

CADILA HEALTHCARE LIMITED

Registered Office

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

29th July, 2006

Dear Shareholder,

Sub: Bonus Shares

This is to inform you that the shareholders at the 11th Annual General Meeting held on Friday, the 28th July 2006 have approved issuance of Bonus Shares in proportion of **1 (one)** new equity share of Rs. 5/- each for every existing **1 (one)** equity share of Rs. 5/- each held by the shareholders on the Record Date.

The Board of Directors has fixed **31st August, 2006** as the **Record Date** for deciding the entitlement of the Bonus Shares. Thus, the members whose names appear in the Register of Members, on 31st August, 2006 will be issued the Bonus Shares.

As per the provisions of the Depositories Act, 1996, we offer an option to receive the bonus shares in Electronic Form and request you to exercise your option for further course of action.

In case you hold the shares in physical form and wish to receive the bonus shares in dematerialised form, we request you to provide your client account particulars along with the DP ID in the form printed on the back side of this letter **on or before 25th August, 2006**. In case we do not receive the details, the bonus shares will be issued in physical form.

Please communicate the above details superscribing the envelope “**BONUS SHARES-CADILA HEALTHCARE LIMITED**”.

**To,
PINNACLE SHARE REGISTRY PVT. LTD.
(Unit: Cadila Healthcare Limited),
Near Ashok Mills,
Naroda Road,
Ahmedabad – 380 025.**

If you need any clarification, kindly contact Pinnacle Share Registry Pvt. Ltd., Registrar & Share Transfer Agents at the aforesaid address.

Thanking You,

Yours Sincerely,
For CADILA HEALTHCARE LIMITED

**UPEN H. SHAH
COMPANY SECRETARY**

REQUEST FOR BONUS SHARES IN THE ELECTRONIC FORM

To be filled in by the shareholder holding shares in physical form and want the bonus shares in electronic form

PINNACLE SHARE REGISTRY PVT. LTD.

(Unit: Cadila Healthcare Limited),
Near Ashoka Mills,
Naroda Road,
Ahmedabad – 380 025.

I/We, the undersigned would like to receive my/our bonus shares of Cadila Healthcare Limited, in book entry (electronic) form. Details of my/our physical holding in Cadila Healthcare Limited, is/are as follows.

Name(s)	Address
1.	
2.	
3.	
Folio Number	
Total number of Shares held	

I/We wish to receive _____ (Number) shares in electronic form. The details of my/our beneficiary (depository) account are given below.

Depository Name	NSDL/CDSL
Depository Participant Name	
Depository Participant ID No.	
Beneficiary Account Number	

I/We understand that, if the shares can not be credited to my/our beneficiary account for any reason whatsoever, I/We will be given physical share certificate(s).

Yours sincerely,

Name & Signature of Shareholder(s)

(As per specimen registered)