

# TARO PHARMACEUTICAL INDUSTRIES LTD

Filed by  
**SUN PHARMACEUTICAL INDUSTRIES LTD**

## **FORM SC 13D/A** (Amended Statement of Beneficial Ownership)

Filed 12/14/09

Telephone	9143459001
CIK	0000906338
Symbol	TAROF
SIC Code	2834 - Pharmaceutical Preparations
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D/A  
(Amendment No. 10)**

**Under the Securities Exchange Act of 1934**

**TARO PHARMACEUTICAL INDUSTRIES LTD.**

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(Name of Issuer)

**ORDINARY SHARES, PAR VALUE NIS 0.0001 PER SHARE**

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(Title of Class of Securities)

**M8737E108**

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(CUSIP Number)

**Mr. Sudhir V. Valia, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai 400 059, India**

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(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

**December 14, 2009**

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(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because § 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g) check the following box  .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 (b) for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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**SCHEDULE 13D/A**

CUSIP No. M8737E108

Page 2 of 7 Pages

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  SUN PHARMACEUTICAL INDUSTRIES LTD.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (See Instructions)  PF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  The Republic of India	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  18,143,927*
	8	SHARED VOTING POWER  0
	9	SOLE DISPOSITIVE POWER  18,143,927
	10	SHARED DISPOSITIVE POWER  0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  18,143,927	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  41.95%**	
14	TYPE OF REPORTING PERSON (See Instructions)  CO	

\* Includes 3,770,833 Ordinary Shares acquired by Alkaloida Chemical Company Exclusive Group Ltd. ("Alkaloida"), an indirect subsidiary of Sun Pharmaceutical Industries Ltd. ("Sun"), on May 21, 2007 and 3,016,667 Ordinary Shares acquired by Alkaloida on May 30, 2007, in each case pursuant to the share purchase agreement dated May 18, 2007 ("Purchase Agreement"), between Alkaloida and the Issuer, which entitled Alkaloida to acquire a total of 7,500,000 Ordinary Shares; 58,000 Ordinary Shares acquired by Sun Pharma Global, Inc. ("Sun Pharma"), a direct wholly-owned subsidiary of Sun, on July 11, 2007 and 500 Ordinary Shares acquired by Sun Pharma on July 23, 2007, in

each case in open market transactions; 3,000,000 Ordinary Shares acquired by Alkaloida on August 2, 2007, pursuant to Sun's rights under the warrant, dated May 18, 2007, issued by the Issuer to Sun (the "Original Warrant"); 3,712,557 Ordinary Shares acquired by Alkaloida on February 19, 2008, from Brandes Investment Partners, L.P., for and on behalf of certain of its investment advisory clients ("Brandes"); and 797,870 Ordinary Shares acquired by Alkaloida on June 23, 2008, from Harel Insurance Company Limited ("Harel"). This amount also includes 3,787,500 Ordinary Shares which Alkaloida has the right to acquire pursuant to a warrant issued to Sun by the Issuer on August 2, 2007 ("Warrant No. 2"). On December 1, 2009, Sun exercised Warrant No. 2 and nominated Alkaloida to purchase the underlying shares at the exercise price stated in Warrant No. 2 of \$6.00 per share. By letter dated December 1, 2009, the Issuer refused to issue such shares, citing an opinion of counsel to the Issuer to the effect that exercise of Warrant No. 2 would violate the temporary injunction issued by the Supreme Court of Israel in connection with ongoing litigation between Sun, Alkaloida, the Issuer and other related parties (the "STO Litigation") and would require the approval of the Israel Land Administration and possibly other governmental authorities.

\*\* Based on 39,460,257 Ordinary Shares outstanding as of June 30, 2008 as reported by the Issuer in its Solicitation/Recommendation Statement filed on Schedule 14D-9 on July 10, 2008; and an additional 3,787,500 Ordinary Shares that should have been issued to Alkaloida on December 1, 2009 upon exercise of Warrant No. 2.

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**SCHEDULE 13D/A**

CUSIP No. M8737E108

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1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  SUN PHARMA GLOBAL INC.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (See Instructions)  PF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  The British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  18,143,927*
	8	SHARED VOTING POWER  0
	9	SOLE DISPOSITIVE POWER  18,143,927
	10	SHARED DISPOSITIVE POWER  0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  18,143,927	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  41.95%**	
14	TYPE OF REPORTING PERSON (See Instructions)  CO	

\* Includes 3,770,833 Ordinary Shares acquired by Alkaloida on May 21, 2007 and 3,016,667 Ordinary Shares acquired by Alkaloida on May 30, 2007, in each case pursuant to the Purchase Agreement; 58,000 Ordinary Shares acquired by Sun Pharma on July 11, 2007 and 500 Ordinary Shares acquired by Sun Pharma on July 23, 2007, in each case in open market transactions; 3,000,000 Ordinary Shares acquired by Alkaloida on August 2, 2007, pursuant to Sun's rights under the Original Warrant; 3,712,557 Ordinary Shares acquired by Alkaloida on February 19, 2008, from Brandes; and 797,870 Ordinary Shares acquired by Alkaloida on June 23, 2008, from Harel. This amount also

includes 3,787,500 Ordinary Shares which Alkaloida has the right to acquire pursuant to Warrant No. 2. On December 1, 2009, Sun exercised Warrant No. 2 and nominated Alkaloida to purchase the underlying shares at the exercise price stated in Warrant No. 2 of \$6.00 per share. By letter dated December 1, 2009, the Issuer refused to issue such shares, citing an opinion of counsel to the Issuer to the effect that exercise of Warrant No. 2 would violate the temporary injunction issued by the Supreme Court of Israel in connection with the STO Litigation and would require the approval of the Israel Land Administration and possibly other governmental authorities.

\*\* Based on 39,460,257 Ordinary Shares outstanding as of June 30, 2008 as reported by the Issuer in its Solicitation/Recommendation Statement filed on Schedule 14D-9 on July 10, 2008; and an additional 3,787,500 Ordinary Shares that should have been issued to Alkaloida on December 1, 2009 upon exercise of Warrant No. 2.

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**SCHEDULE 13D/A**

CUSIP No. M8737E108

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1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  ALKALOIDA CHEMICAL COMPANY EXCLUSIVE GROUP LTD	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (See Instructions)  PF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  The Republic of Hungary	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  18,085,427 *
	8	SHARED VOTING POWER  0
	9	SOLE DISPOSITIVE POWER  18,085,427
	10	SHARED DISPOSITIVE POWER  0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  18,085,427	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  41.82%**	
14	TYPE OF REPORTING PERSON (See Instructions)  CO	

\* Includes 3,770,833 Ordinary Shares acquired by Alkaloida on May 21, 2007 and 3,016,667 Ordinary Shares acquired by Alkaloida on May 30, 2007, in each case pursuant to the Purchase Agreement; 3,000,000 Ordinary Shares acquired by Alkaloida on August 2, 2007, pursuant to Sun's rights under the Original Warrant; 3,712,557 Ordinary Shares acquired by Alkaloida on February 19, 2008, from Brandes; and 797,870 Ordinary Shares acquired by Alkaloida on June 23, 2008, from Harel. This amount also includes 3,787,500 Ordinary Shares which Alkaloida has the right to acquire pursuant to Warrant No. 2. On December 1, 2009, Sun exercised Warrant No. 2 and nominated

Alkaloida to purchase the underlying shares at the exercise price stated in Warrant No. 2 of \$6.00 per share. By letter dated December 1, 2009, the Issuer refused to issue such shares, citing an opinion of counsel to the Issuer to the effect that exercise of Warrant No. 2 would violate the temporary injunction issued by the Supreme Court of Israel in connection with the STO Litigation and would require the approval of the Israel Land Administration and possibly other governmental authorities.

\*\* Based on 39,460,257 Ordinary Shares outstanding as of June 30, 2008 as reported by the Issuer in its Solicitation/Recommendation Statement filed on Schedule 14D-9 on July 10, 2008; and an additional 3,787,500 Ordinary Shares that should have been issued to Alkaloida on December 1, 2009 upon exercise of Warrant No. 2.

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This Amendment No. 9 amends and supplements the Statement on Schedule 13D originally filed by the Reporting Persons with the Securities and Exchange Commission on July 3, 2007 (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. 6"); the Amendment No. 7 to the Original Schedule 13D, filed on June 25, 2008 (the "Amendment No. 7"); the Amendment No. 8 to the Original Schedule 13D, filed on December 2, 2009 (the "Amendment No. 8"); and the Amendment No. 9 to the Original Schedule 13D, filed on December 11, 2009 (the "Amendment No. 9", 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, the Amendment No. 6, the Amendment No. 7 and the Amendment No. 8, the "Schedule 13D"), with respect to the Ordinary Shares, par value NIS .0001 per share (the "Ordinary Shares"), of Taro Pharmaceutical Industries Ltd., an Israeli corporation (the "Issuer"), whose principal executive offices are located at Italy House, Euro Park, Yakum 60972, Israel. Unless otherwise indicated, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Schedule 13D.

#### **Item 4. Purpose of Transaction.**

The response set forth in Item 4 of the Schedule 13D is hereby amended and supplemented by adding the following paragraph after the last paragraph of Item 4:

"On December 14, 2009, counsel to Sun and Alkaloida sent a letter, filed hereto as Exhibit 99.25, to counsel to the Issuer, refuting the arguments given by the Issuer for refusing to issue Ordinary Shares upon Sun's exercise of Warrant No. 2 on December 1, 2009."

#### **Item 7. Materials to be Filed as Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
99.25	Letter, dated December 14, 2009, from counsel to Sun and Alkaloida to counsel to the Issuer.

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**SIGNATURE**

After reasonable 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 14, 2009

SUN PHARMACEUTICAL INDUSTRIES LTD.

/s/ Sudhir V. Valia

Signature

Mr. Sudhir V. Valia

Director

\_\_\_\_\_  
Name/Title

SUN PHARMA GLOBAL, INC.

/s/ Harin Mehta

Signature

Mr. Harin Mehta

Director

\_\_\_\_\_  
Name/Title

ALKALOIDA CHEMICAL COMPANY EXCLUSIVE  
GROUP LIMITED.

/s/ Harin Mehta

Signature

Mr. Harin Mehta

Director

\_\_\_\_\_  
Name/Title

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EXHIBIT INDEX

**Exhibit No.**

**Description**

99.25

Letter, dated December 14, 2009, from counsel to Sun and Alkaloida to counsel to the Issuer.



# SHEARMAN & STERLING<sup>LLP</sup>

599 LEXINGTON AVENUE | NEW YORK | NY | 10022-6069

WWW.SHEARMAN.COM | T +1.212.848.4000 | F +1.212.848.7179

plyons@shearman.com  
+1.212.848.7666

December 14, 2009

Jeffrey W. Tindell  
Skadden, Arps, Slate, Meagher & Flom LLP  
4 Times Square  
New York, NY 10036  
jeffrey.tindell@skadden.com

Re: Taro's Refusal to Issue Shares following Sun's Exercise of Warrant No. 2

Dear Jeff:

We write in response to your letter, dated December 1, 2009, as well as the attached letter of the same date from Dror Vigdor to Taro Pharmaceutical Industries Ltd. (the "Company") seeking to justify the Company's refusal to issue Ordinary Shares following the exercise of Warrant No. 2 by Sun Pharmaceutical Industries, Ltd. ("Sun"). As explained below, we find the arguments set forth in Mr. Vigdor's letter unpersuasive.

First, the scope of the Israeli Supreme Court's temporary order is limited to the subject matter at issue in the appeal: Alkaloida's tender offer and Sun's exercise of the options granted to it by the Levitt family. The exercise of Warrant No. 2 does not implicate any of the issues that are the subject of the appeal, and the order does not prohibit Sun from exercising the warrant. Sun filed a request with the Supreme Court today seeking confirmation from the Court that the order does not prevent Sun's exercise of Warrant No. 2.

Second, we find the Company's assertion that the exercise of Warrant No. 2 requires the approval of the Israeli Land Authority ("ILA") both surprising and unconvincing. You may recall that, at Barrie Levitt's request, on August 2, 2007, Sun partially exercised the predecessor to Warrant No. 2. When they were begging for Sun's capital in 2007, neither Barrie Levitt, the Company nor its counsel raised any issue regarding the need for ILA or any other governmental approval for Sun to exercise that warrant. Quite to the contrary, although ILA approval of the Merger Agreement was pending at that time, Mr. Vigdor's firm, Yigal Arnon & Co., issued an opinion, a copy of which is enclosed, stating that, "upon payment of the Exercise Price, the Warrant Shares will be duly and validly issued..." We would have thought that such an opinion could not have been issued if a requisite Israeli governmental approval had not been obtained. Accordingly, we find the Company's current position completely disingenuous.

ABU DHABI | BEIJING | BRUSSELS | DÜSSELDORF | FRANKFURT | HONG KONG | LONDON | MENLO PARK | MUNICH  
NEW YORK | PARIS | ROME | SAN FRANCISCO | SÃO PAULO | SHANGHAI | SINGAPORE | TOKYO | TORONTO | WASHINGTON, DC

S HEARMAN & STERLING LLP IS A LIMITED LIABILITY PARTNERSHIP ORGANIZED IN THE UNITED STATES UNDER THE LAWS OF THE STATE OF DELAWARE, WHICH LAWS LIMIT THE PERSONAL LIABILITY OF PARTNERS.

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December 14, 2009

In sum, the Company's arguments for refusing to issue Ordinary Shares upon Sun's exercise of Warrant No. 2 are nothing more than a transparent pretext to try to disenfranchise Sun and continue to entrench the Levitt family.

Warrant No. 2 was properly exercised on December 1, 2009 and Sun and Alkaloida reserve all rights with respect to this matter.

Sincerely,

/s/ Peter D. Lyons

Peter D. Lyons

Enclosure

cc: Barrie Levitt (barrie.levitt@taro.com)  
cc: David Schapiro (davids@arnon.co.il)  
cc: Uday Baldota (uday.baldota@sunpharma.com)  
cc: Clifford Felig (cfelig@meitar.com)

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**YIGAL ARNON & CO.**  
ADVOCATES AND NOTARY

**Tel Aviv** July 27, 2007

To:  
Alkaloida Chemical Company Exclusive Group Ltd.

**Re: Warrant Exercise to Purchase 3,000,000 Ordinary Shares of Taro Pharmaceutical Industries Ltd.**

We have acted as Israeli counsel to Taro Pharmaceutical Industries Ltd. (the "Company") in connection with the partial exercise of Warrant Certificate No. 1, dated May 18, 2007 (the "Warrant"), to purchase 3,000,000 Ordinary Shares of the Company (the "Warrant Shares"), in the amount of US\$18,000,000 (the "Exercise Price") in accordance with the terms of the Warrant.

We are of the opinion that upon payment of the Exercise Price, the Warrant Shares will be duly and validly issued, fully paid and non-assessable.

This opinion letter speaks only as of its date and we disclaim any express or implied undertakings or obligation to advise you, after the date hereof, of any subsequent change of law or fact (even though the change may affect the legal analysis, a legal conclusion or an informational confirmation in this opinion letter).

Very truly yours,

/s/ Yigal Arnon & Co.

Yigal Arnon & Co.

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