



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Shareholders of Sun Pharmaceutical Industries Limited will be held on Saturday, September 6, 2008, at 10.15 a.m. at Hotel Taj Residency, 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, 2008, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To confirm payment of interim dividend on Preference Shares as final dividend and to declare dividend on Equity Shares.\*
3. To appoint a Director in place of Shri. S. Mohanchand Dadha, 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 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 an Ordinary Resolution:

**"RESOLVED THAT** the authorised share capital of the Company be and is hereby reclassified from Rs.1500,000,000/- (Rupees One Thousand Five Hundred Million only) consisting of Equity Share Capital of Rs.1475,000,000/- (Rupees One Thousand Four Hundred Seventy Five Million only) divided into 295,000,000 (Two Hundred Ninety Five Million) Equity Shares of Rs.5/- (Rupees Five only) each and Preference Share Capital of Rs.25,000,000/- (Rupees Twenty Five Million only) divided into 25,000,000 (Twenty Five Million) Preference Shares of Re.1/- (Rupee One only) each to Rs.1500,000,000/- (Rupees One Thousand Five Hundred Million only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs.5/- (Rupees Five only) each and consequently 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 Authorised Share Capital of the Company is Rs.1500,000,000/- (Rupees One Thousand Five Hundred Million only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs.5/- (Rupees Five only) each, with power to classify or reclassify, increase or reduce the capital from time to 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 any preferential, qualified or special rights, privileges or condition 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 the time being be provided for by the Articles of Association of the Company."

7. 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 Rs.1500,000,000/- (Rupees One Thousand Five Hundred Million only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs.5/- (Rupees Five only) each, with power to classify or reclassify, increase or reduce the capital from time to 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 any preferential, qualified or special rights, privileges or condition 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 the time being be provided for by 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, 314 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 Sudhir V. Valia, be and is hereby re-appointed as the Whole-Time Director of the Company for a further period of five years effective from April 1, 2009 to March 31, 2014, on the terms and conditions (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 draft agreement submitted for approval to this Meeting and for identification initialled by the Chairman which Agreement is hereby specifically sanctioned ( the short particulars of which are also described in the Explanatory Statement annexed hereto) which shall be deemed to form part hereof, with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and ShriSudhir V. Valia 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 agreed to between the Central Government and the Board of Directors and acceptable to Shri Sudhir V. Valia;

**"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 aforesaid draft agreement 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 take such steps expedient or desirable to give effect to this Resolution."

9. 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 Sailesh T. Desai, be and is hereby re-appointed as the Whole-Time Director of the Company for a further period of five years effective from April 1, 2009 to March 31, 2014, on the terms and conditions (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 draft agreement submitted for approval to this Meeting and for identification initialled by the Chairman which Agreement is hereby specifically sanctioned (the short particulars of which are also described in the Explanatory Statement annexed hereto) which shall be deemed to form part hereof, with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Shri Sailesh T. Desai 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 agreed to between the Central Government and the Board of Directors and acceptable to Shri Sailesh T. Desai;

**"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 aforesaid draft agreement 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 take such steps expedient or desirable to give effect to this Resolution."

10. 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 Shri Aalok D. Shanghvi, who is a relative of a Director to hold an office or place of profit under the Company as a Product Executive 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, 2008 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 30, 2008 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 Shri. Aalok D. Shanghvi, who is a relative of a Director to hold an office or place of profit under the Company as a Product Executive 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 for a period of five years from April 1, 2009, upto a maximum remuneration (excluding reimbursement of expenses, if any) of Rs. 20,00,000/- 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** 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: July 14, 2008.

**Registered Office:** SPARC, Tandalja, Vadodara - 390 020.

**Kamlesh H. Shah**

**Company Secretary**

\* The actual equity dividend to be declared by the shareholders at the 16th 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, 2008 in accordance with the Rules framed by the Board as per Note No. 7 hereinafter appearing.

Sun Pharmaceutical Industries Ltd.



**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. **Listing of Equity Shares:**

The Company's Equity Shares are listed with the Bombay Stock Exchange Ltd., Mumbai (BSE), and National Stock Exchange of India Ltd. (NSE) and the annual listing fees have been paid to each of the Exchanges within the stipulated time.

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

At the ensuing Annual General Meeting, Shri S. Mohanchand Dadha and Shri Sailesh T. Desai, 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) Mr. S. Mohanchand Dadha (71 years), is a successful entrepreneur with more than 5 decades of wide experience in Pharma Industry and has competent knowledge and experience in financial and accounting areas. Mr. Dadha was Managing Director and Promoter of erstwhile Tamilnadu Dadha Pharmaceuticals Ltd., which was subsequently merged with our Company with effect from April 1, 1997 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 Kerala Chemists and Distributors Alliance Ltd.

Mr. S. Mohanchand Dadha is holding 28428 Equity Shares of the Company ( including shares held jointly if any).

(b) Mr. Sailesh T. Desai ( 53 years), Wholetime Director, is a science graduate from Kolkata University and is a successful entrepreneur with more than 30 years of wide industrial experience including 20 years in the pharmaceutical industry itself. He is a Director on the Board of the following companies: Caraco Pharmaceutical Laboratories Ltd., Milmet Pharma Ltd., Sun Fastfin Services Pvt. Ltd., Sun Pharmaceutical (Bangladesh) Ltd., Sun Resins & Polymers Pvt. Ltd., Sun Speciality Chemicals Pvt. Ltd., SPIL De Mexico SA DE CV, Shantilal Shanghvi Foundation, M. J. Pharmaceuticals Ltd., Universal Enterprises (P) Ltd. , Man Infraconstruction Ltd. and Trustee of Shree Uvasaggahar Trust.

Mr. Sailesh T. Desai is holding 568320 Equity Shares of the Company ( including shares held jointly if any).

4. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, August 27, 2008 to Saturday, September 6, 2008 (both days inclusive) for the purpose of payment of Dividend.
5. 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.
6. The Board of Directors at their Meeting held on May 30, 2008, recommended payment of Dividend @ 210% (i.e. Rs.10.50 per share) on Equity Shares of Rs.5/- each of the Company for the year ended March 31, 2008 and the same as declared by the Company will be paid on or after September 8, 2008 to the Company's Equity Shareholders whose name stand on the Register of Members as beneficial owners at the close of business as on Tuesday, August 26, 2008 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 Tuesday, August 26, 2008.



- 7 At the Extra Ordinary General Meeting of the members of the Company held on Monday, 1st September, 2003, the Members have 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, 2008 shall fill up the form and send it to the Company's Registrars on or before August 26, 2008. 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](http://www.sunpharma.com) under the section "Investor Relations") or can also be obtained from the Company's Registrars and Transfer Agents, Intime Spectrum Registry 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 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.
8. 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, 2009 to 31st March, 2011 as given below.

Financial Year ended	Date of Declaration of Dividend entitled	Rate of Dividend Dividend	Last date for claiming unpaid Fund	Due Date for transfer to IEP
2000-01	30.07.2001	50%	29.07.2008	28.08.2008
2001-02	28.08.2002	50%	27.08.2009	26.09.2009
2002-03	30.09.2003	100%	29.09.2010	28.10.2010

Members who have not encashed their dividend warrants, for the financial year ended March 31, 2001 and onwards may approach the Company's Registrar & Transfer Agents, M/s Intime Spectrum Registry 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.

9. 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.
10. 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. Intime Spectrum Registry Ltd since the old share certificates of Rs.10/- each are no longer tradable.
11. 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 to such of those preference shareholders whose names stand on the Register of Members as beneficial owners as at the close of business as on the Record Date, i.e., at the close of business hours on October 12, 2007 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 giving effect to valid transfers in physical form lodged with the Company on or before October 12, 2007 without calling for physical share certificates and physical share certificates be treated as cancelled and invalid.



12. 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.
13. 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 Nos.6 to 10 of the accompanying Notice dated May 30, 2008.

##### **ITEM NO.6 & 7:**

The present Authorised Share Capital of the Company is Rs.1500,000,000/- (Rupees One Thousand Five Hundred Million only) consisting of Equity Share Capital of Rs.1475,000,000/- (Rupees One Thousand Four Hundred Seventy Five Million only) divided into 295,000,000 (Two Hundred Ninety Five Million) Equity Shares of Rs.5/- (Rupees Five only) each and Preference Share Capital of Rs.25,000,000/- (Rupees Twenty Five Million only) divided into 25,000,000 (Twenty Five Million) Preference Shares of Re.1/- (Rupee One only) each. All outstanding 1,37,40,030 - 6% Cumulative Redeemable Preference Shares of Re.1/- each had been redeemed compulsorily at the end of five years from the date of allotment, i.e., on November 1, 2007.

At present, there is no plan to issue further fresh Preference Shares, the Company proposes to re-classify the Authorised Preference Share Capital by Rs.25,000,000/- (Rupees Twenty Five Million only) and in its place to increase the Equity Share Capital to the extent of Rs.25,000,000/- (Rupees Twenty Five Million only) without effecting the total Authorised Share Capital of the Company.

Hence, it is proposed to re-classify the Authorised Share Capital of the Company and to alter Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company.

The Resolution as set out in Item No.6 of the Notice will be placed before the Meeting for the approval of the Members by an Ordinary Resolution and Item No.7 will be placed before the Meeting for the approval of the Members by a Special Resolution since amendments to the Articles of Association of the Company under Section 31 of the Companies Act, 1956 requires the Members' approval by way of a Special Resolution.

None of the Directors of the Company is interested in the resolution.

A copy of the Memorandum and Articles of Association of the Company showing proposed alterations is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting and at the venue of the Annual General Meeting on the date of Meeting during the Meeting hours.

##### **ITEM NO.8:**

Mr. Sudhir V. Valia was initially appointed as the Whole-Time Director of the Company by the Shareholders at the Second Annual General Meeting of the Company for a period of five years from April 1, 1994. At the Seventh Annual General Meeting of the Company Mr. Sudhir V. Valia was re-appointed as Whole-Time Director for a further period of five years from April 1, 1999. At the Eleventh Annual General Meeting held on September 30, 2003, the shareholders had approved the re-appointment of Mr. Sudhir V. Valia as Whole-Time of the Company for a further period of five years from April 1, 2004. The Members had also amended, at the Fourteenth Annual General Meeting of the Members held on September 20, 2006, the terms of the appointment of Mr. Sudhir V. Valia by authorising the Board of Directors of the Company for payment of increased remuneration. Mr. Sudhir V. Valia has provided dedicated and meritorious services towards the growth of the Company. The terms of Mr. Sudhir V. Valia as Whole-time Director shall expire on 31st March, 2009.

The main terms and conditions of Mr. Sudhir V. Valia's re-appointment shall be as under:

- i. Mr. Sudhir V. Valia to perform such duties and exercise such powers as are entrusted to him by the Board and/or the Managing Director. He is further authorised to do all such acts, deeds, things and matters as he may be required to do, as a Whole-Time Director.



ii. **REMUNERATION:**

The remuneration payable shall be determined by the Board from time to time within, however, the maximum limits set forth below:

a. Salary (including bonus) upto Rs.18,75,000/- (Rupees Eighteen Lacs Seventy Five Thousand Only) per month.

b. Commission:

Subject to availability of profit and at the rate of not more than 1% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid down in sections 198 and 309 of the Companies Act, 1956 and Schedule XIII as may be applicable from time to time.

c. Perquisites:

He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the income-tax Rules, 1962 being restricted to Rs.3,000,000/- (Rupees Three Million only) per annum;

d. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per 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.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII of the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms and remuneration within, however, the limit prescribed under Schedule XIII of the Companies Act, 1956.

The appointment will be for a period of five years, which may be terminated by either party giving to the other thirty days notice in writing or upon Mr. Sudhir V. Valia's ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. Sudhir V. Valia are placed before the members, in general meeting, for their approval by way of special resolution.

The terms and conditions of Mr. Sudhir V. Valia's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sudhir V. Valia and the Company under Section 302 of the Companies Act, 1956.

Mr. Sudhir V. Valia himself and Mr. Dilip S. Shanghvi being his relative are concerned or interested in the resolution at Item No.8 of the Notice.

The Board of Directors recommends the passing of the resolutions at Item No.8 of the Notice convening the Meeting for the approval of the Members.

The draft of the agreement to be entered into with Mr. Sudhir V. Valia is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting hours.

**ITEM NO.9:**

Mr. Sailesh T. Desai was initially appointed as the Whole-Time Director of the Company by the Shareholders at the Seventh Annual General Meeting of the Company for a period of five years from April 1, 1999. At the Eleventh Annual General Meeting held on September 30, 2003, the shareholders had approved the re-appointment of Mr. Sailesh T. Desai as Whole-Time Director of the Company for a further period of five years from April 1, 2004. The Members had also amended, at the Thirteenth & Fourteenth Annual General Meeting of the Members



held on September 30, 2005 & September 20, 2006, the terms of the appointment of Mr. Sailesh T. Desai by authorising the Board of Directors of the Company for payment of increased remuneration. Mr. Sailesh T. Desai has provided dedicated and meritorious services towards the growth of the Company. The terms of Mr. Sailesh T. Desai as Whole-time Director shall expire on 31st March, 2009.

The main terms and conditions of Mr. Sailesh T. Desai's re-appointment shall be as under:

i. Mr. Sailesh T. Desai to perform such duties and exercise such powers as are entrusted to him by the Board and/or the Managing Director. He is further authorised to do all such acts, deeds, things and matters as he may be required to do, as a Whole-Time Director.

ii. REMUNERATION:

The remuneration payable shall be determined by the Board from time to time within, however, the maximum limits set forth below:

a. Salary (including bonus) upto Rs.8,35,000/- (Rupees Eight Lacs Thirty Five Thousand only) per month.

b. Perquisites:

He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to Rs.1,800,000/- (Rupees One Million Eight Hundred Thousands only) per annum;

c. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per 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.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII of the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms and remuneration within, however, the limit prescribed under Schedule XIII of the Companies Act, 1956.

The appointment will be for a period of five years, which may be terminated by either party giving to the other thirty days notice in writing or upon Mr. Sailesh T. Desai ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of remuneration payable to Mr. Sailesh T. Desai are placed before the members, in general meeting, for their approval by way of special resolution.

The terms and conditions of Mr. Sailesh T. Desai's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sailesh T. Desai and the Company under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Sailesh T. Desai is concerned or interested in the resolution at Item No.9 of the Notice.

The Board of Directors recommends the passing of the resolutions at Item No.9 of the Notice convening the Meeting for the approval of the Members.

The draft of the agreement to be entered into with Mr. Sailesh T. Desai is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting hours.



**ITEM NO. 10:**

Shri Aalok D. Shanghvi, 23 years, is B.Sc., worked as a Management Trainee in our Company since October 1, 2006 on a monthly remuneration not exceeding Rs.10,000/- per month and was later designated as a Product Executive in our Company. The Board at its Meeting held on January 30, 2008, had increased the monthly remuneration of Shri Aalok D. Shanghvi with effect from February 1, 2008 including usual allowances, 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. He is son of Shri Dilip S. Shanghvi, Chairman & Managing Director of the Company. Shri Aalok D. Shanghvi's current salary is not commensurate with the role, increased work load and responsibility carried out by him. Hence, on the recommendation/approval by the Selection Committee at its Meeting held on May 30, 2008, the Board of Directors at their Meeting held on May 30, 2008 approved his maximum upper limit of remuneration (excluding reimbursement of expenses, if any) at Rs. 20,00,000/- per annum for a period of five years from April 1, 2009, 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 his 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.

His present Basic Salary with effect from April 1, 2008 (including Bonus) plus HRA, CCA, Special and other Allowances, etc (excluding reimbursement of expenses) amounts to Rs. 3.47 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.10 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.

Mr. Dilip S. Shanghvi being his relative is concerned or interested in the resolution at Item No.10 of the Notice.

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

**Kamlesh H. Shah  
Company Secretary**

Place: Mumbai

Date: July 14, 2008.

**Registered Office:** SPARC, Tandalja Vadodara - 390 020.





**ATTENDANCE SLIP**

**Registered Office :** SPARC, Tandalja, Vadodara - 390 020.

**Corporate Office:** Acme Plaza, Andheri Kurla Road, Andheri (E), Mumbai - 400 059.

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company on Saturday, September 6, 2008 at 10.15 a.m. At Hotel Taj Residency, Akota Gardens, Akota, Vadodara - 390 020, Gujarat.

Name \_\_\_\_\_ Ref Folio/D.P & Client I.D. No. \_\_\_\_\_

SIGNATURE OF THE ATTENDING MEMBER/PROXY \_\_\_\_\_ No. of Shares held \_\_\_\_\_

- Notes: 1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- 2. Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

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**PROXY FORM**

**Registered Office :** SPARC, Tandalja, Vadodara - 390 020.

**Corporate Office:** Acme Plaza, Andheri Kurla Road, Andheri (E), Mumbai - 400 059.

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being  
Member of the above named Company, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him,  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

as my / our Proxy to attend and vote for me / us and on my / our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the Company on Saturday, September 6, 2008 at 10.15 a.m. at Hotel Taj Residency, Akota Gardens, Akota, Vadodara - 390 020, Gujarat.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

Reference Folio / D.P & Client I.D.No. \_\_\_\_\_

No. of Equity shares held \_\_\_\_\_

Affix  
30 paise  
Revenue  
Stamp

Signature \_\_\_\_\_

Note: The Proxy form must be returned so as to reach the Registered Office of the Company at SPARC, Tandalja, Vadodara - 390 020., not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.