

**CADISTA HOLDINGS INC. and its subsidiary
JUBILANT CADISTA PHARMACEUTICALS INC.
CODE OF ETHICS**

I. INTRODUCTION

This Code of Ethics (the "Code") is established pursuant to Section 406 of the Sarbanes-Oxley Act of 2002, which requires that the Cadista Holdings Inc. and Jubilant Cadista Pharmaceuticals Inc. (collectively, the "Company") establish a code of ethics to apply to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (the "Designated Officers"). In addition to the Designated Officers, the Code shall be applicable to all employees of the Company. The purpose of the Code is to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Respect for individuals – train and develop the people to be creative and empower them to take decisions, treat all individuals equally in respect of employment on the basis of ability irrespective of nationality, race, caste, creed, religion or gender;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- Accountability for adherence to the Code.

All employees are expected to be familiar with the Code and from time to time may be asked to affirm their agreement to adhere to its standards.

II. CONFLICTS OF INTEREST

Employees must avoid any activity or association that creates or appears to create a conflict between the Employee's personal interest and the Company's interest. For example, a possible conflict of interest exists when an employee or a member of his or her family has a financial or other interest in, or seeks personal loans or services from, a company that does business with the Company. Employees are expected to make prompt and full disclosure in writing to the Board of Directors of any potential conflict of interest. Any transaction in which an employee may have a conflict of interest must be approved by the Board of Directors.

The members of the Board of Directors also should avoid joining the Boards of competitors or taking up advisory or consultative assignments, whether for remuneration or otherwise, in competing organizations other than their existing directorships.

Employees should avoid the receipt of gifts, gratuities, favors or other benefits that might affect or appear to affect the exercise of their judgment on the Company's behalf. Any substantial gift or favor offered by an actual or potential client, contractor, or provider of goods or services, lender, security holder, or other affiliate whether it be in tangible form or in the form of a service or individual benefit, should be refused unless acceptance of such gift or favor has been approved by the Board of Directors. This prohibition is not intended to apply to ordinary courtesies of business life, such as token gifts of insubstantial value, modest entertainment incidental to a business relationship, or the giving or receipt of normal hospitality of a social nature.

III. ACCURATE AND TIMELY PERIODIC REPORTS

The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents that it files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company. The Company expects Designated Officers to establish and manage the Company's reporting systems and procedures with due care and diligence and for employees to cooperate with Designated Officers to ensure that:

- Reports filed with or submitted to the Securities and Exchange Commission and other public communications contain information that is full, fair, accurate, timely and understandable and do not misrepresent or omit material facts;

- Business transactions are properly authorized and completely and accurately recorded on the Company's books and records in accordance with generally accepted accounting principles and the Company's established financial policies; and,
- Retention or disposal of Company records is in accordance with established Company policies and applicable legal and regulatory requirements.

IV. COMPLIANCE WITH LAWS, RULES & REGULATIONS

Employees must comply fully with all applicable laws, rules, regulations and corporate governance standards.

V. CONFIDENTIAL INFORMATION

Confidential and proprietary information is a valuable asset of the company. The information should be used only for the business purpose. It is the duty of the Directors and senior management to protect confidentiality and to introduce effective checks for this purpose. The obligation continues even after the cessation of directorship/employment.

Similar obligation remains in respect of confidential information received from third parties.

VI. EXTERNAL COMMUNICATION WITH MEDIA AND INVESTORS

The employees should take guidance from the Board of Directors before interacting with media/investors/external agencies.

VII. PROTECTION AND PROPER USE OF COMPANY ASSETS

Every employee is expected to use Company's assets only for the legitimate business purposes and is prohibited from using Company's assets for personal gain, except in accordance with policy or by specific permission. While using the Company's assets, he shall take care that costs are reasonable and there is no wastage. Ostentation in Company expenditure should be avoided.

Protecting the physical and intellectual assets of the company is the responsibility of every employee. Any suspected loss, misuse, theft, waste or carelessness should be reported to Senior Management or a Designated Officer.

VIII. REPORTING VIOLATIONS

Designated Officers must promptly report any violations of the Code to the Board of Directors.

IX. DISCIPLINARY MEASURES

Designated Officers who violate any applicable laws, rules or regulations or the Code will face appropriate disciplinary action, as determined by the Board of Directors, which may include discharge. Other employees who violate any applicable laws, rules or regulations or the Code will face appropriate disciplinary action, as determined by the President or CFO, which may include discharge. The matter may also be referred to appropriate governmental agencies.

X. AMENDMENT, MODIFICATION AND WAIVER

The Code may be amended or modified by the Board of Directors. Any amendments or modifications will be publicly disclosed in accordance with the rules of the Securities and Exchange Commission. The Board of Directors may waive violations of the Code, but any such waiver that constitutes a material departure from a provision of the Code will be publicly disclosed in accordance with the rules of the Securities and Exchange Commission.