3 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the India Human Formulations Undertaking which the Transferor Company own or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

7. SAVING OF CONCLUDED TRANSACTIONS

7.1 The transfer and the vesting of the assets, liabilities and obligations of the India Human Formulations Undertaking under clause 4 hereof and the continuance of proceedings by or against the Transferee Company thereof shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by,

and/or on behalf of the Transferor Company as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

8. EMPLOYEES

8.1 Upon the coming into effect of this Scheme, all the employees relating to the India Human Formulations Undertaking that were employed by the Transferor Company, immediately before the Effective Date, shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the India Human Formulations Undertaking of the Transferor Company immediately prior to the transfer and vesting of the India Human Formulations Undertaking.

8.2 The Transferee Company agrees that the service of all employees pertaining to the India Human Formulations Undertaking with the Transferor Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

8.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees relating to the India Human Formulations Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations in respect of the India Human Formulations Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company.

8.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Company for employees of the India Human Formulations Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the India Human Formulations Undertaking as on the Effective Date, who are being transferred along with the India Human Formulations Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

9. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEREE COMPANY

With effect from the Appointed Date and upto and including the Effective Date:

9.1 the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the India Human Formulations Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the India Human Formulations Undertaking for and on account of, and in trust for, the Transferee Company;

9.2 all profits and income accruing or arising to the Transferor Company from the India Human Formulations Undertaking and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to India Human Formulations Undertaking shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;

9.3 any of the rights, powers, authorities, privileges, attached, related or pertaining to the India Human Formulations Undertaking exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the India Human Formulations Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

9.4 The Transferor Company undertakes that it will preserve and carry on the business of the India Human Formulations Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or

sell, transfer, alienate, charge, mortgage, or encumber the India Human Formulations Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees or undertake substantial expansion or change the general character or nature of the business of the India Human Formulations Undertaking or any part thereof save and except in each case:

(a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of Directors of the Transferee Company has been obtained.

9.5 The Transferor Company and/ or the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consent, approvals and sanctions, which the Transferee Company may require to carry on the business of the India Human Formulations Undertaking.

10. TAX CREDIT/DUTIES/CESS ETC.

10.1 The Transferee Company will be the successor of the Transferor Company vis-à-vis the India Human Formulations Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-à-vis the India Human Formulations Undertaking and the obligations, if any, for payment of taxes on any assets of the India Human Formulations Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by the Transferee Company, or as the case may be deemed to be the obligation of the Transferee Company.

10.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by the Transferor Company relating to the India Human Formulations Undertaking including all or any refunds/ credits/claims/tax losses/unabsorbed depreciation relating thereto shall be treated as the assets/liability or refund/credit/claims/tax losses/unabsorbed depreciation, as the case may be, of the Transferee Company.

10.3 The Transferor Company and the Transferee Company are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/returns and to claim refund, advance tax, credits, excise and service tax credits, set off etc. on the basis of the accounts of the India Human Formulations Undertaking as vested with the Transferee Company upon coming into effect of this Scheme.

10.4 Upon this Scheme becoming effective, both the Transferee Company and the Transferor Company, if required, are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted/collected at source returns, service tax returns, excise tax returns, sales tax/VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

11. CONSIDERATION BY THE TRANSFEREE COMPANY

11.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum cash consideration of INR 693 millions (Rupees Six Hundred Ninety Three Millions) to the Transferor Company.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

12.1 Upon coming into effect of this Scheme, the Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as a part of the India Human Formulations Undertaking pursuant to the Scheme.

12.2 In compliance with Indian Accounting Standards (Ind AS), the difference between the lump sum consideration and book value of the net assets pertaining to India Human Formulations Undertaking, as on the Appointed Date, shall be credited to profit and loss account or debited to the investment in the Transferee Company, as the case may be.

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

13.1 Upon coming into effect of this Scheme, the Transferee Company shall record the assets and liabilities comprised in the India Human Formulations Undertaking transferred to and vested in the Transferee Company pursuant to

this Scheme, at the respective book values appearing in the books of accounts of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date in accordance with Ind AS.

13.2 In compliance with Ind AS, the deficit or excess, if any, remaining after recording the aforesaid entries over the value of lump sum consideration payable to the Transferor Company shall be debited/credited by the Transferee Company to Capital Reserve Account, as the case may be.

14. REMAINING BUSINESS

14.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of the Scheme.

14.2 All legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Transferor Company.

14.3 With effect from the Appointed Date and up to and including the Effective Date:

a) The Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

b) all profits and income accruing or arising to the Transferor Company, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Transferor Company; and

c) all employees relatable to the Remaining Business shall continue to be employed by the Transferor Company and the Transferee Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

15. APPLICATIONS TO THE HIGH COURT

15.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications/petitions, under Sections 391 to 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme.

16. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

16.1 The Companies by their respective Board of Directors or any Director/Executive/Employee authorized in this behalf, (hereinafter referred as to the "Delegates") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the High Court or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Companies may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Companies or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the High Court or SEBI or any authorities, which the Board of Directors of the Companies find unacceptable for any reason, then the Companies shall be at liberty to withdraw the Scheme.

16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of the Transferor Company and the Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of

doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Companies to be obtained for any matter, the same may be given through their Delegates.

17. SEVERABILITY

17.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

18.1 This Scheme is and shall be conditional upon and subject to:

a) obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

b) the approval of the Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company in accordance with Sections 391-394 and other relevant provisions of the Act;

c) the Scheme being sanctioned and orders being obtained by the Transferor Company and the Transferee Company from the High Court in terms of Sections 391 to 394 of the Act and other relevant provisions of the Act; and

d) certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company, respectively.

19. EFFECT OF NON-RECEIPT OF APPROVALS

19.1 In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

20. COSTS, CHARGES AND EXPENSES

20.1 All costs, duties, levies, charges and expenses payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferor Company.

Annexure 2
VALUATION REPORT

B S R & Associates LLP
Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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16 November 2016

Board of Directors
Cadila Healthcare Limited
Zydus Tower, Satellite Cross Roads,
Sarkhej – Gandhinagar Highway,
Ahmedabad – 380 015,
Gujarat, India

Sub: Report on the NAV valuation of the India Human Formulations Undertaking of Cadila Healthcare Limited for the proposed transfer to its wholly owned subsidiary

Dear Sirs,

We refer to the engagement letter dated 12 August 2016, wherein the Board of Directors ("Management") of Cadila Healthcare Limited ("CHL", or "You", or "Client") has engaged B S R & Associates LLP ("B S R" or "We") for performing the NAV valuation of the India Human Formulations Undertaking ("Specified Business"), for the purpose of proposed transfer of the Specified Business on slump sale basis to Zydus Healthcare Limited ("Proposed Transaction").

The NAV valuation is carried out as at 31 March 2016 ("Valuation Date").

SCOPE AND PURPOSE OF THE VALUATION REPORT

We understand that CHL proposes to transfer the Specified Business on slump sale basis to Zydus Healthcare Limited (previously known as German Remedies Limited) ("Zydus").

The Proposed Transaction is expected to be carried out by way of a scheme of arrangement under Section 391 – 394 of the Companies Act, 2013 and applicable provisions prescribed by the Securities and Exchange Board of India ("SEBI").

Further, we understand that CHL is proposing to transfer the Specified Business at book value and hence the valuation is required as per the Net Asset Value.

This valuation report ("Valuation Report") is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

B S R & Associates (a partnership firm with Registration No. BA61226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8122) with effect from October 14, 2013

Registered Office
5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

BACKGROUND

CHL is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. CHL's product portfolio includes active pharmaceutical ingredients, human formulations and veterinary. CHL has its registered office in Ahmedabad, India.

The equity shares of CHL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Specified Business is engaged in marketing and selling products relating to human formulations in India. Some of the divisions, amongst others, under the Specified Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc.

Zydus is engaged in the business of manufacturing and marketing of pharmaceutical products in areas of female healthcare, respiratory care, gastroenterology, cardiovascular care, etc. Zydus is a wholly owned subsidiary of Cadila Healthcare Limited ("Cadila") and has its registered office in Ahmedabad, India.

SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the Management:

- Draft Scheme of Arrangement pertaining to the Proposed Transaction.
- Carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business.
- Other information, explanations and representations that were required and provided by the Management.
- Such other analysis, reviews and inquires as we considered necessary.

B S R & Associates LLP
1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011, India
Chartered Accountants

SCOPE AND LIMITATIONS OF WORK

B S R has been appointed to carry out the NAV valuation of the Specified Business based on book value of the net assets as at 31 March 2016.

This Valuation Report is based on and relies solely on the carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business. B S R has read, analysed and discussed but not independently verified the financial statements and underlying data and accordingly provide no opinion on the factual basis of the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.

Our work did not constitute an audit of the carved out financial statements and accordingly, we do not express any opinion on the truth and fairness of the financial position as indicated in this Valuation Report. Similarly, our work did not constitute validation of the carved out financial statements of the Specified Business and accordingly, we do not express any opinion on the same.

For the purpose of this Engagement and Valuation Report, we have made no investigation of, and assume no responsibility for the title to, or liabilities against the Specified Business. The value contained herein is not intended to represent the NAV of the Specified Business at any time other than 31 March 2016, as per the agreed scope of our engagement. Our conclusion of value assumes that the title to the assets and liabilities of Specified Business reflected in the unaudited carved out financial statements as on 31 March 2016 is intact as at the date of this Valuation Report. For the purposes of this Engagement, we are not required to carry out a valuation of tangible/ intangible assets of the Specified Business.

Although we have read, analysed and discussed the information relating to the Specified Business, prepared and provided to us by the Management for the purpose of making the Valuation Report, we have not commented on the appropriateness of or independently verified the assumptions or information provided to us, for arriving at the valuation.

Neither B S R nor any of its affiliates are responsible for updating this Valuation Report because of events or transactions occurring subsequent to the date of this Valuation Report. B S R has not considered any finding made by other external agencies in carrying out this valuation.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information furnished by the Management and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell direction, for which specific opinion needs to be taken from expert advisors).



The Valuation Report assumes that the Specified Business complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated; and that the Specified Business will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to the following matters –

- Matters of a legal nature, including issues of legal title and compliance with local laws, and
- Litigation and other contingent liabilities that are not recorded in the carved out statement of assets and liabilities of the Specified Business as on 31 March 2016.

No enquiry into the Specified Business' claim to title of assets or property has been made for the purpose of this valuation. With regard to the Specified Business' claim to title of assets or property, we have relied solely on representations, whether verbal or otherwise, made by the Management to us for the purpose of this Valuation Report. We have not verified such representations against any title documents or any agreements evidencing right or interest in or over such assets or property, and have assumed the Specified Business' claim to such rights, title or interest as valid for the purpose of this Valuation Report. No information has been given to us about liens or encumbrances against the assets, if any, beyond the loans disclosed in the accounts. Accordingly, no due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

We express no opinion or recommendation as to how the shareholders of CHL should vote at any shareholders' meeting(s) to be held in connection with the proposed Transaction.

Our Valuation Report is confidential to the Client and will be issued by us on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party or used for any purpose other than the proposed Transaction without B S R's prior written consent.

This Valuation Report is prepared on the basis of the sources of information listed hereinafter in this Valuation Report. B S R has relied upon written representation provided by the Management and that the information contained in the Valuation Report is materially accurate and complete, fair in its manner of portrayal and therefore forms a reliable basis for the valuation.

The Valuation Report should be read in whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Valuation Report as a whole is taken into account.



VALUATION SUMMARY

As discussed above, the Management is proposing transfer of the Specified Business to its wholly owned subsidiary at book value. Hence, we have only considered the net asset value ("NAV") method for the valuation.

The NAV is arrived based on the carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business.

The summary of the NAV valuation of the Specified Business is presented below:

Specified Business	
INR million	**31-Mar-2016**
Assets	
Net Tangible Assets	458
Net Intangible Assets	36
Capital work in progress	70
Long term loans and advances	260
Current assets	
Inventory	1,190
Sundry debtors	925
Cash and bank	209
Short term loans and advances	96
Other current assets	9
Total assets	**3,251**
Liabilities	
Long term provisions	(436)
Other long term liabilities	(64)
Current liabilities	
Trade payables	(1,655)
Other current liabilities	(363)
Short term provisions	(40)
Total liabilities	**(2,558)**
Net assets value before adjustments	**693**
Adjustments	
Less: Contingent liabilities	-
Net asset value	**693**

Note: As represented by Management, the Specified Business has contingent liabilities pertaining to certain business, legal and employee related matters, etc. We understand that the probability of materialization of the aforementioned liabilities is remote.

CONCLUSION

Based on, the Scope and Limitations of our work, Sources of Information, valuation methodology and approach, the net asset value of the Specified Business as at 31 March 2016 is INR 693 million (INR Six Hundred Ninety Three million only).

Respectfully submitted,

For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231W

Mahek Vikamsey
ICAI Membership No. 108235
Place: Mumbai
Date: 16 November 2016

Annexure 3
FAIRNESS OPINION

Dalmia Securities Private Limited

STRICTLY PRIVATE & CONFIDENTIAL

DSPL/CPL /FO/1 **16th November, 2016**

The Board of Directors
Cadila Healthcare Limited
Zydus Tower, Satellite Cross Roads,
Sarkhej - Gandhinagar Highway ,
Ahmedabad,Gujarat,380015

Dear Sirs,

Subject: Fairness Opinion for the proposed transfer of India Human Formulations Undertakingof Cadila Healthcare Limited(Transferor Company) on slump sale basisto its wholly owned subsidiary Zydus Healthcare Limited (ZHL) (Transferee Company), pursuant to the proposed Scheme ('Draft Scheme' or 'Scheme') in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Please refer to the engagement letter no. DSPL/CHL/FO/1 dated November 16 2016 appointing Dalmia Securities Private Limited, to furnish Fairness Opinion,pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No CIR/CFD/CMD/16/2015 dated November 30, 2015, for the proposed in terms of provisions of section 391 to 394 of the Companies Act 1956 ('the Act') and other applicable provisions of the Act and /or Rules/Regulations made there under:

1. Background

1.1 Cadila Healthcare Limited ('CHL' or 'the Transferor Company')

CHL, is a company incorporated on 15th day of May 1995, under the provisions of the A[illegible] name of Cadila Healthcare Private Limited, having CIN L24230GJ1995PLC025878. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect [illegible]

Regd. Office : Ideal Plaza, Suite S-401, 4th Floor, 1/1/1, Sarat Bose Road, Kolkata - 700020, P 91-33-22806544, 91-33-66120500 F 91-33-22806543
Corporate Office : Mumbai Office : 17, Khetan Bhavan, 2nd Floor,198, J. Tata Road, Mumbai 400 020 Ph 91-22-30272810

SEBI Regn Nos. NSE INB230645339 F&O INF230645339 Code 06453 BSE INB01 0684638 F&O INF01 0684638 Code 530

NSDL IN300222 CDSL 14500 BARN 0284

CIN : U67120WB1993PTC060523
www.dalmiasec.com

day of July 1996. CHL is a listed public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015 and the equity shares of the Transferor Company are listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

CHL is engaged in the business of R&D, manufacture and marketing of drugs and pharmaceuticals (both domestic and international markets). The company has, inter-alia, India Human Formulations Undertakingthat is manufacturing,selling and marketing human formulations,in India, for various medical requirements. The plant of the India Human Formulations is located in GIDC Vatva, while the R&D activity for this business unit is at Pharmaceutical Technology Centre (PTC) situated in Ahmedabad.

1.2 Shareholding pattern of CHL as on September 30,2016 is as under:

Category	Shareholding of equity shares (%)
Promoters	74.79
Public	25.21
Total	**100.00**

1.3 Summary of Financials (standalone) of CHL is as under:

Year ending March 31 (INR Cr)	2016	2015	2014
Total Revenue	7,169.40	5,469.64	4,042.11
Total Expenditure	4,735.90	4,005.00	3,405.00
PBDT	2,654.70	1,676.48	1,073.07
Profit Before Tax	2,433.50	1,464.63	945.67
Profit After Tax	1,977.30	1,271.12	903.59

Source: Annual reports of CHL and filing with BSE/NSE

1.4 Zydus Healthcare Limited ('ZHL') (Transferee Company):

ZHL is a company incorporated on 2nd day of August 1989 under the provisions of the Companies Act, 1956 in the name of GR Exports Limited in the State of Maharashtra. After several name changes during the intervening period, the company is presently known as Zydus Healthcare Limited. The registered

office of ZHLwas shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. ZHL is an unlisted public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380015 and it is a wholly owned subsidiary of the Transferor Company. ZHL is engaged in the business of manufacturing, marketing and selling of human formulations in India with manufacturing plants in the State of Sikkim. ZHL's existing business is similar to the business of India Human Formulations Undertaking of the CHL.

2. **Proposed Scheme:**

2.1 We have been informed that Zydus Group intends to consolidate its formulation business into ZHL in order to iner-alia, bring focused and concentrated efforts to grow the operations of both CHL and ZHL.

2.2 Accordingly, it is proposed to transfer the India Human Formulations Undertakingof CHL to ZHL, a wholly owned subsidiary of CHL with effect from April 1,2016 (hereinafter referred to as 'Appointed Date') pursuant to the Draft Scheme under section 391-394 of theCompanies Act 1956 by way of a slump sale for a lump sum consideration. The Draft Scheme would need approval from the jurisdictional High Court and other regulatory authorities, etc as applicable.

2.3 The Salient features of the Draft Scheme are as under:

a. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, India Human Formulations Undertaking(including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the ZHLor be deemed to have been transferred to and vested in ZHL on a going concern basis by way of a Slump Sale.

b. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of CHL relating to the India Human Formulations Undertakingshall without any further act, instrument or deed be and stand transferred to ZHL.

c. Upon the Scheme coming into effect and in consideration of the transfer and vesting of the India Human Formulations Undertakingby way of Slump Sale on a going concern basis ZHL shall pay a

lump sum cash consideration of INR 693 million(RupeesSix Hundred and Ninety Threemillions) to CHL, representing the net asset value i.e., book value of the assets and liabilities being transferred pertaining to the India Human Formulations Undertakingas on the Appointed Date.Such consideration is based on the net book value of the assets of the India Human Formulations Undertakingas on March 31,2016.

3. **Scope of Engagement**

For the aforesaid purpose, CHL has appointed B S R & Associates LLP ("B S R") for deciding the Net Asset Value of the India Human Formulations Undertaking.

Further, CHL appointed us to issue a fairness opinion for the intended Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. This report is intended only for the sole use of CHLand ZHL in connection with the Draft Scheme including for the purpose of obtaining judicial and regulatory approvals for the Scheme.

4. **Sources of Information**

We have relied on the following information in issuing this fairness opinion for the purpose of the arrangement:

- Draft Scheme under Section 391 to 394 of the Companies Act, 1956;
- Copy of Memorandum and Article of Association of CHL
- Shareholding pattern of CHL as on March 31, 2016 respectively.
- Audited financial statement of the Companyfor the years ending March 31, 2016,March 31, 2015 andMarch 31, 2014respectively.
- Valuation report dated November 16,2016 issued by M/s. BSR& Associates LLP
- Such other information, documents, data, reports, discussions and verbal &written explanations from CHL and ZHL as well as advisors for the proposed Scheme, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.

5. **Key Facts from the Valuation Report:**

a. The valuation of the India Human Formulations Undertakingof CHL has been conducted by the NAV method.

b. For arriving at NAV, BSR& Associates LLP has relied on the carved out unaudited statement of assets and liabilities as on 31 March 2016 of the India Human Formulations Undertaking. The carved out statement has been provided as a representation by the Management of CHL, the Transferor Company.

c. Since the India Human Formulations Undertaking proposed to be transferred to ZHL, a wholly owned subsidiary, as a slump sale, the valuation of the business using NAV is considered reasonable as it would not make substantial impact on the financials of CHL, the Transferor Company.

d. BSR & Associates LLP has arrived at the NAV of Rs.693million as value of the India Human Formulations Undertaking. (*Valuation sheet at Annexure 1*).

Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter.

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

6.1. In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.

6.2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.

6.3. Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

6.4. We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the Draft Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Draft Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Draft Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of CHL will trade following the announcement of the Draft Scheme or as to the financial performance of CHL following the consummation of the Draft Scheme.

6.5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

6.6. No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for purpose of this report.

6.7. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the Draft Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this

report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

6.8. This report has been issued for the sole purpose to facilitate the Company to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and it shall not be valid for any other purpose.

7. Opinion & Conclusion

In light of the forgoing and subject to the caveats as detailed hereinbefore, we as a Merchant Banker hereby certify that in our opinion the proposed valuation of the India Human Formulations Undertakingat Rs.693-million, to be transferred to Zydus Healthcare Limited, as a slump sale, as per the proposed Draft Scheme of Arrangement is fair and reasonable.

(JEYAKUMAR.S)
Chief Operating Officer (Investment Banking)
Dalmia Securities Private Limited
SEBI Registration No: INM000011476

Mumbai

Annexure 1 - Net Asset Value of Specified Undertaking

Specified Business	
INR million	31-Mar-2016
Assets	
Net Tangible Assets	458
Net Intangible Assets	38
Capital work in progress	70
Long term loans and advances	260
Current assets	
Inventory	1,150
Sundry debtors	825
Cash and bank	208
Short term loans and advances	96
Other current assets	9
Total assets	3,251
Liabilities	
Long term provisions	(436)
Other long term liabilities	(64)
Current liabilities	
Trade payables	(1,655)
Other current liabilities	(363)
Short term provisions	(40)
Total liabilities	(2,558)
Net assets value before adjustments	693
Adjustments	
Less: Contingent liabilities	-
Net asset value	693





Annexure 4

OBSERVATION LETTER FROM BSE

BSE EXPERIENCE THE NEW

DCS/AMAL/ND/R37/683/2016-17 January 20, 2017

The Company Secretary
CADILA HEALTHCARE LTD.
Zydus Tower, Satellite Cross Roads,
Sarkhej - Gandhinagar Highway,
Ahmedabad 380015

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited.

We are in receipt of Draft Scheme Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated January 19, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

S&P BSE SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India.
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

Annexure 5

OBSERVATION LETTER FROM NSE

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Index of the nation

Ref: NSE/LIST/10268

January 20, 2017

The Company Secretary,
Cadila Healthcare Limited
'Zydus' Tower,
Satellite Cross Roads,
Sarkhej- Ghandhinagar Highway,
Ahmedabad 380015

Kind Attn.: Mr. Upen H Shah

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Cadila Healthcare Limited with Zydus Healthcare Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between Cadila Healthcare Limited with Zydus Healthcare Limited and their respective shareholders and creditors filed by the Company vide its letter dated December 03, 2016.

Based on our letter reference no Ref: NSE/LIST/100066 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015, SEBI has vide letter dated January 19, 2017, has given following comments on the draft Scheme of Arrangement:

"a) The Company shall duly comply with various provisions of the Circulars."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 20, 2017, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

1.

Continuation Sheet

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Divya Balbu Poojari
Date: Fri, Jan 20, 2017 12:34:00 GMT+05:30
Location: NSE

2. NSE

Annexure 6
COMPLAINT REPORTS SENT TO BSE AND NSE

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

January 3, 2017

To
BSE Limited
P. J. Tower,
Dalal Street,
Mumbai – 400 001

Stock Code: Equity 532321

Re.: **Submission of "Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015**

Ref.: **Application No. 45003 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

This is with reference to the draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors as approved by the Board of Directors of the Company vide their resolution dated 17th November 2016.

In compliance with the requirements of the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, we submit herewith the "Complaints Report", in the prescribed format.

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme at the earliest.

Thanking You,

Yours Faithfully,

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

Enclosed: As stated above.

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

Complaints Report:

"Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 with respect to Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors, approved by the Board of Directors of the Company at its Meeting held on 17th November 2016

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Nil			

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

Date: January 3, 2017
Place: Ahmedabad

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

January 3, 2017

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

Stock Code: Equity – CADILAHC

Re..: Submission of "Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015

Ref.: Application No. 10268 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

This is with reference to the draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors as approved by the Board of Directors of the Company vide their resolution dated 17th November 2016.

In compliance with the requirements of the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, we submit herewith the "Complaints Report", in the prescribed format.

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme at the earliest.

Thanking You,

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

Enclosed: As stated above.

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

Complaints Report:

"Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 with respect to Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors, approved by the Board of Directors of the Company at its Meeting held on 17th November 2016

Complaint Report from the date of filing of papers with the Stock Exchanges, with respect to the Scheme, i.e. December 13, 2016 till January 2, 2017.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
N.A.			

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

CADILA HEALTHCARE LIMITED AHMEDABAD

Date: January 3, 2017
Place: Ahmedabad

Annexure 7

SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION

Zydus dedicated to... Cadila Healthcare Limited **Registered Office:** 'Zydus Tower' Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015	Zydus dedicated to... Zydus Healthcare Limited **Registered Office:** 'Zydus Tower' Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015

Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any

Background

- Cadila Healthcare Limited ('CHL') is engaged in the business of research and development, manufacture, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of CHL is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit Biologics Business, and (b) India Human Formulations Business.
- The equity shares of CHL are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').
- Zydus Healthcare Limited ('ZHL') is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the ZHL is similar to the India Human Formulations Business of the CHL.
- The Zydus Group intended to consolidate its formulation business into ZHL in order to inter-alia, bring focused and concentrated efforts to grow the operations of both CHL & ZHL.
- Accordingly, the Scheme under sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Act including corresponding provisions of the Companies Act, 2013, as may be applicable, for the transfer and vesting of the India Human Formulations Undertaking of CHL with effect from 1st April 2016, as a going concern, on slump sale basis, and for which a lump sum cash consideration shall be paid by ZHL, a wholly owned subsidiary of CHL.

Basis of valuation

- B S R & Associates LLP, Chartered Accountants ('B S R') carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking based on book value of the net assets of the India Human Formulations Undertaking as on 31 March 2016.

Fairness opinion of registered Merchant Banker

- Dalmia Securities Private Limited, a Category I Merchant Banker has concluded that the NAV of the India Human Formulations Undertaking based on book value of the net assets of the India Human Formulations Undertaking as on 31 March 2016 is fair and reasonable.

For, **CADILA HEALTHCARE LIMITED** **PANKAJ R. PATEL** **CHAIRMAN AND MANAGING DIRECTOR**	For, **ZYDUS HEALTHCARE LIMITED** **NITIN D. PAREKH** **DIRECTOR**

Annexure 8

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEROR COMPANY

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CADILA HEALTHCARE LIMITED AT ITS MEETING HELD ON TUESDAY THE 31ST DAY OF JANUARY, 2017 AT ZYDUS TOWER, SATELLITE CROSS ROADS, SARKHEJ-GANDHINAGAR HIGHWAY, AHMEDABAD – 380 015, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON PROMOTER SHAREHOLDERS

1. Background

1.1 The proposed Scheme of Arrangement between Cadila Healthcare Limited ("Cadila" or "the Transferor Company") and Zydus Healthcare Limited ("Zydus" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of the Transferor Company vide resolution dated 17th day of November 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 ('the Act'), inter alia, governing amalgamation of companies has become operative with effect from the 15th day of December 2016. Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement and amalgamation on the class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the company laying out in particular the share exchange ratio and the same is required to be circulated to the shareholders and creditors along with the notice and explanatory statement of their respective court convened meeting. The Board of Directors of the Transferor Company noted that in the Scheme there is no allotment of shares of the Transferor Company.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;

1.3.2 Valuation Report dated 16th November 2016 of B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants describing the methodology adopted by them in arriving at the valuation of India Human Formulations Undertaking ("Valuation Report");

1.3.3 Fairness Opinion dated 16th November 2016 prepared by Dalmia Securities Private Limited, a Category I Merchant Banker, providing the Fairness Opinion on the valuation of India Human Formulations Undertaking ("Fairness Opinion") as recommended by B S R & Associates LLP, Chartered Accountants;

1.3.4 Report of the Audit Committee of the Board of Directors dated 16th November 2016; and

1.3.5 Summary of the Valuation report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders (promoter and non-promoter shareholders):

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter shareholders and non-promoter shareholders) as the India Human Formulations Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

2.2 Further, upon the effectiveness of the Scheme, i.e. transfer and vesting of India Human Formulations Undertaking of the Transferor Company on a going concern basis and the Transferee Company will pay a cash consideration INR 630 million to the Transferor Company .

3. Effect of the Scheme of Arrangement on creditors of Cadila:

3.1 In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

3.3 As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, the Transferor Company has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

4. Effect of the Scheme of Arrangement on the Employees of Cadila:

4.1 Under the Scheme, no rights of the Employees of the Transferor Company are being affected. The services of the Employees of the Transferor Company, under the Scheme, shall continue on the same terms and conditions on which they were engaged by the Transferor Company .

4.2 Under Clause 8 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.



2

5. Effect of the Scheme of Arrangement on the key managerial personnel and/or the Directors of Cadila:

5.1 There is no effect of the Scheme on the key managerial personnel and/or the Directors of the Transferor Company.

5.2 Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

5.3 The individual shareholding, of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferor Company.

6. Valuation:

6.1 B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants had carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking of the Transferor Company based on the book value of the net asset of the said undertaking as on 31st March 2016 at INR 630 million.

6.2 No special valuation difficulties were reported.

By Order of the Board

PANKAJ R. PATEL
CHAIRMAN AND MANAGING DIRECTOR
DIN 00131852

Date and Place: 31st day of January, 2017 at Ahmedabad.

Annexure 9

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEREE COMPANY

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ZYDUS HEALTHCARE LIMITED AT ITS MEETING HELD ON TUESDAY THE 24th DAY OF JANUARY, 2017 AT ZYDUS TOWER, SATELLITE CROSS ROADS, SARKHEJ-GANDHINAGAR HIGHWAY, AHMEDABAD – 380 015, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON PROMOTERS SHAREHOLDERS

1. Background

1.1 The proposed Scheme of Arrangement between Cadila Healthcare Limited ("Cadila" or "the Transferor Company") and Zydus Healthcare Limited ("Zydus" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of the Transferee Company vide resolution dated 17th day of November 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act"), inter alia, governing amalgamation of companies has become operative with effect from the 15th day of December 2016. Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement and amalgamation on the class of shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders. The Board of Directors of the Transferee Company noted that in the Scheme there is no allotment of shares of the Transferor Company.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Act.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;

1.3.2 Valuation Report dated 16th November 2016 of B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants describing the methodology adopted by them in arriving at the valuation of India Human Formulations Undertaking ("Valuation Report"); and

1.3.4 Summary of the Valuation report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders and preference shareholders (promoter and non-promoter shareholders):

2.1 Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders and/or its preference shareholders. No rights of the equity shareholders and/or preference shareholders of the Transferee Company are being affected pursuant to the transfer of India Human Formulations Undertaking.

ZYDUS HEALTHCARE LIMITED AHMEDABAD

3. Effect of the Scheme of Arrangement on creditors of Zydus:

3.1 Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.

3.2 As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

4. Effect of the Scheme of Arrangement on the Employees of Zydus:

4.1 The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.

5. Effect of the Scheme of Arrangement on the key managerial personnel and/or the Directors of Zydus:

5.1 There is no effect of the Scheme on the key managerial personnel and/or the Directors of the Transferee Company.

5.2 Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

5.3 The individual shareholding, of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferee Company.

6. Valuation:

6.1 B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants had carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking of the Transferor Company based on the book value of the net asset of the said undertaking as on 31st March 2016 at INR [illegible] million.



6.2 No special valuation difficulties were reported.

By Order of the Board

Parekh Nitin D.

NITIN D. PAREKH
DIRECTOR
DIN 00155570

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Date and Place: 24th day of January, 2017 at Ahmedabad.

Annexure 10

SUPPLEMENTARY UNAUDITED ACCOUNTING STATEMENT OF THE TRANSFEROR COMPANY FOR THE PERIOD ENDED 31ST DECEMBER 2016

CADILA HEALTHCARE LIMITED
Unaudited Balance Sheet as at December 31, 2016

Particulars	Note No.	INR-Millions As at December 31, 2016
ASSETS		
Non-Current Assets:		
Property, Plant and Equipment	1	22,143
Capital work in-progress		5,874
Goodwill		21
Other Intangible Assets	1	1,467
Financial Assets:		
Investments	2	30,436
Loans	3	8,202
Other Non-Current Financial Assets	4	2,947
Other Non-Current Assets	5	1,797
Current tax assets (Net)	6	366
		73,253
Current Assets:		
Inventories	7	10,009
Financial Assets:		
Investments	8	502
Trade Receivables	9	10,338
Cash and Bank Balances	10	982
Loans	11	370
Other Current Financial Assets	12	1,798
		13,990
Other Current Assets	13	923
		24,922
Total		98,175
EQUITY AND LIABILITIES:		
Equity:		
Equity Share Capital	14	1,024
Other Equity	15	65,109
		66,133
Non-Current Liabilities:		
Financial Liabilities:		
Borrowings	16	3,238
Other Non-current Financial Liabilities	17	355
Provisions	18	1,120
Deferred Tax Liabilities (Net)		2,244
		6,957
Current Liabilities:		
Financial Liabilities:		
Borrowings	19	10,449
Trade Payables	20	11,023
Other Financial Liabilities	21	3,271
Other Current Liabilities	22	63
Provisions	23	254
Liabilities for Current Tax (Net)	24	25
		25,085
Total		98,175

For and on behalf of the Board

Pankaj R. Patel
Chairman & Managing Director
Ahmedabad, Dated: January 31, 2017

CADILA HEALTHCARE LIMITED

Unaudited Statement of Profit and Loss for the period ended December 31, 2016

Particulars	Note No.	INR-Millions Period ended December 31, 2016
REVENUE:		
Revenue from Operations	25	35,410
Other Income	26	1,798
Total Revenue		37,208
EXPENSES:		
Cost of Materials Consumed	27	8,511
Purchases of Stock-in-Trade	28	4,470
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	29	(1,479)
Excise Duty on Sales		768
Employee Benefits Expense	30	6,406
Finance Costs	31	152
Depreciation, Amortisation and Impairment expenses	1	2,018
Other Expenses	32	12,339
Total Expenses		33,185
Profit before Tax		4,023
Less: Tax Expense:		
Current Tax		661
Deferred Tax		84
Prior year's tax adjustments		(2)
		743
Profit for the year		3,280
OTHER COMPREHENSIVE INCOME:		
Other Comprehensive Income for the year, net of tax		(81)
Total Comprehensive Income for the year		3,199
Basic & Diluted Earning per Equity Share (EPS) [in Rupees]	33	3.20

For and on behalf of the Board

Pankaj R. Patel
Chairman & Managing Director
Ahmedabad, Dated: January 31, 2017

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

Note: 1:

A Property, Plant and Equipment:

INR-Millions

	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block:								
Opening Balance	864	285	4,524	15,657	159	381	163	22,033
Additions (#)	739	10	332	2,674	47	90	56	3,948
Disposals				(64)		(34)	(1)	(99)
Other adjustments	-	-	20	88	-	-	-	108
Closing Balance	1,603	295	4,876	18,355	206	437	218	25,990
Depreciation and Impairment:								
Opening Balance		3	156	1,752	28	37	41	2,047
Depreciation for the year	-	3	130	1,621	18	50	29	1,851
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	(37)	-	(14)	-	(51)
Closing Balance	-	6	286	3,366	46	73	70	3,847
Net Block:								
Closing Balance	1,603	289	4,590	14,989	160	364	148	22,143

B Intangible Assets:

		Other Intangible Assets				
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Total
Gross Block:						
Opening Balance	59	1,126	152	186	141	1,605
Additions (#)	-	4	89	-	-	93
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Closing Balance	59	1,130	241	186	141	1,698
Amortisation and Impairment:						
Opening Balance	21	23	47	2	5	81
Amortisation for the year	17	88	37	15	10	150
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing Balance	38	110	84	22	15	231
Net Block:						
Closing Balance	21	1,020	157	164	126	1,467

	INR-Millions As at December 31, 2016
Note: 2-Investments:	
Long Term Investments:	
Trade Investments:	
Investments in Equity Instruments	15,102
Investments in Preference Shares	15,012
	30,114
Other Investments:	
Investments in Equity Instruments	313
Investments in Preference Shares	9
	322
	30,436
A Details of Trade Investments:	
Investment in Equity Instruments:	
Subsidiary Companies:	
Quoted:	
In fully paid-up equity shares of Zydus Wellness Limited	570
Unquoted:	
In fully paid-up equity shares of:	
Zydus Technologies Limited	425
Biaforhealth India Limited	110
Zydus Healthcare Limited [Formerly known as German Remedies Limited]	100
Biochem Pharmaceutical Industries Limited	5,242
Liva Pharmaceuticals Limited	20
Alidac Pharmaceuticals Limited [Formerly Known as Zydus BSV Pharma Private Limited]	158
Zydus International Private Limited, Ireland	6,657
Zydus Lanka (Private) Limited, Sri Lanka	1
Zydus Healthcare Philippines Inc.	351
Zydus Worldwide DMCC	806
	13,870
Joint Venture Companies [Unquoted]:	
In fully paid-up equity shares of:	
Zydus Hospira Oncology Private Limited	75
Zydus Takeda Healthcare Private Limited	100
Beyer Zydus Pharma Private Limited	341
	516

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2019
Note: 2-Investments-Continued:	
Others [Quoted]:	
In fully paid-up Common Stock of:	
Onconova Therapeutic Inc. USA	10
Pieris Pharmaceuticals Inc., USA	136
	146
	15,102
Investment in Preference Shares:	
Subsidiary Companies [Unquoted]:	
In fully paid-up, 8%, Redeemable Cumulative Preference shares of Zydus Technologies Limited	90
In fully paid-up, 5%, Redeemable Non-Cumulative Preference shares of Dialforhealth India Limited	200
In fully paid-up, 10%, Redeemable Cumulative Preference Shares of Alidac Pharmaceuticals Limited	689
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus Healthcare Limited	7,150
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus Healthcare Philippines Inc.	14
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus International Private Limited	6,694
	14,837
Joint Venture Company [Unquoted]:	
In fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of Bayer Zydus Pharma Private Limited	175
	15,012
B Details of Other Investments:	
Quoted:	
Investment in Equity Instruments:	
In fully paid-up Equity Shares of:	
Housing Development Finance Corporation Limited	278
HDFC Bank Limited	5
Kokuyo Camlin Limited	6
Camlin Fine Sciences Limited	15
Accelya Kale Consultants Limited	1
Saket Projects Limited [Rs. 50,000/-]^	-
	305
Unquoted:	
In fully paid-up Equity Shares of:	
Bharuch Enviro Infrastructure Limited [Rs. 12,140/-]^	-
Narmada Clean Tech	6
Enviro Infrastructure Company Limited	1
Gujarat Venture Finance Limited	1
Saraswat Co-Op Bank Limited [Rs. 20,350/-]^	-
Shamrao Vithal Co-Op Bank Limited [Rs. 2,500/-]^	-
The Green Environment Co-operative Society Limited [Rs. 5,000/-]^	-
Shivalik Solid Waste Management Limited [Rs. 2,00,000/-]^	-
	8
	313
Investment in Preference Shares:	
Unquoted:	
In fully paid-up, 1%, Redeemable Cumulative preference shares of Enviro Infrastructure Company Limited	9
Total	30,436
Note: 3-Loans:	
[Unsecured, Considered Good unless otherwise stated]	
Loans and Advances to Related Parties [*]	8,031
Others:	
Considered good	171
Considered doubtful	2
	173
Less: Provision for doubtful advances	2
	171
Total	8,202
[*] 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	3,667
b Biochem Pharmaceutical Industries Limited	200
c Dialforhealth India Limited	97
d Liva Pharmaceuticals Limited	2,262
e Zydus International Private Limited	1,805
Total	8,031
(#) Loans which are outstanding at the end of the respective period end.	
Notes:	
a All the above loans have been given for business purposes.	
b All the loans are interest bearing except the loan given to Dialforhealth India Limited.	
c All the above loans are repayable within a period of 3 to 5 years.	

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 4-Other Non-Current Financial Assets:	
[Unsecured, Considered Good unless otherwise stated]	
Balances with Statutory Authorities	1,087
Security Deposits	120
Derivative Assets	1,740
Total	2,947
Note: 5-Other Non-Current Assets:	
[Unsecured, Considered Good unless otherwise stated]	
Capital Advances	1,797
Total	1,797
Note: 6-Current tax assets [Net]:	
[Unsecured, Considered Good unless otherwise stated]	
Advance payment of Tax [Net of provision for taxation]	366
Total	366
Note: 7-Inventories:	
[The Inventory is valued at lower of cost and net realisable value]	
Classification of Inventories:	
Raw Materials	4,122
Work-in-progress	1,535
Finished Goods	2,502
Stock-in-Trade	1,244
Others:	
Packing Materials	606
Total	10,009
Note: 8-Investments:	
Investment in Mutual Funds [Quoted]	502
Total	502
Note: 9-Trade Receivables:	
Outstanding for a period exceeding six months from the date they are due for payment:	
Considered doubtful	25
Less: Provision for doubtful debts	25
	-
Others- Considered good	10,338
Total	10,338
Note: 10-Cash and Bank Balances:	
Balances with Banks	980
Cash on Hand	2
Total	982
Note: 11-Loans:	
[Unsecured, Considered Good]	
Loans and advances to related parties [*]	342
Others	28
Total	370
[*] Details of Loans and Advances to Related Parties are as under:	
* Zydus Worldwide DMCC [Dubai] [Advance for subscription to Equity Shares]	342
	342
Note: 12-Other Current Financial Assets:	
[Unsecured, Considered Good]	
Balances with Statutory Authorities	1,219
Interest Receivables	579
Total	1,798
Note: 13-Other Current Assets:	
[Unsecured, Considered Good]	
Advances to Suppliers	421
Export Incentive Receivables	387
Prepaid Expenses	115
Total	923

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 14-Equity Share Capital:	
Authorised:	
1,725,000,000 Equity Shares of Re.1/-	1,725
	1,725
Issued, Subscribed and Paid-up:	
1,023,742,600 Equity Shares of Re.1/- each, fully paid-up	1,024
Total	1,024
Note: 15-Other Equity:	
Other Reserves:	
International Business Development Reserve:	
Balance as per last Balance Sheet	2,000
General Reserve:	
Balance as per last Balance Sheet	15,550
Foreign Currency Monetary Items Translation Difference Account:	
Balance as per last Balance Sheet	(10)
Add/ (Less): Credited/ (Debited) during the year	11
	1
Surplus in Statement of Profit and Loss:	
Balance as per last Balance Sheet	44,359
Add: Profit for the year	3,199
Balance as at the end of the year	47,558
Total	65,109

Note: 16-Borrowings:

	INR-Millions	
	Non-current portion	Current Maturities
	December 31, 2016	
A Term Loans from Banks:		
a External Commercial Borrowings in Foreign Currency (Secured)	1,359	1,136
b External Commercial Borrowings in Foreign Currency (Unsecured)	1,834	476
	3,193	1,612
B From Others (Unsecured)	45	10
Total	3,238	1,622
The above amount includes:		
Secured borrowings	1,359	1,136
Unsecured borrowings	1,879	486
Amount disclosed under the head "Other Current Liabilities" (Note-21)	-	(1,622)
Net amount	3,238	-

	INR-Millions As at December 31, 2016
Note: 17-Other Non-Current Financial Liabilities:	
Trade Deposits	64
Others	291
Total	355
Note: 18-Provisions:	
Provision for Employee Benefits	1,120
Total	1,120
Note: 19-Borrowings:	
Loans repayable on Demand:	
Working Capital Loans from Banks (Secured)	1,150
Working Capital Loans from Banks (Unsecured)	9,299
Total	10,449
Note: 20-Trade Payables:	
Others	11,023
Total	11,023
Note: 21-Other Financial Liabilities:	
Current Maturities of Long Term Debt (Refer Note- 16)	1,622
Interest accrued but not due on borrowings	3
Provision for Expenses	1,139
Payable to Statutory Authorities	477
Unpaid Dividends [*]	30
Total	3,271
[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.	

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 22-Other Current Liabilities:	
Advances from customers	63
Total	63
Note: 23-Provisions:	
Provision for Employee Benefits	196
Provision for claims for product expiry and return of goods	58
Total	254
Note: 24-Liabilities for Current Tax (Net):	
Provision for Taxation (Net of advance payment of tax)	25
Total	25

	INR-Millions Period ended December 31, 2016
Note: 25-Revenue from Operations:	
Sale of Products (Gross)	34,221
Other Operating Revenues:	
Royalty Income	65
Net Gain on foreign currency transactions and translation (*)	157
License Fees	6
Export Incentives	645
Miscellaneous Income	316
	1,189
Total	35,410
(*) Includes research related Net Loss on foreign currency transactions and translation	8
Note: 26-Other Income:	
Interest Income (Gross):	
From Others (Other than current investments)	801
Dividend Income (Gross):	
From Long Term Investments (*)	826
Gain on Sale of Investments	57
Other Non-operating Income	114
Total	1,798
(*) Includes dividend from subsidiary companies	-
Note: 27-Cost of Materials Consumed:	
Raw Materials (Pharmaceutical Ingredients):	
Stock at Commencement	2,324
Add: Purchases	8,257
	10,581
Less: Stock at close	4,122
	6,459
Packing Materials consumed	2,052
Total	8,511
Note: 28-Purchases of Stock-in-Trade:	
Purchases of Stock-in-Trade	4,470
Total	4,470
Note: 29-Changes in Inventories:	
Stock at commencement:	
Work-in-progress	1,250
Finished Goods	1,369
Stock-in-Trade	1,183
	3,802
Less: Stock at close:	
Work-in-progress	1,535
Finished Goods	2,502
Stock-in-Trade	1,244
	5,281
Total	(1,479)

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	[INR-Millions] Period ended December 31, 2016
Note: 30-Employee Benefits Expense:	
Salaries and wages	6,692
Contribution to provident and other funds	473
Staff welfare expenses	249
Gross Expenses	7,414
Less: Recovery of expenses towards Cost Allocation Charges	1,008
Total	6,406
Above expenses includes Research related expenses as follows:	
Salaries and wages	844
Contribution to provident and other funds	66
Staff welfare expenses	38
Total	948
Note: 31-Finance Cost:	
Interest expense [*]	131
Other Borrowing Costs	2
Net (Gain)/ Loss on foreign currency transactions and translation	(10)
Bank commission & charges	29
Total	152
[*] The break up of interest expense into major heads is given below:	
On term loans	86
On working capital loans	42
Others	3
Total	131
Note: 32-Other Expenses:	
Research Materials	923
Analytical Expenses	818
Consumption of Stores and spare parts	1,270
Power & fuel	1,140
Rent	73
Repairs to Buildings	152
Repairs to Plant and Machinery	302
Repairs to Others	63
Insurance	184
Rates and Taxes [excluding taxes on income]	17
Processing Charges	385
Managing Directors' Remuneration	225
Traveling Expenses	630
Legal and Professional Fees	1,345
Commission on sales	402
Freight and forwarding on sales	774
Representative Allowances	613
Other marketing expenses	1,425
Bad Debts:	
Bad debts written off	1
Provision for Doubtful Debts (Net)	15
	16
Directors' fees	4
Net Loss on disposal of Fixed Assets	6
Donations	4
Miscellaneous Expenses	1,875
Gross Expenses	12,645
Less: Recovery of expenses towards Cost Allocation Charges	306
Total	12,339
Above expenses includes Research related expenses as follows:	
Research Materials	923
Analytical expenses	818
Consumption of Stores and spare parts	619
Power & Fuel	113
Repairs to Buildings	13
Repairs to Plant and Machinery	35
Repairs to Others	12
Insurance	7
Traveling Expenses	42
Legal and Professional fees	746
Miscellaneous Expenses (excluding Depreciation)	611
Total	3,938
Note: 33-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] 3,280
B Basic and weighted average number of Equity shares outstanding during the year	Numbers 1,023,742,600
C Nominal value of equity share	INR 1
D Basic & Diluted EPS	INR 3.20

Annexure 11

SUPPLEMENTARY UNAUDITED ACCOUNTING STATEMENT OF THE TRANSFEREE COMPANY FOR THE PERIOD ENDED 31ST DECEMBER 2016

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Particulars	Note No.	INR-Millions As at 31st Dec, 16	INR-Millions As at 31st Mar, 16
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Property, Plant and Equipment	1	876	867
Capital work-in-progress		976	1
Goodwill	2	37,385	40,485
Other Intangible Assets	2	5,533	587
		44,770	41,941
Other Non-Current Assets			
Alternate Minimum Tax Credit Entitlement	3	3,135	3,135
Financial Assets:			
Non-Current Investments	4	14	9
Long Term Loans and Advances	5	550	50
		564	59
Current Assets:			
Inventories	6	1,092	959
Financial Assets:			
Current Investments	7	0	-
Trade Receivables	8	791	707
Cash and Bank Balances	9	402	100
Short Term Loans and Advances	10	248	82
		2,533	1,847
Other Current Assets	11	275	135
		2,807	1,982
Total		51,276	47,116
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	12	7,344	5
Other Equity	13	41,552	41,757
		48,896	41,762
Non-Current Liabilities:			
Financial Liabilities:			
8% non- cumulative redeemable preference share		25	29
Long Term Provisions	14	10	5
Deferred Tax Liabilities [Net]	15	79	83
		114	113
Current Liabilities:			
Financial Liabilities:			
Short Term Borrowings	16	0	4,504
Trade Payables			
Dues to Micro, Small and Small Enterprises		0	8
Dues to Others	17	1,939	417
Other Current Financial Liabilities	18	117	162
		2,056	5,091
Other Current Liabilities	19	140	85
Short Term Provisions	20	30	32
Liabilities for Current Tax [Net]	21	40	33
		210	150
Total		51,276	47,116

For Zydus Healthcare Limited

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Hiten D Parekh
Director

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Statement of Profit and Loss for the period ended December 31, 2016

Particulars	Note No.	INR-Millions	
		Period ended December 31	
		2016	March 31, 2016
REVENUE:			
Revenue from Operations	23	7,829	1,629
Other Income	23	20	83
Total Revenue		7,849	1,712
EXPENSES:			
Cost of Materials Consumed	24	1,437	261
Purchases of Stock-in-Trade	25	79	
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	26	-34	(69)
Exose Duty on Sales		374	85
Employee Benefits Expense	27	135	22
Finance Costs	28	241	62
Depreciation, Amortisation and Impairment expenses		3,256	682
Other Expenses	29	2,310	459
Total Expenses		7,797	1,504
Profit before Tax		52	209
Less: Tax Expense:			
Current Tax		13	28
Deferred Tax		-4	90
Prior year's tax adjustments			
		9	118
Profit for the year		43	90
OTHER COMPREHENSIVE INCOME:			
Items that will be reclassified to profit or loss:			
Net Gain/ (Loss) on of a net investment		5	(3)
Re-measurement gains/ (losses) on defined benefit plans			
Income tax effect			
Other Comprehensive Income for the year, net of tax		5	(3)
Total Comprehensive Income for the year		48	87
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]			
Notes to the Financial Statements			

For Zydus Healthcare Limited



parekh nitin d

Nitin D Parekh
Director

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

Note 1- Property, Plant and Equipment:

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment
Gross Block:						
Acquired under the Scheme	289	202	366	2	5	2
Additions		3	16	0	0	
Disposals						
Other adjustments						
As at March 31, 2016	289	205	382	2	5	2
Additions	76		14	0		2
Disposals			(1)		(0)	
Other adjustments						
As at December 31, 2016	365	205	396	2	5	4
Depreciation and Impairment:						
Acquired under the Scheme						
Depreciation for the year	1	1	16	0	0	0
Impairment for the year						
Disposals						
As at March 31, 2016	1	1	16	0	0	0
Depreciation for the year	3	7	74	0	1	0
Impairment for the year						
Disposals						
As at December 31, 2016	3	8	90	0	1	0
Net Block:						
As at March 31, 2016	289	203	367	2	5	1
As at December 31, 2016	362	197	306	2	4	3



Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

Note 2- Goodwill and Other Intangible Assets:

	Goodwill	Brands/ Trademarks	Technical Know-how
Gross Block:			
Acquired under the Scheme	**41,149**		
Additions		578	11
Disposals			
Other adjustments			
As at March 31, 2016	**41,149**	578	11
Acquired under the Scheme			
Additions		5,000	17
Disposals			
Other adjustments			
As at December 31, 2016	**41,149**	5,578	27
Depreciation and Impairment:			
Acquired under the Scheme			
Depreciation for the year	**663**	1	0
Impairment for the year			
Disposals			
As at March 31, 2016	**663**	1	0
Depreciation for the year	**3,100**	70	1
Impairment for the year			
Disposals			
As at December 31, 2016	**3,764**	71	1
Net Block:			
As at March 31, 2016	**40,485**	577	10
As at December 31, 2016	**37,385**	5,507	26



Zydus Healthcare Limited [Formerly known as German Remedies Limited]

Notes to the Financial Statements

	INR-Millions As at	
	31st Dec, 16	31st Mar, 16
Note 3- Other Non Current Assets:		
Alternate Minimum Tax Credit Entitlement	3,135	3,135
Total	3,135	3,135
Note 4- Non Current Investments:		
Other Investments:		
Investments in Equity Instruments	14	9
Investment in Fixed Capital of Partnership Firm		
Total	14	9
Note 5- Long Term Loans and Advances:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	493	42
Security Deposits	7	7
Advance Payment of Taxes		
Loan to Biochem	50	
Total	550	50
Note 6- Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	481	385
Work-in-progress	49	18
Finished Goods	490	506
Finished Goods Traded	19	-
Others:		
Packing Materials	52	50
Total	1,092	959
Note 7- Current Investments:		
Investment in Current Capital of Partnership Firm	-	-
	-	-
Note 8- Trade Receivables:		
Outstanding for a period exceeding six months from the date they are due for payment:		
Secured - Considered good		
Unsecured - Considered good		
Considered doubtful	16	
	16	0
Less: Provision for doubtful debts	16	0
	-	0
Others- Considered good:		
Unsecured	791	707
	791	707
Total	791	707
Note 9- Cash and Bank Balances:		
Balances with Banks	402	99
Cash on Hand	0	0
Total	402	100
Note 10- Short Term Loans and Advances:		
[Unsecured, Considered Good]		
Others:		
Balances with Customs/ Central Excise/ Sales Tax Authorities	248	81
Advances recoverable in cash or in kind or for value to be received	0	0
Total	248	82
Note 11- Other Current Assets:		
Advance payment of Taxes	244	
Int.Accrued But Not Due	0	
Advances to Suppliers	31	135
	275	135

CADILA HEALTHCARE LIMITED AHMEDABAD

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Note 12: Equity Share Capital:

	31st Dec, 16		31st Mar, 16		1st Apr,15	
	No. of Shares	INR-Mio	No. of Shares	INR-Mio	No. of Shares	INR-Mio
Equity Shares of INR 100/- each, Issued, Subscribed and Fully Paid-up:						
As at March 31, 2016	48,000	5	24,000	2	24,000	2
Add: Issued Bonus Shares during the year			24,000	3		
Add: Issued shares as a part of schement of Amalgmation of Rs. 100/- each	1,890,242	189				
Add: Preference Share		7,150				
As at December 31, 2016		7,344		5		2

Note 13: Other Equity:

	INR - Millions				
Particulars	General Reserve	Capital Reserve	Surplus in Statement of Profit and Loss	Share Capital Susp. Ac.	Total
Balance as on 01st April, 2015 as per I GAAP	101	-	35		136
Add Fair Valuation of Non Current Investment					3
Add Re-classification of Proposed Dividend					62
Add Re-classification of Corporate Dividend Tax					13
Add Gain on Fair Valuation of Inv. In Fixed Capital of Partnership Firm					846
Balance as on 01st April, 2015 as per IND AS	101	-	35		1,060

Particulars	General Reserve	Capital Reserve	Surplus in Statement of Profit and Loss	Share Capital Susp. Ac.	Total
Balance as on 01st April, 2015	101	-	35	-	1,060
Add Profit for the year			90		90
Add Subsidy Received under Capital Investment Scheme [acquired under Scheme of Amalgamation]		134			134
Add Share Capital pending for Allotment				41,536	41,536
Add Fair Valuation of Non Current Investment					(3)
Les Amount utilised for Bonus of Shares	(2)				(2)
Les Gain on Fair Valuation of Inv. In Fixed Capital of Partnership Firm (Knock off)					(846)
Les Payment of Proposed Dividend			(153)		(153)
Les Payment of Corporate Dividend Tax			(32)		(32)
Les Re-classification of Preference Share Capital Value				(25)	(25)
Balance as on 31st March, 2016	99	134	(61)	41,511	41,757

Particulars	General Reserve	Capital Reserve	Surplus in Statement of Profit and Loss	Share Capital Susp. Ac.	Total
Balance as on 1st April, 2016	99	134	(61)	41,511	41,757
Add Profit for the year			43		43
Add Tr. From Securities Premium Account	41,322				41,322
Add Fair Valuation of Non Current Investment					5
Les Tr. To Securities Premium Account				(41,511)	(41,511)
Les Stamp duty paid on Issuance of Equity & Preference Shares	(65)				(65)
Balance as on 31st December, 2016	41,356	134	(17)		41,552

	INR-Millions	
	As at	
	31st Dec, 16	31st Mar, 16
Note 14: Financial Liabilities:		
8% non- cumulative redeemable preference share [*]		
2,54,460 shares at face value of Rs. 100/- each	25	25
	25	25
Note 14: Long Term Provisions:		
Provision for employee Benefits	10	5
	10	5

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Note 15: Deferred Tax Liabilities:

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

	Acquired under Scheme	Charge for the previous year	INR - Millions As at March 31, 2016	Charge for the current year	As at Dec 31, 2016
Deferred Tax Liabilities:					
Depreciation	8	1,626	1,633	1,362	**2,996**
Deferred Tax Assets:					
Retirement benefits	2	0	2	3	**4**
Provision for Bad and Doubtful debts	2		2	1	**3**
Provision for Expiry and Breakages	11	(1)	10	-	**10**
Unabsorbed depreciation		1,536	1,536	1,362	**2,898**
Others	-	1	1	-	**1**
Total	15	1,536	1,550	1,366	**2,917**
Net Deferred Tax Liabilities	(7)	90	83	(4)	**79**

Note 16- Short Term Borrowing:

Others: [Unsecured]:			
From Related Party			
Cadila Healthcare Limited [*]	**0**	4,504	
	0	4,504	-

Note 17- Trade Payables - Dues to Others:

Trade Payables	**1,939**	417	
	1,939	417	-

Note 18- Other Current Financial Liabilities:

Int.Accrued Due but not paid	**24**	54	
Bank Book overdraft	**93**	108	
	117	162	-

Note 19- Other Current Liabilities:

Advances from customers		8	
Others:			
Provision for Expenses	**15**	12	
Payable to Statutory Authorities	**125**	65	
	140	77	0
Total	**140**	85	0

Note 20- Short Term Provisions:

Provision for Employee Benefits		2	
Others:			
Provision for Taxation	**0**		
Provision for claims for product expiry and return of goods [*]	**30**	30	
	30	30	0
	30	32	0

Note 21- Liabilities for Current Tax [Net]:

Provision for Taxation [Net of advance payment of tax of Rs. 9 {As at March 31 March 31, 2015: Rs. 7} Millions]	**40**	33	
	40	33	-

Note: 22- Contingent Liabilities and commitments [to the extent not provided for]:

A Contingent Liabilities:			
a Other money for which the company is contingently liable:			
i In respect of the demand raised by the Central Excise, State Excise & Service Tax dept. against which the Company has preferred an appeal. The Company has been legally advised that the demand is not tenable	**88**	82	
B Commitments:			
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances of Rs. 1,98,375 {Previous Year: Rs. Nil} Thousands]	**1,094**	12	-

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

		INR-Millions	
		Period ended December 31	
		2016	2015
Note: 23- Revenue from Operation:			
Details of Gross Sales under broad heads:			
Tablets		7,829	1,629
Capsules			
Other			-
Total		7,829	1,629
Other Operating Revenues:			
Miscellaneous Income		18	3
Share of Profit from Partnership Firm			78
Interest Income [Gross]:			
From Others [Other than current investments]		0	1
Dividend Income [Gross]:			
From Long Term Investments		2	1
Total		20	83
Note: 24- Cost of Material Consumed:			
Opening Stock		385	348
Add: Purchases		1,329	36
		1,714	385
Less: Stock at close		481	385
		1,233	223
Packing Materials consumed		204	39
		1,437	261
Note: 25- Purchase of Stock in Trade:			
Purchase of Stock in Trade		79	
Total		79	0
Details of purcahses of Stock-in-trade under broas heads:			
Tablet		43	
Capsules			
Others		36	
Total		79	
Note: 26- Change in Inventories:			
Opening Stock			
Work-in-progress		18	55
Finished Goods		506	401
Stock-In-Trade			
		524	456
Less: Stock at close:			
Work-in-progress [*]	-31	49	18
Finished Goods [**]	16	490	506
Stock-In-Trade	60	19	0
		558	524
		(34)	(69)
Differential Excise Duty on Opening and Closing stock of Finished Goods			
		(34)	(69)

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

	INR-Millions	
	Period ended December 31	
	2016	2015
Note: 27- Employee Benefit Expense:		
Salaries and wages	117	17
Contribution to provident and other funds [*]	8	2
Staff welfare expenses	9	3
Total	135	22

[*] 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 respective Regional Provident Fund Commissioner under the Pension Scheme.

Note: 28- Finance Cost:		
Interest expense [*]	240	3
Other Borrowing Costs		60
Bank commission & charges	2	0
Total	241	62
[*] The break up of interest expense into major heads is given below:		
On working capital loans	0	0
Others	240	3
Total	240	3
Note: 29- Other Expenses:		
Consumption of Stores and spare parts	35	2
Power & fuel	51	9
Rent [*]	2	1
Repairs to Buildings	7	1
Repairs to Plant and Machinery	21	2
Repairs to Others	3	1
Advertisement Expenses	0	
Insurance	10	4
Rates and Taxes [excluding taxes on income]	1	1
Royalty	124	24
Traveling Expenses	6	5
Legal and Professional Fees	8	8
Net Loss on foreign currency transactions and translation		0
Commission on sales	92	22
Freight and forwarding on sales	19	2
Cost Allocation Charges [**]	1,321	288
Other marketing expenses	535	62
Bad Debts:		
Bad debts written off	8	4
Provision for Doubtful Debts		3
	8	7
Net Loss on disposal of Fixed Assets	0	0
Miscellaneous Expenses	66	22
Gross Expenses	2,310	459
[*] 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:	2	
[**] This refers to the payment of cost allocation charges to Cadila Healthcare Ltd. [CHL], pursuant to the Cost Allocation Agreement between the Company and CHL, wherein the parties have agreed to share the common resources of CHL.		

CADILA HEALTHCARE LIMITED AHMEDABAD

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;
And
In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;
And
In the matter of Cadila Healthcare Limited;
And
In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India. } } } } …Applicant Company

EQUITY SHAREHOLDERS
FORM OF PROXY

I/We, _____, the undersigned Equity Shareholder/s of Cadila Healthcare Limited, being the Applicant Company abovenamed, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (**Strike out whatever is not applicable*)

Affix 15 paise revenue stamp

Dated this _____ day of _____ 2017. Signature _____

Name : _____

Address : _____

No. of shares held (For Demat holding) : _____

DP Id. (For Physical holding) _____ Client Id. _____ Folio No. _____

Signature of Shareholder(s) : Sole holder/ First Holder _____ Second holder _____

Third holder _____ Signature of Proxy _____

CADILA HEALTHCARE LIMITED

Registered office: Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India
Phone No: +91-79-26868100 CIN: L24230GJ1995PLC025878 Website: www.zyduscadila.com

EQUITY SHAREHOLDERS
ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

MEETING OF THE EQUITY SHAREHOLDERS ON THURSDAY THE 30TH DAY OF MARCH 2017 AT 10.00 A.M.

I/We hereby record my/our presence at the meeting of the Equity Shareholders of Cadila Healthcare Limited, the Applicant Company, convened pursuant to the final order dated 15th day of February 2017 of the NCLT at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours).

Name and address of Equity Shareholder (IN BLOCK LETTERS) _____

Signature _____

Reg. Folio No. _____ Client Id. _____ D. P. ID _____ No. of Shares _____

Name of the Proxy* (IN BLOCK LETTERS) _____ Signature _____

*(To be filled in by the Proxy in case he/she attends instead of the shareholder)

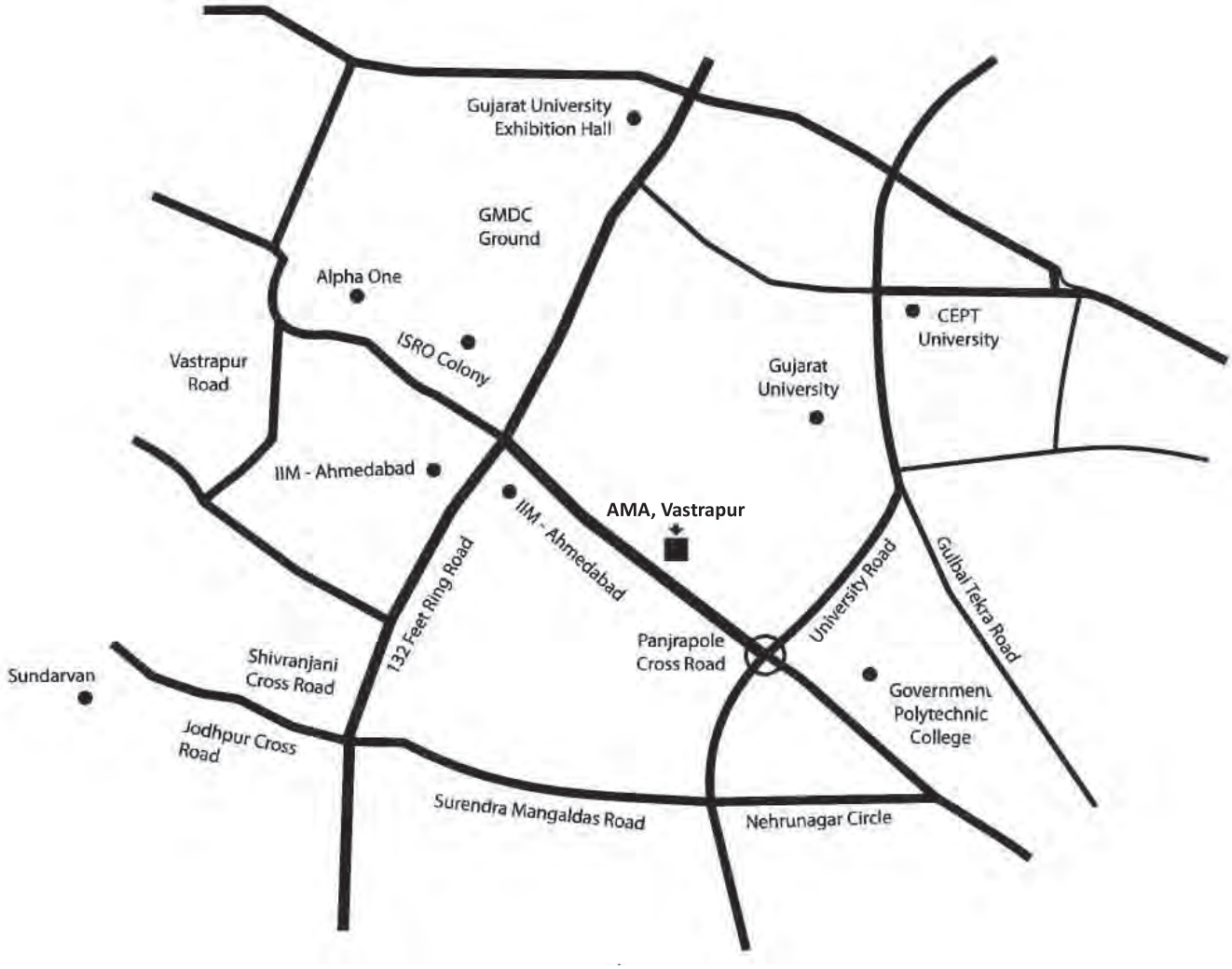
Notes:

1. The proxy must be deposited at the registered office of Cadila Healthcare Limited at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a shareholder of Cadila Healthcare Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a shareholder blind or incapable of writing would be accepted if such shareholder has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the shareholder before he attached his signature or mark.
8. The proxy of a shareholder who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the shareholder in the language known to him, and gives the shareholder's name in English below the signature.

Notes:

1. Equity Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Equity Shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them.
3. Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
4. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of Cadila Healthcare Limited in respect of such joint holding will be entitled to vote.

Route Map for the venue of the meeting, Ahmedabad Management Association (AMA)



CADILA HEALTHCARE LIMITED

[CIN–L24230GJ1995PLC025878]
Registered Office: Zydus Tower, Satellite Cross Roads,
Sarkhej–Gandhinagar Highway, Ahmedabad–380 015
Phone No.: 079 – 2686 8100; Fax No.: 079 – 2686 8337
Website: www.zyduscadila.com; **Email id:** upen.shah@zyduscadila.com

The last date for receipt of Postal Ballot is March 29, 2017, 5.00 p.m. [1700 hours]

POSTAL BALLOT FORM

Postal Ballot No.

Sr. No.	Particulars	Details of Member[s]
1.	Name[s] of Member[s] [in block letters]	
2.	Registered Address of sole / first named Member [in block letters]	
3.	Registered Folio No./ DP ID & Client ID	
4.	No. of shares held	

I/ We hereby exercise my/ our vote in respect of the Resolution to be passed through Postal Ballot for the business stated in Notice convening the meeting of the equity shareholders of the Company pursuant to Final Order passed by the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad dated 15th day of February, 2017 by sending my / our assent or dissent to the said Resolution by placing the tick [✓] mark at the appropriate box below:

Item No.	Description	No. of shares held	I / We assent [agree] to the Resolution [FOR]	I/ We dissent to the Resolution [AGAINST]
1.	Resolution for approval of the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors for transfer and vesting of the India Human Formulations Undertaking [as defined in the Scheme] of Cadila Healthcare Limited with effect from the Appointed Date [as mentioned in the Scheme], as a going concern, on Slump Sale basis, on a cash consideration.			

Electronic Voting Particulars

EVSN [E-Voting Sequence Number]	USER ID	PASSWORD/PIN

Place : Ahmedabad
Date : February 18, 2017

Signature of the Member

NOTE: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS FOR VOTING BY PHYSICAL VOTING

1. An Equity Shareholder[s] desirous to exercise his vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the self-addressed postage prepaid business reply envelope. However, envelopes containing Postal Ballot[s], if sent by courier at the expense of the member[s] will also be accepted.

2. This form should be duly completed and signed by the member. In case of joint holding, this form should be completed and signed [as per the specimen signature registered with the Company or furnished by NSDL / CDSL to the Company, in respect of share held in the physical form or demat form respectively] by the first named member and in his absence, by the next named joint member.

3. Unsigned / Incomplete Postal Ballot Forms will be rejected.

4. Duly completed Postal Ballot Form should reach the Scrutinizer on or before 5:00 p.m. [1700 hours] on March 29, 2017. Postal Ballot Form received after this time and date will be strictly treated as if the reply from the member has not been received.

5. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members as on the cut-off date i.e. February 21, 2017.

6. A member may request for a duplicate Postal Ballot Form, if so required. The Postal Ballot Form can also be downloaded from the link www.zyduscadila.com. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than 5:00 p.m. [1700 hours] on March 29, 2017.

7. The exercise of vote through Postal Ballot is not permitted through a proxy.

8. The Scrutinizer's decision on the validity of the Postal Ballot Form would be final.

9. Members are requested not to send any other paper / documents along with the Postal Ballot Form. If sent, the said paper[s] / document[s] will not be acted upon.

10. Members are requested to fill the Postal Ballot Form in indelible ink [and avoid filling it by erasable writing medium/s like pencil].

11. There will be one Postal Ballot Form for every Folio / Client ID, irrespective of the number of joint holders.

12. Members can opt only one mode of voting i.e. either by Ballot or through e-voting. In case, you are opting for voting by ballot, then please do not cast your vote by e-voting and vice-versa. In case members cast their votes both by postal ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot shall be considered invalid. Members casting their votes through e-voting may log on www.evotingindia.com and cast their vote, instructions for which are specified in detail in the Notice convening meeting.

13. In the case of shares held by companies, financial institutions, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.

14. A Postal Ballot Form shall be considered invalid if;

    a. Signature on the Postal Ballot Form does not match the specimen signature with the Company.

    b. A form other than one issued by the Company has been used.

    c. It has not been signed by or on behalf of the member.

    d. It is not possible to determine without any doubt the assent or dissent of the member.

    Only a member entitled to vote is entitled to fill in the Postal Ballot Form and send it to the Scrutinizer, and any receipt of the Notice, who has no voting rights should treat the notice as intimation only.

NOTICE - EQUITY SHAREHOLDERS

CADILA HEALTHCARE LIMITED

Registered Office	:	Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India
Tel No	:	+91-79-26868100
CIN	:	L24230GJ1995PLC025878
Website	:	www.zyduscadila.com
E-mail	:	upen.shah@zyduscadila.com

MEETING OF THE EQUITY SHAREHOLDERS
OF
CADILA HEALTHCARE LIMITED

(***convened pursuant to final order dated 15th day of February 2017 passed by the National Company Law Tribunal, Bench at Ahmedabad***)

MEETING:

Day	Thursday
Date	30th day of March 2017
Time	10.00 a.m. (1000 hours)
Venue	J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India

POSTAL BALLOT AND E-VOTING:

Start Date and Time	28th day of February 2017 at 9.00 a.m. (0900 hours)
End Date and Time	29th day of March 2017 at 5.00 p.m. (1700 hours)

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Cadila Healthcare Limited;

And

In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India. } …Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,
The equity shareholders of Cadila Healthcare Limited (the **"Applicant Company"):**

TAKE NOTICE that by a final order made on the 15th day of February 2017 in the abovementioned Company Application (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) has directed that a meeting of the equity shareholders of the Applicant Company, be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between **Cadila Healthcare Limited and Zydus Healthcare Limited** and their respective shareholders and creditors (**"Scheme"**).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the equity shareholders of the Applicant Company, will be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours), at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

***"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated January 20, 2017 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.*

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

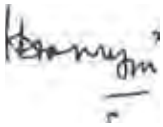
TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of voting through ballot or polling paper at the venue of the meeting. Accordingly, you may cast your vote either through postal ballot or through e-voting or through ballot or polling paper at the venue of the meeting.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Mr. Humayun Dhanrajgir, an Independent Director of the Applicant Company and in his absence, Mr. Apurva S. Diwanji, an Independent Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.



Humayun Dhanrajgir
Chairman appointed for the meeting

Dated this 18th day of February 2017.

Registered office: Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015,
Gujarat, India.

Notes:

1. Only registered equity shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors (**"RFPI"**) or Foreign Institutional Investor (**"FII"**), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.

   As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.

2. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

3. All alterations made in the form of proxy should be initialed.

4. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.

5. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 30 (thirty) equity shareholders of the Applicant Company, present in person.

6. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.

7. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.

8. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited (**"NSDL"**)/ Central Depository Services (India) Limited (**"CDSL"**) in respect of such joint holding, will be entitled to vote.

9. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.

10. NCLT by its said Order has directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

    In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting.

11. The Applicant Company has provided the facility of voting through ballot or polling paper at the venue of the meeting.

12. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by postal ballot and e-voting, agree to the Scheme.

13. The Applicant Company has engaged the services of CDSL for facilitating e-voting for the said meeting to be held on 30th day of March 2017. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 30 below.

14. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post/ airmail or by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents/ NSDL/CDSL, whose names appear in the register of members/list of beneficial owners as received from NSDL/CDSL as on 21st day of February 2017. The Notice will be displayed on the website of the Applicant Company www.zyduscadila.com and on the website of CDSL www.cdslindia.com

15. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement along with the postal ballot, amongst others, will be published through advertisement in the following newspapers, namely, (i) Indian Express (All Editions) in the English language; and (ii) translation thereof in Sandesh (Ahmedabad Edition) in the Gujarati language.

16. Mr. Hitesh D. Buch, Practicing Company Secretary (Membership No. FCS 3145/COP 8195) has been appointed as the scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.

17. In compliance with the provisions as stated hereinabove, the Applicant Company is pleased to offer postal ballot and e-voting facility to its equity shareholders holding equity shares as on 21st day of February 2017, being the cut off date, to exercise their right to vote on the above resolution. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL as on the cut off date i.e. 21st day of February 2017 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on 30th day of March 2017. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the members as on Tuesday, the 21st day of February 2017. Persons who are not equity shareholders of the Applicant Company as on the cut-off date should treat this notice for information purposes only.

18. The equity shareholders have the option either to vote through e-voting process or through the postal ballot form.

19. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website www.zyduscadila.com or seek duplicate postal ballot form from the Applicant Company.

20. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 29th day of March 2017. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.

21. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected.

22. The vote on postal ballot cannot be exercised through proxy.

23. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.

24. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney **("PoA"**) on behalf of an equity shareholder may vote on the postal

ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.

25. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Applicant Company through (i) e-voting process, (ii) postal ballot, and (iii) ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process, (ii) postal ballot, and (iii) ballot or polling paper at the venue of the meeting will be announced on or before 2nd day of April 2017 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company www.zyduscadila.com and on the website of CDSL www.cdslindia.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

26. Kindly note that the equity shareholders of the Applicant Company can opt only one mode for voting i.e. either by physical postal ballot or e-voting. If an equity shareholder has opted for e-voting, then he/she should not vote by physical postal ballot form also and vice versa. However, in case equity shareholder(s) cast their vote both via physical postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by physical postal ballot shall be treated as invalid.

27. The equity shareholders of the Applicant Company attending the meeting and who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.

28. The voting including e-voting period will commence at 9.00 a.m. on Tuesday, the 28th day of February 2017 and will end at 5.00 p.m. on Wednesday, the 29th day of March 2017. During this period, the equity shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut off date, i.e. 21st day of February 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on 29th day of March 2017 at 5.00 p.m. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.

29. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Upen H. Shah, Company Secretary of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India, or through email to upen.shah@zyduscadila.com. Mr. Upen H. Shah, Company Secretary of the Applicant Company can also be contacted at +91 79 26868100 (20 lines).

30. **Voting through Electronic Means**

The instructions for equity shareholders voting electronically are as under:

(i) The voting period begins at 9.00 a.m. on Tuesday, the 28th day of February 2017 and will end at 5.00 p.m. on Wednesday, the 29th day of March 2017. During this period equity shareholders' of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of the 21st day of February 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on 29th day of March 2017 at 5.00 p.m.

(ii) The equity shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding equity 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.

(vii) If you are a first time user follow the steps given below:

	For Equity Shareholders holding equity shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Equity Shareholders who have not updated their PAN with the Applicant Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Applicant Company records in order to login. • If both the details are not recorded with the depository or the Applicant Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Equity Shareholders holding equity shares in physical form will then directly reach the Applicant Company selection screen. However, equity shareholders holding equity 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.

(x) For Equity Shareholders holding equity shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Cadila Healthcare Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) 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.

(xviii) **Equity Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Equity Shareholders and Custodians**

- Non-Individual equity 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.

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.

Encl.: As above

Zydus
dedicated to life

Cadila
Healthcare Limited

NOTICE - SECURED CREDITORS

CADILA HEALTHCARE LIMITED

Registered Office	:	Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India
Tel No	:	+91-79-26868100
CIN	:	L24230GJ1995PLC025878
Website	:	www.zyduscadila.com
E-mail	:	upen.shah@zyduscadila.com

MEETING OF THE SECURED CREDITORS
OF
CADILA HEALTHCARE LIMITED

(***convened pursuant to final order dated 15th day of February 2017 passed by the National Company Law Tribunal, Bench at Ahmedabad***)

MEETING:

Day	Thursday
Date	30th day of March 2017
Time	11.00 a.m. (1100 hours)
Venue	J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Cadila Healthcare Limited;

And

In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India. } } } } …Applicant Company

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY

To,
The secured creditors of Cadila Healthcare Limited (the "**Applicant Company**"):

TAKE NOTICE that by a final order made on the 15th day of February 2017 in the abovementioned Company Application (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) has directed that a meeting of the secured creditors of the Applicant Company, be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 11.00 a.m. (1100 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors (**"Scheme"**).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the secured creditors of the Applicant Company, will be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India on Thursday, the 30th day of March 2017 at 11.00 a.m. (1100 hours), at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

***"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated January 20, 2017 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (**"NCLT"**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.*

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Mr. Humayun Dhanrajgir, an Independent Director of the Applicant Company and in his absence, Mr. Apurva S. Diwanji, an Independent Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.



Humayun Dhanrajgir
Chairman appointed for the meeting

Dated this 18th day of February 2017.

Registered office: Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015,
Gujarat, India.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only secured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an secured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the secured creditors of the Applicant Company. The authorised representative of a body corporate which is a secured creditor of the Applicant Company may attend and vote at the meeting of the secured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the secured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the secured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. The quorum of the meeting of the secured creditors of the Applicant Company shall be 2 (two) secured creditors of the Applicant Company, present in person.

4. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

5. Secured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.

6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the secured creditors at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.

7. NCLT by its said Order has directed that a meeting of the secured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 11.00 a.m. (1100 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Secured creditors would be entitled to vote in the said meeting either in person or through proxy.

8. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the secured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.

9. The Notice, together with the documents accompanying the same, is being sent to the secured creditors either by registered post or speed post/ airmail or by courier service or electronically by e-mail. The Notice will be displayed on the website of the Applicant Company www.zyduscadila.com.

10. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement, amongst others, will be published through advertisement in the following newspapers, namely, (i) Indian Express (Ahmedabad Edition) in the English language; and (ii) translation thereof in Sandesh (Ahmedabad Edition) in the Gujarati language.

11. Mr. Hitesh Buch, Practicing Company Secretary (Membership No. FCS 3145/COP 8195) has been appointed as the scrutinizer to conduct the voting process through ballot or polling at the venue of the meeting in a fair and transparent manner.

12. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the secured creditors of the Applicant Company through ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through ballot or polling paper at the venue of the meeting will be announced on or before 2nd day of April 2017 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company www.zyduscadila.com.

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Cadila Healthcare Limited;

And

In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India. } …Applicant Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the final order dated 15th day of February 2017, passed by the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (the **"NCLT"**), in CA(CAA) No.5/230-232/NCLT/AHM/2017 (**"Order")**, a meeting of the secured creditors of Cadila Healthcare Limited (hereinafter referred to as the **"Applicant Company"** or the **"Transferor Company"** as the context may admit) is being convened at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 11.00 a.m. (1100 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between the Applicant Company and Zydus Healthcare Limited (hereinafter referred to as the **"Transferee Company"**) and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the **"Scheme"**). The Transferor Company and the Transferee Company are together referred to as the **"Companies"**. A copy of the Scheme, which has been, inter alios, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 17th day of November 2016, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
2. In terms of the said Order, the quorum for the said meeting shall be 2 (two) secured creditors present in person. Further in terms of the said Order, NCLT, has appointed Mr. Humayun Dhanrajgir, an Independent Director of the Applicant Company and in his absence, Mr. Apurva S. Diwanji, an Independent Director of the Applicant Company as the Chairman of the meeting of the secured creditors of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the **"Act"**) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the **"Rules"**).
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the secured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 11.00 a.m. (1100 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Secured creditors would be entitled to vote in the said meeting either in person or through proxy.

   In addition, the Applicant Company is seeking the approval of its secured creditors to the Scheme by way of voting in the meeting either in person or through proxy.
5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the secured creditors, or class of secured creditors, of the Applicant Company, as the case may be, voting in person or by proxy agree to the Scheme.

6. In terms of the Order dated 15th day of February 2017, passed by the NCLT, in CA(CAA) No.5/230-232/NCLT/AHM/2017, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the secured creditors are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting.

Particulars of the Transferor Company

7. The Transferor Company, the flagship company of Zydus Group, is incorporated on 15th day of May 1995, under the provisions of the Companies Act, 1956 (the **"Act of 1956"**) in the name of Cadila Healthcare Private Limited. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect from 17th day of July 1996. The Transferor Company is a listed public limited company. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited (hereinafter referred to as "NSE") and BSE Limited (hereinafter referred to as "BSE"). There has been no further change in the name of the Transferor Company in the last five (5) years. The Corporate Identification Number of the Transferor Company is L24230GJ1995PLC025878. The Permanent Account Number of the Transferor Company is AAACC6253G.

8. The registered office of the Transferor Company is situated at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is upen.shah@zyduscadila.com

9. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main object of the Transferor Company is, as follows:

   "III. (A)

   1. To manufacture, buy, sell, process, import, export, grow, refine, research, mix, pack, market, act as distributors, whole-sellers, dealers, consignment agents and handling agents and consultants in all kinds of pharmaceuticals, drugs, medicaments, intermediates and their raw-materials, surgical equipments, appartus, and devices, cosmetics, medicated soaps, shampoos, toiletories and health care products, hospital products and items of personal hygiene whether prepared by ayurvedic, homeopathic, unani, allopathic, naturecure, herbal or any other medicinal system for human beings, birds, animals, insects or other purpose and to run hospitals and diagnostic centres."

   There has been no change in the object clause of the Transferor Company in the last five (5) years.

10. The Transferor Company is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of the Transferor Company is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit (SBU) Biologics Business, and (b) India Human Formulations Business.

    SBU Biologics Business is carrying on the business of marketing and selling human formulations in India through its several divisions, viz. (i) Oncosciences, (ii) Ingenia, (iii) Heptiza-Alpha and Omega, (iv) Synovia, (v) Ostivia, (vi) Biovation, (vii) Bionext, (viii) Vaxxicare and (ix) Nephrosciences- Dialysis and Transplant.

    All other business pertaining to marketing and selling of human formulations in India, other than SBU Biologics Business, is carried out through various divisions of India Human Formulations Business. Some of the divisions, amongst others, under India Human Formulations Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc. The plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445, manufactures various formulations for India Human Formulations Business. The Research & Development activity for India Human Formulations Business is carried out at Pharmaceutical Technology Centre (PTC) situated at Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015. Further, the analytical laboratory for stability study in respect of India Human Formulations Business is situated at Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059, and that the activities for development of formulations in respect of India Human Formulations Business is situated at 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210.

11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st January 2017 was as follows:

Share Capital	Amount (in Rs.)
Authorized	
172,50,00,000 Equity shares of Re. 1/- each	172,50,00,000
TOTAL	**172,50,00,000**
Issued, subscribed and paid-up	
102,37,42,600 Equity shares of Re. 1/- each fully paid up	102,37,42,600
TOTAL	**102,37,42,600**

12. Subsequent to 31st January 2017 there has been no change in the share capital of the Transferor Company.

Particulars of the Transferee Company

13. The Transferee Company is a company incorporated on 2nd day of August 1989 under the provisions of the Companies Act, 1956 in the name of GR Exports Limited in the State of Maharashtra. The name of GR Exports Limited was changed to German Remedies Specialities Limited with effect from 1st day of April 2002. The name was further changed to German Remedies Limited and thereafter to Zydus Healthcare Limited with effect from 8th day of October 2003 and 8th day of September 2016, respectively. Except as stated hereinabove, there has been no further change in the name of the Transferee Company in the last five (5) years. The registered office of the Transferee Company was shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. The Transferee Company is an unlisted public limited company. The Transferee Company is a wholly owned subsidiary of the Transferor Company. The Corporate Identification Number of the Transferee Company is U51900GJ1989PLC079501. The Permanent Account Number of the Transferee Company is AAACG1859Q.

14. The registered office of the Transferee Company is situated at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. Before 2nd April 2014, the registered office of the Transferee Company was situated at Shiv Sagar Estate, "A", Dr. Annie Besant Road, Worli, Mumbai-400 018. Except the aforesaid, there has been no further change in the registered office address of the Transferee Company in the last five (5) years. The e-mail address of the Transferee Company is sanjayd.gupta@zyduscadila.com

15. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are as follows:

"III (A)

1. To carry on business as exporters, importers, buyers, sellers, distributors, dealers and manufacturers of raw materials, ingredients, reagents, catalysts, mixtures, derivatives, intermediates, compounds, processed or semi processed products, industrial agricultural pharmaceutical and medical preparations including pharmaceutical and medical products, bulk drugs and chemicals, foodstuffs, beverages, wines, tonics, flowers, medicinal plants, hospital requisites, surgical and other ligatures, syringes etc., cosmetics, beauty products and articles of personal beauty, toilets, requisites, dye, dyestuffs, chemicals, petrochemicals, bio-chemicals, natural and artificial fibres, garments, handicrafts, leather, leather products, plant and machinery, equipment, apparatus, instruments, tools, accessories, fittings and stores.

2. To engage the employees / agents / representatives for using their services or for providing their services to other Companies / firms / entities on contractual basis or otherwise for marketing of their products including Drugs and Pharmaceuticals, diagnostics, cosmesuticals, ayurvedic, unani, healthcare and personal hygiene and allied products as the company may decide both in domestic and international market, to act as sales organizers as well as consultants, agents and in such capacity, to give advise and information and render services while carrying on business as aforesaid which may lead to or be conducive to the adoption by the constituent or principals or generally of

i) *efficient methods of effecting sales and marketing goods.*

ii) *economy in effecting sales and marketing goods*

iii) *rendering of all services whether incidental to the above or not;*

iv) *to organize in any part of India or abroad, sales promotion drives, seminars, exhibitions, fairs and other similar activities for and on behalf of clients to attain the aforesaid objects of the company."*

Clause III. (B) 7[a] was inserted to the objects incidental or ancillary to the attainment of the main objects with effect from 25th day of January 2016. Except as stated above, there has been no change in the object clause of the Transferee Company in the last five (5) years.

16. The Transferee Company is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the Transferee Company is similar to the India Human Formulations Business of the Transferor Company.

17. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st January 2017 was as follows:

Share Capital	**Amount (in Rs.)**
Authorized	
21,00,000 equity shares of Rs. 100/- each	21,00,00,000
3,00,000 8% non-cumulative redeemable preference shares of Rs. 100/- each	3,00,00,000
7,26,00,000 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	726,00,00,000
TOTAL	**750,00,00,000**
Issued, subscribed and paid-up	
19,38,242 equity shares of Rs. 100/- each fully paid up	19,38,24,200
2,54,460 8% non-cumulative redeemable preference shares of Rs. 100/- each fully paid up	2,54,46,000
7,15,00,000 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid-up	715,00,00,000
TOTAL	**736,92,70,200**

Note: A separate Scheme of Amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company is pending before the National Company Law Tribunal, Bench, at Ahmedabad. Pursuant to the sanctioning of the said Scheme of Amalgamation and upon the same becoming effective, the Transferee Company will issue and allot equity shares to the shareholders of Biochem Pharmaceutical Industries Limited as per the share exchange ratio as stipulated in the said Scheme of Amalgamation. The equity shares to be issued under the said Scheme of Amalgamation has not been taken into consideration, while determining the above capital structure.

18. Subsequent to 31st January 2017 there has been no change in the share capital of the Transferee Company.

Description and Rationale for the Scheme

19. The Scheme provides for transfer and vesting of the India Human Formulations Undertaking of the Transferor Company with effect from the Appointed Date, as a going concern, on Slump Sale basis, and for which a lump sum cash consideration shall be paid by the Transferee Company to the Transferor Company, in accordance with Section 2 (42C) of the IT Act and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

20. The rationale for the Scheme is as under:

It is desired to consolidate the business of marketing and selling of human formulations in India (which does not include the SBU Biologics Business) of Zydus Group within the Transferee Company. In this regard, one of the group companies, namely, the erstwhile Zydus Healthcare Limited merged into German Remedies Limited (the name of German Remedies Limited was changed to Zydus Healthcare Limited, the Transferee Company). Further, it is also contemplated to amalgamate Biochem Pharmaceutical Industries Limited, a wholly owned subsidiary of the Transferor Company, carrying on the business of manufacturing, marketing and selling of human formulations primarily in India, with the Transferee Company and that necessary process for seeking sanction of the scheme of amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company has been initiated, which is presently pending before this Hon'ble Tribunal.

As a part of the aforesaid consolidation, it is proposed to transfer the India Human Formulations Undertaking of the Transferor Company to the Transferee Company which would, inter alia, bring more focused and concentrated efforts by management to grow the respective operations of both the companies which would be in the best interest of the stakeholders.

Corporate Approvals

21. The proposed Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on 17th day of November 2016. The Audit Committee of the Transferor Company took into account the Valuation Report, dated 16th day of November 2016, issued by B S R & Associates LLP, Chartered Accountants (the **"Valuation Report"**) and the fairness opinion, dated 16th day of November 2016, provided by Dalmia Securities Private Limited, a Category I Merchant Banker (**"Fairness Opinion"**), appointed for this purpose by the Transferor Company. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company for its approval.

22. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at its meeting held on 17th day of November 2016. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on 17th day of November 2016, was attended by 5 (five) directors (namely, Mr. Pankaj R. Patel, Dr. Sharvil P. Patel, Mr. Nitin R. Desai, Mr. Humayun Dhanrajgir and Mr. Mukesh M. Patel in person). None of the directors of the Transferor Company who attended the meeting, voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

23. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at its meeting held on 17th day of November 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on 17th day of November 2016, was attended by 4 (four) directors (namely, Dr. Sharvil P. Patel, Mr. Anil Matai, Mr. Nitin D. Parekh and Mr. Deevyesh J. Radia in person). None of the directors of the Transferee Company, who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

24. NSE was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with the Securities and Exchange Board of India (**"SEBI"**), pursuant to Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 (the **"SEBI Circular"**) issued by SEBI. The Transferor Company has received observation letters regarding the Scheme from BSE and NSE, respectively, both on 20th day of January 2017. In terms of the observation letters of BSE and NSE, respectively, both dated 20th day of January 2017, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble High Court. Copies of the observation letters, both dated 20th day of January 2017, received from BSE and NSE, respectively, are enclosed as **Annexures 4** and **5**.

25. As required by the SEBI Circular, the Transferor Company had filed the complaint reports with BSE and NSE, both on 3rd day of January 2017. These reports indicate that the Transferor Company received nil complaints. Copy of the complaint reports submitted by the Transferor Company to BSE and NSE, both dated 3rd day of January 2017 is enclosed as **Annexure 6**.

26. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

27. The applications along with the annexures thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 30th day of January 2017.

Salient extracts of the Scheme

28. The salient extracts of the Scheme are as under:

    A. "Appointed Date" means 1st April 2016.

    B. "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 18 of the Scheme have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

    C. "India Human Formulations Undertaking" means all the businesses, undertakings, activities, properties and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to the India Human Formulations Business (which does not include the SBU Biologics Business), including specifically the following:

        (a) the manufacturing plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445;

(b) facilities situated at (i) the Pharmaceutical Technology Centre (PTC) Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015; (ii) Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059; and (iii) 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210;

(c) all other immovable properties i.e. land together with the buildings and structures standing thereon (whether, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the India Human Formulations Business and all documents (including panchnamas, declarations, receipts, etc.) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

(d) all assets, as are movable in nature pertaining to and in relation to the India Human Formulations Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and receivables, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, deferred tax assets/liabilities, if any.

(e) all permits, licenses, permissions including municipal permissions, product permissions especially under the Drugs and Cosmetics Act, 1940 and that under the Narcotic Drugs and Psychotropoic Substances Act, 1985, price approvals under Drugs (Prices Control) Order, 2013, right of way, approvals, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the India Human Formulations Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the India Human Formulations Business;

(f) all contracts, agreements including consultancy agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the India Human Formulations Business;

(g) all trade marks (except the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks), registered or used by the Transferor Company as the owner or licensee, related only to India Territory, and pertaining to the India Human Formulations Business; all copyrights of the Transferor Company in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works that pertain to the India Human Formulations Business and relate to the India Territory; and right to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights of the Transferor Company in respect of formulations, processes, methods, molecules, improvements, etc. for India Territory and pertaining to India Human Formulations Business;

(h) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges

and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the India Human Formulations Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the India Human Formulations Business;

(i) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, marketing and publicity materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the India Human Formulations Business;

(j) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the India Human Formulations Business and/or arising out of and/or relatable to the India Human Formulations Business;

(k) all employees of the Transferor Company employed/engaged in the India Human Formulations Business as on the Effective Date; and

(l) all legal or other proceedings of whatsoever nature that pertain to the India Human Formulations Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the India Human Formulations Business or whether it arises out of the activities or operations of the India Human Formulations Business, and in each case, subject to Clause 11 of the Scheme, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

D. "India Territory" means the Union of India.

E. "LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

F. "Non-India Territory" means other than the India Territory.

G. "Slump Sale" means Slump Sale as defined under Section 2(42C) of the IT Act.

H. "Remaining Business" means all the undertakings, businesses, activities, investments and their respective assets and liabilities of the Transferor Company other than those forming part of the India Human Formulations Undertaking pursuant to this Scheme.

I. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the India Human Formulations Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in Transferee Company on a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Transferee Company, pursuant to Section 394(2) of the Act.

J. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor Company, and the rights and benefits under the same, in so far as they relate to the India Human Formulations Undertaking and all quality certifications and approvals, and all other interests relating to the goods or services being dealt with by the India Human Formulations Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Transferor Company in relation to the India Human Formulations Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions, etc.,

shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company and continuation of operations pertaining to the India Human Formulations Undertaking of the Transferor Company in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

K. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/ benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the India Human Formulations Undertaking, vest with and be available to the Transferee Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

L. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of The Transferor Company relating to the India Human Formulations Undertaking shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, duties, obligations and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company and to keep the Transferor Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

M. In so far as loans and borrowings of the Transferor Company are concerned, the loans and borrowings, if any, and such amounts pertaining to the India Human Formulations Undertaking, which are to be transferred to the Transferee Company in terms of clause 4.11 of the Scheme shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company, as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee Company. However, without prejudice to such transfer of liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Transferee Company may discharge such liability (including accretions) by making payments on the respective due dates to the Transferor Company, which in turn shall make payments to the respective creditors.

N. In so far as the assets of the India Human Formulations Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Transferor Company (except the loans and borrowings of the Remaining Business of the Transferor Company which relate to the External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas) shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company.

So far as the security and existing charges over the assets of India Human Formulations Undertaking are concerned, to the extent they relate to the aforesaid External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas by the Remaining Business of the Transferor Company, shall, without any further act, instrument or deed, continue to subsist over such assets of the India Human Formulations Undertaking and that such assets would be available to the aforesaid External Commercial Borrowings lenders for discharge of the liabilities in respect of the loans and borrowings availed by the Transferor Company for its Remaining Business.

O. Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual and irrevocable license to use the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks for use in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

P. It is clarified that upon the coming into effect of this Scheme, the Transferor Company's copyrights in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works, in so far as they relate to

or pertain to the Non-India Territory, the same shall continue to belong to and remain vested in the Transferor Company.

Q. Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual royalty-free and irrevocable license to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights (other than the trade marks and copyrights which shall vest in the Transferee Company upon the coming into effect of this Scheme and subject to Clause 4.20 and Clause 4.21 of the Scheme) in respect of formulations, processes, methods, molecules, improvements, etc. in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

R. Notwithstanding anything contained above, the Transferor Company shall be entitled to register in its name the trademarks, copyrights, etc. used or to be used in the Non-India Territory, for the purpose of export/sale of goods bearing the said trade marks in the Non-India Territory.

S. The Transferor Company and the Transferee Company shall be entitled to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents as may be required to give effect to the foregoing clauses.

T. Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company shall extend all co-operation and give necessary support to each other, as may be required in the ongoing or future disputes, litigations relating to and/or for enforcement of their respective rights in trade marks, copyrights, patents, technical know how, process know how, etc. against the third party or parties.

U. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the India Human Formulations Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the India Human Formulations Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

V. It is hereby clarified that all assets and liabilities of the India Human Formulations Undertaking, which are set forth in the closing balance sheet of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date, shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date.

W. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the India Human Formulations Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the India Human Formulations Undertaking or not, a decision jointly taken by the Board of Directors of the Transferor Company and the Transferee Company in this regard, shall be conclusive evidence of the matter.

X. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments of whatsoever nature to which the India Human Formulations Undertaking of the Transferor Company is a party or to the benefit of which the India Human Formulations Undertaking of the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be and may be enforced by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

Y. Upon the coming into effect of this Scheme, all the employees relating to the India Human Formulations Undertaking that were employed by the Transferor Company, immediately before the Effective Date, shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were

applicable to such employees relating to the India Human Formulations Undertaking of the Transferor Company immediately prior to the transfer and vesting of the India Human Formulations Undertaking.

Z. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum cash consideration of INR 693 millions (Rupees Six Hundred Ninety Three Millions) to the Transferor Company.

AA. Upon coming into effect of this Scheme, the Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as a part of the India Human Formulations Undertaking pursuant to the Scheme.

BB. In compliance with Indian Accounting Standards (Ind AS), the difference between the lump sum consideration and book value of the net asset pertaining to India Human Formulations Undertaking, as on the Appointed Date, shall be credited to profit and loss account or debited to the investment in the Transferee Company, as the case may be.

CC. Upon coming into effect of this Scheme, the Transferee Company shall record the assets and liabilities comprised in the India Human Formulations Undertaking transferred to and vested in the Transferee Company pursuant to this Scheme, at the respective book values appearing in the books of accounts of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date in accordance with Ind AS.

DD. In compliance with Ind AS, the deficit or excess, if any, remaining after recording the aforesaid entries over the value of lump sum consideration payable to the Transferor Company shall be debited/credited by the Transferee Company to Capital Reserve Account, as the case may be.

EE. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of the Scheme.

FF. This Scheme is and shall be conditional upon and subject to:

a) obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

b) the approval of the Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company in accordance with Sections 391-394 and other relevant provisions of the Act;

c) the Scheme being sanctioned and orders being obtained by the Transferor Company and the Transferee Company from the High Court in terms of Sections 391 to 394 of the Act and other relevant provisions of the Act; and

d) certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company, respectively.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Other matters

29. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 7**.

30. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.

31. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter shareholders and non-promoter shareholders) as the India Human Formulations Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

Under Clause 8 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, on

the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.

There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferor Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The individual shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferor Company.

32. Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders and/or its preference shareholders. No rights of the equity shareholders and/or preference shareholders of the Transferee Company are being affected pursuant to the transfer of India Human Formulations Undertaking.

    Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.

    As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

    The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.

    There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferee Company.

    Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The individual shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferee Company.

33. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Transferor Company and the Transferee Company, in their separate meetings held on 31st day of January 2017 and 24th day of January 2017, respectively, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Transferor Company and the Transferee Company are enclosed as **Annexure 8** and **Annexure 9**, respectively.

34. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.

35. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

36. The copy of the proposed Scheme has been filed by the Companies before the concerned Registrar of Companies on 31st day of January 2017.

37. The Supplementary Unaudited Accounting Statement of the Transferor Company and the Transferee Company for the period ended 31st December 2016 are enclosed as **Annexure 10** and **Annexure 11**, respectively.

38. As per the books of accounts (as on 31st December 2016) of the Transferor Company and the Transferee Company, respectively, the amount due to the unsecured creditors are Rs. 2,615 crores and Rs. 228 crores, respectively.

39. The name and addresses of the promoters of the Transferor Company including their shareholding in the Companies as on 10th day of February 2017 are as under:

Sr. No.	Name of the Promoters	Address	No. of Equity Shares of Re. 1/- each held in Cadila Healthcare Limited	No. of 8 % Non-Cumulative Redeemable Preference Shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Zydus Family Trust	8th Floor, Zydus Tower, Satellite Cross Roads, Ahmedabad – 380015	76,55,37,230	0
2.	Pripan Investment Private Limited	Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad – 380015	18,000	0
3.	Mrs. Shivani Pankajbhai Patel Jtly. Pankajbhai Ramanbhai Patel	8th Floor, Zydus Tower, Satellite Cross Roads, Ahmedabad – 380015	15,000	0
4.	Mr. Pankajbhai Ramanbhai Patel Jtly. Mrs. Pritiben Pankajbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
5.	Mr. Pankajbhai Ramanbhai Patel (HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
6.	Mrs. Pritiben Pankajbhai Patel Jtly. Mr. Pankajbhai Ramanbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
7.	Taraben Patel Family Will Trust	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
8.	Mr. Ramanbhai B. Patel (HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
9.	Mr. Pankajbhai Ramanbhai Patel Jtly. Dr. Sharvil Pankajbhai Patel (P.R. Patel Smaller HUF)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0
10.	Dr. Sharvil Pankajbhai Patel	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	42,410
11.	Mr. Pankajbhai R. Patel Jtly. Mrs. Pritiben Pankajbhai Patel (R. B. Patel Will Pankaj Trust)	16, Azad Society, Ambawadi, Ahmedabad – 380015	15,000	0

40. The name and addresses of the promoters of the Transferee Company including their shareholding in the Companies as on 10th day of February 2017 are as under:

The Transferee Company is a wholly owned subsidiary company of the Transferor Company. Hence, Transferor Company is the only promoter of the Transferee Company and its details of holding are as under:

Sr. No.	Name of the Promoter(s)	Address	No. of Equity Shares of Rs. 100/- each held in Zydus Healthcare Limited	No. of 8 % Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Cadila Healthcare Limited and its nominees	Zydus Tower Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015	19,38,242	7,15,00,000

41. The details of the directors of the Transferor Company as on 10th day of February 2017 are as follows:

Sr. No.	Name of the Director	Designation of the Director	Address of the Director
1.	Mr. Pankaj R. Patel	Chairman and Managing Director	16, Azad Society, Ambawadi, Ahmedabad – 380015
2.	Dr. Sharvil P. Patel	Joint Managing Director	16, Azad Society, Ambawadi, Ahmedabad – 380015
3.	Mr. Mukesh M. Patel	Non–Executive Director	Prakruti No. 11, Ashwamegh Bungalows Part II, Satellite Road, Ahmedabad – 380015
4.	Mr. Humayun Dhanrajgir	Independent Director	F37/38, Dhanraj Mahal, CSM Road, Apollo Bunder, Mumbai – 400001
5.	Ms. Dharmishtaben N. Rawal	Independent Director	25, Saurabh Society, Navrangpura, Ahmedabad – 380009
6.	Mr. Nitin R. Desai	Independent Director	457, Sind Housing Society, Aundh, Pune, Maharashtra – 411007
7.	Mr. Apurva S. Diwanji	Independent Director	Wyoming Building, 5th Floor, 12-A, Little Gibbs Road, Malabar Hill, Mumbai – 400006

42. The details of the directors of the Transferee Company as on 10th day of February 2017 are as follows:

Sr. No.	Name of the Director	Designation of the Director	Address of the Director
1.	Dr. Sharvil P. Patel	Chairman	16, Azad Society, Ambawadi, Ahmedabad – 380015
2.	Mr. Anil Matai	Managing Director	601, Evershine Jewel, 15th Road, Khar (West), Mumbai – 400052
3.	Mr. Deevyesh J. Radia	Independent Director	C-1/3, “Tirthjal”, 4th Floor, Nr. Ashwamegh Bungalows, Ring Road, Off. Satellite Road, Ahmedabad–380015
4.	Dr. Bhavna S. Doshi	Independent Director	2301/2302, Vighnahar Heights, Sector 14, Palm Beach Road, Nerul [W], Navi Mumbai – 400706
5.	Mr. Nitin D. Parekh	Non-Executive Director	A-3, Aryaman Bunglows, Near Railway Crossing, Thaltej – Shilaj Road, Ahmedabad – 380059

43. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Transferor Company in the Companies as on 10th day of February 2017 are as follows:

Sr. No.	Name and designation of Director(s)	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mr. Pankaj R. Patel Chairman and Managing Director	76,56,12,230 *	2 **	42,410
2.	Dr. Sharvil P. Patel Joint Managing Director	15,000	2 **	42,410
3.	Mr. Humayun Dhanrajgir Independent Director	0	0	0
4.	Mr. Apurva S. Diwanji Independent Director	0	0	0
5.	Ms. Dharmishtaben N. Rawal Independent Director	0	0	0
6.	Mr. Mukesh M. Patel Non- Executive Director	12,000	0	0
7.	Mr. Nitin R. Desai Independent Director	4,42,000	0	0

* Including 76,55,37,230 Equity Shares held as a Trustee of the Trusts.

** As nominee of Cadila Healthcare Limited.

Sr. No.	Name of KMP(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- held in Zydus Healthcare Limited
1.	Mr. Pankaj R. Patel Managing Director	76,56,12,230 *	2 **	42,410
2.	Dr. Sharvil P. Patel Joint Managing Director	15,000	2 **	42,410
3.	Mr. Nitin D. Parekh Chief Financial Officer	40,000	2 **	0
4.	Mr. Upen H. Shah Company Secretary	300	0	0

* Including 76,55,37,230 Equity Shares held as a Trustee of the Trusts.

** Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of relative of Director(s) / KMP(s)	Relationship	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mrs. Pritiben P. Patel	Wife of Pankaj R. Patel	15,000	2 *	42,410
2.	Mrs. Shivani P. Patel	Daughter of Pankaj R. Patel	15,000	2 *	0
3.	Dr. Sharvil P. Patel	Son of Pankaj R. Patel	15,000	2 *	42,410
4.	Mrs. Mehaben S. Patel	Wife of Dr. Sharvil P. Patel	0	0	42,410
5.	Mrs. Ketki U. Shah	Wife of Upen H. Shah	2,300	0	0

* Held as a nominee of Cadila Healthcare Limited.

44. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of the Transferee Company in the Companies as on 10th day of February 2017 are as follows:

Sr. No.	Name of Director(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Dr. Sharvil P. Patel Chairman	15,000	2 *	42,410
2.	Mr. Anil Matai Managing Director	0	0	0
3.	Mr. Deevyesh J. Radia Independent Director	0	0	0
4.	Dr. Bhavna S. Doshi Independent Director	0	0	0
5.	Mr. Nitin D. Parekh Non-Executive Director	40,000	2 *	0

* Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of KMP(s) and designation	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- held in Zydus Healthcare Limited
1.	Mr. Anil Matai Managing Director	0	0	0
2.	Mr. P A Padmanabhan Chief Financial Officer	0	2 *	0
3.	Mr. Sanjay Kumar Gupta Company Secretary	0	0	0

* Held as a nominee of Cadila Healthcare Limited.

Sr. No.	Name of relative of Director(s) / KMP(s)	Relationship	Equity shares of Re. 1/- each held in Cadila Healthcare Limited	Equity shares of Rs. 100/- each held in Zydus Healthcare Limited	8% Non-cumulative Redeemable Preference shares of Rs. 100/- each held in Zydus Healthcare Limited
1.	Mrs. Pritiben P. Patel	Mother of Dr. Sharvil P. Patel	15,000	2 **	42,410
2.	Mrs. Shivaniben P. Patel	Sister of Dr. Sharvil P. Patel	15,000	2 **	0
3.	Mr. Pankaj R. Patel	Father of Dr. Sharvil P. Patel	76,56,12,230*	2**	42,410
4.	Mrs. Mehaben S. Patel	Wife of Dr. Sharvil P. Patel	0	0	42,410

* Including 76,55,37,230 Equity Shares held as a Trustee of the Trusts.

** Held as a nominee of Cadila Healthcare Limited.

45. There would be no change in the shareholding pattern of the Transferor Company and the Transferee Company pursuant to the present Scheme. The pre Scheme shareholding pattern of the Transferor Company and the Transferee Company as on 10th day of February 2017 and the post Scheme shareholding pattern of the Transferor Company and the Transferee Company (assuming the continuing shareholding pattern as on 10th day of February 2017) are as under:

Transferor Company (Pre and Post)

Shareholding Pattern as on 10. 02. 2017				
1.	Name of Listed Entity:		Cadila Healthcare Limited	
2.	Scrip Code / Name of Scrip / Class of Security		532321	
3.	Share Holding Pattern Filed under: Reg. 31(1)(a) / Reg. 31(1)(b) / Reg. 31(1)(c)		31(1)(b)	
	a. If under 31(1)(b) then indicate the report as on.		10.02.2017	
	b. If under 31(1)(c) then indicate date of allotment / extinguishment			
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-			
		Particulars	**YES***	**NO***
	1	Whether the Listed Entity has issued any partly paid up shares?		√
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		√
	3	Whether the Listed Entity has any shares against which depository receipts are issued?		√
	4	Whether the Listed Entity has any shares in locked-in?		√
	5	Whether any shares held by promoters are pledge or otherwise encumbered?		√
	6	Whether the Listed Entity has issued any Differential Voting Rights.		√
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securiteis / Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also whether there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			

5. The tabular format for disclosure of holding of specified securities is as follows:-

For **Cadila Healthcare Limited**
Sd/-
Upen H. Shah
Company Secretary

Place : Ahmedabad

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)		Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)
						No. of voting Rights			
						Class eg: X	Total		
(A)	Promoter & Promoter Group	11	765690230	765690230	74.79	765690230	765690230	74.79	765690230
(B)	Public	89039	258052370	258052370	25.21	258052370	258052370	25.21	252733355
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-
	Total	89050	1023742600	1023742600	100.00	1023742600	1023742600	100.00	1018423585

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.

Further, there are no underlying outstanding convertible securities, including warrants. Company has only one class of securities i.e. Equity Shares.

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholder (I)	PAN (II)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of A+B+C2	Number of equity shres held in demate-rialized form (XIV)
							No. of voting Rights		Total as a % of total voting rights		
							Class X	Total			
(1)	Indian										
(a)	**Individuals/Hindu undivided Family**		**9**	**135000**	**135000**	**0.0132**	**135000**	**135000**	**0.01**	**0.01**	**135000**
1	Shivani Pankajbhai Patel jointly Pankaj Ramanbhai Patel	ABCPP1505C	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
2	Pankaj Ramanbhai Patel jointly Pritiben Pankajbhai Patel	AFUPP4143C	3	45000	45000	**0.0059**	45000	**45000**	**0.00**	0.00	45000
3	Pankaj Ramanbhai Patel HUF	AADHP8061M	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
4	Pritiben Pankajbhai Patel jointly Pankaj Ramanbhai Patel	AAMPP3673L	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
5	Taraben Patel Family Will Trust – Trustee Pankaj R. Patel	AACTT7030K	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
6	Ramanbhai B. Patel HUF	AAEHR4129P	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
9	Sharvil Pankajbhai Patel	ABCPP1507A	1	15000	15000	**0.0020**	15000	**15000**	**0.00**	0.00	15000
(b)	Central Government / State Government(s)	0	0	0	0	0	0	**0**	-	-	-
(c)	Financial Institutions / Banks	0	0	0	0	0	0	**0**	-	-	-
(d)	**Any Other (specify) -**		**2**	**765555230**	**765555230**	**74.782**	**765555230**	**765555230**	**74.78**	74.78	**765555230**
	Body Corporate		**1**	**18000**	**18000**	**0.002**	**18000**	**18000**	**0.00**	0.00	**18000**
1	Prinpan Investment Pvt. Ltd.	AAACP9017B	1	18000	18000	**0.002**	18000	**18000**	**0.00**	0.00	18000
	Promoter Trust		**1**	**765537230**	**765537230**	**74.78**	**765537230**	**765537230**	**74.78**	74.78	**765537230**
	Zydus Family Trust	AAATZ0092P	1	765537230	765537230	74.78	765537230	**765537230**	**74.78**	74.78	765537230
	Sub-Total (A)(1)		**11**	**765690230**	**765690230**	**74.80**	**765690230**	**765690230**	**74.79**	74.79	**765690230**
(2)	Foreign							-	-	-	-
(a)	Individuals (Non-Resident Individuals / Forieng Individuals)		-	-	-	-	-	-	-	-	-
(b)	Government		-	-	-	-	-	-	-	-	-
(c)	Institutions		-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor		-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)		-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)		-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**11**	**765690230**	**765690230**	**74.796**	**765690230**	**765690230**	**74.79**	74.79	**765690230**

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged.

Further, there are no underlying outstanding convertible securities, including warrants. Company has only one class of securities i.e. Equity Shares.

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholder (I)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of equity shres held in dematerialized form (XIV)
						No. of voting Rights		Total as a % of total voting rights		
						Class X	Total			
(1)	Institutions									
(a)	**Mutual Funds**	**75**	**35396143**	**35396143**	**3.46**	**35396143**	**35396143**	**3.46**	**3.46**	**35381728**
(b)	Venture Capital funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	**378**	**101024438**	101024438	**9.87**	**101024438**	**101024438**	-	**9.87**	**101024438**
	Government Pension Fund Global	1	10900598	10900598	**1.06**	**10900598**	**10900598**	**1.06**	**1.06**	**10900598**
	Franklin Templeton Investment Funds	1	15654760	15654760	**1.53**	15654760	15654760	**1.53**	**1.53**	15654760
(f)	Financial Institutions / Banks	31	37618474	37618474	**3.67**	**37618474**	**37618474**	**3.67**	**3.67**	37611754
(g)	Life Insurance Corporation Of India	**1**	**28389958**	**28389958**	**2.77**	**28389958**	**28389958**	**2.77**	**2.77**	28389958
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	
(i)	Any Other (specify)				-	-	-	-	-	
	Foreign Institutional Investors	-	-	-	-	-	-	-	-	
	Sub-Total (B)(1)	**484**	**174039055**	**174039055**	**17.00**	**174039055**	**174039055**	**17.00**	**17.00**	**174017920**
(2)	Central Government / State Government(s) / President of India	3	1414279	1414279	**0.14**	**1414279**	**1414279**	**0.14**	**0.14**	1414279
	Sub-Total (B)(2)	**487**	**175453334**	**175453334**	**17.14**	**175453334**	**175453334**	**17.14**	**17.14**	**175432199**

	Category & Name of the shareholder (I)	Nos. of share-holders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII)= (IV+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of equity shres held in dematerialized form (XIV)
						No. of voting Rights		Total as a % of total voting rights		
						Class X	Total			
(3)	Non-institutions				-	-	**0**	-	-	
(a)	Individuals -				-	-	**0**	-	-	
	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs.	83590	44983906	44983906	**4.39**	**44983906**	**44983906**	**4.39**	**4.39**	39711661
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	10	8493760	8493760	**0.83**	**8493760**	**8493760**	**0.83**	**0.83**	8493760
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	
(c)	Employee Trusts	-	-	-	-	-	-	-	-	
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	
(e)	Any Other (specify)	4952	29121370	29121370	**2.84**	29121370	29121370	-	**2.84**	29095735
	Trust	16	1018981	1018981	**0.10**	**1018981**	**1018981**	**0.10**	**0.10**	1018981
	Hindu Undivided Family	1754	1870137	1870137	**0.18**	**1870137**	**1870137**	**0.18**	**0.18**	1870137
	Non-resident Repatriates	1360	1461546	1461546	**0.14**	**1461546**	**1461546**	**0.14**	**0.14**	1445751
	Non-resident Non-repatriates	586	879916	879916	**0.09**	**879916**	**879916**	**0.09**	**0.09**	871951
	Overseas Corporate Bodies	2	1875	1875	**0**	**1875**	**1875**	**0.00**	-	-
	Bodies Corporates	879	23155060	23155060	**2.26**	**23155060**	**23155060**	**2.26**	**2.26**	23155060
	Clearing Members	355	733855	733855	**0.07**	**733855**	**733855**	**0.07**	**0.07**	**733855**
	Sub-Total (B)(3)	**88552**	**82599036**	**82599036**	**10.91**	**82599036**	**82599036**	**8.07**	**10.9127559**	**77301156**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**89039**	**258052370**	**258052370**	**45.05**	**258052370**	**258052370**	**25.21**	**25.21**	**252733355**

Note: There is no party paid-up shares. There is no underlying shares in depository receipts. None of the equity shares are either locked-in or pledged. Further, there are no underlying outstanding convertible securities, including warrants.

Transferee Company

Equity Shares of Rs.100 each fully paid-up				8% Non Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up				8% Optionally Convertible Non Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up			
Sr. No.	Name of the Shareholder(s)	No. of Shares Pre	No. of Shares Post	Sr. No.	Name of the Shareholders	No. of Shares	% of holding	Sr. No.	Name of the Shareholder	No. of Shares	% of holding
1	Cadila Healthcare Limted	1938230	1938230	1	Mrs. Pritiben P. Patel	42410	16.67%	1	Cadila Healthcare Limited	71500000	100%
2	Mrs. Pritiben P. Patel Jtl. with Cadila Healthcare Limited	2	2	2	Mr. Pankaj R. Patel	42410	16.66%				
3	Mrs. Shivani P. Patel jtly with Cadila Healthcare Limited	2	2	3	Dr. Sharvil P. Patel	42410	16.66%				
4	Dr. Sharvil P. Patel Jtly with Cadila Healthcare Limited	2	2	4	Mrs. Meha Patel	42410	16.66%				
5	Mr. Pankaj R. Patel Jtly with Cadila Healthcare Limited	2	2	5	Dr. Mukesh Patel	42410	16.66%				
6	Mr. Nitin D. Parekh Jtly with Cadila Healthcare Limited	2	2	6	Mr. Chirag Patel	42410	16.66%				
7	Mr. P. A. Padmanabhan Jointly with Cadila Healthcare Limited	2	2		**Total**	**254460**	**100%**				
	Total	**1938242**	**1938242**								

Note: Equity Shareholders under 2 to 7 in the above table hold shares, the beneficial owner of which is Cadila Healthcare Limited.

46. There would be no change in the capital structure of the Transferor Company and the Transferee Company post sanctioning of the Scheme except as enumerated in the Note to the capital structure of the Transferee Company at clause 17 above.

47. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

48. The following documents will be open for inspection by the secured creditors of the Transferor Company at its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015, Gujarat, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:

(i) Copy of the order passed by NCLT in CA(CAA) No.5/230-232/NCLT/AHM/2017, dated 15th day of February 2017 directing the Transferor Company to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;

(ii) Copy of the order passed by NCLT in CA(CAA) No.6/230-232/NCLT/AHM/2017, dated 15th day of February 2017 directing the Transferee Company to, inter alia, convene the meetings of its equity shareholders, preference shareholders, secured creditor and unsecured creditors of the Transferee Company;

(iii) Copy of the CA(CAA) No.5/230-232/NCLT/AHM/2017 along with annexures filed by the Transferor Company before NCLT;

(iv) Copy of the CA(CAA) No.6/230-232/NCLT/AHM/2017 along with annexures filed by the Transferee Company before NCLT;

(v) Copy of the Memorandum and Articles of Association of the Transferor Company and the Transferee Company, respectively;

(vi) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial years ended 31st March 2015 and 31st March 2014, respectively;

(vii) Copy of the annual reports of the Transferor Company and the Transferee Company, respectively, for the financial year ended 31st March 2016;

(viii) Copy of the Supplementary Unaudited Accounting Statement of the Transferor Company and the Transferee Company, respectively, for the period ended 31st December 2016;

(ix) Statement showing assets and liabilities of the India Human Formulations Undertaking of the Transferor Company as on 31st March 2016 proposed to be transferred to the Transferee Company;

(x) Copy of the Register of Directors' shareholding of each of the Companies;

(xi) Copy of Valuation Report submitted by B S R & Associates LLP, Chartered Accountants;

(xii) Copy of the Fairness Opinion, dated 16th day of November 2016, issued by Dalmia Securities Private Limited, to the Board of Directors of the Transferor Company;

(xiii) Copy of the Audit Committee Report, dated 17th day of November 2016, of the Transferor Company;

(xiv) Copy of the resolutions, dated 17th day of November 2016, passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;

(xv) Copy of the extracts of the minutes of the meetings, held on 17th day of November 2016, of the Board of Directors of the Transferor Company and the Transferee Company, respectively, in respect of the approval of the Scheme;

(xvi) Copy of the Statutory Auditors' certificate dated 30th day of November 2016 issued by M/s. Mukesh M. Shah & Co., Chartered Accountants to the Transferor Company;

(xvii) Copy of the Statutory Auditors' certificate dated 30th day of November 2016 issued by M/s. K. S. Aiyar & Co., Chartered Accountants to the Transferee Company;

(xviii) Copy of the complaint reports, dated 3rd day of January 2017, submitted by the Transferor Company to BSE and NSE;

(xix) Copy of the no adverse observations/no objection letter issued by BSE and NSE, both dated 20th day of January 2017, respectively, to the Transferor Company;

(xx) Summary of the Valuation Report including the basis of valuation;

(xxi) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan dated 31st day of January 2017, evidencing filing of the Scheme;

(xxii) Copy of the certificate, dated 31st day of January 2017, issued by A B N & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of the Transferor Company as on 31st December 2016;

(xxiii) Copy of the certificate, dated 31st day of January 2017, issued by A B N & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of the Transferee Company as on 31st December 2016;

(xxiv) Copy of the Scheme; and

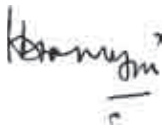
(xxv) Copy of the Reports dated 31st day of January 2017 and 24th day of January 2017 adopted by the Board of Directors of the Transferor Company and the Transferee Company, respectively, pursuant to the provisions of Section 232(2)(c) of the Act.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (vii), (xvi) and (xvii) above.

49. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by

the Transferor Company to its shareholders/creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors of the Transferor Company.

50. After the Scheme is approved by the equity shareholders, secured creditors and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.



Humayun Dhanrajgir
Chairman appointed for the meeting

Dated this 18th day of February 2017.

Registered office: Zydus Tower,
Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015,
Gujarat, India.

Annexure 1

SCHEME OF ARRANGEMENT
BETWEEN
CADILA HEALTHCARE LIMITED
AND
ZYDUS HEALTHCARE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 391 to 394 of the Act (*as defined hereinafter*) and other relevant provisions of the Act including corresponding provisions of the Companies Act, 2013, as may be applicable, for transfer and vesting of the India Human Formulations Undertaking (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) with effect from Appointed Date, as a going concern, on Slump Sale (*as defined hereinafter*) basis, and for which a lump sum cash consideration shall be paid by the Transferee Company (*as defined hereinafter*) to the Transferor Company on the agreed terms and conditions as set out herein, in accordance with Section 2(42C) of the IT Act (*as defined hereinafter*) and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith.

A. BACKGROUND, RATIONALE AND PURPOSE OF THE SCHEME

(i) The Transferor Company, the flagship company of Zydus group, is incorporated on 15th day of May 1995, under the provisions of the Act, in the name of Cadila Healthcare Private Limited. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect from 17th day of July 1996. The Transferor Company is a listed public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

(ii) The Transferor Company is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of the Transferor Company is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit (SBU) Biologics Business, and (b) India Human Formulations Business.

SBU Biologics Business is carrying on the business of marketing and selling human formulations in India through its several divisions, viz. (i) Oncosciences, (ii) Ingenia, (iii) Heptiza-Alpha and Omega, (iv) Synovia, (v) Ostivia, (vi) Biovation, (vii) Bionext, (viii) Vaxxicare and (ix) Nephrosciences- Dialysis and Transplant.

All other business pertaining to marketing and selling of human formulations in India, other than SBU Biologics Business, is carried out through various divisions of India Human Formulations Business. Some of the divisions, amongst others, under India Human Formulations Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc. The plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445, manufactures various formulations for India Human Formulations Business. The Research & Development activity for India Human Formulations Business is carried out at Pharmaceutical Technology Centre (PTC) situated at Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015. Further, the analytical laboratory for stability study in respect of India Human Formulations Business is situated at Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059, and that the activities for development of formulations in respect of India Human Formulations Business is situated at 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210.

(iii) The Transferee Company is a company incorporated on 2nd day of August 1989 under the provisions of the Act in the name of GR Exports Limited in the State of Maharashtra. The name of GR Exports Limited was changed to German Remedies Specialities Limited with effect from 1st day of April 2002. The name was further changed to German Remedies Limited and thereafter to Zydus Healthcare Limited with effect from 8th day of October 2003 and 8th day of September 2016, respectively. The registered office of the Transferee Company was shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. The Transferee Company is an unlisted public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015. The Transferee Company is a wholly owned subsidiary of the Transferor Company.

(iv) The Transferee Company is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the Transferee Company is similar to the India Human Formulations Business of the Transferor Company.

(v) It is desired to consolidate the business of marketing and selling of human formulations in India (which does not include the SBU Biologics Business) of Zydus group within the Transferee Company. In this regard, one of the group companies, namely, the erstwhile Zydus Healthcare Limited merged into German Remedies Limited (the name of German Remedies Limited was changed to Zydus Healthcare Limited, the Transferee Company). Further, it is also contemplated to amalgamate Biochem Pharmaceutical Industries Limited, a wholly owned subsidiary of the Transferor Company, carrying on the business of manufacturing, marketing and selling of human formulations primarily in India, with the Transferee Company and that necessary process for seeking sanction of the scheme of amalgamation of Biochem Pharmaceutical Industries Limited with the Transferee Company has been initiated before the Hon'ble High Court of Gujarat at Ahmedabad.

(vi) As a part of the aforesaid consolidation, it is proposed to transfer the India Human Formulations Undertaking of the Transferor Company to the Transferee Company which would, inter alia, bring more focused and concentrated efforts by management to grow the respective operations of both the companies which would be in the best interest of the stakeholders.

1. DEFINITIONS FOR THE PURPOSES OF THE SCHEME

In this scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1 **"Act"** or **"the Act"** means the Companies Act, 1956 (to the extent of the sections thereof that have not been repealed) and the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force).

1.2 **"Appointed Date"** means 1st April 2016.

1.3 **"Board of Directors"** means the board of directors of the Transferor Company and the Transferee Company as the context may require and shall include a committee of such board of directors duly constituted and authorised.

1.4 **"Companies"** shall mean together the Transferor Company and the Transferee Company.

1.5 **"Effective Date"** means the last of the dates on which all conditions, matters and filings referred to in Clause 18 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date.

1.6 **"High Court"** means the Hon'ble High Court of Gujarat at Ahmedabad and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with the powers of a High Court in relation to the Scheme under the Act.

1.7 **"India Human Formulations Undertaking"** means all the businesses, undertakings, activities, properties and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to the India Human Formulations Business (which does not include the SBU Biologics Business), including specifically the following:

(a) the manufacturing plant situated at Plot No. 3707-3708, Phase IV, GIDC, Vatva, Ahmedabad-382 445;

(b) facilities situated at (i) the Pharmaceutical Technology Centre (PTC) Sigma Commerce Zone, Near Iscon Temple, S. G. Highway, Ahmedabad- 380 015; (ii) Magnet Corporate Park, House No. 5, Floor 1, 2 and 3, Thaltej Cross Roads, Thaltej, Ahmedabad – 380 059; and (iii) 2nd & 3rd Floor, Plot No. 407, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village Moraiya, Taluka Sanand, Ahmedabad – 382 210;

(c) all other immovable properties i.e. land together with the buildings and structures standing thereon (whether, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the India Human Formulations Business and all documents (including panchnamas, declarations, receipts, etc.) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

(d) all assets, as are movable in nature pertaining to and in relation to the India Human Formulations Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or

incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and receivables, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, deferred tax assets/liabilities, if any.

(e) all permits, licenses, permissions including municipal permissions, product permissions especially under the Drugs and Cosmetics Act, 1940 and that under the Narcotic Drugs and Psychotropic Substances Act, 1985, price approvals under Drugs (Prices Control) Order, 2013, right of way, approvals, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the India Human Formulations Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the India Human Formulations Business;

(f) all contracts, agreements including consultancy agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the India Human Formulations Business;

(g) all trade marks (except the trade marks "Lipaglyn®", "Zydus", "Zydus" logo and related trade marks), registered or used by the Transferor Company as the owner or licensee, related only to India Territory, and pertaining to the India Human Formulations Business; all copyrights of the Transferor Company in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works that pertain to the India Human Formulations Business and relate to the India Territory; and right to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights of the Transferor Company in respect of formulations, processes, methods, molecules, improvements, etc. for India Territory and pertaining to India Human Formulations Business;

(h) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the India Human Formulations Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the India Human Formulations Business;

(i) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, marketing and publicity materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit

information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the India Human Formulations Business;

(j) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the India Human Formulations Business and/or arising out of and/or relatable to the India Human Formulations Business;

(k) all employees of the Transferor Company employed/engaged in the India Human Formulations Business as on the Effective Date; and

(l) all legal or other proceedings of whatsoever nature that pertain to the India Human Formulations Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the India Human Formulations Business or whether it arises out of the activities or operations of the India Human Formulations Business, and in each case, subject to Clause 11 hereof, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

1.8 **"India Territory"** means the Union of India.

1.9 **"IT Act"** means the Income-tax Act, 1961 and rules and regulations made thereunder and shall include any statutory modification, amendment or re-enactment thereof for the time being in force.

1.10 **"LODR"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.11 **"Non-India Territory"** means other than the India Territory.

1.12 **"Scheme" or "the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form including any modification or amendment hereto, made in accordance with the terms hereof.

1.13 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.14 **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 issued by the SEBI, as amended or replaced from time to time.

1.15 **"Slump Sale"** means Slump Sale as defined under Section 2(42C) of the IT Act.

1.16 **"Stock Exchanges"** shall mean National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) collectively.

1.17 **"Remaining Business"** means all the undertakings, businesses, activities, investments and their respective assets and liabilities of the Transferor Company other than those forming part of the India Human Formulations Undertaking pursuant to this Scheme.

1.18 **"Transferee Company"** means Zydus Healthcare Limited, a company incorporated under the provisions of the Act and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015.

1.19 **"Transferor Company"** means Cadila Healthcare Limited, a company incorporated under the provisions of the Act and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015.

2. SHARE CAPITAL

The share capital of the Transferor Company as on 15th day of November 2016 was as under:

Share Capital	**Amount (in Rs.)**
Authorized	
172,50,00,000 Equity shares of Re. 1/- each	172,50,00,000
TOTAL	**172,50,00,000**
Issued, subscribed and paid-up	
102,37,42,600 Equity shares of Re. 1/- each fully paid up	102,37,42,600
TOTAL	**102,37,42,600**

The share capital of the Transferee Company as on 15th day of November 2016 was as under:

Share Capital	Amount (in Rs.)
Authorized	
21,00,000 equity shares of Rs. 100/- each	21,00,00,000
3,00,000 8% non-cumulative redeemable preference shares of Rs. 100/- each	3,00,00,000
TOTAL	**24,00,00,000**
Issued, subscribed and paid-up	
19,38,242 equity shares of Rs. 100/- each fully paid up	19,38,24,200
2,54,460 8% non-cumulative redeemable preference shares of Rs. 100/- each fully paid up	2,54,46,000
TOTAL	**21,92,70,200**

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. TRANSFER AND VESTING OF THE INDIA HUMAN FORMULATIONS UNDERTAKING

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the India Human Formulations Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in Transferee Company on a going concern basis by way of a Slump Sale, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Transferee Company, pursuant to Section 394(2) of the Act.

4.2 In respect of such of the assets of the India Human Formulations Undertaking as are movable in nature and/ or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the India Human Formulations Undertaking.

4.3 In respect of the movable assets other than those dealt with in clause 4.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of Sections 391 to 394 read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

4.4 In respect of such of the assets belonging to the India Human Formulations Undertaking other than those referred to in clause 4.2 and 4.3 above, the same shall, as more particularly provided in clause 4.1 above, without any further act, instrument or deed, be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391-394 of the Act.

4.5 All assets, rights, titles, interests and investments of the Transferor Company in relation to the India Human Formulations Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391-394 of the Act.

4.6 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/leave and license/right of way properties of the Transferor Company in relation to the India Human Formulations Undertaking, shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company automatically and on the same terms and conditions.

4.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor Company, and the rights and benefits under the same, in so far as they relate to the India Human Formulations Undertaking and all quality certifications and approvals, and all other interests relating to the goods or services being dealt with by the India Human Formulations Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Transferor Company in relation to the India Human Formulations Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company and continuation of operations pertaining to the India Human Formulations Undertaking of the Transferor Company in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

4.8 In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/ benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the India Human Formulations Undertaking, vest with and be available to the Transferee Company on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

4.9 Any claims due to the Transferor Company from its customers or otherwise and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the India Human Formulations Undertaking, shall also belong to and be received by the Transferee Company.

4.10 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operation of the India Human Formulations Undertaking shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

4.11 Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of The Transferor Company relating to the India Human Formulations Undertaking shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, duties, obligations and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company and to keep the Transferor Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

4.12 In so far as loans and borrowings of the Transferor Company are concerned, the loans and borrowings, if any, and such amounts pertaining to the India Human Formulations Undertaking, which are to be transferred to the Transferee Company in terms of clause 4.11 above shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company, as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee Company. However, without prejudice to such transfer of liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor

discharge, the Transferee Company may discharge such liability (including accretions) by making payments on the respective due dates to the Transferor Company, which in turn shall make payments to the respective creditors.

4.13 Subject to clause 4.12 above, from the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities of the India Human Formulations Undertaking as the borrower/issuer thereof, and the Transferor Company shall not have any obligations in respect of the said liabilities.

4.14 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all liabilities and obligations incurred by the Transferor Company for the operations of the India Human Formulations Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee Company and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

4.15 Any claims, liabilities or demands arising on account of the India Human Formulations Undertaking of the Transferor Company which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Transferor Company, then the Transferee Company shall indemnify the Transferor Company for any payments made in relation to the same.

4.16 In so far as the assets of the India Human Formulations Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Transferor Company (except the loans and borrowings of the Remaining Business of the Transferor Company which relate to the External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas) shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Transferor Company which are not transferred to the Transferee Company. So far as the security and existing charges over the assets of India Human Formulations Undertaking are concerned, to the extent they relate to the aforesaid External Commercial Borrowings availed from Bank of Tokyo Mitsubishi UFJ Limited, Singapore and Citibank N.A., Bahamas by the Remaining Business of the Transferor Company, shall, without any further act, instrument or deed, continue to subsist over such assets of the India Human Formulations Undertaking and that such assets would be available to the aforesaid External Commercial Borrowings lenders for discharge of the liabilities in respect of the loans and borrowings availed by the Transferor Company for its Remaining Business.

4.17 Without any prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the provisions of this clause and foregoing clauses, if required.

4.18 Upon the coming into effect of this Scheme, the Transferor Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of the Transferor Company and the Transferee Company shall not have any obligations in respect of the Remaining Business of the Transferor Company.

4.19 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4.20 Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual and irrevocable license to use the trade marks “Lipaglyn®”, “Zydus”, “Zydus” logo and related trade marks for use in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

4.21 It is clarified that upon the coming into effect of this Scheme, the Transferor Company’s copyrights in labels, brochures, pamphlets, marketing and publicity materials and artistic/literary works, in so far as they relate to or pertain to the Non-India Territory, the same shall continue to belong to and remain vested in the Transferor Company.

4.22 Upon the coming into effect of this Scheme and as an integral part thereof, the Transferor Company shall, without any further act, instrument, deed, matter or thing, grant to the Transferee Company a perpetual royalty-free and irrevocable license to use, develop and exploit the patents, technical know how, process know how and all other intellectual property rights (other than the trade marks and copyrights which shall vest in the Transferee Company upon the coming into effect of this Scheme and subject to clause 4.20 and clause 4.21 above) in respect of formulations, processes, methods, molecules, improvements, etc. in the India Territory but only so long as the Transferee Company is the subsidiary of the Transferor Company.

4.23 Notwithstanding anything contained above, the Transferor Company shall be entitled to register in its name the trademarks, copyrights, etc. used or to be used in the Non-India Territory, for the purpose of export/sale of goods bearing the said trade marks in the Non-India Territory.

4.24 The Transferor Company and the Transferee Company shall be entitled to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents as may be required to give effect to the foregoing clauses.

4.25 Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company shall extend all co-operation and give necessary support to each other, as may be required in the ongoing or future disputes, litigations relating to and/or for enforcement of their respective rights in trade marks, copyrights, patents, technical know how, process know how, etc. against the third party or parties.

4.26 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the India Human Formulations Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the India Human Formulations Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

4.27 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of this Scheme.

4.28 It is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company, in relation to or in connection with the India Human Formulations Undertaking, manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the India Human Formulations Undertaking at manufacturing location(s) or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of the Transferee Company after the Effective Date.

4.29 It is hereby clarified that all assets and liabilities of the India Human Formulations Undertaking, which are set forth in the closing balance sheet of the Transferor Company as on the close of business hours on the date immediately

preceding the Appointed Date, shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date.

5. LEGAL PROCEEDINGS

5.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the India Human Formulations Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the India Human Formulations Undertaking or not, a decision jointly taken by the Board of Directors of the Transferor Company and the Transferee Company in this regard, shall be conclusive evidence of the matter.

5.2 If proceedings are taken against the Transferor Company in respect of the matters referred to in clause 5.1 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all the liabilities and obligations incurred by the Transferee Company in respect thereof.

5.3 The Transferee Company shall have all legal or other proceedings initiated by or against the Transferor Company with respect to the India Human Formulations Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.

6. CONTRACTS, DEEDS, ETC.

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments of whatsoever nature to which the India Human Formulations Undertaking of the Transferor Company is a party or to the benefit of which the India Human Formulations Undertaking of the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be and may be enforced by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 Notwithstanding the fact that the vesting of the India Human Formulations Undertaking of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company, and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

6.3 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the India Human Formulations Undertaking which the Transferor Company own or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

7. SAVING OF CONCLUDED TRANSACTIONS

7.1 The transfer and the vesting of the assets, liabilities and obligations of the India Human Formulations Undertaking under clause 4 hereof and the continuance of proceedings by or against the Transferee Company thereof shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by,

and/or on behalf of the Transferor Company as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

8. EMPLOYEES

8.1 Upon the coming into effect of this Scheme, all the employees relating to the India Human Formulations Undertaking that were employed by the Transferor Company, immediately before the Effective Date, shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the India Human Formulations Undertaking of the Transferor Company immediately prior to the transfer and vesting of the India Human Formulations Undertaking.

8.2 The Transferee Company agrees that the service of all employees pertaining to the India Human Formulations Undertaking with the Transferor Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

8.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees relating to the India Human Formulations Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations in respect of the India Human Formulations Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company.

8.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Company for employees of the India Human Formulations Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the India Human Formulations Undertaking as on the Effective Date, who are being transferred along with the India Human Formulations Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

9. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEREE COMPANY

With effect from the Appointed Date and upto and including the Effective Date:

9.1 the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the India Human Formulations Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the India Human Formulations Undertaking for and on account of, and in trust for, the Transferee Company;

9.2 all profits and income accruing or arising to the Transferor Company from the India Human Formulations Undertaking and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to India Human Formulations Undertaking shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;

9.3 any of the rights, powers, authorities, privileges, attached, related or pertaining to the India Human Formulations Undertaking exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the India Human Formulations Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

9.4 The Transferor Company undertakes that it will preserve and carry on the business of the India Human Formulations Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or

sell, transfer, alienate, charge, mortgage, or encumber the India Human Formulations Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees or undertake substantial expansion or change the general character or nature of the business of the India Human Formulations Undertaking or any part thereof save and except in each case:

(a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of Directors of the Transferee Company has been obtained.

9.5 The Transferor Company and/ or the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consent, approvals and sanctions, which the Transferee Company may require to carry on the business of the India Human Formulations Undertaking.

10. TAX CREDIT/DUTIES/CESS ETC.

10.1 The Transferee Company will be the successor of the Transferor Company vis-à-vis the India Human Formulations Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-à-vis the India Human Formulations Undertaking and the obligations, if any, for payment of taxes on any assets of the India Human Formulations Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by the Transferee Company, or as the case may be deemed to be the obligation of the Transferee Company.

10.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by the Transferor Company relating to the India Human Formulations Undertaking including all or any refunds/ credits/claims/tax losses/unabsorbed depreciation relating thereto shall be treated as the assets/liability or refund/credit/claims/tax losses/unabsorbed depreciation, as the case may be, of the Transferee Company.

10.3 The Transferor Company and the Transferee Company are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/returns and to claim refund, advance tax, credits, excise and service tax credits, set off etc. on the basis of the accounts of the India Human Formulations Undertaking as vested with the Transferee Company upon coming into effect of this Scheme.

10.4 Upon this Scheme becoming effective, both the Transferee Company and the Transferor Company, if required, are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted/collected at source returns, service tax returns, excise tax returns, sales tax/VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

11. CONSIDERATION BY THE TRANSFEREE COMPANY

11.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the India Human Formulations Undertaking of the Transferor Company in the Transferee Company by way of Slump Sale on a going concern basis, in accordance with the terms of this Scheme and pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, the Transferee Company shall pay a lump sum cash consideration of INR 693 millions (Rupees Six Hundred Ninety Three Millions) to the Transferor Company.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

12.1 Upon coming into effect of this Scheme, the Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as a part of the India Human Formulations Undertaking pursuant to the Scheme.

12.2 In compliance with Indian Accounting Standards (Ind AS), the difference between the lump sum consideration and book value of the net assets pertaining to India Human Formulations Undertaking, as on the Appointed Date, shall be credited to profit and loss account or debited to the investment in the Transferee Company, as the case may be.

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

13.1 Upon coming into effect of this Scheme, the Transferee Company shall record the assets and liabilities comprised in the India Human Formulations Undertaking transferred to and vested in the Transferee Company pursuant to

this Scheme, at the respective book values appearing in the books of accounts of the Transferor Company as on the close of business hours on the date immediately preceding the Appointed Date in accordance with Ind AS.

13.2 In compliance with Ind AS, the deficit or excess, if any, remaining after recording the aforesaid entries over the value of lump sum consideration payable to the Transferor Company shall be debited/credited by the Transferee Company to Capital Reserve Account, as the case may be.

14. REMAINING BUSINESS

14.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of the Scheme.

14.2 All legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Transferor Company.

14.3 With effect from the Appointed Date and up to and including the Effective Date:

a) The Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

b) all profits and income accruing or arising to the Transferor Company, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Transferor Company; and

c) all employees relatable to the Remaining Business shall continue to be employed by the Transferor Company and the Transferee Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

15. APPLICATIONS TO THE HIGH COURT

15.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications/petitions, under Sections 391 to 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme.

16. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

16.1 The Companies by their respective Board of Directors or any Director/Executive/Employee authorized in this behalf, (hereinafter referred as to the "Delegates") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the High Court or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Companies may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Companies or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the High Court or SEBI or any authorities, which the Board of Directors of the Companies find unacceptable for any reason, then the Companies shall be at liberty to withdraw the Scheme.

16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of the Transferor Company and the Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of

doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Companies to be obtained for any matter, the same may be given through their Delegates.

17. SEVERABILITY

17.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

18.1 This Scheme is and shall be conditional upon and subject to:

a) obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

b) the approval of the Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company in accordance with Sections 391-394 and other relevant provisions of the Act;

c) the Scheme being sanctioned and orders being obtained by the Transferor Company and the Transferee Company from the High Court in terms of Sections 391 to 394 of the Act and other relevant provisions of the Act; and

d) certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company, respectively.

19. EFFECT OF NON-RECEIPT OF APPROVALS

19.1 In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

20. COSTS, CHARGES AND EXPENSES

20.1 All costs, duties, levies, charges and expenses payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferor Company.

Annexure 2
VALUATION REPORT

B S R & Associates LLP
Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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16 November 2016

Board of Directors
Cadila Healthcare Limited
Zydus Tower, Satellite Cross Roads,
Sarkhej – Gandhinagar Highway,
Ahmedabad – 380 015,
Gujarat, India

Sub: Report on the NAV valuation of the India Human Formulations Undertaking of Cadila Healthcare Limited for the proposed transfer to its wholly owned subsidiary

Dear Sirs,

We refer to the engagement letter dated 12 August 2016, wherein the Board of Directors ("Management") of Cadila Healthcare Limited ("CHL", or "You", or "Client") has engaged B S R & Associates LLP ("B S R" or "We") for performing the NAV valuation of the India Human Formulations Undertaking ("Specified Business"), for the purpose of proposed transfer of the Specified Business on slump sale basis to Zydus Healthcare Limited ("Proposed Transaction").

The NAV valuation is carried out as at 31 March 2016 ("Valuation Date").

SCOPE AND PURPOSE OF THE VALUATION REPORT

We understand that CHL proposes to transfer the Specified Business on slump sale basis to Zydus Healthcare Limited (previously known as German Remedies Limited) ("Zydus").

The Proposed Transaction is expected to be carried out by way of a scheme of arrangement under Section 391 – 394 of the Companies Act, 2013 and applicable provisions prescribed by the Securities and Exchange Board of India ("SEBI").

Further, we understand that CHL is proposing to transfer the Specified Business at book value and hence the valuation is required as per the Net Asset Value.

This valuation report ("Valuation Report") is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

B S R & Associates (a partnership firm with Registration No. BA68226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office
5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

BACKGROUND

CHL is engaged in the business of research and development, manufacture, marketing, sale, trading and export of drugs and pharmaceuticals. CHL's product portfolio includes active pharmaceutical ingredients, human formulations and veterinary. CHL has its registered office in Ahmedabad, India.

The equity shares of CHL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Specified Business is engaged in marketing and selling products relating to human formulations in India. Some of the divisions, amongst others, under the Specified Business are (i) Fortiza, (ii) Medica, (iii) Liva, (iv) Respicare, etc.

Zydus is engaged in the business of manufacturing and marketing of pharmaceutical products in areas of female healthcare, respiratory care, gastroenterology, cardiovascular care, etc. Zydus is a wholly owned subsidiary of Cadila Healthcare Limited ("Cadila") and has its registered office in Ahmedabad, India.

SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the Management:

- Draft Scheme of Arrangement pertaining to the Proposed Transaction.
- Carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business.
- Other information, explanations and representations that were required and provided by the Management.
- Such other analysis, reviews and inquires as we considered necessary.

B S R & Associates LLP
1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011, India.
Chartered Accountants

SCOPE AND LIMITATIONS OF WORK

B S R has been appointed to carry out the NAV valuation of the Specified Business based on book value of the net assets as at 31 March 2016.

This Valuation Report is based on and relies solely on the carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business. B S R has read, analysed and discussed but not independently verified the financial statements and underlying data and accordingly provide no opinion on the factual basis of the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.

Our work did not constitute an audit of the carved out financial statements and accordingly, we do not express any opinion on the truth and fairness of the financial position as indicated in this Valuation Report. Similarly, our work did not constitute validation of the carved out financial statements of the Specified Business and accordingly, we do not express any opinion on the same.

For the purpose of this Engagement and Valuation Report, we have made no investigation of, and assume no responsibility for the title to, or liabilities against the Specified Business. The value contained herein is not intended to represent the NAV of the Specified Business at any time other than 31 March 2016, as per the agreed scope of our engagement. Our conclusion of value assumes that the title to the assets and liabilities of Specified Business reflected in the unaudited carved out financial statements as on 31 March 2016 is intact as at the date of this Valuation Report. For the purposes of this Engagement, we are not required to carry out a valuation of tangible/ intangible assets of the Specified Business.

Although we have read, analysed and discussed the information relating to the Specified Business, prepared and provided to us by the Management for the purpose of making the Valuation Report, we have not commented on the appropriateness of or independently verified the assumptions or information provided to us, for arriving at the valuation.

Neither B S R nor any of its affiliates are responsible for updating this Valuation Report because of events or transactions occurring subsequent to the date of this Valuation Report. B S R has not considered any finding made by other external agencies in carrying out this valuation.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information furnished by the Management and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell direction, for which specific opinion needs to be taken from expert advisors).



The Valuation Report assumes that the Specified Business complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated; and that the Specified Business will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to the following matters –

- Matters of a legal nature, including issues of legal title and compliance with local laws, and
- Litigation and other contingent liabilities that are not recorded in the carved out statement of assets and liabilities of the Specified Business as on 31 March 2016.

No enquiry into the Specified Business' claim to title of assets or property has been made for the purpose of this valuation. With regard to the Specified Business' claim to title of assets or property, we have relied solely on representations, whether verbal or otherwise, made by the Management to us for the purpose of this Valuation Report. We have not verified such representations against any title documents or any agreements evidencing right or interest in or over such assets or property, and have assumed the Specified Business' claim to such rights, title or interest as valid for the purpose of this Valuation Report. No Information has been given to us about liens or encumbrances against the assets, if any, beyond the loans disclosed in the accounts. Accordingly, no due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

We express no opinion or recommendation as to how the shareholders of CHL should vote at any shareholders' meeting(s) to be held in connection with the proposed Transaction.

Our Valuation Report is confidential to the Client and will be issued by us on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party or used for any purpose other than the proposed Transaction without B S R's prior written consent.

This Valuation Report is prepared on the basis of the sources of information listed hereinafter in this Valuation Report. B S R has relied upon written representation provided by the Management and that the information contained in the Valuation Report is materially accurate and complete, fair in its manner of portrayal and therefore forms a reliable basis for the valuation.

The Valuation Report should be read in whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Valuation Report as a whole is taken into account.



VALUATION SUMMARY

As discussed above, the Management is proposing transfer of the Specified Business to its wholly owned subsidiary at book value. Hence, we have only considered the net asset value ("NAV") method for the valuation.

The NAV is arrived based on the carved out unaudited statement of assets and liabilities as at 31 March 2016 of the Specified Business.

The summary of the NAV valuation of the Specified Business is presented below:

Specified Business	
INR million	**31-Mar-2016**
Assets	
Net Tangible Assets	456
Net Intangible Assets	36
Capital work in progress	70
Long term loans and advances	260
Current assets	
Inventory	1,190
Sundry debtors	925
Cash and bank	209
Short term loans and advances	96
Other current assets	9
Total assets	**3,251**
Liabilities	
Long term provisions	(436)
Other long term liabilities	(64)
Current liabilities	
Trade payables	(1,655)
Other current liabilities	(363)
Short term provisions	(40)
Total liabilities	**(2,558)**
Net assets value before adjustments	**693**
Adjustments	
Less: Contingent liabilities	-
Net asset value	**693**

Note: As represented by Management, the Specified Business has contingent liabilities pertaining to certain business, legal and employee related matters, etc. We understand that the probability of materialization of the aforementioned liabilities is remote.

CONCLUSION

Based on, the Scope and Limitations of our work, Sources of Information, valuation methodology and approach, the net asset value of the Specified Business as at 31 March 2016 is INR 693 million (INR Six Hundred Ninety Three million only).

Respectfully submitted,

For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231W

Mahek Vikamsey
ICAI Membership No. 108235
Place: Mumbai
Date: 16 November 2016

Annexure 3
FAIRNESS OPINION

Dalmia Securities Private Limited

STRICTLY PRIVATE & CONFIDENTIAL

DSPL/CPL /FO/1 **16th November, 2016**

The Board of Directors
Cadila Healthcare Limited
Zydus Tower, Satellite Cross Roads,
Sarkhej - Gandhinagar Highway ,
Ahmedabad,Gujarat,380015

Dear Sirs,

Subject: Fairness Opinion for the proposed transfer of India Human Formulations Undertakingof Cadila Healthcare Limited(Transferor Company) on slump sale basisto its wholly owned subsidiary Zydus Healthcare Limited (ZHL) (Transferee Company), pursuant to the proposed Scheme ('Draft Scheme' or 'Scheme') in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Please refer to the engagement letter no. DSPL/CHL/FO/1 dated November 16 2016 appointing Dalmia Securities Private Limited, to furnish Fairness Opinion,pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, for the proposed in terms of provisions of section 391 to 394 of the Companies Act 1956 ('the Act') and other applicable provisions of the Act and /or Rules/Regulations made there under:

1. Background

1.1 Cadila Healthcare Limited ('CHL' or 'the Transferor Company')

CHL, is a company incorporated on 15th day of May 1995, under the provisions of the A[illegible] the name of Cadila Healthcare Private Limited, having CIN L24230GJ1995PLC025878. The name of Cadila Healthcare Private Limited was changed to Cadila Healthcare Limited with effect fr[illegible]

Regd. Office : Ideal Plaza, Suite S-401, 4th Floor, 11/1, Sarat Bose Road, Kolkata - 700020, P 91-33-22806544, 91-33-66120500 F 91-33-22806643
Corporate Office : Mumbai Office : 17, Khetan Bhavan, 2nd Floor,198, J. Tata Road, Mumbai 400 020 Ph:91-22-30272810

SEBI Regn Nos. NSE INB230645339 F&O INF230645339 Code 06453 BSE INBO 10684638 F&O INFO10684638 Code 530

NSDL IN300222 CDSL 14500 BARN 0284

CIN : U67120WB1993PTC060525
www.dalmiasec.com

day of July 1996. CHL is a listed public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380 015 and the equity shares of the Transferor Company are listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

CHL is engaged in the business of R&D, manufacture and marketing of drugs and pharmaceuticals (both domestic and international markets). The company has, inter-alia, India Human Formulations Undertakingthat is manufacturing,selling and marketing human formulations,in India, for various medical requirements. The plant of the India Human Formulations is located in GIDC Vatva, while the R&D activity for this business unit is at Pharmaceutical Technology Centre (PTC) situated in Ahmedabad.

1.2 Shareholding pattern of CHL as on September 30,2016 is as under:

Category	Shareholding of equity shares (%)
Promoters	74.79
Public	25.21
Total	**100.00**

1.3 Summary of Financials (standalone) of CHL is as under:

Year ending March 31 (INR Cr)	2016	2015	2014
Total Revenue	7,169.40	5,469.64	4,042.11
Total Expenditure	4,735.90	4,005.00	3,405.00
PBDT	2,654.70	1,676.48	1,073.07
Profit Before Tax	2,433.50	1,464.63	945.67
Profit After Tax	1,977.30	1,271.12	903.59

Source:Annual reports of CHL and filing with BSE/NSE

1.4 Zydus Healthcare Limited ('ZHL') (Transferee Company):

ZHL is a company incorporated on 2nd day of August 1989 under the provisions of the [illegible] name of GR Exports Limited in the State of Maharashtra. After several name change[illegible] intervening period, the company is presently known as Zydus Healthcare Limited. The registered

office of ZHLwas shifted from the State of Maharashtra to the State of Gujarat with effect from 2nd day of April 2014. ZHL is an unlisted public limited company having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad–380015 and it is a wholly owned subsidiary of the Transferor Company. ZHL is engaged in the business of manufacturing, marketing and selling of human formulations in India with manufacturing plants in the State of Sikkim. ZHL's existing business is similar to the business of India Human Formulations Undertaking of the CHL.

2. Proposed Scheme:

2.1 We have been informed that Zydus Group intends to consolidate its formulation business into ZHL in order to iner-alia, bring focused and concentrated efforts to grow the operations of both CHL and ZHL.

2.2 Accordingly, it is proposed to transfer the India Human Formulations Undertakingof CHL to ZHL, a wholly owned subsidiary of CHL with effect from April 1,2016 (hereinafter referred to as 'Appointed Date') pursuant to the Draft Scheme under section 391-394 of theCompanies Act 1956 by way of a slump sale for a lump sum consideration. The Draft Scheme would need approval from the jurisdictional High Court and other regulatory authorities, etc as applicable.

2.3 The Salient features of the Draft Scheme are as under:

a. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, India Human Formulations Undertaking(including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the India Human Formulations Undertaking) shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in the ZHLor be deemed to have been transferred to and vested in ZHL on a going concern basis by way of a Slump Sale.

b. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of CHL relating to the India Human Formulations Undertakingshall without any further act, instrument or deed be and stand transferred to ZHL.

c. Upon the Scheme coming into effect and in consideration of the transfer and vesting of the India Human Formulations Undertakingby way of Slump Sale on a going concern basis ZHL shall pay a

lump sum cash consideration of INR 693 million(RupeesSix Hundred and Ninety Threemillions) to CHL, representing the net asset value i.e., book value of the assets and liabilities being transferred pertaining to the India Human Formulations Undertakingas on the Appointed Date.Such consideration is based on the net book value of the assets of the India Human Formulations Undertakingas on March 31,2016.

3. Scope of Engagement

For the aforesaid purpose, CHL has appointed B S R & Associates LLP ("B S R") for deciding the Net Asset Value of the India Human Formulations Undertaking.

Further, CHL appointed us to issue a fairness opinion for the intended Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. This report is intended only for the sole use of CHLand ZHL in connection with the Draft Scheme including for the purpose of obtaining judicial and regulatory approvals for the Scheme.

4. Sources of Information

We have relied on the following information in issuing this fairness opinion for the purpose of the arrangement:

- Draft Scheme under Section 391 to 394 of the Companies Act, 1956;
- Copy of Memorandum and Article of Association of CHL
- Shareholding pattern of CHL as on March 31, 2016 respectively.
- Audited financial statement of the Companyfor the years ending March 31, 2016,March 31, 2015 andMarch 31, 2014respectively.
- Valuation report dated November 16,2016 issued by M/s. BSR& Associates LLP
- Such other information, documents, data, reports, discussions and verbal &written explanations from CHL and ZHL as well as advisors for the proposed Scheme, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.

5. Key Facts from the Valuation Report:

a. The valuation of the India Human Formulations Undertakingof CHL has been conducted by the NAV method.

b. For arriving at NAV, BSR& Associates LLP has relied on the carved out unaudited statement of assets and liabilities as on 31 March 2016 of the India Human Formulations Undertaking. The carved out statement has been provided as a representation by the Management of CHL, the Transferor Company.

c. Since the India Human Formulations Undertaking proposed to be transferred to ZHL, a wholly owned subsidiary, as a slump sale, the valuation of the business using NAV is considered reasonable as it would not make substantial impact on the financials of CHL, the Transferor Company.

d. BSR & Associates LLP has arrived at the NAV of Rs.693million as value of the India Human Formulations Undertaking. (*Valuation sheet at Annexure 1*).

Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter.

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

6.1. In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.



6.2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.

6.3. Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

6.4. We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the Draft Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Draft Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Draft Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of CHL will trade following the announcement of the Draft Scheme or as to the financial performance of CHL following the consummation of the Draft Scheme.

6.5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

6.6. No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for purpose of this report.

6.7. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the Draft Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this



report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

6.8. This report has been issued for the sole purpose to facilitate the Company to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and it shall not be valid for any other purpose.

7. Opinion & Conclusion

In light of the forgoing and subject to the caveats as detailed hereinbefore, we as a Merchant Banker hereby certify that in our opinion the proposed valuation of the India Human Formulations Undertakingat Rs.693-million, to be transferred to Zydus Healthcare Limited, as a slump sale, as per the proposed Draft Scheme of Arrangement is fair and reasonable.

(JEYAKUMAR.S)
Chief Operating Officer (Investment Banking)
Dalmia Securities Private Limited
SEBI Registration No: INM000011476

Mumbai

Annexure 1 - Net Asset Value of Specified Undertaking

Specified Business	
INR million	31-Mar-2016
Assets	
Net Tangible Assets	456
Net Intangible Assets	30
Capital work in progress	70
Long term loans and advances	260
Current assets	
Inventory	1,190
Sundry debtors	925
Cash and bank	209
Short term loans and advances	96
Other current assets	9
Total assets	3,251
Liabilities	
Long term provisions	(436)
Other long term liabilities	(64)
Current liabilities	
Trade payables	(1,655)
Other current liabilities	(363)
Short term provisions	(40)
Total liabilities	(2,558)
Net assets value before adjustments	693
Adjustments	
Less: Contingent liabilities	-
Net asset value	693





Annexure 4
OBSERVATION LETTER FROM BSE

BSE EXPERIENCE THE NEW

DCS/AMAL/ND/R37/683/2016-17 January 20, 2017

The Company Secretary
CADILA HEALTHCARE LTD.
Zydus Tower, Satellite Cross Roads,
Sarkhej - Gandhinagar Highway,
Ahmedabad 380015

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited.

We are in receipt of Draft Scheme Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated January 19, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

S&P BSE SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

Annexure 5

OBSERVATION LETTER FROM NSE

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/10268

January 20, 2017

The Company Secretary,
Cadila Healthcare Limited
'Zydus' Tower,
Satellite Cross Roads,
Sarkhej- Ghandhinagar Highway,
Ahmedabad 380015

Kind Attn.: Mr. Upen H Shah

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Cadila Healthcare Limited with Zydus Healthcare Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between Cadila Healthcare Limited with Zydus Healthcare Limited and their respective shareholders and creditors filed by the Company vide its letter dated December 03, 2016.

Based on our letter reference no Ref: NSE/LIST/100066 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015, SEBI has vide letter dated January 19, 2017, has given following comments on the draft Scheme of Arrangement:

"a) The Company shall duly comply with various provisions of the Circulars."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 20, 2017, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

1.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com

Continuation Sheet

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Divya Babu Poojari
Date: Fri, Jan 20, 2017 12:34:50 GMT+05:30
Location: NSE

2.

NSE

Annexure 6
COMPLAINT REPORTS SENT TO BSE AND NSE

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

January 3, 2017

To
BSE Limited
P. J. Tower,
Dalal Street,
Mumbai – 400 001

Stock Code: Equity 532321

Re.: **Submission of "Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015**

Ref.: **Application No. 45003 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

This is with reference to the draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors as approved by the Board of Directors of the Company vide their resolution dated 17th November 2016.

In compliance with the requirements of the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, we submit herewith the "Complaints Report", in the prescribed format.

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme at the earliest.

Thanking You,

Yours Faithfully,

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

CADILA HEALTHCARE LIMITED AHMEDABAD

Enclosed: As stated above.

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

Complaints Report:

"Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 with respect to Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors, approved by the Board of Directors of the Company at its Meeting held on 17th November 2016

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Nil			

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

Date: January 3, 2017
Place: Ahmedabad

CADILA HEALTHCARE LIMITED AHMEDABAD

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

January 3, 2017

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

Stock Code: Equity – CADILAHC

Re..: Submission of "Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015

Ref.: Application No. 10268 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

This is with reference to the draft Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors as approved by the Board of Directors of the Company vide their resolution dated 17th November 2016.

In compliance with the requirements of the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, we submit herewith the "Complaints Report", in the prescribed format.

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme at the earliest.

Thanking You,

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

CADILA HEALTHCARE LIMITED AHMEDABAD

Enclosed: As stated above.

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

Complaints Report:

"Complaints Report" in Annexure - III pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 with respect to Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors, approved by the Board of Directors of the Company at its Meeting held on 17th November 2016

Complaint Report from the date of filing of papers with the Stock Exchanges, with respect to the Scheme, i.e. December 13, 2016 till January 2, 2017.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
N.A.			

FOR CADILA HEALTHCARE LIMITED

UPEN H. SHAH
COMPANY SECRETARY

CADILA HEALTHCARE LIMITED AHMEDABAD

Date: January 3, 2017
Place: Ahmedabad

Annexure 7

SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION

Zydus dedicated to life / Cadila Healthcare Limited	Zydus dedicated to life / Zydus Healthcare Limited (Formerly known as German Remedies Limited)
Registered Office: 'Zydus Tower' Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015	**Registered Office:** 'Zydus Tower' Satellite Cross Roads, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015

Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any

Background

- Cadila Healthcare Limited ('CHL') is engaged in the business of research and development, manufacture, sale, trading and export of drugs and pharmaceuticals. One of the business verticals of CHL is marketing and selling human formulations in India which is carried out through its Domestic Human Formulations Business. Domestic Human Formulations Business consists of (a) Strategic Business Unit Biologics Business, and (b) India Human Formulations Business.

- The equity shares of CHL are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

- Zydus Healthcare Limited ('ZHL') is engaged in the business of manufacturing, marketing and selling of human formulations in India and for the said purpose is having its manufacturing plant at Sikkim. The existing business of the ZHL is similar to the India Human Formulations Business of the CHL.

- The Zydus Group intended to consolidate its formulation business into ZHL in order to inter-alia, bring focused and concentrated efforts to grow the operations of both CHL & ZHL.

- Accordingly, the Scheme under sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Act including corresponding provisions of the Companies Act, 2013, as may be applicable, for the transfer and vesting of the India Human Formulations Undertaking of CHL with effect from 1st April 2016, as a going concern, on slump sale basis, and for which a lump sum cash consideration shall be paid by ZHL, a wholly owned subsidiary of CHL.

Basis of valuation

- B S R & Associates LLP, Chartered Accountants ('B S R') carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking based on book value of the net assets of the India Human Formulations Undertaking as on 31 March 2016.

Fairness opinion of registered Merchant Banker

- Dalmia Securities Private Limited, a Category I Merchant Banker has concluded that the NAV of the India Human Formulations Undertaking based on book value of the net assets of the India Human Formulations Undertaking as on 31 March 2016 is fair and reasonable.

For, **CADILA HEALTHCARE LIMITED**	For, **ZYDUS HEALTHCARE LIMITED**
PANKAJ R. PATEL **CHAIRMAN AND MANAGING DIRECTOR**	**NITIN D. PAREKH** **DIRECTOR**

Annexure 8

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEROR COMPANY

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CADILA HEALTHCARE LIMITED AT ITS MEETING HELD ON TUESDAY THE 31ST DAY OF JANUARY, 2017 AT ZYDUS TOWER, SATELLITE CROSS ROADS, SARKHEJ-GANDHINAGAR HIGHWAY, AHMEDABAD – 380 015, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON PROMOTER SHAREHOLDERS

1. Background

1.1 The proposed Scheme of Arrangement between Cadila Healthcare Limited ("Cadila" or "the Transferor Company") and Zydus Healthcare Limited ("Zydus" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of the Transferor Company vide resolution dated 17th day of November 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 ('the Act'), inter alia, governing amalgamation of companies has become operative with effect from the 15th day of December 2016. Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement and amalgamation on the class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the company laying out in particular the share exchange ratio and the same is required to be circulated to the shareholders and creditors along with the notice and explanatory statement of their respective court convened meeting. The Board of Directors of the Transferor Company noted that in the Scheme there is no allotment of shares of the Transferor Company.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;

1.3.2 Valuation Report dated 16th November 2016 of B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants describing the methodology adopted by them in arriving at the valuation of India Human Formulations Undertaking ("Valuation Report");

1.3.3 Fairness Opinion dated 16th November 2016 prepared by Dalmia Securities Private Limited, a Category I Merchant Banker, providing the Fairness Opinion on the valuation of India Human Formulations Undertaking ("Fairness Opinion") as recommended by B S R & Associates LLP, Chartered Accountants;

1.3.4 Report of the Audit Committee of the Board of Directors dated 16th November 2016; and

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1.3.5 Summary of the Valuation report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders (promoter and non-promoter shareholders):

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter shareholders and non-promoter shareholders) as the India Human Formulations Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

2.2 Further, upon the effectiveness of the Scheme, i.e. transfer and vesting of India Human Formulations Undertaking of the Transferor Company on a going concern basis and the Transferee Company will pay a cash consideration INR 630 million to the Transferor Company .

3. Effect of the Scheme of Arrangement on creditors of Cadila:

3.1 In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

3.3 As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, the Transferor Company has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

4. Effect of the Scheme of Arrangement on the Employees of Cadila:

4.1 Under the Scheme, no rights of the Employees of the Transferor Company are being affected. The services of the Employees of the Transferor Company, under the Scheme, shall continue on the same terms and conditions on which they were engaged by the Transferor Company .

4.2 Under Clause 8 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the India Human Formulations Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Remaining Business of the Transferor Company shall continue to be employed by the Transferor Company.

CADILA HEALTHCARE LIMITED AHMEDABAD

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5. Effect of the Scheme of Arrangement on the key managerial personnel and/or the Directors of Cadila:

5.1 There is no effect of the Scheme on the key managerial personnel and/or the Directors of the Transferor Company.

5.2 Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

5.3 The individual shareholding, of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferor Company.

6. Valuation:

6.1 B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants had carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking of the Transferor Company based on the book value of the net asset of the said undertaking as on 31st March 2016 at INR 630 million.

6.2 No special valuation difficulties were reported.

By Order of the Board

PANKAJ R. PATEL
CHAIRMAN AND MANAGING DIRECTOR
DIN 00131852

Date and Place: 31st day of January, 2017 at Ahmedabad.

Annexure 9

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE TRANSFEREE COMPANY

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ZYDUS HEALTHCARE LIMITED AT ITS MEETING HELD ON TUESDAY THE 24th DAY OF JANUARY, 2017 AT ZYDUS TOWER, SATELLITE CROSS ROADS, SARKHEJ-GANDHINAGAR HIGHWAY, AHMEDABAD – 380 015, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON PROMOTERS SHAREHOLDERS

1. Background

1.1 The proposed Scheme of Arrangement between Cadila Healthcare Limited ("Cadila" or "the Transferor Company") and Zydus Healthcare Limited ("Zydus" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of the Transferee Company vide resolution dated 17th day of November 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act"), inter alia, governing amalgamation of companies has become operative with effect from the 15th day of December 2016. Provisions of Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of arrangement and amalgamation on the class of shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders. The Board of Directors of the Transferee Company noted that in the Scheme there is no allotment of shares of the Transferor Company.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Act.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;

1.3.2 Valuation Report dated 16th November 2016 of B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants describing the methodology adopted by them in arriving at the valuation of India Human Formulations Undertaking ("Valuation Report"); and

1.3.4 Summary of the Valuation report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders and preference shareholders (promoter and non-promoter shareholders):

2.1 Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders and/or its preference shareholders. No rights of the equity shareholders and/or preference shareholders of the Transferee Company are being affected pursuant to the transfer of India Human Formulations Undertaking.

ZYDUS HEALTHCARE LIMITED AHMEDABAD

3. Effect of the Scheme of Arrangement on creditors of Zydus:

3.1 Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.

3.2 As on date, the Transferee Company has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees do not arise.

4. Effect of the Scheme of Arrangement on the Employees of Zydus:

4.1 The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.

5. Effect of the Scheme of Arrangement on the key managerial personnel and/or the Directors of Zydus:

5.1 There is no effect of the Scheme on the key managerial personnel and/or the Directors of the Transferee Company.

5.2 Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of the preference shares held by them in the Transferee Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

5.3 The individual shareholding, of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of the Transferee Company.

6. Valuation:

6.1 B S R & Associates LLP, Chartered Accountants, Independent Chartered Accountants had carried out the Net Asset Value ('NAV') of the India Human Formulations Undertaking of the Transferor Company based on the book value of the net asset of the said undertaking as on 31st March 2016 at INR [illegible] million.

ZYDUS HEALTHCARE LIMITED AHMEDABAD

6.2 No special valuation difficulties were reported.

By Order of the Board

Parekh Nitin D.

NITIN D. PAREKH
DIRECTOR
DIN 00155570

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Date and Place: 24th day of January, 2017 at Ahmedabad.

Annexure 10

SUPPLEMENTARY UNAUDITED ACCOUNTING STATEMENT OF THE TRANSFEROR COMPANY FOR THE PERIOD ENDED 31ST DECEMBER 2016

CADILA HEALTHCARE LIMITED
Unaudited Balance Sheet as at December 31, 2016

Particulars	Note No.	INR-Millions As at December 31, 2016
ASSETS:		
Non-Current Assets:		
Property, Plant and Equipment	1	22,143
Capital work in-progress		5,874
Goodwill	1	21
Other Intangible Assets	1	1,467
Financial Assets:		
Investments	2	30,436
Loans	3	8,202
Other Non-Current Financial Assets	4	2,947
Other Non-Current Assets	5	1,797
Current tax assets [Net]	6	366
		73,253
Current Assets:		
Inventories	7	10,009
Financial Assets:		
Investments	8	502
Trade Receivables	9	10,338
Cash and Bank Balances	10	982
Loans	11	370
Other Current Financial Assets	12	1,798
		13,990
Other Current Assets	13	923
		24,922
Total		98,175
EQUITY AND LIABILITIES:		
Equity:		
Equity Share Capital	14	1,024
Other Equity	15	65,109
		66,133
Non-Current Liabilities:		
Financial Liabilities:		
Borrowings	16	3,238
Other Non-current Financial Liabilities	17	355
Provisions	18	1,120
Deferred Tax Liabilities [Net]		2,244
		6,957
Current Liabilities:		
Financial Liabilities:		
Borrowings	19	10,449
Trade Payables	20	11,023
Other Financial Liabilities	21	3,271
Other Current Liabilities	22	63
Provisions	23	254
Liabilities for Current Tax [Net]	24	25
		25,085
Total		98,175

For and on behalf of the Board

Pankaj R. Patel
Chairman & Managing Director
Ahmedabad, Dated: January 31, 2017

CADILA HEALTHCARE LIMITED

Unaudited Statement of Profit and Loss for the period ended December 31, 2016

Particulars	Note No.	INR-Millions Period ended December 31, 2016
REVENUE:		
Revenue from Operations	25	35,410
Other Income	26	1,798
Total Revenue		37,208
EXPENSES:		
Cost of Materials Consumed	27	8,511
Purchases of Stock-in-Trade	28	4,470
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	29	(1,479)
Excise Duty on Sales		768
Employee Benefits Expense	30	6,406
Finance Costs	31	152
Depreciation, Amortisation and Impairment expenses	1	2,018
Other Expenses	32	12,339
Total Expenses		33,185
Profit before Tax		4,023
Less: Tax Expense:		
Current Tax		661
Deferred Tax		84
Prior year's tax adjustments		(2)
		743
Profit for the year		3,280
OTHER COMPREHENSIVE INCOME:		
Other Comprehensive Income for the year, net of tax		(81)
Total Comprehensive Income for the year		3,199
Basic & Diluted Earning per Equity Share (EPS) [in Rupees]	33	3.20

For and on behalf of the Board

Pankaj R. Patel
Chairman & Managing Director
Ahmedabad, Dated: January 31, 2017

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

Note: 1:

A Property, Plant and Equipment:

INR-Millions

	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block:								
Opening Balance	864	285	4,524	15,657	159	381	163	22,033
Additions [#]	739	10	332	2,674	47	90	56	3,948
Disposals	-	-	-	(64)	-	(34)	(1)	(99)
Other adjustments	-	-	20	88	-	-	-	108
Closing Balance	1,603	295	4,876	18,355	206	437	218	25,990
Depreciation and Impairment:								
Opening Balance	-	3	156	1,782	28	37	41	2,047
Depreciation for the year	-	3	130	1,621	18	50	29	1,851
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	(37)	-	(14)	-	(51)
Closing Balance	-	6	286	3,366	46	73	70	3,847
Net Block:								
Closing Balance	1,603	289	4,590	14,989	160	364	148	22,143

B Intangible Assets:

		Other Intangible Assets				
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Total
Gross Block:						
Opening Balance	59	1,126	152	186	141	1,605
Additions [#]	-	4	89	-	-	93
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Closing Balance	59	1,130	241	186	141	1,698
Amortisation and Impairment:						
Opening Balance	21	22	47	7	5	81
Amortisation for the year	17	88	37	15	10	150
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing Balance	38	110	84	22	15	231
Net Block:						
Closing Balance	21	1,020	157	164	126	1,467

	INR-Millions As at December 31, 2016
Note: 2-Investments:	
Long Term Investments :	
Trade Investments:	
Investments in Equity Instruments	15,102
Investments in Preference Shares	15,012
	30,114
Other Investments:	
Investments in Equity Instruments	313
Investments in Preference Shares	9
	322
	30,436
A Details of Trade Investments :	
Investment in Equity Instruments:	
Subsidiary Companies:	
Quoted:	
In fully paid-up equity shares of Zydus Wellness Limited	570
Unquoted:	
In fully paid-up equity shares of:	
Zydus Technologies Limited	425
Dialforhealth India Limited	110
Zydus Healthcare Limited [Formerly known as German Remedies Limited]	100
Biochem Pharmaceutical Industries Limited	5,242
Liva Pharmaceuticals Limited	20
Alidac Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited]	158
Zydus International Private Limited, Ireland	6,657
Zydus Lanka (Private) Limited, Sri Lanka	1
Zydus Healthcare Philippines Inc.	351
Zydus Worldwide DMCC	806
	13,870
Joint Venture Companies [Unquoted]:	
In fully paid-up equity shares of:	
Zydus Hospira Oncology Private Limited	75
Zydus Takeda Healthcare Private Limited	100
Bayer Zydus Pharma Private Limited	341
	516

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions
	As at
	December 31, 2018
Note: 2-Investments-Continued:	
Others [Quoted]:	
In fully paid-up Common Stock of:	
Onconova Therapeutic Inc. USA	10
Pieris Pharmaceuticals Inc., USA	136
	146
	15,102
Investment in Preference Shares:	
Subsidiary Companies [Unquoted]:	
In fully paid-up, 8%, Redeemable Cumulative Preference shares of Zydus Technologies Limited	90
In fully paid-up, 5%, Redeemable Non-Cumulative Preference shares of Dialforhealth India Limited	200
In fully paid-up, 10%, Redeemable Cumulative Preference Shares of Alidac Pharmaceuticals Limited	689
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus Healthcare Limited	7,150
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus Healthcare Philippines Inc.	14
In fully paid-up, Optionally Convertible Redeemable Preference shares of Zydus International Private Limited	6,694
	14,837
Joint Venture Company [Unquoted]:	
In fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of Bayer Zydus Pharma Private Limited	175
	15,012
B Details of Other Investments:	
Quoted:	
Investment in Equity Instruments:	
In fully paid-up Equity Shares of:	
Housing Development Finance Corporation Limited	278
HDFC Bank Limited	5
Kokuyo Camlin Limited	6
Camlin Fine Sciences Limited	15
Accelya Kale Consultants Limited	1
Saket Projects Limited [Rs. 50,000/-]^	-
	305
Unquoted:	
In fully paid-up Equity Shares of:	
Bharuch Enviro Infrastructure Limited [Rs. 12,140/-]^	-
Narmada Clean Tech	6
Enviro Infrastructure Company Limited	1
Gujarat Venture Finance Limited	1
Saraswat Co-Op Bank Limited [Rs. 20,350/-]^	-
Shamrao Vithal Co-Op Bank Limited [Rs. 2,500/-]^	-
The Green Environment Co-operative Society Limited [Rs. 5,000/-]^	-
Shivalik Solid Waste Management Limited [Rs. 2,00,000/-]^	-
	8
	313
Investment in Preference Shares:	
Unquoted:	
In fully paid-up, 1%, Redeemable Cumulative preference shares of Enviro Infrastructure Company Limited	9
Total	30,436
Note: 3-Loans:	
[Unsecured, Considered Good unless otherwise stated]	
Loans and Advances to Related Parties [*]	8,031
Others:	
Considered good	171
Considered doubtful	2
	173
Less: Provision for doubtful advances	2
	171
Total	8,202
[*] 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	3,667
b Biochem Pharmaceutical Industries Limited	200
c Dialforhealth India Limited	97
d Liva Pharmaceuticals Limited	2,262
e Zydus International Private Limited	1,805
Total	8,031
(#) Loans which are outstanding at the end of the respective period end.	
Notes:	
a All the above loans have been given for business purposes.	
b All the loans are interest bearing except the loan given to Dialforhealth India Limited.	
c All the above loans are repayable within a period of 3 to 5 years.	

CADILA HEALTHCARE LIMITED AHMEDABAD

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 4-Other Non-Current Financial Assets:	
[Unsecured, Considered Good unless otherwise stated]	
Balances with Statutory Authorities	1,087
Security Deposits	120
Derivative Assets	1,740
Total	2,947
Note: 5-Other Non-Current Assets:	
[Unsecured, Considered Good unless otherwise stated]	
Capital Advances	1,797
Total	1,797
Note: 6-Current tax assets (Net):	
[Unsecured, Considered Good unless otherwise stated]	
Advance payment of Tax (Net of provision for taxation)	366
Total	366
Note: 7-Inventories:	
[The Inventory is valued at lower of cost and net realisable value]	
Classification of Inventories:	
Raw Materials	4,122
Work-in-progress	1,535
Finished Goods	2,502
Stock-in-Trade	1,244
Others:	
Packing Materials	606
Total	10,009
Note: 8-Investments:	
Investment in Mutual Funds [Quoted]	502
Total	502
Note: 9-Trade Receivables:	
Outstanding for a period exceeding six months from the date they are due for payment:	
Considered doubtful	25
Less: Provision for doubtful debts	25
	-
Others- Considered good	10,338
Total	10,338
Note: 10-Cash and Bank Balances:	
Balances with Banks	980
Cash on Hand	2
Total	982
Note: 11-Loans:	
[Unsecured, Considered Good]	
Loans and advances to related parties [*]	342
Others	28
Total	370
[*] Details of Loans and Advances to Related Parties are as under:	
a Zydus Worldwide DMCC [Dubai] [Advance for subscription to Equity Shares]	342
	342
Note: 12-Other Current Financial Assets:	
[Unsecured, Considered Good]	
Balances with Statutory Authorities	1,219
Interest Receivables	579
Total	1,798
Note: 13-Other Current Assets:	
[Unsecured, Considered Good]	
Advances to Suppliers	421
Export Incentive Receivables	387
Prepaid Expenses	115
Total	923

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 14-Equity Share Capital:	
Authorised:	
1,725,000,000 Equity Shares of Re.1/-	1,725
	1,725
Issued, Subscribed and Paid-up:	
1,023,742,600 Equity Shares of Re.1/- each, fully paid-up	1,024
Total	1,024
Note: 15-Other Equity:	
Other Reserves:	
International Business Development Reserve:	
Balance as per last Balance Sheet	2,000
General Reserve:	
Balance as per last Balance Sheet	15,550
Foreign Currency Monetary Items Translation Difference Account:	
Balance as per last Balance Sheet	(10)
Add/ [Less]: Credited/ [Debited] during the year	11
	1
Surplus in Statement of Profit and Loss:	
Balance as per last Balance Sheet	44,359
Add: Profit for the year	3,199
Balance as at the end of the year	47,558
Total	65,109

Note: 16-Borrowings:

	INR-Millions	
	Non-current portion	Current Maturities
	December 31, 2016	
A Term Loans from Banks:		
a External Commercial Borrowings in Foreign Currency [Secured]	1,359	1,136
b External Commercial Borrowings in Foreign Currency [Unsecured]	1,834	476
	3,193	1,612
B From Others [Unsecured]	45	10
Total	3,238	1,622
The above amount includes:		
Secured borrowings	1,359	1,136
Unsecured borrowings	1,879	486
Amount disclosed under the head "Other Current Liabilities" [Note-21]	-	(1,622)
Net amount	3,238	-

	INR-Millions As at December 31, 2016
Note: 17-Other Non-Current Financial Liabilities:	
Trade Deposits	64
Others	291
Total	355
Note: 18-Provisions:	
Provision for Employee Benefits	1,120
Total	1,120
Note: 19-Borrowings:	
Loans repayable on Demand:	
Working Capital Loans from Banks [Secured]	1,150
Working Capital Loans from Banks [Unsecured]	9,299
Total	10,449
Note: 20-Trade Payables:	
Others	11,023
Total	11,023
Note: 21-Other Financial Liabilities:	
Current Maturities of Long Term Debt [Refer Note- 16]	1,622
Interest accrued but not due on borrowings	3
Provision for Expenses	1,139
Payable to Statutory Authorities	477
Unpaid Dividends [*]	30
Total	3,271
[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.	

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions As at December 31, 2016
Note: 22-Other Current Liabilities:	
Advances from customers	63
Total	63
Note: 23-Provisions:	
Provision for Employee Benefits	196
Provision for claims for product expiry and return of goods	58
Total	254
Note: 24-Liabilities for Current Tax (Net):	
Provision for Taxation (Net of advance payment of tax)	25
Total	25

	INR-Millions Period ended December 31, 2016
Note: 25-Revenue from Operations:	
Sale of Products (Gross)	34,221
Other Operating Revenues:	
Royalty Income	65
Net Gain on foreign currency transactions and translation [^]	157
License Fees	6
Export Incentives	645
Miscellaneous Income	316
	1,189
Total	35,410
[^] includes research related Net Loss on foreign currency transactions and translation	8
Note: 26-Other Income:	
Interest Income (Gross):	
From Others (Other than current investments)	801
Dividend Income (Gross):	
From Long Term Investments [*]	826
Gain on Sale of Investments	57
Other Non-operating Income	114
Total	1,798
[*] Includes dividend from subsidiary companies	-
Note: 27-Cost of Materials Consumed:	
Raw Materials (Pharmaceutical Ingredients):	
Stock at commencement	2,324
Add: Purchases	8,257
	10,581
Less: Stock at close	4,122
	6,459
Packing Materials consumed	2,052
Total	8,511
Note: 28-Purchases of Stock-in-Trade:	
Purchases of Stock-in-Trade	4,470
Total	4,470
Note: 29-Changes in Inventories:	
Stock at commencement:	
Work-in-progress	1,250
Finished Goods	1,369
Stock-in-Trade	1,183
	3,802
Less: Stock at close:	
Work-in-progress	1,535
Finished Goods	2,502
Stock-in-Trade	1,244
	5,281
Total	(1,479)

CADILA HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Millions
	Period ended
	December 31, 2016
Note: 30-Employee Benefits Expense:	
Salaries and wages	6,692
Contribution to provident and other funds	473
Staff welfare expenses	249
Gross Expenses	7,414
Less: Recovery of expenses towards Cost Allocation Charges	1,008
Total	6,406
Above expenses includes Research related expenses as follows:	
Salaries and wages	844
Contribution to provident and other funds	66
Staff welfare expenses	38
Total	948
Note: 31-Finance Cost:	
Interest expense [*]	131
Other Borrowing Costs	2
Net [Gain]/ Loss on foreign currency transactions and translation	(10)
Bank commission & charges	29
Total	152
[*] The break up of interest expense into major heads is given below:	
On term loans	86
On working capital loans	42
Others	3
Total	131
Note: 32-Other Expenses:	
Research Materials	923
Analytical Expenses	818
Consumption of Stores and spare parts	1,270
Power & fuel	1,140
Rent	73
Repairs to Buildings	152
Repairs to Plant and Machinery	302
Repairs to Others	63
Insurance	184
Rates and Taxes [excluding taxes on income]	17
Processing Charges	385
Managing Directors' Remuneration	225
Traveling Expenses	630
Legal and Professional Fees	1,345
Commission on sales	402
Freight and forwarding on sales	774
Representative Allowances	613
Other marketing expenses	1,425
Bad Debts:	
Bad debts written off	1
Provision for Doubtful Debts [Net]	15
	16
Directors' fees	4
Net Loss on disposal of Fixed Assets	6
Donations	4
Miscellaneous Expenses	1,875
Gross Expenses	12,645
Less: Recovery of expenses towards Cost Allocation Charges	306
Total	12,339
Above expenses includes Research related expenses as follows:	
Research Materials	923
Analytical expenses	818
Consumption of Stores and spare parts	619
Power & Fuel	112
Repairs to Buildings	13
Repairs to Plant and Machinery	35
Repairs to Others	12
Insurance	7
Traveling Expenses	42
Legal and Professional fees	746
Miscellaneous Expenses [excluding Depreciation]	611
Total	3,938

Note: 33-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	3,280
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,023,742,600
C Nominal value of equity share	INR	1
D Basic & Diluted EPS	INR	3.20

Annexure 11

SUPPLEMENTARY UNAUDITED ACCOUNTING STATEMENT OF THE TRANSFEREE COMPANY FOR THE PERIOD ENDED 31ST DECEMBER 2016

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Particulars	Note No.	INR-Millions As at 31st Dec, 16	INR-Millions As at 31st Mar, 16
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Property, Plant and Equipment	1	876	867
Capital work-in-progress		976	1
Goodwill	2	37,385	40,485
Other Intangible Assets	2	5,533	587
		44,770	41,941
Other Non-Current Assets			
Alternate Minimum Tax Credit Entitlement	3	3,135	3,135
Financial Assets:			
Non-Current Investments	4	14	9
Long Term Loans and Advances	5	550	50
		564	59
Current Assets:			
Inventories	6	1,092	959
Financial Assets:			
Current Investments	7	0	-
Trade Receivables	8	791	707
Cash and Bank Balances	9	402	100
Short Term Loans and Advances	10	248	82
		2,533	1,847
Other Current Assets	11	275	135
		2,807	1,982
Total		51,276	47,116
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	12	7,344	5
Other Equity	13	41,552	41,757
		48,896	41,762
Non-Current Liabilities:			
Financial Liabilities:			
8% non- cumulative redeemable preference share		25	25
Long Term Provisions	14	10	5
Deferred Tax Liabilities [Net]	15	79	83
		114	113
Current Liabilities:			
Financial Liabilities:			
Short Term Borrowings	16	0	4,504
Trade Payables			
Dues to Micro, Small and Small Enterprises		0	8
Dues to Others	17	1,939	417
Other Current Financial Liabilities	18	117	162
		2,056	5,091
Other Current Liabilities	19	140	85
Short Term Provisions	20	30	32
Liabilities for Current Tax [Net]	21	40	33
		210	150
Total		51,276	47,116

For Zydus Healthcare Limited

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Parekh Niten D

Niten D Parekh
Director

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Statement of Profit and Loss for the period ended December 31, 2016

Particulars	Note No.	INR-Millions	
		Period ended December 31	
		2016	March 31, 2016
REVENUE:			
Revenue from Operations	23	**7,829**	1,629
Other Income	23	**20**	83
Total Revenue		**7,849**	1,712
EXPENSES:			
Cost of Materials Consumed	24	**1,437**	261
Purchases of Stock-in-Trade	25	**79**	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	26	**-34**	(69)
Excise Duty on Sales		**374**	85
Employee Benefits Expense	27	**135**	22
Finance Costs	28	**241**	62
Depreciation, Amortisation and Impairment expenses		**3,256**	682
Other Expenses	29	**2,310**	459
Total Expenses		**7,797**	1,504
Profit before Tax		**52**	209
Less: Tax Expense:			
Current Tax		**13**	28
Deferred Tax		**-4**	90
Prior year's tax adjustments			
		9	118
Profit for the year		**43**	90
OTHER COMPREHENSIVE INCOME:			
Items that will be reclassified to profit or loss:			
Net Gain/ (Loss) on of a net investment		**5**	(3)
Re-measurement gains/ (losses) on defined benefit plans			
Income tax effect			
Other Comprehensive Income for the year, net of tax		**5**	(3)
Total Comprehensive Income for the year		**48**	87
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]			
Notes to the Financial Statements			

For Zydus Healthcare Limited



Parekh Nitin D

Nitin D Parekh
Director

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

Note 1- Property, Plant and Equipment:

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment
Gross Block:						
Acquired under the Scheme	289	202	366	2	5	2
Additions		3	16	0	0	
Disposals						
Other adjustments						
As at March 31, 2016	289	205	382	2	5	2
Additions	76		14	0		2
Disposals			(1)		(0)	
Other adjustments						
As at December 31, 2016	365	205	396	2	5	4
Depreciation and Impairment:						
Acquired under the Scheme						
Depreciation for the year	1	1	16	0	0	0
Impairment for the year						
Disposals						
As at March 31, 2016	1	1	16	0	0	0
Depreciation for the year	3	7	74	0	1	0
Impairment for the year						
Disposals						
As at December 31, 2016	3	8	90	0	1	0
Net Block:						
As at March 31, 2016	289	203	367	2	5	1
As at December 31, 2016	362	197	306	2	4	3



Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

Note 2- Goodwill and Other Intangible Assets:

	Goodwill	Brands/ Trademarks	Technical Know-how
Gross Block:			
Acquired under the Scheme	**41,149**		
Additions		578	11
Disposals			
Other adjustments			
As at March 31, 2016	**41,149**	578	11
Acquired under the Scheme			
Additions		5,000	17
Disposals			
Other adjustments			
As at December 31, 2016	**41,149**	5,578	27
Depreciation and Impairment:			
Acquired under the Scheme			
Depreciation for the year	**663**	1	0
Impairment for the year			
Disposals			
As at March 31, 2016	**663**	1	0
Depreciation for the year	**3,100**	70	1
Impairment for the year			
Disposals			
As at December 31, 2016	**3,764**	71	1
Net Block:			
As at March 31, 2016	**40,485**	577	10
As at December 31, 2016	**37,385**	5,507	26

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Zydus Healthcare Limited [Formerly known as German Remedies Limited]

Notes to the Financial Statements

	INR-Millions As at	
	31st Dec, 16	31st Mar, 16
Note 3- Other Non Current Assets:		
Alternate Minimum Tax Credit Entitlement	3,135	3,135
Total	3,135	3,135
Note 4- Non Current Investments:		
Other Investments:		
Investments in Equity Instruments	14	9
Investment in Fixed Capital of Partnership Firm		
Total	14	9
Note 5- Long Term Loans and Advances:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	493	42
Security Deposits	7	7
Advance Payment of Taxes		
Loan to Biochem	50	
Total	550	50
Note 6- Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	481	385
Work-in-progress	49	18
Finished Goods	490	506
Finished Goods Traded	19	-
Others:		
Packing Materials	52	50
Total	1,092	959
Note 7- Current Investments:		
Investment in Current Capital of Partnership Firm	-	-
	-	-
Note 8- Trade Receivables:		
Outstanding for a period exceeding six months from the date they are due for payment:		
Secured - Considered good		
Unsecured - Considered good		
Considered doubtful	16	
	16	0
Less: Provision for doubtful debts	16	0
	-	0
Others- Considered good:		
Unsecured	791	707
	791	707
Total	791	707
Note 9- Cash and Bank Balances:		
Balances with Banks	402	99
Cash on Hand	0	0
Total	402	100
Note 10- Short Term Loans and Advances:		
[Unsecured, Considered Good]		
Others:		
Balances with Customs/ Central Excise/ Sales Tax Authorities	248	81
Advances recoverable in cash or in kind or for value to be received	0	0
Total	248	82
Note 11- Other Current Assets:		
Advance payment of Taxes	244	
Int.Accrued But Not Due	0	
Advances to Suppliers	31	135
	275	135

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Note 12: Equity Share Capital:

	31st Dec, 16		31st Mar, 16		1st Apr,15	
	No. of Shares	INR-Mio	No. of Shares	INR-Mio	No. of Shares	INR-Mio
Equity Shares of INR 100/- each, Issued, Subscribed and Fully Paid-up:						
As at March 31, 2016	48,000	5	24,000	2	24,000	2
Add: Issued Bonus Shares during the year			24,000	3		
Add: Issued shares as a part of schement of Amalgmation of Rs. 100/- each	1,890,242	189				
Add: Preference Share		7,150				
As at December 31, 2016		7,344		5		2

Note 13: Other Equity:

	INR - Millions				
Particulars	General Reserve	Capital Reserve	Surplus in Statement of Profit and Loss	Share Capital Susp. Ac.	Total
Balance as on 01st April, 2015 as per I GAAP	101	-	35		136
Add Fair Valuation of Non Current Investment					3
Add Re-classification of Proposed Dividend					62
Add Re-classification of Corporate Dividend Tax					13
Add Gain on Fair Valuation of Inv. In Fixed Capital of Partnership Firm					846
Balance as on 01st April, 2015 as per IND AS	101	-	35	-	1,060

Particulars	**General Reserve**	**Capital Reserve**	**Surplus in Statement of Profit and Loss**	**Share Capital Susp. Ac.**	**Total**
Balance as on 01st April, 2015	101	-	35	-	**1,060**
Add Profit for the year			90		**90**
Add Subsidy Received under Capital Investment Scheme [acquired under Scheme of Amalgamation]		134			**134**
Add Share Capital pending for Allotment				41,536	**41,536**
Add Fair Valuation of Non Current Investment					**(3)**
Les: Amount utilised for Bonus of Shares	(2)				**(2)**
Les: Gain on Fair Valuation of Inv. In Fixed Capital of Partnership Firm (Knock off)					**(846)**
Les: Payment of Proposed Dividend			(153)		**(153)**
Les: Payment of Corporate Dividend Tax			(32)		**(32)**
Les: Re-classification of Preference Share Capital Value				(25)	**(25)**
Balance as on 31st March, 2016	99	134	(61)	41,511	**41,757**

Particulars	**General Reserve**	**Capital Reserve**	**Surplus in Statement of Profit and Loss**	**Share Capital Susp. Ac.**	**Total**
Balance as on 1st April, 2016	99	134	(61)	41,511	**41,757**
Add Profit for the year			43		**43**
Add Tr. From Securities Premium Account	41,322				**41,322**
Add Fair Valuation of Non Current Investment					**5**
Les: Tr. To Securities Premium Account				(41,511)	**(41,511)**
Les: Stamp duty paid on Issuance of Equity & Preference Shares	(65)				**(65)**
Balance as on 31st December, 2016	41,356	134	(17)	-	**41,552**

	INR-Millions	
	As at	
	31st Dec, 16	31st Mar, 16
Note 14: Financial Liabilities:		
8% non- cumulative redeemable preference share [*]		
2,54,460 shares at face value of Rs. 100/- each	25	25
	25	25
Note 14: Long Term Provisions:		
Provision for employee Benefits	10	5
	10	5

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Balance Sheet as at December 31, 2016

Note 15: Deferred Tax Liabilities:

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

	Acquired under Scheme	Charge for the previous year	INR - Millions As at March 31, 2016	Charge for the current year	As at Dec 31, 2016
Deferred Tax Liabilities:					
Depreciation	8	1,626	1,633	1,362	**2,996**
Deferred Tax Assets:					
Retirement benefits	2	0	2	3	**4**
Provision for Bad and Doubtful debts	2		2	1	**3**
Provision for Expiry and Breakages	11	(1)	10	-	**10**
Unabsorbed depreciation	-	1,536	1,536	1,362	**2,898**
Others	-	1	1	-	**1**
Total	15	1,536	1,550	1,366	**2,917**
Net Deferred Tax Liabilities	(7)	90	83	(4)	**79**

Note 16- Short Term Borrowing:

Others: [Unsecured]:			
From Related Party			
Cadila Healthcare Limited [*]	**0**	4,504	
	0	4,504	-

Note 17- Trade Payables - Dues to Others:

Trade Payables	**1,939**	417	
	1,939	417	-

Note 18- Other Current Financial Liabilities:

Int.Accrued Due but not paid	**24**	54	
Bank Book overdraft	**93**	108	
	117	162	-

Note 19- Other Current Liabilities:

Advances from customers		8	
Others:			
Provision for Expenses	**15**	12	
Payable to Statutory Authorities	**125**	65	
	140	77	0
Total	**140**	85	0

Note 20- Short Term Provisions:

Provision for Employee Benefits		2	
Others:			
Provision for Taxation	**0**		
Provision for claims for product expiry and return of goods [*]	**30**	30	
	30	30	0
	30	32	0

Note 21- Liabilities for Current Tax [Net]:

Provision for Taxation [Net of advance payment of tax of Rs. 9 {As at March 31 March 31, 2015: Rs. 7} Millions]	**40**	33	
	40	33	-

Note: 22- Contingent Liabilities and commitments [to the extent not provided for]:

A Contingent Liabilities:			
a Other money for which the company is contingently liable:			
i In respect of the demand raised by the Central Excise, State Excise & Service Tax dept. against which the Company has preferred an appeal. The Company has been legally advised that the demand is not tenable	**88**	82	-
B Commitments:			
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances of Rs. 1,98,375 {Previous Year: Rs. Nil} Thousands]	**1,094**	12	-

ZYDUS HEALTHCARE LIMITED AHMEDABAD

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

		INR-Millions	
		Period ended December 31	
		2016	2015
Note: 23- Revenue from Operation:			
Details of Gross Sales under broad heads:			
Tablets		7,829	1,629
Capsules			-
Other			-
Total		7,829	1,629
Other Operating Revenues:			
Miscellaneous Income		18	3
Share of Profit from Partnership Firm			78
Interest Income [Gross]:			
From Others [Other than current investments]		0	1
Dividend Income [Gross]:			
From Long Term Investments		2	1
Total		20	83
Note: 24- Cost of Material Consumed:			
Opening Stock		385	348
Add: Purchases		1,329	36
		1,714	385
Less: Stock at close		481	385
		1,233	223
Packing Materials consumed		204	39
		1,437	261
Note: 25- Purchase of Stock in Trade:			
Purchase of Stock in Trade		79	
Total		79	0
Details of purcahses of Stock-in-trade under broas heads:			
Tablet		43	
Capsules			
Others		36	
Total		79	
Note: 26- Change in Inventories:			
Opening Stock			
Work-in-progress		18	55
Finished Goods		506	401
Stock-In-Trade			
		524	456
Less: Stock at close:			
Work-in-progress [*]	-31	49	18
Finished Goods [**]	16	490	506
Stock-In-Trade	60	19	0
		558	524
		(34)	(69)
Differential Excise Duty on Opening and Closing stock of Finished Goods			
		(34)	(69)

Zydus Healthcare Limited [Formerly known as German Remedies Limited]
Notes to the Financial Statements

	INR-Millions	
	Period ended December 31	
	2016	2015
Note: 27- Employee Benefit Expense:		
Salaries and wages	117	17
Contribution to provident and other funds [*]	8	2
Staff welfare expenses	9	3
Total	135	22

[*] 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 respective Regional Provident Fund Commissioner under the Pension Scheme.

Note: 28- Finance Cost:		
Interest expense [*]	240	3
Other Borrowing Costs		60
Bank commission & charges	2	0
Total	241	62
[*] The break up of interest expense into major heads is given below:		
On working capital loans	0	0
Others	240	3
Total	240	3
Note: 29- Other Expenses:		
Consumption of Stores and spare parts	35	2
Power & fuel	51	9
Rent [*]	2	1
Repairs to Buildings	7	1
Repairs to Plant and Machinery	21	2
Repairs to Others	3	1
Advertisement Expesnes	0	
Insurance	10	4
Rates and Taxes [excluding taxes on income]	1	1
Royalty	124	24
Traveling Expenses	6	5
Legal and Professional Fees	8	8
Net Loss on foreign currency transactions and translation		0
Commission on sales	92	22
Freight and forwarding on sales	19	2
Cost Allocation Charges [**]	1,321	288
Other marketing expenses	535	62
Bad Debts:		
Bad debts written off	8	4
Provision for Doubtful Debts		3
	8	7
Net Loss on disposal of Fixed Assets	0	0
Miscellaneous Expenses	66	22
Gross Expenses	2,310	459
[*] 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:	2	
[**] This refers to the payment of cost allocation charges to Cadila Healthcare Ltd. [CHL], pursuant to the Cost Allocation Agreement between the Company and CHL, wherein the parties have agreed to share the common resources of CHL.		

CADILA HEALTHCARE LIMITED AHMEDABAD

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT AHMEDABAD
CA (CAA) NO. 5/230-232/NCLT/AHM/2017

In the matter of the Companies Act, 2013;
And
In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;
And
In the matter of Cadila Healthcare Limited;
And
In the matter of Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors;

Cadila Healthcare Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India. } } } } …Applicant Company

SECURED CREDITORS
FORM OF PROXY

I/We, _____, the undersigned Secured Creditor/s of Cadila Healthcare Limited, being the Applicant Company abovenamed, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Secured Creditors of the Applicant Company to be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 11.00 a.m. (1100 hours) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Cadila Healthcare Limited and Zydus Healthcare Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (**Strike out whatever is not applicable*)

Affix 15 paise revenue stamp

Dated this _____ day of _____ 2017. Signature _____

Name : _____

Address : _____

Signature of Secured Creditor : _____

Signature of Proxy : _____

CADILA HEALTHCARE LIMITED

Registered office: Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India
Phone No: +91-79-26868100 CIN: L24230GJ1995PLC025878 Website: www.zyduscadila.com

SECURED CREDITORS
ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

MEETING OF THE SECURED CREDITORS ON THURSDAY THE 30TH DAY OF MARCH 2017 AT 11.00 A.M.

I/We hereby record my/our presence at the meeting of the Secured Creditors of Cadila Healthcare Limited, the Applicant Company, convened pursuant to the final order dated 15th day of February 2017 of the NCLT at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Thursday, the 30th day of March 2017 at 11.00 a.m. (1100 hours).

Name and address of Secured Creditors (IN BLOCK LETTERS) _____

_____

Signature _____

Name of the Proxy* (IN BLOCK LETTERS) _____ Signature _____

*(To be filled in by the Proxy in case he/she attends instead of the secured creditor)

Notes:

1. The proxy must be deposited at the registered office of Cadila Healthcare Limited at Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015, Gujarat, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a secured creditor of Cadila Healthcare Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a secured creditor blind or incapable of writing would be accepted if such secured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the secured creditor before he attached his signature or mark.
8. The proxy of a secured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the secured creditor in the language known to him, and gives the secured creditor's name in English below the signature.

Notes:

1. Secured creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Secured creditors who come to attend the meeting are requested to bring their copy of the Scheme with them.

Route Map for the venue of the meeting, Ahmedabad Management Association (AMA)



If undelivered please return to :

CADILA HEALTHCARE LIMITED
Registered office:
Zydus Tower, Satellite Cross Roads,
Sarkhej-Gandhinagar Highway, Ahmedabad- 380 015, Gujarat, India
Phone No: +91-79-26868100 CIN: L24230GJ1995PLC025878 Website: www.zyduscadila.com