

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:** investor.grievance@zyduscadila.com

POSTAL BALLOT NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Shareholder[s],

NOTICE is hereby given pursuant to section 110 of the Companies Act, 2013 read with Rule 22 of the Companies [Management and Administration] Rules, 2014 [including any statutory modifications or re-enactments thereof [hereinafter referred to as "the Act"] and other applicable provisions, if any, that the following resolutions are proposed to be passed by Postal Ballot:

1. Issuance of Equity Shares including Convertible Bonds / Debentures through Qualified Institutional Placement [QIP] and / or Depository Receipts or any other modes for an amount not exceeding Rs. 10,000/- Crores.
2. Enhancement in borrowing limits from Rs. 1,500/- Crores to Rs. 10,000/- Crores.
3. Issuance of Unsecured / Secured Redeemable Non-Convertible Debentures / Bonds on private placement basis.
4. Creation of charge on Company's properties.

The Company is seeking your consent for the aforesaid proposals by way of Special Resolutions in compliance with the provisions of the Companies Act, 2013 read with Rules made thereunder and other applicable provisions, if any, of the Act or any other statutory enactments. Explanatory Statement pursuant to the provisions of section 102 of the Act in respect of the above resolutions setting out the material facts and reasons thereof is annexed to the Notice. Said Resolutions and Explanatory Statement thereto along with the Postal Ballot Form is being sent herewith for your consideration.

Electronic Voting [e-voting]:

In compliance with the provisions of section 108 of the Act read with Rule 20 of the Companies [Management and Administration] Rules, 2014, [including any statutory modifications or re-enactments thereof for the time being in force] as amended from time to time and clause 35B of the Listing Agreement, the Company is pleased to offer the option of e-voting facility to all the shareholders of the Company to enable them to cast their votes electronically. For the purpose, the Company has obtained the services of Central Depository Services [India] Limited ["CDSL"]. E-voting is optional for shareholders. The detailed procedure for e-voting is enumerated in the instructions to the Postal Ballot Form. The shareholders who wish to vote by Postal Ballot Form [instead of e-voting], can download Postal Ballot Form from the website www.evotingindia.co.in or www.zyduscadila.com.

The Company has appointed Shri Dhirajlal D. Sanghavi, Practicing Company Secretary as a Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

You are requested to peruse the proposed resolutions along with their Explanatory Statements and thereafter mark your assent or dissent by filling the necessary details and put your signature at the marked place in the Postal Ballot Form and return the same **in the enclosed postage pre-paid business reply envelope, so as to reach the Scrutinizer on or before 5:00 p.m. on Monday, 18th May, 2015**. In respect of shareholders opting for e-voting mode as above, they should cast their vote online from 9:00 a.m. on Friday, 17th April, 2015 till 5:00 p.m. on Monday, 18th May, 2015 as per the instructions provided in Postal Ballot Form. Your assent / dissent received after 18th May, 2015 would be strictly treated as if a reply from you has not been received. Upon completion of scrutiny of the Postal Ballot Forms, the Scrutinizer shall submit his report to the Chairman of the Company. **The result of the Postal ballot shall be announced on or before Saturday, 23rd May, 2015 at the Registered Office of the Company and shall also be displayed on the Company's website www.zyduscadila.com** besides communicating to the Stock Exchanges on which the shares of the Company are listed.

Special Businesses :

1. **Issuance of Equity Shares, including convertible bonds / debentures.**

To consider and if thought fit, to give your assent / dissent to the following resolution as **Special Resolution:**

"RESOLVED THAT the consent of the Company be and is hereby accorded pursuant to the provisions of sections 42, 62 and 71 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder [including any statutory modification[s] or re-enactments thereof for the time being in force], as amended from time to time, Foreign Exchange Management Act, 1999, Foreign Exchange Management [Transfer or Issue of Security by a Person Resident outside India] Regulations, 2000, as amended from time to time, Securities and Exchange Board of India [Issue of Capital and Disclosure Requirements] Regulations, 2009, as amended from time to time ["SEBI Regulations"], Listing Agreements entered into by the Company with the stock exchanges, where equity shares of the Company of the face value Rs. 5/- each are listed, enabling provisions of the Memorandum

and Articles of Association of the Company, the Issue of Foreign Convertible [through Depository Receipt Mechanism] Scheme, 1993, as amended from time to time and clarifications issued thereon from time to time and subject to other applicable laws, rules, regulations, guidelines, notifications and circulars issued by various competent authorities / bodies, whether in India or abroad and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India ["SEBI"], Government of India ["GOI"], Reserve Bank of India ["RBI"], Foreign Investment Promotion Board ["FIPB"], Department of Industrial Policy & Promotion ["DIPP"] and all other appropriate and / or competent authorities or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company [hereinafter referred as "Board" which term shall include any Committee thereof which the Board may have constituted to exercise its powers including the powers conferred by this Resolution], consent of the Company be and is hereby accorded to offer, create, issue and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Qualified Institutional Buyers ["QIB"], Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, trusts, stabilizing agents or otherwise or any combination thereof, whether or not such investors are shareholders, promoters, Directors or associates of the Company, through issue of Equity Shares and / or Global Depository Receipts ["GDRs"] and / or American Depository Receipts ["ADRs"] and / or Convertible Bonds / Debentures or any equity linked instruments ["Securities"] representing either Equity Shares or a combination of any other Securities through private placement issue and / or Qualified Institutional Placement ["QIP"] and / or any other permitted modes, as the Board may deem appropriate, in terms of the SEBI Regulations or as per other applicable rules and regulations, through one or more placement[s] of Securities for an amount not exceeding Rs. 10,000 Crores [Rupees Ten Thousand Crores Only] in Indian Rupees or an equivalent amount in any foreign currency, as the Board may determine, where necessary in consultation with the Lead Managers, Merchant Bankers, Underwriters, Guarantors, Financial and / or Legal Advisors, Depositories, Registrars and other agencies and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker[s] to be appointed, so as to enable to list on any Stock Exchanges in India and/or on any of the overseas Stock Exchanges, wherever required and as may be permissible.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws.

RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Issue of Foreign Currency Convertible Bonds [through Depository Receipt Mechanism] Scheme, 1993 and other applicable provisions, as amended from time to time.

RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI Regulations, the pricing shall be determined in compliance with principles and provisions set out in the regulation 85 of Chapter VIII of the SEBI Regulations and the Board may offer a discount of not more than 5% [five per cent] on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI Regulations, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalization and approval of the offer document[s], private placement offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, premium / discount amount on issue / conversion / exercise / redemption, rate of interest, redemption period, fixing record date, listings on one or more Stock Exchanges in India or abroad, entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer[s] or issue[s] or allotment[s] as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Securities to be created, issued, allotted and offered in terms of this resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Equity Shares so issued shall in all respects rank pari passu with the existing Equity Shares of the Company and shall be listed with the Stock Exchanges, where the Company's existing equity shares are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like [including reimbursement of their actual expenses] and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized Stock Exchange[s], to affix common seal of the Company on any arrangements, contracts / agreements, memorandum, documents, etc. as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised in consultation with the merchant banker[s], advisors and / or other intermediaries as may be appointed in relation to the issue of Securities to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the Stock Exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to the concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate [to the extent permitted by law] all or any of the powers herein conferred to any Committee formed for the purpose or to an officer of the Company."

2. Enhancement of borrowing limits from Rs. 1,500/- Crores to Rs. 10,000/- Crores.

To consider and if thought fit, to give your assent / dissent to the following resolution as **Special Resolution:**

"RESOLVED THAT in supersession of resolution passed by the shareholders at the 19th Annual General Meeting of the Company held on 30th July, 2014 and pursuant to the provisions of section 180[1][c] of the Companies Act, 2013 ["Act"] and other applicable provisions of the Act and Rules made thereunder [including any statutory modifications or re-enactments thereof], all other applicable provisions, if any, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ["Board"] to borrow, from time to time, any sum or sums of money [including non-fund based banking facilities], in any currency, whether Indian or foreign, as may be required for the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, with or without security, notwithstanding that the monies so borrowed together with the monies already borrowed [apart from temporary loans obtained from the Company's Bankers in the ordinary course of business] may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves [reserves not set apart for any specific purpose] provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 10,000/- Crores [Rupees Ten Thousand Crores only] over and above the aggregate of the paid-up capital and its free reserves at any time and the Board be and is hereby authorized to decide all the terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

3. Issue of Unsecured / Secured Redeemable Non-Convertible Debentures / Bonds by way of private placement.

To consider and if thought fit, to give your assent / dissent to the following resolution as **Special Resolution:**

"RESOLVED THAT in supersession of resolution passed by the shareholders at the 19th Annual General Meeting of the Company held on 30th July, 2014 and pursuant to the provisions of sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with rule 14 of the Companies [Prospectus and Allotment of Securities] Rules, 2014 [including any statutory modifications or re-enactments thereof] ["Act"], the Securities and Exchange Board of India [Issue and Listing of Debt Securities] Regulations, 2008 and other applicable SEBI regulations and guidelines, Foreign Exchange Management Act & RBI Guidelines, the Memorandum of Association and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ["Board"] to raise funds through Private Placement of Unsecured / Secured Redeemable Non-Convertible Debentures / Bonds ["NCDs"] for an amount not exceeding Rs. 3,500/- Crores [Rupees Three Thousand Five Hundred Crores only] subject to the total borrowing of the Company not exceeding the borrowing powers approved by the shareholders under section 180[1][c] of the Act to eligible investors [whether residents, non-residents, institutions, banks, incorporated bodies, mutual funds, venture capital funds, financial institutions, individuals, trustees, stabilizing agents or otherwise and whether or not such investors are

members of the Company], either in Indian Rupees or an equivalent amount in any foreign currency, in one or more tranches, during the period of one year from the date of passing of Special Resolution by the shareholders on such terms and conditions as the Board may from time to time determine proper and beneficial.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, invitation, issue or allotment through private placement of NCDs, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalizing the form / placement documents / offer letter, timing of the issue[s], including the class of investors to whom the NCDs are to be allotted, number of NCDs to be allotted in each tranche, issue price, redemption, rate of interest, redemption period, allotment of NCDs, appointment of lead managers, arrangers, debenture trustees and other agencies, entering into arrangements for managing the issue, issue placement documents and to sign all deeds, documents and writings and to pay any fees, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer[s] or issue[s] or allotment[s] as it may, in its absolute discretion, deem fit."

4. Creation of charge on Company's properties / assets.

To consider and if thought fit, to give your assent / dissent to the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 180[1][a] of the Companies Act, 2013 and all other applicable provisions of the Act and any Rules made thereunder [including any statutory modifications or re-enactments thereof] ["Act"], all other applicable provisions, if any, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ["Board"] to exercise its powers, including the powers conferred by this resolution of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecation, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company [both present and future] and / or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking in favour of the Lender[s], Agent[s] and Trustee[s], for securing the borrowing availed or to be availed by the Company, by way of loans, debentures [comprising fully / partly Convertible Debentures and / or Non-convertible Debentures or any other securities] or otherwise, in foreign currency or in Indian rupees, from time to time, upto the limits approved or as may be approved by the shareholders under section 180[1][c] of the Act [including any statutory modifications or re-enactments thereof] and other applicable provisions, along with interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange and the Board be and is hereby authorized to decide all terms and conditions in relation to such creation of charge, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

Registered Office:
"Zydus Tower", Satellite Cross Roads,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 015
Ahmedabad
8th April, 2015

By Order of the Board of Directors
For, **CADILA HEALTHCARE LIMITED**

UPEN H. SHAH
COMPANY SECRETARY

Explanatory Statement to the accompanying Notice dated 8th April, 2015 **[Pursuant to section 102 of the Companies Act, 2013]**

Item No. 1:

Post fiscal Budget in February 2015, Indian Economy is offering renewed optimism and exciting opportunities. The pharmaceutical industry at National and Global levels also offer good scope for growth.

The Company has been pursuing, both organic process and inorganic opportunities, for its growth. This would require sufficient resources including funds to be available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have requisite enabling approvals in place for meeting the fund requirements of its organic and inorganic growth, capital expenditure, long term working capital, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals. This would also help the Company to take quick and effective action to capitalize on the opportunities, as and when available.

The requirement of funds is proposed to be met both from equity and debt issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet with the objective of optimization of the cost.

Pursuant to the provisions of section 62[1] of the Companies Act, 2013 [hereinafter referred to as "the Act"] and Rules made thereunder, in case the Company proposes to issue equity shares to any persons other than existing shareholders, whether or not such persons are shareholders, approval of shareholders through a Special Resolution is required.

The Board of Directors, accordingly, at their meeting held on 8th April, 2015 has recommended to the shareholders to give their consent through Special Resolution to the Board of Directors or any Committee of the Board to raise funds through issuance of Equity Shares and / or Global Depository Receipts ["GDRs"] and / or American Depository Receipts ["ADRs"] and / or Convertible Bonds / Debentures or any equity linked instruments ["Securities"] as may be appropriate, who may or may not be the existing shareholders, through private placement and / or Qualified Institutional Placement ["QIP"] and / or any other permitted modes at a price to be determined as per the SEBI [Issue of Capital and Disclosure Requirement] Regulations or as per other applicable rules and regulations, to the extent of Rs. 10,000/- Crores [Rupees Ten Thousand Crores Only] in Indian Rupees and / or an equivalent amount in any foreign currency under section 62 read with section 179 of the Act and other applicable laws. While no specific instrument or instruments of Securities has been identified at this stage, the Board may opt for an appropriate instrument in the best interest of the Company. Such issue shall be subject to the provisions of the Act and Rules made thereunder, Articles of Association of the Company, Securities and Exchange Board of India [Issue of Capital & Disclosure Requirement] Regulations and other applicable laws.

Pursuant to the provisions of section 42 and 62 of the Act read with Rule 14 of the Companies [Prospectus and Allotment of Securities] Rules, 2014, a Company offering or making an invitation to subscribe aforesaid Equity Shares is required to obtain prior approval of the shareholders by way of a Special Resolution. If approved by the shareholders, QIP shall be completed within one year from the date of passing of Special Resolution. Equity Shares, proposed to be issued, shall in all respects rank *pari passu* with the existing Equity Shares of the Company.

In view of the above, it is proposed to seek approval from the shareholders of the Company through Postal Ballot to offer, create, issue and allot Equity Shares, in one or more tranches, to investors *inter alia* through QIP by way of private placement and to authorize the Board of Directors [including any Committee thereof authorized for the purpose] to do all such acts, deeds and things in the matter. The Board may offer a discount of not more than 5% on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

The resolutions contained in Item No. 1 of the accompanying Notice, accordingly, seek shareholders' approval through Special Resolution for raising funds as above through issue of Securities in one or more tranches and authorizing Board of Directors [including any Committee thereof authorized for the purpose] of the Company to complete all the formalities in connection with the issuance of Securities.

Directors or Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company.

The Board recommends these resolutions as set out in the Notice for your approval as Special Resolution by way of Postal Ballot.

Item No. 2

In order to meet the additional fund requirements of the Company for various purposes as mentioned above at Item No. 1, it is proposed by the Board at their meeting held on 8th April, 2015 to increase the overall borrowing limits of the Company from existing Rs. 1,500/- Crores [Rupees One Thousand Five Hundred Crores Only] to Rs. 10,000/- Crores [Rupees Ten Thousand Crores Only].

In terms of the provisions of sections 180[1][c] of the Act and Rules made thereunder, the Board of Directors of the Company requires shareholder's approval by way of Special Resolution to borrow moneys in excess of aggregate of the paid-up share capital and its free reserves [reserves not set apart for any specific purpose] excluding temporary loans obtained from the Company's bankers in the ordinary course of business and to issue Unsecured / Secured Redeemable Non-Convertible Debentures / Bonds on private placement. The shareholders by their resolution passed at the 19th Annual General Meeting [AGM] held on 30th July, 2014 had accorded consent to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of Rs. 1,500/- Crores [Rupees One Thousand Five Hundred Crores Only].

The resolution contained in Item No. 2 of the accompanying Notice, accordingly, seek shareholders' approval as Special Resolution for increasing the borrowing limits.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the proposed resolution.

The Board recommends the resolution as set out in the Notice for your approval as Special Resolution by way of Postal Ballot.

Item No. 3

In order to meet the additional fund requirements of the Company for various purposes as mentioned above at Item No. 1, it is proposed by the Board at their meeting held on 8th April, 2015 to increase the overall limits of the Company to issue Unsecured / Secured Redeemable Non-Convertible Debentures / Bonds on private placement basis from existing Rs. 350/- Crores [Rupees Three Hundred Fifty Crores Only] to Rs. 3,500/- Crores [Rupees Three Thousand Five Hundred Crores Only].

In order to provide the necessary flexibility of structuring the borrowings of the Company in the optimal manner depending on the prevailing market conditions, it is proposed to borrow and raise by issue of Unsecured / Secured Redeemable Non-Convertible Debentures / Bonds ["NCDs"] on private placement basis, as may be appropriate and as specified in the approvals, from both Indian and International markets.

The Board has at their meeting held on 8th April, 2015 recommended to the shareholders to give their consent to the Board of Directors or any Committee of the Board to borrow and raise funds by issue of NCDs on private placement basis, up to an amount of Rs. 3,500/- Crores [Rupees Three Thousand Five Hundred Crores Only] under section 42 and 71 read with section 179 of the Act. Such issue shall be subject to overall borrowing limits of Rs. 10,000/- Crores [Rupees Ten Thousand Crores Only] as may be approved by shareholders and will be issued in terms of the provisions of the Act, Articles of Association of the Company and Securities and Exchange Board of India [Issue and Listing of Debt Securities] Regulations, 2008 and other applicable laws.

Pursuant to sections 42 and 71 of the Act read with Rule 14 of the Companies [Prospectus and Allotment of Securities] Rules, 2014, a Company offering or making an invitation to subscribe to NCDs on a private placement basis is required to obtain prior approval of the shareholders by way of a Special Resolution. For NCDs, it shall be sufficient if the company passes a previous Special Resolution only once in a year for all the offers or invitation for such NCDs during the year. Thus such approval by way of Special Resolution shall be valid for a year for all offers and invitations for such NCDs to be made during the year. Accordingly, it is proposed to raise funds through Private Placement of NCDs in one or more tranches during a year starting from the date of approval of the Special Resolution by the shareholders of the Company. Such NCDs shall be issued to such person or persons, who may or may not be the members of the Company, as the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Shareholders / Board, may think fit and proper.

The resolution contained in Item No. 3 of the accompanying Notice, accordingly, seek members' approval for raising funds through Private Placement of NCDs in one or more tranches during a year starting from the date of approval of Special Resolution by the members of the Company and authorizing the Board of Directors [or any duly constituted Committee of the Board or such other authority as may be approved by the Board] of the Company to complete all the formalities in connection with the issue of NCDs.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the proposed resolution.

The Board recommends the resolution as set out in the Notice for your approval as Special Resolution by way of Postal Ballot.

Item No. 4

In terms of the provisions of section 180[1][a] of the Act and Rules made thereunder, the Board of Directors of the Company requires shareholders' approval by way of Special Resolution to create mortgages, charges and hypothecations, etc. to secure the borrowings, including Secured Redeemable Non-Convertible Debentures / Bonds on private placement basis.

The proposed borrowings by the Company, if required, is to be secured by mortgages or charges on all or any of the movable or immovable or any tangible or intangible assets / properties of the Company [both present and future] in favour of any lender, including the Financial Institutions / Banks / Debenture Trustees, etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender[s].

The mortgages and the charges on any of the movable and / or immovable or any tangible or intangible assets / properties and / or the whole or any part the undertaking[s] of the Company may be regarded as disposal of the Company's undertaking[s] within the meaning of section 180[1][a] of the Act read with Rules made thereunder.

The resolution contained in Item No. 4 of the accompanying Notice, accordingly, seek members' approval for disposal of the Company's undertaking[s] by creation of mortgages, charges, etc. thereon and for authorising the Board of Directors [including committee thereof authorised for the purpose] of the Company to complete all the formalities in connection with creating charge on Company's properties.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the proposed resolution.

The Board recommends the resolution as set out in the Notice for your approval as Special Resolution by way of Postal Ballot.

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

Ahmedabad
8th April, 2015

By Order of the Board of Directors
For, **CADILA HEALTHCARE LIMITED**

UPEN H. SHAH
COMPANY SECRETARY