



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of Sun Pharmaceutical Industries Limited will be held on Friday, September 24, 2010, 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 31st March, 2010, 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. Sudhir V. Valia, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Hasmukh S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Ashwin S. Dani, 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 resolution as an Ordinary Resolution:

"RESOLVED THAT Shri. Subramanian Kalyanasundaram who was appointed an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Shri Subramanian Kalyanasundaram, be and is hereby appointed as the Chief Executive Officer (CEO) & Whole-Time Director of the Company for a period of five years effective from April 1, 2010 to March 31, 2015, on the terms and conditions including the remuneration (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment, in such manner as may be agreed to between the Board of Directors and Shri Subramanian Kalyanasundaram within and in accordance with the limits prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto and if necessary, as may be prescribed by the Central Government and agreed to by the Board of Directors and as may be acceptable to Shri Subramanian Kalyanasundaram;

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the terms and conditions of the said appointment including the remuneration as agreed to between the Company and the Appointee be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take such steps expedient, proper or desirable to give effect to this Resolution."

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

Place: Mumbai
Date : June 14, 2010.
Registered Office:
SPARC, Tandalja
Vadodara 390 020.

Kamlesh H.Shah
Company Secretary

* The actual equity dividend to be declared by the shareholders at the 18th 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, 2010 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 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 Sudhir V. Valia, Shri Hasmukh S. Shah and Shri Ashwin S. Dani, 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. Sudhir V. Valia (53 years) is a Chartered Accountant with more than two decades of experience in Finance and Taxation, representing the Board since January 31, 1994 and at present he is the Whole-time Director of the Company. He is also a Director in the following companies:

Sun Pharma Advanced Research Company Ltd., Caraco Pharmaceutical Laboratories Ltd., Sun Petrochemicals Pvt. Ltd., Shantilal Shanghvi Foundation, Sun Pharma De Mexico SA DE CV, SPIL De Mexico SA DE CV, Lakshadeep Investments & Finance Pvt. Ltd., Karad Chemicals & Allied Products Pvt. Ltd., Minaxi Fiscal Services Pvt. Ltd., Nisha Capital Services Ltd., Sejraj Financial Services Ltd., Universal Enterprises (P) Ltd., Eklavya Securities Ltd., Alkaloida Chemical Company Exclusive Group Ltd., Aditya Acquisition Company Ltd., Sun Development Corporation I, Sun Pharma Industries Europe BV, Suraksha Realty Ltd., Sun Pharmaceuticals (SA) (PTY) Ltd., Chattem Chemicals Inc., Sub Global Canada Pty. Ltd., Aditya Thermal Energy Pvt. Ltd. & Alfa Infraprop Pvt. Ltd.

(b) Shri. Hasmukh S. Shah (75) is a Director of the Company since March 22, 2001. Mr. Hasmukh Shah is a B.A. Economics (Hons) and M.A. In Sociology with First Rank in the University. He is the Chairman of Shaily Engineering Plastics Ltd., Gujarat Gas Company Ltd. & Mahindra Gujarat Tractor Ltd. Mr. Hasmukh Shah is also a Director in the following companies:

Supreme Petrochem Ltd., Atul Ltd., Micro Inks Ltd., Deepak Nitrite Ltd., Cosmo Films Ltd., Dinesh Remedies Ltd. & Flexican Bellows & Hoses Pvt. Ltd.

Shri Hasmukh Shah is a former Chairman of Indian Petrochemicals Corporation Ltd. and Gujarat Industrial Investment Corporation and has held senior positions in Government of India including Joint Secretary to the Prime Minister.

He also serves as the Chairman of Audit Committee & Shareholders'/Investors/ Grievance of Micro Inks Ltd., Chairman of Remuneration Committee of Atul Ltd. & Supreme Petrochem Ltd., Member of Audit Committee of Dinesh Remedies Ltd. & Member of Remuneration Committee of Cosmo Films Ltd.

He is presently holding 1,200 Equity Shares of the Company, jointly.

(c) Shri Ashwin S. Dani (64), joined the Board on January 28, 2004. Shri Dani is a B.Sc.(Hons) from Institute of Science, University of Mumbai and B.Sc.(Tech.) (Pigments, Paints & Varnishes) from U.D.c.T. University of Mumbai. He also holds a Master Degree in Polymer Science from University of Akron, Ohio, USA and Diploma in Colour Science from Rensselaer Polytechnic, Troy, New York.

Presently, he is also a Director in the following companies:

Asian Paints Ltd., Asian PPG Industries Ltd., Gujarat Organics Ltd., Hitech Plast Ltd., Resins & Plastics Ltd., Rangudyan Insurance Broking Services Ltd. & Geetanjali Trading & Investments Pvt. Ltd.

He is a Member of the National Productivity Council.

He is the Chairman of the Investor Grievance Committee of Hitech Plast Ltd. & Resins & Plastics Ltd. And the Chairman of the Share Transfer Committee of Gujarat Organics Ltd. He is a member of Share Transfer Committee of Asian Paints Ltd. & a member of Audit Committee of Asian PPG Industries Ltd.

He does not hold any shares in the Company.

3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 14, 2010 to Friday, September 24, 2010 (both days inclusive) for the purpose of the Eighteenth 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) 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 24, 2010, 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, 2010 and the same as declared by the Company, will be paid on or after September 28, 2010 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 13, 2010 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 13, 2010.

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, 2010 shall fill up the form and send it to the Company's Registrars on or before September 13, 2010. 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 - 2010/11") 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. 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 March 31, 2011 to March 31, 2013 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
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
2004-05	30.09.2005	75% Equity/ 6% Preference	29.09.2012	28.10.2012

Members who have not encashed their dividend warrants, for the financial year ended March 31, 2003 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, 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. 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.

11. 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 & 8 of the accompanying Notice dated June 14, 2010.

ITEM NO.7 & 8:

The Board of Directors, passed a circular resolution dated March 31, 2010, appointing Shri Subramanian Kalyanasundaram as Additional Director and Chief Executive Officer (CEO) & Whole-time Director of the Company, pursuant to Sections 260, 269, 198, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for a period of five years, with effect from April 1, 2010 upto March 31, 2015. Shri Subramanian Kalyanasundaram holds the office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company. The approval of Members is sought for his appointment and remuneration, at the ensuing Annual General Meeting.

Shri Subramanian Kalyanasundaram, 56, is a Chemistry graduate and a Chartered Accountant from India with 30 years of experience including 22 years in the pharmaceutical industry. His career in Pharma industry began when he joined Burroughs Wellcome, in New Zealand as Commercial Advisor in 1988. Prior to joining the Board of Directors of the Company, Shri Kalyanasundaram was head of Emerging Markets Commercial Strategy with Glaxo Smith Kline Pharma based at Singapore and he had an illustrious career with Glaxo spanning over two

decades in various capacities including the Managing Director of Glaxo India.

Shri Subramanian Kalyanasundaram does not hold Directorship of any other company and he does not hold any shares in the Company.

Notice under Section 257 of the said Act has been received from a Member along with the requisite deposit amount signifying his intention to propose the name of Shri Subramanian Kalyanasundaram, for appointment as a Director of the Company. Shri Subramanian Kalyanasundaram has already filed his consent, to act as a Director, with the Company.

Shri Subramanian Kalyanasundaram is not disqualified from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956. The Company has received the requisite Form 'DD-A' from Shri Subramanian Kalyanasundaram, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

The main terms and conditions of Shri Subramanian Kalyanasundaram's appointment shall be as under:

1. Subject to the supervision and control of the Board of Directors, the Chief Executive Officer (CEO) will carry out such official duties as specified in the employment contract and exercise such official powers as may be entrusted to him by the Chairman and Managing Director. He is further authorised to do all such acts, deeds, things and matter as may be required to do as per applicable laws, in order to fulfill his duties.

2. **Remuneration:** The Remuneration payable to him shall be determined by the Board of Directors of the Company from time to time within however, the maximum limit as set forth below:

A. Salary (including Bonus) and Perquisites other than as mentioned below specifically as Other Perquisites not exceeding Rs.40,000,000/- (Rupees Forty Millions only) per annum.

B. Other Perquisites:

Car: The Company shall provide the CEO with a car together with a driver in accordance with the company policy and as per the terms of employment contract entered into with the CEO.

Club membership: The Company shall provide and pay for membership of one club for the CEO's official and personal use. Any costs incurred by the CEO or his family for their personal use shall be borne by the CEO.

Medical: The Company shall reimburse reasonable medical costs incurred by the CEO and his wife and children, other than elective or cosmetic treatments, either directly or through appropriate insurance.

Death and disability insurance: The CEO will be eligible for accident, long term disability and death insurance cover, in accordance with the Company policies from time to time.

Annual leave: He shall be entitled to leave as per Rules of the Company including encashment of unavailed leave as per the rules and policy of the Company.

Telephone: The Company shall make available to the CEO, telephone facility at residence including cell phone/blackberry to be used for the business of the Company.

Personal liability insurance: The Company shall provide insurance cover for any claim or costs associated with defending such claims that may arise in the course of the CEO performing his duties excepting for any claim that may arise from gross negligence of his duties.

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity payment as per the Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall be as mentioned above as per the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force).

3. OTHER TERMS AND CONDITIONS:

The Board shall have the discretion and authority to modify the foregoing terms and remuneration within, however, the limit prescribed under Schedule XIII of the Companies Act, 1956. However, the appointee shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Directors.

The appointment of Shri Subramanian Kalyanasundaram as the Whole-time Director of the Company would be subject to the provisions of Section 255 of the Companies Act, 1956, i.e., Shri Subramanian Kalyanasundaram would be liable to retire by rotation.

The appointment as Whole-time Director will be terminable as per the terms of employment or upon Shri Subramanian Kalyanasundaram ceasing to be a Director of the Company.

The Board of Directors may, in their discretion considering relevant aspects, facts, pay increments and revise the remuneration from time to time to Shri Subramanian Kalyanasundaram remuneration within maximum limits as stipulated above and/or as per Schedule XIII of the Companies Act, 1956 and/or the ceiling limits as approved by the Members and in case required by the Central Government.

General:

(I) The Employment Contract has been entered into for a period of five years and may be terminated by either party by giving to the other party advance notice of twelve months, provided that the Company may waive the notice by giving the remuneration for twelve months which the CEO Would have received, had he remained in office for the said twelve months.

(ii) The Company may, at any time and in its sole discretion can terminate the employment of CEO for causes as given hereunder:

(a) CEO's having been found guilty, by a court of competent jurisdiction, of commission of any willfully fraudulent act that is materially adverse to the interest of the Company or of any subsidiary or parent company.

(b) CEO, due to physical or mental injury, illness, disability or incapacity, fails to render the services provided for in the Employment Contract for a consecutive period of six (6) months,

In compliance of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Shri Subramanian Kalyanasundaram are

placed before the Members, in general meeting for the approval of the Members.

An abstract of the terms of initial appointment of Shri Subramanian Kalyanasundaram has already been circulated to the Members in April, 2010 as required under Section 302 of the Companies Act, 1956.

The terms and conditions of Shri Subramanian Kalyanasundaram including the provision of the maximum remuneration payable as set out above may also be treated as an abstract of the revised terms of appointment of Shri Subramanian Kalyanasundaram under Section 302 of the Companies Act, 1956.

The relevant complete resolutions passed by circulation by the Board of Directors on March 31, 2010 and the employment contract duly executed are available for inspection by the Members at the Registered Office of the Company on any working day (except Sundays and public holidays) between 11.00 a.m. and 1.00 p.m. and upto the date of the Annual General Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting hours.

Your Directors recommend the approval of the proposed resolutions by the Members.

Shri Subramanian Kalyanasundaram is deemed to be concerned or interested in the resolutions at Item Nos.7 & 8 of the Notice. No other Director is concerned or interested in the resolution.

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

Place: Mumbai
Date: June 14, 2010.
Registered Office:
SPARC, Tandalja
Vadodara 390 020.

Kamlesh H. Shah
Company Secretary