



NOTICE OF EXTRAORDINARY GENERAL MEETING.

NOTICE is hereby given that an Extraordinary General Meeting of the Equity Shareholders of Sun Pharmaceutical Industries Ltd., will be held on Saturday, 28th July, 2007 at 10.30 a.m. at Conference Hall, 6th Floor, Hotel The Mirador, Next to Samarpan Complex, opp. Solitaire Corporate Park, New Link Road, Chakala, Andheri (East), Mumbai- 400 099 to transact the following business:

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

"RESOLVED THAT in accordance with the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force and subject to such approvals, permissions and sanctions, consents and /or permissions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and of such other appropriate authorities, Institutions or Bodies, as the case may be, and subject also to such terms, conditions and modifications as may be prescribed or imposed while granting such approvals, sanctions, permissions and agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to issue, offer and allot from time to time in one or more tranches and in consultation with the Lead Managers and/or Underwriters and/or other Advisors, Convertible Bonds, Debentures and/or Securities convertible into Equity Shares at the option of the Company or the holders thereof and/or securities with or without detachable warrants with or without right exercisable by the warrant holder to convert or subscribe to Equity Shares and/or Bonds or Foreign Currency Convertible Bonds or Securities through Global Depository Receipts, American Depository Receipts or any other Deposit Receipts or bonds or any other Securities or Financial Derivatives (hereinafter collectively referred to as "the Securities") to such Indian or Foreign Institutional Investors/Foreign Mutual Funds/Overseas Corporate Bodies/Foreigners /other Foreign parties/ Indian Financial Institutions/ Companies/ individuals/other persons or investors, whether or not they are members of the Company and/or by any one or more or a combination of the above modes/methods or otherwise by offering the Securities in the international market comprising one or more countries or domestic market or in any other approved manner through Prospectus and/or Offering Letter or Circular and/or on private placement basis as may be deemed appropriate by the Board such offer, issue and allotment to be made at such time or times at such issue price, face value, premium amount on issue/conversion of securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, listing on one or more stock exchange in India and/or abroad and in such currency and in such manner and on such terms and conditions as the Board may think fit, for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding Rs.35,000 Million (Rupees Thirty Five Thousand Million only) with power to the Board to settle details as to the form and terms of issue of the Securities, and all other terms, conditions and matters connected therewith or difficulties arising therefrom.

"RESOLVED FURTHER THAT pursuant to the provisions of Section, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the provisions of Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 ("SEBI DIP Guidelines") and the provisions of Foreign Exchange Management Act, 2000 & Regulations thereunder, the Board of Directors may at their absolute discretion,

issue, offer and allot equity shares for up to the amount of Rs.35,000 million inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI DIP Guidelines) pursuant to a qualified institutional placement, as provided under Chapter XIII A of the SEBI DIP Guidelines."

"RESOLVED FURTHER THAT in the event that the equity shares and/or securities convertible into equity shares are issued under Chapter XIII A of the SEBI DIP Guidelines and/ or Global Depository Receipts/Shares are issued, the Relevant Date for the purpose of pricing of the securities, shall be 28th June, 2007, i.e., the 30th day prior to the date of this extra ordinary general meeting.

"RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all other necessary approvals, to the Board to secure, if necessary, all or any of the above mentioned Securities to be issued, by the creation of a mortgage and/or charge on all or any of the Company's immovable and/or moveable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of additional equity shares as may be required in pursuance of the above issue and that the additional equity shares so allotted shall rank in all respects pari passu with the existing equity shares of the Company save that such additional equity shares shall carry the right to receive dividend as may be provided under the terms of the issue/ offer and/or in the offer documents.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or a Committee thereof or any of the working Directors of the Company, be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities/parties involved in such issues in India and/or abroad and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable including, if necessary, for creation of such mortgage and/or charges in respect of the securities on the whole or in part of the undertaking of the Company under Section 293(1)(a) of the Companies Act, 1956 and to execute such documents or writing as may consider necessary or proper and incidental to this resolution and to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities as it/ they may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution including for issue of any related securities as a condition of the issue of the said Securities as also for securing the said Securities."

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions the board be and is hereby authorized and empowered to delegate all or any of the powers herein conferred to any committee of directors and/or any whole time director(s) and/or any officer(s) of the Company."

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

"RESOLVED THAT in supersession of all earlier resolutions passed and in terms of Section 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) exceed the aggregate paid up capital of the Company and its free reserve, that is to say reserve not set apart for any specific purpose provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.50,000 Million (Rupees Fifty Thousand Million only)."

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

"RESOLVED THAT pursuant to the provisions of Section 372A and any other applicable provisions, if any, of the Companies Act, 1956, ('the Act') including any statutory modification or re-enactment thereof for the time being in force, the Board of Directors of the Company be and is hereby authorised at its discretion to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and to make investments in Shares, Debentures and/or any other Securities of other body corporates, whether Indian or overseas and/or in various schemes of Mutual Funds or such other funds, in their absolute discretion deem beneficial and in the interest of the Company in excess of 60% of the paid up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the Company whichever is more, as prescribed under section 372A of the Companies Act, 1956 from time to time, in one or more tranches, upto maximum amount of Rs. 50,000 Million (Rupees Fifty Thousand Million only) notwithstanding that investments along with Company's existing loans or guarantee/security or investments shall be in excess of the limits prescribed under Section 372A aforesaid.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above investment including the timing, amount and other terms and conditions of such investment and varying the same through transfer, sale, disinvestments or otherwise either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient in this regard and to exercise all the rights and powers which would vest in the Company in pursuance of such investment."

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

Place : Mumbai.
Dated: July 3, 2007.

Kamlesh H. Shah
Company Secretary

Regd. Office :
SPARC, Tandalja
Vadodara - 390 020, INDIA.

NOTES:

- 1) An Explanatory Statement relating to business set out in the Notice is annexed hereto pursuant to Section 173(2) of the Companies Act, 1956.
- 2) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such Proxy need not be a Member of the Company.
- 3) Proxy Form and Attendance Slip are enclosed. Proxies, in order to be valid, must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
- 4) Members/proxies should bring the attendance slip duly filled in for attending the meeting.

ANNEXURE TO THE NOTICE

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

The Explanatory Statement for item Nos.1 to 3 of the accompanying Notice set out herein above is as under:

Item No.1:

The Company is considering various options of raising finance for meeting in part the capital requirements of funds, so as to expand existing business lines in drugs, pharmaceuticals and/or to take over any potential target so as to capture emerging business opportunities for growth.

Taking into account the significant liquidity, consistent performance of your Company, positive outlook for the Pharmaceutical Industry and particularly, for your Company, the Board recommends raising of resources from domestic and/or international capital markets in one or more tranches, by issue of appropriate instruments as stated in the Special Resolution. The issue of securities will be in accordance with the appropriate guidelines for the same and the price of the securities shall be fixed at the time of actual offer depending upon the then prevailing market conditions in consultations with the Lead Managers/Advisors and as per the applicable regulations.

Section 81 of the Companies Act, 1956 provides inter alia that the Company in the first instance should offer all Convertible Bonds, Debentures and/or Securities convertible into Equity Shares and/or Securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares and/or Bonds or Foreign Currency Convertible Bonds or Securities through Global Depository Receipts or Bonds or Financial Derivates to be issued by the Company for subscription, pro-rata to the existing Equity Shareholders unless decided otherwise in a General Meeting by a Special Resolution and accordingly consent of the Equity Shareholders is being sought pursuant to provisions of the said section to issue and allot the said securities, to the members or other persons as may be decided by the Board of Directors.

Accordingly the required consent of the Equity Shareholders is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and also in terms of the provisions of the Listing Agreements executed by the Company with Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai where the Company's Shares are presently listed.

The said securities may be secured by way of first mortgage/hypothecation of the Company's assets in favour of the security holders. As the documents to be executed between the security holders and the Company may contain, as per normal practice, the power to take over the management of the Company in certain events of default, it is necessary for the Company to obtain Equity Shareholders' approval through a resolution under Section 293(1)(a) of the Act, before creation of the said mortgage or charge.

The proposed Special Resolution is intended to give authority to the Board of Directors for the issue of such securities in terms of the Resolution.

Your Directors recommend the passing of the Resolution in Item No.1 of the Notice as a Special Resolution.

None of the Directors of the Company is in any way concerned or interested in this Resolution except the Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of securities that may be subscribed by the Companies/Institutions of which they are Directors and/or Members.

Item No.2:

Pursuant to the provisions of clause (d) of Sub-section (1) of Section 293 of the Companies Act, 1956, the approval of Members by way of Ordinary Resolution is required for borrowings by a Company in excess of paid up capital and free reserves of the Company. At the Extraordinary General Meeting of the Company held on May 6, 2004 approval of the Members authorising the Board of Directors to borrow upto a maximum of Rs.30,000 Million (Thirty Thousand Million only) was obtained. In view of the continuous expansion and growth of the business of the Company, and proposal to issue the Securities which may include Debentures/Bonds as per Item No. 1 above, the Borrowings of the Company would exceed the paid up capital and free reserves of your Company and may exceed the amount of borrowing earlier approved by the Shareholders. Therefore your Directors place before you the resolution to increase the maximum borrowing limit upto Rs. 50,000 Million (Rupees Fifty Thousand Million only).

The Resolution as set out in item No. 2 of the Notice will be placed before the meeting for the approval of the members.

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

None of the Directors of the Company is concerned or interested in the proposed resolution.

Item No.3:

In order to achieve substantial inorganic growth and to capture emerging business opportunities for growth, the Company is actively contemplating to acquire at an opportune time either Indian or Overseas Corporate/bodies engaged in the pharmaceutical business. In the process thereof, the Company would be required to invest in the Shares, Debentures, Securities of the other bodies corporate.

The Company generates surplus funds from business operations and also proposes to raise funds by way of issue of Securities as per Item No. 1 for purpose outlined above; in order to, not to keep the funds idle for short period it would be in the interest of the Company to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and to make investments in various schemes of Mutual Funds as available in the market or investments in the Shares, Debentures and Securities of other Bodies Corporate or to make loan or provide securities in connection with the loans or to give guarantees.

Pursuant to section 372A of the Companies Act, 1956, the approval of Members is required by way of Special Resolution, in case of investments in Shares and Securities of other Bodies Corporate along with loans to any other body corporate or to give any guarantee or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate is in excess of 60% of the paid up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the Company whichever is more. However, in case of loans to any other body corporate or to give any guarantee or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate and to make investments in shares and Securities of other body corporates in excess of 60% of the paid up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the Company whichever is more, requires the approval of Members by way of a special resolution passed through Postal Ballot pursuant to Section 192A of the Companies Act, 1956.

At the Extraordinary General Meeting of the Company held on May 6, 2004 approval of the Members authorising the Board of Directors to invest upto a maximum of Rs.25,750 Million (Twenty Five Thousand Seven Hundred Fifty Million only) was obtained. Hence, the approval of Members is sought for making investment in Shares, Debentures, and Securities of the other bodies corporate and/or various Schemes of Mutual Funds which yield higher dividends and/or other funds and to authorise the Board of Directors of the Company for making such investments in Shares, Debentures, Securities of the other bodies corporate and/or various Schemes of Mutual Funds and/or other funds in one or more tranches upto maximum amount of along with Company's Loans and Guarantees Rs. 50,000 Million (Rupees Fifty Thousand Million only) in their absolute discretion deem beneficial and in the interest of the Company, notwithstanding that such investments along with Company's Loans or Guarantees or investments shall be in excess of the limits prescribed under Section 372A aforesaid.

In case loans to any other body corporate or guarantee or security, in connection with a loan made by any other person to, or to any other person by, any body corporate and investments in shares and Securities of other body corporates along with existing investments, loans provided or guarantees given is expected to exceed the limit fixed pursuant to section 372A of the Companies Act, 1956 ,of 60% of the paid up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the Company whichever is more, at any point of time in future, the Company shall obtain the approval of the Members by way of a special resolution passed through Postal Ballot pursuant to Section 192A of the Companies Act, 1956.

The Resolution as set out in item No. 3 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the Members by way of a Special Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution.

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

Place : Mumbai.
Dated : July 3, 2007.

Kamlesh H. Shah
Company Secretary

Regd. Office :
SPARC, Tandalja
Vadodara - 390 020, INDIA.



ATTENDANCE SLIP

Registered Office :SPARC, Tandalja, Vadodara - 390 020.
Corporate Office: Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai - 400 059.

I hereby record my presence at the EXTRAORDINARY GENERAL MEETING of the Company on Saturday, 28th July, 2007 at 10.30 a.m. at Conference Hall, 6th Floor, Hotel The Mirador, Next to Samarpan Complex, Opp. Solitaire Corporate Park, New Link Road, Chakala, Andheri (East), Mumbai 400 099.

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

Regd. Office: SPARC, Tandalja, Vadodara - 390 020.
Corporate Office: Acme Plaza, Andheri Kurla Road, Andheri (East), 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 on Saturday, 28th July, 2007 at 10.30 a.m. At Conference Hall, 6th Floor, Hotel The Mirador, Next to Samarpan Complex, Opp. Solitaire Corporate Park, New Link Road, Chakala, Andheri (East), Mumbai - 400 099.

Signed this _____ day of July, 2007.

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.