



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Sun Pharmaceutical Industries Limited will be held on Friday, September 16, 2011, at 10.30 a.m at Prof. Chandravadan Mehta Auditorium, General Education Centre, the Maharaja Sayajirao University of Baroda, Pratapgunj, Vadodara - 390 002, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2011, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To consider declaration of 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. Sailesh T. Desai, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri. S. Mohanchand Dadha, who retires by rotation and being eligible, offers himself for reappointment.
6. To re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, having ICAI Registration No.117366W, as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without modification(s), the following resolutions, as Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) and such other provisions as may be applicable of the Companies Act, 1956 and on the recommendation/approval by the Selection Committee and the Board of Directors of the Company subject to such approvals including the approval of the Central Government, as may be required, the Members of the Company be and hereby approve the payment of remuneration in the form of annual fee, sitting fees per meeting of the Board of Directors and any committee thereof and an annual discretionary bonus by Taro Pharmaceutical Industries Ltd. (TARO), a subsidiary of the Company to Mr. Aalok Shanghvi, who is relative of a Director, as non-executive Director of TARO, upto USD 650,000/- per annum, in addition to the sitting fees per meeting of the Board of Directors and any committee thereof and an annual discretionary bonus as may be paid by TARO exclusive of reimbursement of any expenses for a period of four years effective as of the date of his appointment under TARO i.e. September 20, 2010, all subject to compliance with such regulatory requirements as may be necessary."

"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, 2011 and on the recommendation / approval by the Selection Committee and the Board of Directors of the Company at its respective Meeting held on May 28, 2011 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 Mr. Aalok Shanghvi, who is a relative of a Director to hold an office or place of profit under the Company as Asst. Product Manager or with such designation as the Board of Directors of the Company may, from time to time, decide, for his appointment and revision of his remuneration from April 1, 2011, for remaining period upto March 31, 2014,

upto a maximum remuneration (excluding reimbursement of expenses, if any) of ₹ 1,00,00,000/- (Rupees One Crore 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 him to higher cadres and/or to sanction him 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 any of Directors of the Company, the Company Secretary and the Compliance Officer of the Company be and are hereby authorized severally to make such applications to the Central Government or such statutory authorities as required, to agree to such modification and/or variation as may be suggested by the regulatory authorities while granting the approval, and further authorised severally to execute and perform such further steps, acts, deeds, matters and things as may be necessary, proper and expedient and to take all such actions and to give such directions as may be desirable and to settle any questions or difficulties that may arise in giving effect to this resolution.”

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

Place: Mumbai
Date : May 28, 2011

Sunil R. Ajmera
Company Secretary

Registered Office:
SPARC, Tandajja
Vadodara 390 020.

* The actual equity dividend to be declared by the shareholders at the 19th 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, 2011 in accordance with the Rules framed by the Board as per Note No. 6 hereinafter appearing.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND A N D 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, Shri Sailesh T. Desai and Shri S. Mohanchand Dadha, 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 (55 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 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 Petrochemicals Pvt. Ltd., Shantilal Shanghvi Foundation, Aditya Thermal Energy Pvt. Ltd., Alfa Infraprop Pvt. Ltd., Caraco Pharmaceutical Laboratories Ltd., SunPharma De Mexico SA DE CV, SPIL De Mexico SA DE CV, Taro Pharmaceutical Industries Ltd., Taro Pharmaceuticals North America Inc., Taro Pharmaceutical Laboratories Inc., Taro Pharmaceuticals USA Inc. & Taro Research Institute Ltd.

(b) Shri. Sailesh T. Desai (56 years), is a science graduate from Kolkata University and is a successful entrepreneur with more than three decades of wide industrial experience including more than two decades in the pharmaceutical industry itself. He is a Director on the Board of the following companies:

Caraco Pharmaceutical Laboratories Ltd., Sun Pharmaceutical (Bangladesh) Ltd., SPIL De Mexico SA DE CV, Shantilal Shanghvi Foundation, M.J. Pharmaceuticals Ltd. and Universal Enterprises (P) Ltd. He is a trustee of Shree Uvasaggar Trust & Kalpataru Sadhna Kendra Trust.

Shri. Sailesh T. Desai is holding 27,27,660 Equity Shares of ₹1/- each of the Company (including shares held jointly, if any).

(c) Shri. S. Mohanchand Dadha (74 years), is a successful entrepreneur with more than five decades of experience in pharma industry and has competent knowledge and experience in financial and accounting areas. Shri. Dadha was Managing Director and Promoter of erstwhile Tamilnadu Dadha Pharmaceuticals Ltd., which was subsequently merged with our Company with effect from April 1, 2007 and Mr. Dadha was appointed as a Director of our Company.

He is also Trustee of many Charitable Trusts. He was the Member of Tamilnadu Government constituted Drug Committees, namely The Drug Advisory Committee and the Committee for the development of Drug Industries in Tamilnadu. He is a Director in the following companies:

Sun Pharma Advanced Research Company Ltd., Wardex Pharmaceuticals Ltd., Dadha Pharma Pvt. Ltd. and RX Distribution India Ltd. He is a sole proprietor of Pradeep Dadha Agencies & Dadha Heritage.

Shri. Dadha is holding 1,42,140 Equity Shares of ₹ 1/- each of the Company.

3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 6, 2011 to Friday, September 16, 2011 (both days inclusive) for the purpose of the Nineteenth 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 providing the facility of National Electronic Clearing Service (NECS) 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 28, 2011, recommended a Dividend @ ₹ 3.50 per Equity Share on Equity Shares of ₹ 1/- each of the Company for the year ended March 31, 2011 and the same if declared at the Meeting, will be paid on or after September 20, 2011 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, September 5, 2011 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, September 5, 2011.
6. At the Extra Ordinary General Meeting of the members of the Company held on Monday, September 1, 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 March 31, 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 March 31, 2011 shall fill up the form and send it to the Company's Registrars on or before September 5, 2011. 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 - 2011-12") 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 SEPTEMBER 1, 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 of 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. Pursuant to Section 205A and Section 205C of the Companies Act, 1956, 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 March 31, 2012 to March 31, 2014 as given below:

Dividend for 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
2003-04	26.11.2004	65% Equity & 6% Preference	25.11.2011	24.12.2011
2004-05	30.09.2005	75% Equity & 6% Preference	29.09.2012	28.10.2012
2005-06	20.09.2006	110% Equity & 6% Preference	19.09.2013	18.10.2013

Members who have not encashed their dividend warrants, for the financial year ended March 31, 2004 and onwards may approach the Company's Registrar & Transfer Agents, M/s Link Intime India Pvt. Ltd., C-13, Kantilal Maganlal Estate, 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, 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 ₹ 5/- each to 5 equity shares of ₹ 1/- each on November 29, 2010 based on the Record Date of November 26, 2010 in terms of the Resolutions passed by the Shareholders of the Company by way of postal ballot conducted during November, 2010, the results of which were announced on November 12, 2010. The Members who have yet not sent their share certificates of ₹ 5/- each of the Company for exchange with new equity shares of ₹ 1/- 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 ₹ 5/- each are no longer tradable.
10. Please note that as per the Notification of SEBI, Sun Pharmaceutical Industries Limited's shares are under compulsory Demat trading with effect from November 29, 1999 for all the investors. You may, therefore, demat your equity share holdings if not already demated, to avoid any inconvenience.
11. The Company has implemented the "Green Initiative" as per Circular Nos.17/ 2011 & 18/2011 dated April 21, 2011 & April 29, 2011 respectively issued by the Ministry of Corporate Affairs (MCA), to enable electronic delivery of Notices/Documents and Annual Reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) Accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving Notices/Documents including those covered under Section 219 of the Companies Act, 1956. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrars & Shares Transfer Agent, Messrs. Link Intime India Pvt. Ltd., Mumbai.
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.7 of the accompanying Notice dated May 28, 2011.

ITEM No. 7 :

As you are aware, Mr. Aalok Shanghvi, relative (son) of the Chairman & Managing Director of your Company, is presently working as Asst. Product Manager in your Company and his appointment and remuneration payable upto a maximum of ₹ 20,00,000/- per annum had been approved by the Members and the Central Government pursuant to section 314 (1B) of the Companies Act, 1956. Taro Pharmaceutical Industries Ltd. (TARO), a subsidiary of your company based in Israel, has appointed Mr. Aalok Shanghvi, as a non-executive Director in TARO with effect from September 1, 2010. He is also entitled to payment of remuneration in the form of Annual fee, sitting fees, and an annual discretionary bonus by TARO, as approved by the Audit Committee & Board of Directors of TARO and by the members of TARO at its meeting held on May 12, 2011.

It is pertinent to note that Mr. Aalok Shanghvi is not an employee of TARO and has been appointed as non-executive Director in TARO and he shall be entitled to receive remuneration from TARO as the non executive Director of TARO.

The Board of Directors and the Selection Committee of the Company have at their respective meeting approved the aforesaid appointment and payment of fees as entitled to him as non-executive Director of TARO, upto USD 6,50,000/- per annum for a period of four years effective as of the date of his appointment under TARO i.e. September 20, 2010 and exclusive of an annual discretionary bonus, sitting fees per Meeting of the Board of Directors and any committee thereof and reimbursement of any expenses. As per the provisions of Section 314 (1B), a relative of director holding office under any subsidiary of the Company requires approval of the members of the Company by way of a Special Resolution.

Also, the Board of Directors and the Selection Committee of the Company have at their respective Meeting approved the increase in upper limit of remuneration payable to Mr. Aalok Shanghvi from ₹ 20,00,000 (Rupees Twenty Lacs only) per annum to ₹ 1,00,00,000/- (Rupees One Crore only) per annum and as per the provisions of Section 314(1B) of the Companies Act, 1956, approval of the Members of the Company is required by way of a special resolution.

The Board of Directors recommends the passing of the resolution at Item No.7 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 appropriate application(s) with the Central Government for Approval.

The copy of the Notice of and report on the Extraordinary General Meeting of shareholders of Taro Pharmaceutical Industries Ltd held on May 12, 2011 are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of the meeting and at the meeting, during the meeting hours of the Company.

Shri.Dilip S. Shanghvi and Shri.Sudhir V. Valia being relatives are concerned or interested in the resolution at Item No.7 of the Notice.

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

Place: Mumbai
Date: May 28, 2011

Sunil R. Ajmera
Company Secretary

Registered Office:
SPARC, Tandalja
Vadodara 390 020.