

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934
(Amendment No. 32)

TARO PHARMACEUTICAL INDUSTRIES LTD.

(Name of Subject Company (Issuer))

ALKALOIDA CHEMICAL COMPANY EXCLUSIVE GROUP LTD.

(Name of Filing Person (Offeror))

a subsidiary of

SUN PHARMACEUTICAL INDUSTRIES LTD.

ORDINARY SHARES, NOMINAL (PAR) VALUE NIS 0.0001 PER SHARE

(Title of Class of Securities)

M8737E108

(CUSIP Number of Class of Securities)

Mr. Harin P. Mehta

Director

Alkaloida Chemical Company Exclusive Group Ltd.

Kabay János u. 29, H-4440 Tiszavasari, The Republic of Hungary

+36-42-521-005

(Name, Address and Telephone Number of Persons Authorized to Receive Notices
and Communications on Behalf of filing persons)

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CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
\$194,554,682.50	\$7,646.00

* Estimated for purposes of calculating the amount of the filing fee only. Calculated by multiplying \$7.75, the per share tender offer price, by 25,103,830 shares.

** Calculated as 0.00393% of the transaction value.

R Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$7,800.00

Filing Party: Alkaloida Chemical Company Exclusive Group Ltd.

Form or Registration No.: Schedule TO

Date Filed: June 30, 2008

£ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which the statement relates:

R third-party tender offer subject to Rule 14d-1.

£ issuer tender offer subject to Rule 13e-4.

£ going-private transaction subject to Rule 13e-3.

£ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: £

This Amendment No. 32 (this "Amendment") amends and supplements the Tender Offer Statement on Schedule TO filed on June 30, 2008, as amended by Amendment No. 1 through Amendment No. 31 (as so amended, the "Schedule TO") by Alkaloida Chemical Company Exclusive Group Ltd. ("Purchaser"), a Hungarian company and a subsidiary of Sun Pharmaceutical Industries Ltd. ("Sun"), an Indian company. This Schedule TO relates to the offer by Purchaser to purchase all outstanding Ordinary Shares, nominal (par) value NIS 0.0001 per share, of Taro Pharmaceutical Industries Ltd. (the "Company"), an Israeli corporation, at a purchase price of \$7.75 per Ordinary Share, net to the seller in cash (subject to applicable withholding taxes), without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated June 30, 2008 and in the related Letter of Transmittal. Except as specifically provided herein, this Amendment does not modify any of the information previously reported on the Schedule TO.

Item 11. Additional Information.

Item 11 of Schedule TO is hereby amended and supplemented as follows:

In connection with the Annual General Meeting of the Company's shareholders scheduled for December 31, 2009, Sun sent a letter to the Company's shareholders and a proxy card to the Company's registered shareholders on December 17, 2009. The shareholder letter and proxy card are attached hereto as Exhibits (a)(5)(CC) and (a)(5)(DD), respectively.

Item 12. Exhibits.

Item 12 of the Schedule TO is hereby amended and restated as follows:

- (a)(1)(A) Offer to Purchase dated June 30, 2008. *
- (a)(1)(B) Form of Letter of Transmittal. *
- (a)(1)(C) Form of Notice of Guaranteed Delivery. *
- (a)(1)(D) Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees. *
- (a)(1)(E) Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees. *
- (a)(1)(F) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9. *
- (a)(1)(G) Declaration of Status for Israeli Income Tax Purposes. *
- (a)(1)(H) Tax Declaration Form for Israeli Financial Institutions. *

* Previously filed.

- (a)(5)(A) Summary Advertisement as published in *The Wall Street Journal* on June 30, 2008. *
- (a)(5)(B) Text of Press Release issued by Sun on June 25, 2008, incorporated by reference to the Statement on Schedule 13D (including exhibits), originally filed by Sun, Sun Pharma Global Inc. and Purchaser, with respect to the Ordinary Shares, par value NIS 0.0001 per share of the Company, with the U.S. Securities and Exchange Commission (the “Original Schedule 13D”); the Amendment No. 1 to the Original Schedule 13D, filed on July 25, 2007 (the “Amendment No. 1”); the Amendment No. 2 to the Original Schedule 13D, filed on August 2, 2007 (the “Amendment No. 2”); the Amendment No. 3 to the Original Schedule 13D, filed on February 19, 2008 (the “Amendment No. 3”); the Amendment No. 4 to the Original Schedule 13D, filed on May 29, 2008 (the “Amendment No. 4”); the Amendment No. 5 to the Original Schedule 13D, filed on June 5, 2008 (the “Amendment No. 5”); the Amendment No. 6 to the Original Schedule 13D, filed on June 24, 2008; the Amendment No. 7 to the Original Schedule 13D, filed on June 25, 2008 (the “Amendment No. 7”, together with the Original Schedule 13D, the Amendment No. 1, the Amendment No. 2, the Amendment No. 3, the Amendment No. 4, the Amendment No. 5 and the Amendment No. 6, the “Schedule 13D”) and by reference to Statement on Schedule TO filed by Purchaser on June 25, 2008. *
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- (a)(5)(D) Text of Press Release issued by Purchaser on July 14, 2008. *
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- (a)(5)(L) Text of Press Release issued by Sun on December 19, 2008. *
- (a)(5)(M) Text of letter from Sun’s Chairman and Managing Director, Dilip Shanghvi, to Myron Strober, Chairman of the Audit Committee of the Board of Directors of the Company, dated January 2, 2009, regarding the financial statements of the Company. *
- (a)(5)(N) Text of Press Release issued by Sun on January 7, 2009. *

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- (a)(5)(Y) Complaint filed by the Company on September 30, 2009 in the United States District Court for the Southern District of New York against Sun, Purchaser, Aditya and Caraco. *
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- (a)(5)(AA) Text of letter, dated December 14, 2009, from counsel to Sun and Purchaser to counsel to the Company. *
- (a)(5)(BB) Presentation regarding the Annual General Meeting of the Company's shareholders scheduled for December 31, 2009. *
- (a)(5)(CC) Text of letter, dated December 17, 2009, from Sun to the Company's shareholders.
- (a)(5)(DD) Proxy card sent from Sun to the Company's registered shareholders.
- (b) Not applicable.
- (d)(A) Agreement of Merger, dated as of May 18, 2007, among Purchaser, Aditya Acquisition Company Ltd. and the Company, incorporated by reference to the Schedule 13D. *

- (d)(B) Amendment No. 1 to Agreement of Merger, dated as of July 23, 2007, among Purchaser, Aditya Acquisition Company Ltd. and the Company, incorporated by reference to the Schedule 13D. *
- (d)(C) Option Letter Agreement, dated as of May 18, 2007, among Taro Development Corporation, Barrie Levitt, Tal Levitt, Daniel Moros, Jacob Levitt and Purchaser, incorporated by reference to the Schedule 13D. *
- (d)(D) Share Purchase Agreement, dated as of May 18, 2007, among Purchaser and the Company, incorporated by reference to the Schedule 13D. *
- (d)(E) Agreement and Plan of Merger, dated as of May 18, 2007, among Sun Pharmaceutical Industries, Inc., Sun Development Corporation I, Taro Development Corporation, Barrie Levitt and Daniel Moros, incorporated by reference to the Schedule 13D. *
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- (g) Not applicable.
- (h) Not applicable.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 17, 2009

ALKALOIDA CHEMICAL COMPANY
EXCLUSIVE GROUP LTD.

By: /s/ Harin Mehta

Name: Mr. Harin Mehta

Title: Director

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 17, 2009

SUN PHARMACEUTICAL INDUSTRIES LTD.

By: /s/ Sudhir V. Valia

Name: Mr. Sudhir V. Valia

Title: Director

EXHIBIT INDEX

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 - (g) Not applicable.
 - (h) Not applicable.
-

17/B, Mahal Industrial Estate,
Mahakali Caves Road,
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Tel.: (91-22) 6645 5645
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December 17, 2009

Dear Fellow Taro Shareholder:

In the normal course of events, there really wouldn't be a need for me to write to you, especially at this time of the year. However, it is the time of year that Taro Pharmaceutical Industries Ltd. holds its Annual General Meeting ("AGM"), this year, on December 31, 2009. In addition to sending the customary proxy statement with Board recommendations on the proposed resolutions, Dr Barrie Levitt, Chairman of the Board of Directors of Taro has made special efforts in spreading lies and misrepresentations about Sun Pharma with, of course, the overt support of the rest of the Taro Board.

In our view, the sole purpose of Dr Levitt's letters is obvious: **To take your attention away from the "all encompassing" protection being proposed to be given to "independent directors" as part of a payback for their complicity in illegally perpetuating control by the Levitt/Moros family over Taro in violation of contracts signed by the family.**

As you are well aware, Taro shareholders do not have reliable and valid financial data for now almost 7 years, starting 2003. This failure is a result of the performance of these supposedly independent directors, as members of the Board, in discharging their fiduciary duties towards shareholders. Instead of working to correct the situation, they now want all Taro shareholders to pay for any damage claims made against them for this failure. I am hopeful that this can be prevented. We urge you to vote at the AGM and reject all such moves of the Levitt/Moros family. While I have little doubt that you will see through this web of distortions, I am writing this letter to set the record straight. Let me attempt to state or clarify our position on some of the more relevant issues.

**Denial of vote to shareholders
LEVITTS AGREED TO SELL THEIR STAKE TO SUN, EITHER WAY**

As you know, Sun entered into a merger agreement with Taro in May 2007 following a Board approved competitive auction process. At the time, Taro admitted to facing a dire financial crisis and Dr Levitt stated in a letter to shareholders that unless additional cash was raised or its debt restructured, it "may be forced to seek relief under applicable liquidation statutes." In good faith, **Sun agreed to provide Taro a lifeline of almost US\$60 million cash**, at Dr. Levitt's request, in the form of an equity investment. This was in exchange for the option to purchase the Taro shares held by the Levitt/Moros family at \$7.75 per share if the merger were not consummated. It was a simple deal, in our view.

From the moment Taro received Sun's money, the Levitt/Moros family, with the cooperation of the rest of the Board, has tried to avoid its contractual obligations. Despite the tale woven by Dr. Levitt, the fact is that **Taro's shareholders never rejected Sun's merger**. They were never given the opportunity to vote. To accept or reject requires a vote and Taro's Board gave one excuse after another to indefinitely delay holding the shareholders meeting required to vote on the merger. **No such shareholder meeting was held.** Sun's well meaning attempts at dialogue

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with Taro, including a discussion on price, were rebuffed. Ultimately, Taro purported to terminate the merger agreement.

Shareholder wealth A STUDY IN CONTRAST



Dr Levitt tries to paint a grim picture of Sun's performance vis-a-vis shareholder returns. Here are some facts for a more balanced perspective. **Six years ago, Taro was 1.5 times more valuable than Sun. Today, Sun is 17 times more valuable than Taro.** In these past 6 years, **Taro's share price has decreased 86%, resulting in the loss of \$1.6 billion of shareholder value.** This represents a direct loss of \$1.4 billion to shareholders outside the Levitt/Moros family, whose interests are purportedly being protected by Taro's Board.

By way of contrast, over that same time, Sun's share price increased 406%, leading to a \$5.1 billion increase in value for Sun shareholders.

Four of the most senior executives in Taro are family members. While ordinary shareholders of Taro have never received a dividend in Taro's long history, over the years, members of the Levitt/Moros family have been paid many millions of dollars in salary and bonuses for a performance that brought Taro to the brink of bankruptcy.

No compulsion on minority shareholders to sell THEY MAY PREFER SUN

Dr. Levitt's recent letters to shareholders are riddled with misrepresentations, false statements and omissions, including that the upcoming Annual Meeting involves a vote about Sun's tender offer and that we at Sun are trying to coerce shareholders to tender their shares. This is simply not true.

Dr. Levitt claims that Sun is trying to take over Taro "by every conceivable means." What Dr. Levitt tries to obscure is that he signed the option agreement to sell his shares to Sun at \$7.75 per share. He conveniently forgets to mention that the purpose of our tender offer is to comply with the terms of that option agreement. To avoid a situation where the exercise of the option agreement allowed the Levitt/Moros family to receive a premium while the public shareholders received nothing, the **option agreement expressly provides that Sun must make a tender offer at the option price of \$7.75** before purchasing shares from the Levitt/Moros family. Let me clarify: Contrary to the impression being created by Barrie Levitt, **there is no compulsion on minority shareholders to tender their shares into the offer.** While Sun stands committed to accepting all shares tendered in the offer, even if zero shares are tendered, it is members of the Levitt/Moros family that will be obligated to transfer their Taro shares to Sun upon the closing of the offer as per the agreement they signed. Hence, it is in the interest of the Levitt/Moros family to prolong the close of the tender offer.

**What are these directors hiding?
SEEKING PROTECTION AGAINST FAILURE TO PERFORM DUTY**

UNRELIABLE DATA		
As Reported on	Cash as on 31-Dec-08 (in 000)	Difference (in 000 USD)
2-Feb-09	78,052	
8-Oct-09	78,093	41
2-Dec-09	73,161	(4,891)

While Dr. Levitt asks shareholders to re-elect the existing directors of Taro on the basis of Taro's financial turnaround and exceptional growth since 2007, in the next breath he notes that the financial information he relies on for that assertion is unaudited, unreviewed and subject to change. A sampler to highlight the unreliability of the numbers: Taro has reported cash as of December 31, 2008 differently three times so far this year. The latest correction witnessed a drop of approximately \$5 million from \$78.093 million on August 10 to \$73.161 million on December 2.

In fact, you are well aware that **Taro has not produced audited financial statements for fiscal years 2006, 2007 or 2008 and, by its own admission, the previously issued audited financial statements for the years 2003, 2004 and 2005 "can no longer be relied upon"**. The current Board has missed its own deadlines time after time, and year after year. At the extraordinary shareholders meeting held on September 14, 2009, specifically called to discuss the status of the audit, not only did Taro's auditors decline to be present, but Taro was still unable to predict when audited financials would be available.

There are only two explanations for the failure to produce reliable audited financials year after year – the current directors are totally incompetent or they are hiding something. Either way, these directors should be held accountable for their inability to satisfy one of the most fundamental responsibilities of a Board. If these restatements and failure to publish audited financials are not enough to cause concern, **the proposal to exempt certain directors from any legal responsibility for , among other things, their failure to produce reliable audited financial statements should sound the alarm .**

**Are these directors promoting your interests?
USING YOUR MONEY TO HELP THE LEVITT/MOROS FAMILY**

Rather than working in good faith and in the interests of all shareholders, **the actions of the independent directors have been to aid the Levitt/Moros family in trying to renege on its contractual obligations**. The Levitt/Moros family is the sole beneficiary of the Israeli litigation brought by Taro and its independent directors to seek a declaratory ruling that Sun's tender offer must comply with the "special tender offer" rules under the Israeli Companies Law, and effectively delay the closing of the option agreement. While the case is still pending appeal, the disparity between Sun's "good faith" investment in Taro that saved Taro from insolvency and the "lack of good faith" displayed by Taro's directors in their attempt to block the tender offer, was declared unequivocally by the District Court of Tel-Aviv in its ruling in favor of Sun:

" The shareholders cannot, on the one hand, benefit from Sun's investment and Taro's prosperity, and on the other hand argue that they fear a breach of the provisions of the Companies Law...It can be said that the applicants are silenced or prohibited from bringing up these claims today, and this can be seen as a lack of good faith. "

In the first nine months of 2009 alone, Taro is estimated to have incurred approximately \$14.5 million in professional, consulting and other fees related to the unending audit and the various litigation proceedings. The use of shareholders' funds by the current directors to aid the

Levitt/Moros family, that owns only an 11% economic interest in Taro, needs to be brought to an end.

This second attempt to seek approval of an undertaking by Taro to exempt from liability, and to widely expand indemnification for, current and certain former directors is a payoff for supporting the Levitt/Moros family.

**What are the facts?
DEBUNKING LIES ABOUT CARACO**

In his desperate attempt to retain his position, Dr. Levitt has irresponsibly spread lies about Sun's majority-owned subsidiary, Caraco Pharmaceutical Laboratories, Ltd. These are the facts. In 1997, when Sun purchased its majority stake in Caraco, shares of Caraco traded below \$1 per share and the company's aggregate market capitalization was less than \$10 million. As of December 11, 2009, Caraco's shares have traded at nearly \$6 per share and, despite the FDA's actions, its market capitalization was over \$230 million, representing a CAGR of 27% since Sun acquired control. Unlike Taro, Caraco has been current on its financials.

It is a fact that Caraco has had serious problems on account of which Caraco faced a seizure of material at its Michigan facilities in June 2009 by the FDA. Since then, the facility remains closed. However, the Board took swift actions. There is a new team of senior management executives, including a new CEO, spearheading Caraco's revival effort. The new management team has acted aggressively in response to the FDA's actions, entering a consent decree with the FDA, and implementing the agreed remediation plan in order to get Caraco's Detroit plant up and running. So while the FDA related developments are a negative, these haven't been taken lightly by the Board of Directors of Caraco. Contrast that with the situation at Taro. No reliable numbers for 7 years. Driven almost to bankruptcy. Still the same management team and same directors continue. As if this is not enough, company money and resources are being blatantly used to protect the interests of the same management team who also happen to be a mere 11% owner. Taro's shareholders should look at the facts rather than the rhetoric.

Dr Levitt has cited a former independent Director of Caraco to support claims of "serious corporate governance controversies" facing Sun as a result of its stewardship of Caraco. Not only do we at Sun feel, but even the former independent Director himself feels, that he is being quoted out of context and he has written to Caraco to set the record straight. In his own words: "As you know, I resigned from the Board of Directors of Caraco because of my "disagreement with respect to issues of corporate governance and the fiduciary role of independent directors" arising from the FDA seizure of inventory and products at Caraco's Detroit facility. I want to make clear that despite these specific disagreements, I had no material disagreement on any other issues. I continue to be proud of our efforts on behalf of Caraco and its shareholders reflected in the increase in revenues reported by Caraco over the five years I served as an independent director on the Board of Directors from \$60 million to \$337 million."

**We urge you to vote AGAINST the election and re-election of directors
and AGAINST the indemnification proposal**

Dr. Levitt and his family have demonstrated time and again that their interests lie in self-protection rather than the best interests of all of Taro's shareholders. That has come at the cost of shareholder value. As Taro's largest shareholder, it is difficult to accept abuse of shareholders' money and being left in the dark about the true state of Taro's financial affairs.

Now is the time to vote AGAINST the election and re-election of the proposed directors and AGAINST the indemnification proposal.

Sun urges its fellow shareholders to sign, date and return their proxy cards # immediately.

Sincerely yours,
For Sun Pharmaceutical Industries Ltd.

/s/ Dilip Shanghvi

Dilip Shanghvi
Chairman & Managing Director

Please contact our proxy solicitors, MacKenzie Partners, Inc., with any questions or should you need assistance voting or changing your vote for your shares. MacKenzie Partners can be contacted within the U.S. and Canada at 1-800-322-2885 (toll-free) or 1-212-929-5500 (call collect), within Israel at +1-809-494-159 (toll-free) or via email at proxy@mackenziepartners.com.

**TARO PHARMACEUTICAL INDUSTRIES LTD.
ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 31, 2009 at 8:00 a.m. (ISRAEL TIME)**

Please return your signed and dated proxy card in the enclosed postage-paid envelope to our representatives ...

... in the U.S. at:

... or in Israel at:

**MacKenzie Partners, Inc.
Proxy Tabulation
Madison Square Station
PO Box 865
New York, New York 10160-1051**

(if by hand or overnight delivery)
**MacKenzie Partners, Inc.
105 Madison Avenue
17th Floor
New York, New York 10016**

**Meitar Liquornik Geva & Leshem
Brandwein
16 Abba Hillel Rd. Ramat Gan 52506
ISRAEL**

**** Proxy cards must be received no later than 1 a.m. New York time on December 29, 2009 ****

If you have questions or need assistance voting or changing your vote, please contact MacKenzie Partners within the U.S. and Canada at +1-800-322-2885 (toll-free) or 1-212-929-5500 (call collect), within Israel at 1-809-494-159 (toll-free) or via email at proxy@mackenziepartners.com.

Telephone and internet voting are also available for residents of the U.S. and Canada. Contact MacKenzie Partners for details.

▼ DETACH BELOW AND RETURN USING THE ENVELOPE PROVIDED ONLY IF YOU ARE VOTING BY MAIL ▼

Please mark votes as in this example.

SUN PHARMACEUTICAL INDUSTRIES LTD. RECOMMENDS A VOTE AGAINST PROPOSALS 1, 2, 3 AND 4.																																																	
<p>1. Election of Directors</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 15%; text-align: center;">AGAINST</th> <th style="width: 15%; text-align: center;">FOR</th> <th style="width: 50%; text-align: center;">AGAINST</th> </tr> </thead> <tbody> <tr> <td>01 Arye Barak</td> <td style="text-align: center;">ALL</td> <td style="text-align: center;">ALL</td> <td style="text-align: center;">ALL</td> </tr> <tr> <td>02 Heather Douglas</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;">EXCEPT</td> </tr> <tr> <td>03 Micha Friedman</td> <td></td> <td></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>04 Eric Johnston</td> <td></td> <td></td> <td></td> </tr> <tr> <td>05 Gad Keren</td> <td></td> <td></td> <td></td> </tr> <tr> <td>06 Barrie Levitt</td> <td></td> <td></td> <td></td> </tr> <tr> <td>07 Tal Levitt</td> <td></td> <td></td> <td></td> </tr> <tr> <td>08 Daniel Moros</td> <td></td> <td></td> <td></td> </tr> <tr> <td>09 Myron Strober</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="margin-top: 20px;">To vote for any individual nominee(s) mark "Against All Except" and write the number(s) of the nominee(s) on the line below:</p> <hr style="width: 20%; margin-left: 0;"/>		AGAINST	FOR	AGAINST	01 Arye Barak	ALL	ALL	ALL	02 Heather Douglas	<input type="checkbox"/>	<input type="checkbox"/>	EXCEPT	03 Micha Friedman			<input type="checkbox"/>	04 Eric Johnston				05 Gad Keren				06 Barrie Levitt				07 Tal Levitt				08 Daniel Moros				09 Myron Strober				<p>3. To: (a) ratify confirm and approve the Company's undertaking to exempt from liability and to indemnify persons who are not controlling persons who served and are serving, currently and from time to time In the future as directors of the Company its subsidiaries and affiliates (including <i>inter alia</i> , Mr. Ben Zion Hod and Mr. Haim Fanaïro who served until July and August 2009, respectively, as External Directors), pursuant to the Exemption and Indemnification Agreement entered into pursuant to the resolution adopted by the Shareholders on September 8, 2005, the original form of which is attached to the proxy statement for this Meeting as Exhibit 1 (the "Agreement"); and (b) amend and restate Appendix "A" to the Agreement to read in its entirety as set forth in Exhibit 2 to the proxy statement for this Meeting; for the avoidance of doubt, the Company's obligation to indemnify in advance as to monetary obligations that may be imposed on a director is limited to the events and to the monetary limitation, set forth in Exhibit 2. And further, for the avoidance of doubt, that the Company's undertaking to exempt from liability and to indemnify the Company's directors pursuant to the above resolution shall include indemnification with respect to all monetary obligations that may be imposed and/or reasonable expenses to be incurred, and the Company shall hereby provide indemnification with respect to all reasonable expenses incurred, on account of, or related to, the Actions, as defined in the proxy statement for this Meeting.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 15%; text-align: center;">AGAINST</th> <th style="width: 15%; text-align: center;">FOR</th> <th style="width: 50%; text-align: center;">ABSTAIN</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>		AGAINST	FOR	ABSTAIN		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<p>2a. To appoint Ms. Irith Hausner as an External Director of the Company for a term of three-years, commencing upon her election to the Board of Directors.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 15%; text-align: center;">AGAINST</th> <th style="width: 15%; text-align: center;">FOR</th> <th style="width: 50%; text-align: center;">ABSTAIN</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>		AGAINST	FOR	ABSTAIN		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>4. That the Company undertake to exempt from liability and to indemnify new External Directors, in accordance with the form of Exemption and Indemnification Agreement attached as Exhibit 3 to the proxy statement for this Meeting, upon their election as External Directors of the Company; for the avoidance of doubt, the Company's obligation to indemnify in advance as to monetary obligations that may be imposed on a new External Director, is limited to the events, and to the monetary</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 15%; text-align: center;">AGAINST</th> <th style="width: 15%; text-align: center;">FOR</th> <th style="width: 50%; text-align: center;">ABSTAIN</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>		AGAINST	FOR	ABSTAIN		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																
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<p>2b. To appoint Mr. Yaron Saporta as an External Director of the Company for a term of three-years, commencing upon his election to the Board of Directors.</p>	<p>AGAINST <input type="checkbox"/></p>	<p>FOR <input type="checkbox"/></p>	<p>ABSTAIN <input type="checkbox"/></p>	<p>limitation, set forth in Appendix A to Exhibit 3.</p> <p>5. To appoint Kost Forer Gabbay & Kasierer, Certified Public Accountants (Israel), a member of Ernst & Young Global, as the Company's independent auditors until the close of the next annual general meeting of the shareholders of the Company and authorize their remuneration to be fixed, in accordance with the volume and nature of their services, by the Audit Committee and the Board of Directors.</p>	<p>AGAINST <input type="checkbox"/></p>	<p>FOR <input type="checkbox"/></p>	<p>ABSTAIN <input type="checkbox"/></p>
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Dated: _____, 2009

Signature: _____

Signature if held jointly

Please sign this proxy card and return it promptly, whether or not you plan to attend the meeting. If signing for a corporation or partnership or as agent, attorney or fiduciary, indicate the capacity in which you are signing. If you do attend the meeting and decide to vote by ballot, such vote will supersede this proxy.



PLEASE DETACH PROXY CARD HERE

TARO PHARMACEUTICAL INDUSTRIES LTD.

**PROXY FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS ON DECEMBER 31, 2009
THIS PROXY IS SOLICITED ON BEHALF OF SUN PHARMACEUTICAL INDUSTRIES LTD.**

**P
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The undersigned hereby appoints Clifford Felig, Asaf Harel and Israel Leshem, and each or any of them, with full power of substitution and revocation to each of them, to be the attorney, agent and proxy of the undersigned, as to all shares of TARO PHARMACEUTICAL INDUSTRIES LTD. (the "Company") which the undersigned is entitled to vote at the Annual General Meeting of Shareholders of the Company to be held at the offices of the Company, 14 Hakitor Street, Haifa Bay, Israel on Thursday, December 31, 2009 at 8:00 a.m. (Israel time) and at any and all adjournments thereof, to vote as fully and with the same force and effect as the undersigned might or could do if personally present and acting, with respect to the matters on the reverse side.

IF NO DIRECTIONS ARE INDICATED, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED "AGAINST" EACH OF MATTERS 1, 2, 3 AND 4 ON THE REVERSE SIDE AND AS DETERMINED BY THE HOLDERS OF THE PROXIES WITH RESPECT TO ALL OTHER MATTERS TO COME BEFORE THE MEETING.

(To be Continued and Signed on the Other Side)
