



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Sun Pharmaceutical Industries Limited will be held on Friday, September 11, 2009, at 10.15 a.m at The Gateway Hotel, Akota Gardens, Akota, Vadodara 390 020, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.*
3. To appoint a Director in place of Shri. Dilip S. Shanghvi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Keki M. Mistry, who retires by rotation and being eligible, offers himself for reappointment.
5. To re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to such approvals, permissions and sanctions, if required and as may be necessary, the consent of the Company be and is hereby accorded to Ms. Khyati S. Valia, who is a relative of a Director to hold an office or place of profit under the Company as a Management Trainee or with such designation as the Board of Directors of the Company may, from time to time, decide upon a monthly basic salary and other allowances, benefits, amenities and facilities with effect from February 1, 2009 upto the monthly remuneration of Rs.50,000/- or such other permissible total monthly remuneration that may be prescribed in this behalf from time to time under Section 314 of the Companies Act, 1956."

"RESOLVED FURTHER THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time, the Directors' Relatives (Office or Place of Profit) Rules, 2003 and as recommended/approved by the Selection Committee at its Meeting held on May 23, 2009 and as approved by the Board of Directors at their Meeting held on May 30, 2009 and subject to such approvals

including the approval of the Central Government, as may be required, the consent of the Company be and is hereby accorded to Ms.Khyati S. Valia, who is a relative of a Director to hold an office or place of profit under the Company as an Management Trainee or with such designation as the Board of Directors of the Company may, from time to time, decide, for her appointment and revision of her remuneration for a period of five years from April 1, 2010, upto a maximum remuneration (excluding reimbursement of expenses, if any) of Rs. 20,00,000/- (Rupees Twenty Lacs only) per annum as set out in the explanatory statement attached hereto which shall be deemed to form part hereof with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration from time to time.”

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to promote her to higher cadres and/or to sanction her increments and/or accelerated increments within the said cadre or higher cadre as and when the Board of Directors deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, including with the approval of the Central Government, as may be required, pursuant to the provisions of Section 314(1B) and other applicable provisions of the Companies Act, 1956.”

"RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution.”

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to agree to such modification and/or variation as may be suggested by the Central Government while granting its approval.”

By order of the Board of Directors
For **SUN PHARMACEUTICAL INDUSTRIES LTD.**

Place: Mumbai
Date: June 20, 2009.

Kamlesh H.Shah
Company Secretary

Registered Office:
SPARC, Tandalja
Vadodara 390 020.

* The actual equity dividend to be declared by the shareholders at the 17th Annual General Meeting will be for only equity shares other than the equity shares in respect of which the equity shareholder(s) has/have waived/forgone his/their right to receive the dividend for the financial year ended March 31, 2009 in accordance with the Rules framed by the Board as per Note No. 6 hereinafter appearing.

Notes:

Sun Pharmaceutical Industries Ltd.

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding the meeting.

2. **Re-appointment of Directors:**

At the ensuing Annual General Meeting, Shri Dilip S. Shanghvi and Shri Keki M. Mistry, retire by rotation and being eligible offer themselves for re-appointment as Directors liable to retire by rotation. The information or details to be provided for the aforesaid Directors under Corporate Governance Code are as under:

- (a) Shri. Dilip S. Shanghvi (53 years) is a graduate in commerce from the Kolkatta University and had launched Sun Pharmaceutical Industries in 1982. He is the Chairman & Managing Director of the Company and also the Chairman & Managing Director of Sun Pharma Advanced Research Company Ltd. He has extensive experience in the pharmaceutical industry. Under his leadership, Sun Pharmaceutical Industries Ltd., has recorded an all-round growth in business. He is a Director in the following companies: Sun Pharma Advanced Research Company Ltd., Sun Fastfin Services Pvt. Ltd., Sun Petrochemicals Pvt. Ltd., Shantilal Shanghvi Foundation, Caraco Pharmaceutical Laboratories Ltd., Sun Pharma De Mexico SA DE CV & SPIL De Mexico SA DE CV.

He is actively involved in international pharmaceutical markets and research and development functions of the Company. He has been awarded various awards including the Economic Times Entrepreneur of the Year Award in 2008, Business Standard 'CEO of the year', the 'First Generation Entrepreneur of the Year' awarded at the CNBC-TV 18 India Business Leader Awards 2007, 'Entrepreneur of the Year' awarded by Ernst & Young and 'Lifetime Honor' by the Indian Merchants Chamber at the Juran Quality Medal for 2008

- (b) Shri. Keki Mino Mistry (54) joined the Board on 28 August, 2002. At present, he is the Vice Chairman & Managing Director of Housing Development Finance Corporation Limited (HDFC). He joined HDFC in October, 1981. Prior to joining HDFC, Mr. Mistry worked in the Indian Hotels Co. Ltd.

Mr. Mistry is a Fellow Member of the Institute of Chartered Accountants of India and a Member of the Michigan Association of Certified Public Accountants, USA. He has rich experience in Finance and worked as a consultant to the Commonwealth Development Corporation in Bangkok, Thailand, Mauritius, Caribbean Islands & Jamaica, Asian Development Bank and Mauritius Housing Company.

Presently, he is the Chairman of Gruh Finance Ltd and is on the Board of Housing Development Finance Corporation Ltd., HDFC Developers Ltd., HDFC Bank Ltd., HDFC Asset Management Co. Ltd., HDFC Standard Life Insurance Company Ltd., HDFC ERGO General Insurance Company Ltd., Infrastructure Leasing & Financial

Services Ltd., The Great Eastern Shipping Company Ltd., NexGen Publishing Ltd., Greatship (India) Ltd., Shrenuj & Company Ltd., Griha Investments, Mauritius, Association of Leasing & Financial Services Cos., India Value Fund Advisors Pvt. Ltd. and Intelenet Global Services Pvt. Ltd. He serves as the member of Shareholders'/Investors' Grievance Committee of Housing Development Finance Corporation Ltd., & Infrastructure Leasing & Financial Services Ltd., Chairman of Audit Committees of HDFC Ergo Insurance Co. Ltd. & The Great Eastern Shipping Co. Ltd., member of Audit Committees of HDFC Standard Life Insurance Company Ltd., HDFC Asset Management Co Ltd., Gruh Finance Ltd., Infrastructure Leasing & Financial Services Ltd., Greatship (India) Ltd. & Shrenuj & Company Ltd. He is presently holding 5,000 Equity Shares of the Company (including Shares held jointly).

3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, August 25, 2009 to Saturday, September 5, 2009 (both days inclusive) for the purpose of the Seventeenth Annual General Meeting of the Company and for the payment of Dividend.
4. The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders. The Company is also, effective this year, providing the facility of National Electronic Clearing Service (NECS) recently introduced by Reserve Bank of India, to all shareholders holding shares in electronic and physical forms with the data available/provided by shareholders with 15 digit bank account number for ECS, which offers all India coverage and enable the sponsor bankers to upload the data files more efficiently and effectively.
5. The Board of Directors at their Meeting held on May 30, 2009, declared a Dividend @ Rs.13.75 per Equity Share on Equity Shares of Rs.5/- each of the Company for the year ended March 31, 2009 and the same as declared by the Company, will be paid on or after September 15, 2009 to the Company's Equity Shareholders whose name stand on the Register of Members as beneficial owners at the close of business as on Monday, August 24, 2009 as per the list provided by NSDL & CDSL in respect of shares held in electronic form and as Members in the Register of Members of the Company after given effect to valid transfers in physical form lodged with the Company on or before Monday, August 24, 2009.
6. At the Extra Ordinary General Meeting of the members of the Company held on Monday, 1st September, 2003, the Members had approved, by way of Special Resolution, certain amendments to the Articles of Association of the Company relating to enabling the Company to implement any instruction from a Member(s) of the Company to waive/forgo his/their right to receive the dividend (interim or final) from the Company for any financial year. Thus the Members of the Company can now waive/forgo, if he/they so desire(s), his/their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for

the year ended 31st March, 2003 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose. The Shareholder, if so wishes to waive /forgo the right to receive Dividend for the year ended 31st March, 2009 shall fill up the form and send it to the Company's Registrars on or before August 24, 2009. The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive Dividend for any year shall be available by downloading from the Company's website www.sunpharma.com under section "Investor - Regulatory compliance - 2008/09") or can also be obtained from the Company's Registrars and Transfer Agents, Link Intime India Pvt. Limited.

THE BOARD OF DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON 1ST SEPTEMBER, 2003 HAVE FRAMED THE FOLLOWING RULES UNDER ARTICLE 190 A OF THE ARTICLES OF ASSOCIATION OF THE COMPANY FOR EQUITY SHAREHOLDERS WHO WANT TO WAIVE/FORGO THE RIGHT TO RECEIVE DIVIDEND IN RESPECT OF FINANCIAL YEAR 2002-2003 OR FOR ANY YEAR THEREAFTER.

- I. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date/Book Closure Date fixed for determining the names of Members entitled for such dividend. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part or percentage of dividend on share(s).
- II. The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.
- III. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form their decision of waiving/forgoing their right to receive the dividend from the Company.
- IV. The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving/ forgoing dividend so as to reach the Company before the Record Date /Book Closure Date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver/forgoing of the right to receive the dividend for any year after the Record Date /Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.
- V. The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and can not be withdrawn for that particular year for such waived/forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next

succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/forgoing of the right to receive the dividend for the particular year.

- VI. The Equity Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.
 - VII. The instruction by a Shareholder to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder. There is a no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
 - VIII. The decision of the Board of Directors of the Company or such person(s) as may be authorised by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.
 - IX. These Rules can be amended by the Board of Directors of the Company from time to time as may be required.
7. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEF Fund). The Company will be transferring the unclaimed dividends during the financial years ending 31st March, 2010 to 31st March, 2012 as given below.

Financial Year Ended	Date of Declaration of Dividend entitled	Rate of Dividend	Last date for claiming unpaid Dividend	Due Date for transfer to IEP Fund
2001-02	28.08.2002	50%	27.08.2009	26.09.2009
2002-03	30.09.2003	100%	29.09.2010	28.10.2010
2003-04	26.11.2004	65% Equity/ 6% Preference	25.11.2011	24.12.2011

Members who have not encashed their dividend warrants, for the financial year ended March 31, 2002 and onwards may approach the Company's Registrar & Transfer Agents, M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai 400 078 for revalidating the warrants or for obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the

Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the same.

8. The Members of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, erstwhile Gujarat Lyka Organics Limited and erstwhile Phlox Pharmaceuticals Limited, who have yet not sent their share certificates of erstwhile Tamilnadu Dadha Pharmaceuticals Limited, Chennai, Gujarat Lyka Organics Limited and erstwhile Phlox Pharmaceuticals Limited respectively for exchange with the share certificates of Sun Pharmaceutical Industries Limited are requested to do so at the earliest, since share certificates of the erstwhile Tamilnadu Dadha Pharmaceuticals Limited, erstwhile Gujarat Lyka Organics Limited and erstwhile Phlox Pharmaceuticals Limited held by them are no longer tradable/ valid.
9. The Members may be aware that the Equity Shares of the Company had been subdivided from equity share of Rs.10/- each to 2 equity shares of Rs.5/- each in terms of the Resolutions passed by the Shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 20th December,2002. The Members who have yet not sent their share certificates of Rs. 10/- each of the Company for exchange with new equity shares of Rs.5/- each shall send the same to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd since the old share certificates of Rs.10/- each are no longer tradable.
10. The Company had paid the entire outstanding of 13,740,030 - 6% Cumulative Redeemable Preference Shares of Re.1/- each redeemed compulsorily at par value on November 1, 2007 along with interim dividend declared by the Board of Directors of the Company at their Meeting held on October 25, 2007 at 6% per annum on pro-rata basis for the year ended March 31, 2008 without calling for preference share certificates from such of those preference shareholders who were holding preference shares in physical form. Hence such Members are requested to cancel the same at their end as they are no longer tradable. Members, who have not encashed their warrants, may approach the Company's Registrar & Transfer Agents, M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai 400 078 for re-validating the warrants or for obtaining duplicate warrants.
11. Please note that as per the Notification of SEBI, Sun Pharmaceutical Industries Limited's shares are under compulsory Demat trading with effect from 29th November, 1999 for all the investors. You may, therefore, demat your equity share holdings if not already demated, to avoid any inconvenience.
12. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

As required by Section 173 (2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under Item No.6 of the accompanying Notice dated June 20, 2009.

ITEM NO. 6:

Ms. Khyati S. Valia has completed Bachelor of Dental Surgery (B.D.S.) & Post Graduate Course in Family Managed Business (F.M.S.). She is working as a Management Trainee in our Company since February 1, 2009 on a monthly remuneration not exceeding Rs.50,000/- per month including usual allowances and perquisites and benefits, amenities and facilities applicable to other employees in the similar post within the same grade which is well within the permissible limit of Rs.50,000/- per month subject to the approval of the Shareholders in the ensuing Annual General Meeting of the Company. She is daughter of Shri Sudhir V. Valia, Whole-Time Director of the Company.

Ms. Khyati S. Valia's current salary is not commensurate with the role and responsibility carried out by her. Hence, on the recommendation/approval by the Selection Committee at its Meeting held on May 23, 2009, the Board of Directors at their Meeting held on May 30, 2009 approved her maximum upper limit of remuneration (excluding reimbursement of expenses, if any) at Rs. 20,00,000/- (Rupees Twenty Lacs only) per annum for a period of five years from April 1, 2010, subject to the approval of the Shareholders in the ensuing Annual General Meeting and of the Central Government. Further the Board shall have discretion and authority to revise her remuneration from time to time as it may deem fit, however within the above overall limit as approved by the members and by the Central Government.

Her present Basic Salary with effect from February 1, 2009 (including Bonus) plus HRA, CCA, Special and other Allowances, etc (excluding reimbursement of expenses) amounts approximately to Rs. 2.60 Lacs per annum which is well within the maximum limit of Rs. 6,00,000/- per annum.

The Board of Directors recommends the passing of the resolutions at Item No.6 of the Notice convening the Meeting for the approval of the Members under Section 314 of the Companies Act, 1956 by way of a special resolution.

The Company shall file an appropriate application with the Central Government for approval. The revision in remuneration will be effective only after obtaining all necessary approvals in this regard. Shri. Sudhir V. Valia and Shri. Dilip S. Shanghvi being her relatives are concerned or interested in the resolution at Item No.6 of the Notice.

By order of the Board of Directors
For **SUN PHARMACEUTICAL INDUSTRIES LTD.**

Kamlesh H. Shah
Company Secretary

Place: Mumbai
Date: June 20, 2009.

Registered Office:
SPARC, Tandalja
Vadodara 390 020.