



SUN PHARMACEUTICAL INDUSTRIES LTD.

Registered Office: SPARC, Tandalja, Vadodara – 390 020, India.

Mumbai Office: 17-B, Mahal Industrial Estate, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India.

Website: www.sunpharma.com, E-mail address: secretarial@sunpharma.com

POSTAL BALLOT NOTICE

Notice issued to the Members pursuant to section 192A of the Companies Act, 1956.

Dear Members,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, ("Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Postal Ballot Rules"), that the Company is seeking the Members' consent to pass the proposed Special / Ordinary Resolution/s set out below by way of Postal Ballot, more specifically described in the Explanatory Statement appended to this notice, for increase of Authorised Share Capital of the Company & consequent alteration of the Memorandum and Articles of Association of the Company and issue of Bonus Equity Shares by way of capitalisation of reserves.

Accordingly, the said Resolutions alongwith the Explanatory Statement are being sent to you along with a Postal Ballot Form for your consideration.

In terms of Companies (Passing of Resolution by Postal Ballot) Rules, 2011 ("Rules"), passing of the said resolutions through Postal Ballot is not mandatory, however in accordance with the Postal Ballot Rules, a listed Company may propose any resolution to be passed by the members through Postal Ballot., accordingly the Company is seeking approval of the Members by means of Postal Ballot.

The Company has appointed Mr. Umesh Lakhani, Partner, M/s. S. H. Bathiya & Associates, Mumbai as the Scrutinizer for conducting the postal ballot process.

E-Voting option: In compliance with Clause 35B of the Listing Agreement and section 192A of the Companies Act, 1956, the Company is pleased to provide an option to the members holding shares in demat form and in physical form, to vote on the postal ballot by way of electronic voting / e-voting to enable members to cast their vote electronically. Voting by electronic mode may be a more convenient means for exercising the voting rights and may help to increase members' participation in the decision-making process.

The Company has appointed Central Depository Services Ltd., (CDSL) to provide e-voting facility to its members. Members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting. In case the member has exercised the vote in physical as well as electronic mode, the vote by electronic mode only will be considered.

You are requested to carefully read the e-Voting instructions attached alongwith the Postal Ballot Form, before casting your vote on e-Voting site : <http://www.evotingindia.com>.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed (no other form or photocopy thereof is permitted), in case of physical voting, in the attached self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer or cast the votes by electronic mode, as applicable, not later than **6.00 p.m. on Saturday, 13th July, 2013**. Upon completion of the scrutiny of the forms/e-voting, the Scrutinizer shall submit his report to the Company.

The Managing Director or any Whole-time Director of the Company or any person authorised by the Director of the Company will **announce the result of the postal ballot on Monday, 15th July, 2013 at 12.30 p.m.**, at the Mumbai Office of the Company at 17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai - 400 093, besides being communicated to the Stock Exchanges on which the Company's Equity Shares are listed. The results will also be published in the newspaper circulating in the district in which the Registered Office of the Company is located and will be displayed on the web-site of the Company at www.sunpharma.com, for the information of the Members. The date of declaration of the results of postal ballot result will be taken to be the date of passing of the resolutions.

Accordingly, notice is hereby given to the members of the Company, for seeking the approval of the members by way of Postal Ballot, for the following Special/Ordinary Resolutions, together with the Explanatory Statements as required under section 173(2) of the Act, setting out the material facts and reasons for the Resolutions, alongwith a Postal Ballot Form ("Form") for your consideration :

1. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased from ₹ 1,500,000,000 (Rupees One Thousand Five Hundred Million Only) divided into 1,500,000,000 (One Thousand Five Hundred Million) equity shares of ₹ 1.00 (Rupee One Only) each, to ₹ **3,000,000,000** (Rupees Three Thousand Million Only) consisting of Equity Share Capital of ₹ **3,000,000,000/-** (Rupees Three Thousand Million Only) divided into **3,000,000,000** (Three Thousand Million) Equity Shares of ₹ 1.00 (Rupee One Only) each."

2. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company relating to share capital be and is hereby altered by deleting the same and substituting in place thereof, the following as new Clause V:

- V. The Authorized Share Capital of the Company is ₹ 3,000,000,000 (Rupees Three Thousand Million Only) divided into 3,000,000,000 (Three Thousand Million) Equity Shares of ₹ 1.00 (Rupee One Only) each, with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by these presents and the Articles of Association of the Company.”
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :
- “**RESOLVED THAT** in pursuance to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 4 of the Articles of Association of the Company be and is hereby altered by deleting the same and substituting in place thereof, the following as New Clause 4 :
4. “The Authorised Share Capital of the Company is ₹ 3,000,000,000 (Rupees Three Thousand Million Only) divided into 3,000,000,000 (Three Thousand Million) Equity Shares of ₹ 1.00 (Rupee One Only) each with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by the Articles of Association of the Company.”
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
- “**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956 or any amendment or re-enactment thereof and Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, the Board of Directors (which term shall include any Committee thereof) of the Company be and is hereby authorised to capitalize a sum not exceeding ₹ 1,035,581,955 (Rupees One Thousand Thirty Five Million Five Hundred Eighty One Thousand Nine Hundred and Fifty Five Only) out of the Company’s Capital Reserve, Capital Redemption Reserves Account, Securities Premium Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2013 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of Equity Shares not exceeding 1,035,581,955 (One Thousand Thirty Five Million Five Hundred Eighty One Thousand Nine Hundred and Fifty Five) Equity Shares of ₹ 1.00 each as Bonus Equity Shares credited as fully paid up, to the eligible Members of the Company holding equity shares of ₹ 1.00 each whose names appear in the Register of Members / Beneficial Owners’ position of the Company on such date (“Record Date”) as the Board may determine, in the proportion of 1 (One) new Equity Share of ₹1.00 each for every 1 (One) Equity Share of ₹ 1.00 held as on the Record Date and that the new Bonus Equity Shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the Equity Share Capital of the Company held by each such members and not as income and the said Bonus Equity Shares shall be issued and allotted, inter alia, on the following terms and conditions:
- the new equity shares of ₹ 1.00 each to be issued and allotted as Bonus Equity Shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid Equity Shares of the Company
 - No letter of allotment shall be issued in respect of the Bonus Equity Shares and the Share Certificate(s) for Bonus Equity Shares be issued / dispatched to the shareholders who hold the existing shares in physical form and the respective beneficiary accounts be credited with the Bonus Equity Shares, for such shareholders who hold the existing shares or opt to receive the Bonus Shares, in dematerialized form, within the prescribed period.
 - The allotment of the new equity Bonus Shares to the extent that they relate to Non-Resident Members, Foreign Institutional Investors (FIIs) & other Foreign Investors of the Company, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999.
 - The Board be and is hereby authorized to take necessary steps for Listing of the Bonus Equity Shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the Listing Agreements with the Stock Exchanges concerned and other applicable laws and regulations.
 - For the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its absolute discretion, deem necessary, expedient including settling any question, doubt or difficulties that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution and the Board’s decision in this regard shall be final and binding.”

By order of the Board of Directors
For **Sun Pharmaceutical Industries Ltd.**,

Sunil R. Ajmera
Company Secretary

Place: Mumbai
Date : 30th May, 2013

Registered Office:
SPARC, Tandajja
Vadodara - 390 020

NOTES:

1. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
2. The Company has appointed **Mr. Umesh Lakhani, Partner, M/s. S. H. Bathiya & Associates, Mumbai** as the Scrutinizer for conducting the postal ballot process. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for this purpose.
3. A member desiring to exercise vote by e-Voting / physical Postal Ballot Form is requested to carefully read the instructions printed on the Postal Ballot Form, as applicable, and cast their votes in electronic mode / return the duly completed form in the attached self-addressed business reply envelope, so as to reach the **Scrutinizer at Sun Pharmaceutical Industries Ltd., 17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai - 400 093, on or before 6.00 p.m., on Saturday, 13th July, 2013.** The Postal Ballot Forms received after this date will be treated as if the reply from the member has not been received.

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

ITEM NOS. 1, 2 & 3:

The present Authorized Share Capital of the Company is ₹ 1,500,000,000 (Rupees One Thousand Five Hundred Million only) of which ₹ 1,035,581,955 (Rupees One Thousand Thirty Five Million Five Hundred Eighty One Thousand Nine Hundred and Fifty Five Only) is the issued, subscribed and paid-up share capital.

In view of the strong financial performance of the Company for the year ended 31st March, 2013, the Board of Directors of the Company at their meeting held on 28th May, 2013, have recommended Bonus Shares in the ratio of 1:1, that is, one new fully paid-up Equity Share of ₹ 1.00 each for every one fully paid-up Equity Share of ₹ 1.00 held by the members as on the Record Date to be determined by the Board for this purpose.

A separate proposal for issue of Bonus Shares by capitalisation of reserves of ₹ 1,035,581,955 (Rupees One Thousand Thirty Five Million Five Hundred Eighty One Thousand Nine Hundred and Fifty Five Only) has been submitted for the approval of Members under item no. 4 of this Notice.

To enable the issue of Bonus Shares, the Company would be required to increase the Authorised Share Capital which is presently not sufficient to accommodate the issue of Bonus Equity Shares. In order to issue Bonus Equity Shares, the Company is required to increase the Authorised Share Capital by atleast ₹ 600,000,000 (Rupees Six Hundred Million Only), however the Company proposes to increase the Authorised Share Capital by further ₹ 1,500,000,000 (Rupees One Thousand Five Hundred Million Only) to ₹ 3,000,000,000 (Rupees Three Thousand Million Only) so as to meet any future requirement. Consequently, the capital clause as appearing in the Memorandum and Articles of Association of the Company would need to be altered to reflect the increased Authorised Share Capital.

As per the provisions of Sections 16, 31 and 94 of the Companies Act, 1956, a Company can increase the Share Capital, alter the Share Capital Clause of its Memorandum of Association and Articles of Association with the consent of Members. Further, Article 67 of the Articles of Association of the Company authorises the Directors to increase the Share Capital with the approval of the members.

On increase of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association and also Article 4 of Articles of Association. The Resolution at item nos. 1, 2 & 3 of this Notice, seek approval of Members to increase the Share Capital and to amend the said Clause V of the Memorandum of Association and Article 4 of the Articles of Association respectively.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at the Registered Office between 11.00 a.m. To 1.00 p.m. on any working day of the Company till Saturday, 13th July, 2013 i.e. the last date of receiving the Postal Ballot Forms/ e-voting.

Your Directors recommend the Resolutions at item nos. 1, 2 & 3 of this Notice, for your approval through postal ballot process.

None of the Directors of the Company are interested in this Resolution.

ITEM NO. 4:

Your Company had a very successful financial year ended 31st March, 2013, during which :

- It crossed the US \$ 2 billion consolidated revenue milestone,
- It posted an impressive net profit after tax on consolidated basis of ₹ 30,080.6 Million,
- The Reserves of the Company increased to ₹ 149,111.7 Million on consolidated basis and ₹ 76,853.2 Million on stand alone basis as at the end of financial year ended 31st March, 2013.

To commemorate these achievements of the Company and to reward the shareholders, in this successful value creation cycle, the Board of Directors of the Company, at their meeting held on 28th May, 2013 have recommended issue of Bonus Equity Shares in the

ratio of 1:1, that is, one new fully paid-up equity share of ₹ 1.00 each for every one fully paid-up equity share of ₹ 1.00 each held by the members, as on the Record Date to be determined by the Board.

The present paid-up Equity Share Capital of the Company is ₹ 1,035,581,955/- (Rupees One Thousand Thirty Five Million Five Hundred Eighty One Thousand Nine Hundred and Fifty Five only) consisting of 1,035,581,955 (One Thousand Thirty Five Million Five Hundred Eighty One Thousand Nine Hundred and Fifty Five) Equity Shares of ₹ 1.00 each.

In accordance with the enabling provisions of the Articles of Association of the Company, Companies Act, 1956, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and such other Regulations/Acts etc., as may be applicable, the Bonus Equity Shares will be issued by capitalizing a sum of ₹ 1,035,581,955/- (Rupees One Thousand Thirty Five Million Five Hundred Eighty One Thousand Nine Hundred and Fifty Five only) (based on the present paid up equity capital) from Capital Reserve to the extent permissible, Capital Redemption Reserve and balance from Securities Premium Account or any other permitted accounts as per the Audited Accounts of the Company for the financial year ended on March 31, 2013, as the case may be.

The Bonus Equity Shares so allotted shall rank pari-passu with the existing fully paid-up equity shares of the Company in all respects. The Board has recommended Dividend for the financial year ended 31st March, 2013, @ ₹ 5.00 per equity share of ₹ 1.00 each on the Equity Shares pre-bonus. While recommending the issue of Bonus Equity shares in the ratio 1:1, the Board decided that if the Bonus Equity Shares are issued prior to payment of dividend, the dividend post issue of Bonus Equity Shares would be ₹ 2.50 per equity shares of ₹1.00 each instead of @ ₹ 5.00 per equity share of ₹ 1.00 each noting that the issue and allotment of bonus shares is likely to be prior to the declaration/approval of dividend by the shareholders at the ensuing Annual General Meeting.

The issue of fully paid Bonus Equity Shares by way of capitalisation of reserves is permitted under Section 205(3) of the Companies Act, 1956. The proposed issue of Bonus Equity Shares also fulfills the SEBI Regulations. Applications will be made to the Stock Exchanges for permission to listing and dealing in such Bonus Equity Shares. Article 202 of the Articles of Association of the Company permits capitalisation of reserves by applying the same towards issue and distribution of fully paid shares to the Members, after obtaining approval of the members of Company by way of an Ordinary Resolution and hence the above resolution is proposed for the approval of the members as an ordinary resolution.

To enable issuing the Bonus Equity Shares, a separate proposal for increase of the Authorised Share Capital of the Company, has also been submitted for the Shareholders' approval under item no.1 of this notice.

It is also necessary/expedient to authorize the Board of Directors of the Company or any Committee thereof, to complete all the regulatory formalities in connection with the issue of Bonus Shares that may be prescribed by SEBI, the Stock Exchanges on which the Company's securities are listed, Reserve Bank of India and / or any other regulatory authority.

Your Directors recommend the Resolutions at item nos. 4 of this Notice, for your approval through postal ballot process.

Directors of the Company may be deemed to be concerned or interested in the issue of the Bonus Equity Shares to the extent of their shareholdings in the Company, or to the extent of the shareholdings of the Companies / Institutions / Trusts of which they are Directors or members or Trustees with or without any beneficial interest.

By order of the Board of Directors
For **Sun Pharmaceutical Industries Ltd.**,

Sunil R. Ajmera
Company Secretary

Place: Mumbai
Date : 30th May, 2013

Registered Office:
SPARC, Tandajja
Vadodara - 390 020

Encl.: 1) Postal Ballot Form
2) Self addressed postage pre-paid envelope