

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder of Sun Pharmaceutical Industries Limited (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buyback Regulations"). If you require any clarification about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buyback i.e. Vivro Financial Services Private Limited or the Registrar to the Buyback i.e. Link Intime India Private Limited. Please refer to the section on "Definitions of Key Terms" for the definition of the capitalized terms used herein.



SUN PHARMACEUTICAL INDUSTRIES LIMITED

Registered Office: Sun Pharma Advanced Research Centre (SPARC), Tandajja, Vadodara, Gujarat 390020, India.

Corporate Office: SUN House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063, Maharashtra, India.

Corporate Identity Number (CIN): L24230GJ1993PLC019050

Phone: +91 22 4324 4324; **Fax:** +91 22 4324 4343; **Email:** secretarial@sunpharma.com; **Website:** www.sunpharma.com

Contact Person(s) & Compliance Officer(s): Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, GM (Legal & Secretarial)

Cash offer to buyback not exceeding 75,00,000 (Seventy Five Lakhs) fully paid-up equity shares of the Company of face value ₹ 1/- (Rupee One only) each ("Equity Shares"), representing up to about 0.31% of the total paid-up equity share capital of the Company, from all the fully paid-up Equity Shareholders / beneficial owners of the Equity Shares of the Company as on the record date i.e. Friday, July 15, 2016 ("Record Date"), on a proportionate basis, through the tender offer route using stock exchange mechanism ("Tender Offer"), at a price of ₹ 900/- (Rupees Nine Hundred Only) per Equity Share ("Buyback Price") for an aggregate maximum amount of upto ₹ 675,00,00,000/- (Rupees Six Hundred Seventy Five Crores Only) ("Buyback Size") excluding the Transaction Cost ("Buyback").

1. The Buyback is in accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 as amended and the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable and in compliance with the Buyback Regulations, Article 13 of the Articles of Association of the Company and is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/ or regulatory authority and which may be agreed to by the Board of Directors or any person authorised by the Board of Directors.
2. The Buyback Size of ₹ 675,00,00,000/- (Rupees Six Hundred Seventy Five Crores Only), which represents 3.79% of the paid-up equity share capital and free reserves (including securities premium account) as on March 31, 2016 as per the audited standalone financial statements of the Company for the financial year ended March 31, 2016, is within the statutory limits of 10% (ten percent) of the total paid-up share capital and free reserves (including securities premium account) under the board of directors approval route under the provisions of the Companies Act, 2013.
3. The Letter of Offer shall be sent to the Equity Shareholder(s)/ beneficial owner(s) of Equity Shares as on the Record Date i.e. Friday, July 15, 2016.
4. The procedure for tendering Equity Shares and settlement is set out in paragraph 20 on page 52 of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the "Tender Form") will be enclosed together with the Letter of Offer.
5. For mode of payment of consideration to the Eligible Sellers, please refer to paragraph 20.24 on page 58 of Draft Letter of Offer.
6. A copy of the Public Announcement and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India - www.sebi.gov.in
7. Eligible Sellers are advised to refer to details of the Statutory Approvals and Note on Taxation in paragraph 17 on page 46 and paragraph 21 on page 59 respectively, of this Draft Letter of Offer, before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: [●]

BUYBACK CLOSES ON: [●]

LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO BUYBACK: [●], [●]

MANAGER TO THE BUYBACK

REGISTRAR TO THE BUYBACK

VIVRO

Vivro Financial Services Private Limited

607, 608 Marathon Icon, Opp. Peninsula Corporate Park,
Off Ganpatrao Kadam Marg, Veer Santaji Lane,
Lower Parel, Mumbai - 400 013, Maharashtra, India.

Tel No.: +91 22 6666 8040/46, **Fax No.:** +91 22 6666 8047

Email: investors@vivro.net, **Website:** www.vivro.net

Contact Person(s): Ms. Shashi Singhvi / Mr. Harish Patel

SEBI Registration Number: INM000010122

Validity Period: Permanent

CIN: U67120GJ1996PTC029182

LINKIntime

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai - 400078, Maharashtra, India.

Tel. No.: +91 22 6171 5400 **Fax:** + 91 22 2596 0329

Email: sunpharma.buyback@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Mhatre

SEBI Registration Number: INR000004058

Validity Period: Permanent

CIN: U67190MH1999PTC118368

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1. SCHEDULE OF ACTIVITIES

Activity	Day and Date
Date of the board meeting to approve the proposal for Buyback of Equity Shares	Thursday, June 23, 2016
Date of publication of Public Announcement for the Buyback	Monday, June 27, 2016
Record Date for determining the Buyback Entitlement and the names of Eligible Sellers	Friday, July 15, 2016
Buyback opens on / Buyback Opening Date	[●]
Buyback closes on / Buyback Closing Date	[●]
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar to Buyback	[●]
Last date of verification by Registrar to Buyback	[●]
Last date of intimation to the Stock Exchange regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar and Manager to the Buyback	[●]
Last date of settlement of bids on the Stock Exchange	[●]
Last date of dispatch of share certificate(s) by Registrar to Buyback / return of unaccepted demat shares by Stock Exchange to Seller Member	[●]
Last date of extinguishment of Equity Shares bought back	[●]

2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, 2013 and Companies Act, 1956, to the extent applicable, as amended and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of fully paid-up Equity Shares tendered by Eligible Sellers in the Buyback
Act	The Companies Act, 1956 and the Companies Act, 2013, to the extent applicable.
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the BSE in the form of a separate window in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015
Additional Equity Shares	Equity Shares tendered by an Eligible Seller over and above the Buyback Entitlement of such Eligible Seller such that total number of Equity Shares tendered do not exceed the Equity Shares held on the Record Date by such Eligible Seller
Articles	Articles of Association of the Company, as amended from time to time
Board / Board of Directors	Board of Directors of the Company
BSE	BSE Limited
Buyback	Offer by Sun Pharmaceutical Industries Limited to buyback not exceeding 75,00,000 (Seventy Five Lakhs) fully paid-up Equity Shares of face value of ₹ 1/- (Rupee One only) each at a price of ₹ 900/- (Rupees Nine Hundred Only) per Equity Share from Eligible Sellers, through the Tender Offer on a proportionate basis
Buyback Entitlement	The number of Equity Shares that an Eligible Seller is entitled to tender in the Buyback, based on the number of Equity Shares held by that Eligible Seller on the Record Date in the Ratio of Buyback as applicable in the category, to which such Eligible Seller belongs
Buyback Closing Date	[●]
Buyback Opening Date	[●]
Buyback Price	Price at which Equity Shares will be bought back from the Eligible Sellers i.e. ₹ 900/- (Rupees Nine Hundred Only) per fully paid-up Equity Share, payable in cash
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time
Buyback Size	Number of Equity Shares proposed to be bought back (i.e. not exceeding 75,00,000 Equity Shares) multiplied by the Buyback Price (i.e. ₹ 900/-

Term	Description
	(Rupees Nine Hundred only) per Equity Share) aggregating to maximum amount of upto ₹ 675,00,00,000/- (Rupees Six Hundred Seventy Five Crores only)
Company	Sun Pharmaceutical Industries Limited
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, as amended and to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Company's Broker	Antique Stock Broking Limited
Compliance Officer(s)	Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, GM (Legal and Secretarial)
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
DP	Depository Participant
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated July 4, 2016 filed with SEBI
Eligible Seller(s)	All Equity Shareholders holding Equity Shares as on the Record Date being Friday, July 15, 2016 and who are eligible to participate in the Buyback in terms of this DLoF
Equity Shares	Fully paid-up equity shares of face value of ₹ 1/- (Rupee One only) each of the Company
Equity Shareholder(s)	Holders of the fully paid-up Equity Shares and includes beneficial owners thereof
Escrow Account	The Escrow Account titled "Sun Pharma-Buyback of Equity Shares 2016-Escrow A/c" to be opened with Escrow Agent
Escrow Agent	[●]
Escrow Agreement	The escrow agreement dated [●] entered into between the Company, Escrow Agent and Manager to the Buyback
Exchange Act	Securities Exchange Act, 1934 (U.S.)
FCNR account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
General Category	Category of Eligible Seller(s) other than the Small Shareholders
HUF	Hindu Undivided Family
IT Act / Income Tax Act	Income Tax Act, 1961, as amended from time to time
Letter of Offer / LoF	The letter of offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the DLoF
Manager to the Buyback / Manager	Vivro Financial Services Private Limited
Non-Resident Shareholders	Equity Shareholders other than resident Equity Shareholders including Non-Resident Indians (NRI), Foreign Institutional Investors (FII), Foreign Portfolio Investors (FPI), erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals
Non-Resident Indians / NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning as prescribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000

Term	Description
NSE	National Stock Exchange of India Limited
Offer Period / Tendering Period / Buyback Offer Period	Period of ten Working Days from the Buyback Opening Date i.e. [●] till Buyback Closing Date i.e. [●] (both days inclusive)
Promoter	Dilip S. Shanghvi
Promoter Group	1) Vibha D. Shanghvi 2) Aalok D. Shanghvi 3) Vidhi D. Shanghvi 4) Kumud Shantilal Shanghvi 5) Sudhir V. Valia 6) Jayant S. Sanghvi 7) Pratham Investments (held by its partners on behalf of the firm) 8) Kirit Valia 9) Jitendra Vrundavandas Valia 10) Varsha Kiran Doshi 11) Dipti N. Modi 12) Jitendra V Valia (HUF) 13) Ajay V. Valia 14) Kirit Valia HUF 15) Shanghvi Family & Friends Benefit Trust 16) Viditi Investment Private Limited 17) Tejaskiran Pharmachem Industries Private Limited 18) Family Investment Private Limited 19) Quality Investment Private Limited 20) Virtuous Finance Private Limited 21) Virtuous Share Investments Private Limited 22) Sholapur Organics Private Limited 23) Jeevanrekha Investrade Private Limited 24) Package Investrade Private Limited 25) Shanghvi Finance Private Limited 26) Asawari Investment and Finance Private Limited 27) Flamboyawer Finance Private Limited 28) Sanghvi Properties Private Limited 29) Gujarat Sun Pharmaceutical Industries Private Limited 30) Nimit Exports Private Limited
Person Acting in Concert / PAC(s)	1) Raksha S. Valia 2) Aditya Medisales Limited and 3) Unimed Investments Limited
Promoter and Persons in Control	Promoter, Promoter Group and Person Acting in Concert are collectively referred to as Promoter and Persons in Control
Public Announcement / PA	Public announcement dated June 24, 2016 (Friday) in relation to the Buyback made by the Company which was published on June 27, 2016 (Monday) in Financial Express (English national daily), Jansatta (Hindi national daily) and Financial Express (Regional language daily - Gujarati)
PAN	Permanent Account Number
Ratio of Buyback	The ratio of the buyback for the Equity Shares held by Eligible Sellers as on Record Date: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares; and (ii) in case of Eligible Sellers other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Sellers to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the Buyback in accordance with the Buyback Regulations and in terms of this Draft Letter of Offer. The Record Date for the Buyback is Friday, July 15, 2016.
Registrar to the Buyback / Registrar	Link Intime India Private Limited
Reserved Category	Category of the Small Shareholders eligible to tender Equity Shares in the Buyback
SEBI	The Securities and Exchange Board of India
SEC	Securities and Exchange Commission (U.S.)
Seller Member / Seller Broker	A stock broker (who is a member of the BSE) of an Eligible Seller, through whom the Eligible Seller may participate in the Buyback
Small Shareholder	An Eligible Seller who holds Equity Shares of market value not more than ₹

Term	Description
	2,00,000/- (Rupees Two Lakhs only) on the basis of closing price on the Recognised Stock Exchange registering the highest trading volume on the Record Date.
Stock Exchanges / Recognised Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in and sent to the Registrar by the Eligible Sellers to participate in the Buyback
Tender Offer	Method of Buyback as defined in regulation 2(1)(o) read with regulation 9(3A) of the Buyback Regulations using stock exchange mechanism
TRS	Transaction Registration Slip
U.S.	United States / United States of America
Working Day(s)	Any working day of SEBI

3. DISCLAIMER CLAUSE

- 3.1. As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback, i.e. Vivro Financial Services Private Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Act and Buyback Regulations. This requirement is to facilitate Eligible Sellers to take an informed decision for tendering their Equity Shares in the Buyback.
- 3.2. It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, has furnished to SEBI a Due Diligence Certificate dated July 4, 2016 in accordance with Buyback Regulations, which reads as follows:
- “We have examined various documents and materials relevant to the Buyback as part of the due diligence carried out by us in connection with the finalization of the public announcement dated June 24, 2016 (the “**Public Announcement**”) and the draft letter of offer dated July 4, 2016 (“**DLoF**”). On the basis of such examination and the discussions with the Company, we hereby state that:
- The Public Announcement and the DLoF are in conformity with the documents, materials and papers relevant to the Buyback;
 - All the legal requirements connected with the said Buyback including the SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
 - The disclosures in the Public Announcement and the DLoF are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback;
 - Funds used for Buyback shall be as per the provisions of the Companies Act, 2013 and the Companies Act, 1956, to the extent applicable.”
- 3.3. The filing of Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Buyback.
- 3.4. The Promoter and Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Sellers has been suppressed, withheld and/ or incorporated in the manner that would amount to mis-statement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed, withheld and/ or amounts to a mis-statement or misrepresentation, the Promoter and Directors and the Company shall be liable for penalty in terms of the provisions of the Act and the Buyback Regulations.
- 3.5. The Promoter and Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

3.6. **NO OFFER TO SUBSCRIBE / PURCHASE / SELL, OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL, ANY SECURITIES OF THE COMPANY OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL ANY SECURITIES OF THE COMPANY INCLUDING THE EQUITY SHARES IS MADE IN A JURISDICTION, OTHER THAN INDIA, WHERE IT IS ILLEGAL, OR ANY ACTION OR APPROVAL IS REQUIRED, TO MAKE THIS BUYBACK**

- a) The Public Announcement that was published on June 27, 2016 (Monday) and this Draft Letter of Offer in connection with this Buyback, has been prepared for the purposes of compliance with the regulations of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of the Letter of Offer. This Draft Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe / purchase / sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe / purchase / sell any securities including the Equity Shares of the Company.
- b) **Special Notice to Eligible Sellers in the United States:** The Buyback is being made for securities of an Indian company and is subject to the laws of India. It is important for U.S. securities holders to be aware that the Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the U.S. and has been prepared in accordance with Indian format and style, which differs from customary U.S. format and style. On July 1, 2016, the Company has submitted a draft letter of request for exemptive relief to the staff of the Division of Corporation Finance of the U.S. Securities and Exchange Commission ("SEC") to permit the Buyback Offer Period to remain open for a fixed period of 10 Working Days as required under regulation 9(4) of the Buyback Regulations and not a minimum of 20 business days as prescribed by Rule 14e-1(a) promulgated under Section 14(e) of the U.S. Securities Exchange Act of 1934 ("Exchange Act"). For details of the draft letter of request for exemptive relief submitted by the Company with SEC, please see paragraph 17 under the section titled "Details of Statutory Approvals" on page 46 of this DLoF. No assurance can be given at this time that the SEC will automatically grant the exemptive relief requested by the Company nor that such relief will be granted in time to complete the Buyback on the schedule proposed in this DLoF. **FURTHER NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THE BUYBACK, PASSED UPON THE FAIRNESS OR MERITS OF THIS DRAFT LETTER OF OFFER OR DETERMINED WHETHER THIS DRAFT LETTER OF OFFER IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A VIOLATION OF UNITED STATES LAWS.**
- c) Except and to the extent as stated in sub-paragraph b) above, no action has been or will be taken by the Company or Manager to the Buyback to permit the Buyback in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Equity Shareholders whose names appear in the register of members of the Company, on the Record Date. However, receipt of the Letter of Offer by any Eligible Seller in a jurisdiction in which it would be illegal to make this Buyback, or where making this Buyback would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws of any jurisdiction outside of India), shall not be treated by such Eligible Seller as an offer or invitation to offer being made to them and shall be construed by them as being sent for information purposes only.

- d) Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

- 4.1. The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on June 23, 2016. The extract of the resolution of the Board is as follows:

"RESOLVED THAT, pursuant to the provisions of Article 13 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **Act**"), the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the **"Buyback Regulations"**), including any amendments, statutory - modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **"Board**, which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of its fully paid up Equity Shares of face value of Re. 1/- (**"Equity Shares"**) not exceeding **75,00,000 (Seventy Five Lakhs only)** Equity Shares (representing up to 0.31% of the total paid-up Equity Share capital of the Company) at a price of Rs. 900/- (Rupees Nine Hundred only) per Equity Share (**"Buyback Price"**) payable in cash for an aggregate maximum amount of up to Rs. 675,00,00,000 (Rupees Six Hundred and Seventy Five Crore only) (**"Buyback Size"**) excluding transaction costs viz. brokerage, securities transaction tax, service tax, stamp duty, etc. which is approximately 3.79 % of the fully paid-up Equity Share capital and free reserves (including Securities Premium Account) as per the latest audited standalone balance sheet of the Company for the financial year ended March 31, 2016 on a proportionate basis through the **"Tender Offer"** route through stock exchange mechanism as prescribed under the Buyback Regulations, from the Equity shareholders of the Company who hold Equity Shares as on Record Date as may be fixed for the purpose (**"Buyback"**), and that the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (**"SEBI"**), fees and charges payable to stock exchanges, advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

RESOLVED FURTHER THAT the Board of Directors hereby fixes the Record Date as Friday, July 15, 2016, for the purpose of Buyback of Equity Shares of the Company (**"Record Date"**).

RESOLVED FURTHER THAT all of the Equity shareholders of the Company as on Record date will be eligible to participate in the Buyback including: (i) promoters and promoter group of the Company (including members thereof), persons in control (including such persons acting in concert) who hold Equity Shares as of the Record Date.

RESOLVED FURTHER THAT the Buyback shall have reservation of 15% of the total number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding as on Record date, whichever is higher, for small shareholders, in accordance with the Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT the Buyback from non-resident shareholders, Overseas Corporate Bodies (OCBs) Foreign Institutional Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities

including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any.

RESOLVED FURTHER THAT, the Company shall implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" as notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and the Company shall approach the **BSE Limited** for facilitating the same.

RESOLVED FURTHER THAT, the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended ("**Listing Regulations**").

RESOLVED FURTHER THAT, the amount required by the Company for the Buyback is intended to be met out of balances of cash and cash equivalents and/or surplus funds and/or internal accruals of the Company and/or such other permissible source of funds (and not from any borrowed funds) and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

RESOLVED FURTHER THAT, in terms of Regulation 19(3) of the Buyback Regulations, Mr. Sunil R. Ajmera, Company Secretary and Mr. Ashok I. Bhuta, GM-Legal & Secretarial, of the Company, be and are hereby appointed severally as the Compliance Officer(s) for the Buyback and Link Intime India Pvt. Ltd., Registrar and Transfer Agent, is appointed as the Investor Service Centre.

RESOLVED FURTHER THAT, draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and is hereby approved and Mr. Dilip S. Shanghvi, Managing Director, and any one of Mr. Sudhir V. Valia, Whole time Director or Mr. Sailesh T. Desai, Whole-time Director, be and are hereby authorized to finalise and sign the same, for and on behalf of the Board and file the same with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the Securities and Exchange Board of India or any such other concerned authorities, as may be necessary in accordance with applicable law.

RESOLVED FURTHER THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of convening of the Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards its prospects for the year immediately following that date, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- c) that, in forming their opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act, 2013 and/or Companies Act 1956 as may be applicable.

RESOLVED FURTHER THAT, drafts of the public announcement and draft letter of offer for the Buyback as tabled before the Board, be and are hereby approved and Mr. Dilip S. Shanghvi, Managing Director, and any one of Mr. Sudhir V. Valia, Whole time Director or Mr. Sailesh T. Desai,

Whole time Director, Mr. Uday Baldota, Chief Financial Officer, and Mr. Sunil R. Ajmera, Company Secretary or Mr. Ashok I. Bhuta, Compliance Officer, be and hereby are authorized to finalise and make necessary changes as may be required and sign and issue the Public Announcement, Draft Letter of offer, Letter of offer and other public announcements and provide affidavits, indemnity, undertaking, consents, declarations, confirmations or such other documents as may be required from time to time, on behalf of the Board.

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) the Company shall not issue any Equity Shares or specified securities including by way of bonus till the date of closure of the Buyback except in discharge of subsisting obligations such as stock option schemes, sweat equity , as may be permitted under the relevant regulations and applicable law;
- b) the Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- c) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- d) all Equity Shares of the Company are fully paid up;
- e) that the aggregate amount of the Buyback i.e. Rs. 675,00,00,000 (Rupees Six Hundred and Seventy Five Crore only), does not exceed 10% of the total paid- up capital, free reserves and securities premium account as per the audited balance sheet as on March 31, 2016;
- f) that the Company shall not directly or indirectly purchase its own Equity Shares through any subsidiary company including its own subsidiary companies or through its own investment company or group of investment companies;
- g) the Company will not withdraw the offer to Buyback after the Draft Letter of Offer is filed with the SEBI;
- h) the Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- i) there are no defaults subsisting in the repayment of deposits or interest thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayment of any term loans or any interest payable thereon to any financial institution or banks;
- j) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act
- k) the maximum number of Equity Shares proposed to be purchased under the Buyback up to 75,00,000 Equity Shares, does not exceed 25% of the total number of Equity Shares in the paid-up Equity Share capital as per the latest audited financial statements as on March 31, 2016;
- l) the Company shall not make any offer of Buyback within a period of one year reckoned from the date of closure of the Buyback;
- m) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act, as on date; and
- n) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves immediately after the Buyback.

RESOLVED FURTHER THAT, Mr. Dilip S. Shanghvi, Managing Director, and any one of Mr. Sudhir V. Valia, Whole time Director or Mr. Sailesh T. Desai, Whole time Director, Mr. Uday Baldota, Chief Financial Officer, and Mr. Sunil R. Ajmera, Company Secretary or Mr. Ashok I. Bhuta, Compliance Officer, be and hereby are authorized to provide/issue/execute affidavits, indemnity, undertaking, consents, declarations, requests, letters or such other documents, agreements as may be required

from time to time, on behalf of the Company, and to do all such acts deeds and things as may be necessary to give effect to this resolution.

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of regulation 8(1) of the Buyback Regulations, the Company has made the Public Announcement dated June 24, 2016 (Friday) for the Buyback of Equity Shares which was published within two Working Days i.e. on June 27, 2016 (Monday) from the date of passing of the resolution at the meeting of the Board of Directors held on June 23, 2016 (Thursday) in the following newspapers:

Name of the Newspaper	Language	Editions
Financial Express	English	All Editions
Financial Express	Gujarati	Regional Edition
Jansatta	Hindi	All Editions

(A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in)

6. DETAILS OF THE BUYBACK

- 6.1. The Board of Directors of Sun Pharmaceutical Industries Limited, at their meeting held on June 23, 2016 (the "**Board Meeting**"), pursuant to the provisions of Article 13 of Articles of Association of the Company and Section 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013, as amended and the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board or any person authorised by the Board, approved the Buyback of Equity Shares by the Company of its fully paid-up Equity Shares of face value of ₹ 1/- (Rupee One Only) each not exceeding 75,00,000 (Seventy Five Lakhs) Equity Shares (representing up to about 0.31% of the total paid-up Equity Share capital of the Company) at a price of ₹ 900/- (Rupees Nine Hundred Only) per Equity Share payable in cash for an aggregate maximum amount of upto ₹ 675,00,00,000/- (Rupees Six Hundred Seventy Five Crores Only) excluding costs such as brokerage, securities transaction tax, service tax, stamp duty, etc. ("**Transaction Cost**") which represents 3.79% of the fully paid-up Equity Share capital and free reserves (including securities premium account) as per the audited standalone balance sheet of the Company as on March 31, 2016, on a proportionate basis through the Tender Offer route using stock exchange mechanism as prescribed under the Buyback Regulations from all of the Equity Shareholders of the Company who hold Equity Shares as on the Record Date i.e. Friday, July 15, 2016. The Buyback Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors fees, Public Announcement publication expenses, fees and expenses payable to the Stock Exchanges, charges payable to the Depositories and Registrar, printing and dispatch expenses, and other incidental and related expenses.
- 6.2. The aggregate paid-up Equity Share capital and free reserves (including securities premium account) of the Company as on March 31, 2016 was ₹ 178,078.0 Millions. The funds deployed for Buyback shall not exceed 10% (ten percent) of the paid-up capital and free reserves (including securities premium account) of the Company under the board of directors approval route, as provided under the proviso to Section 68(2)(b) of the Companies Act, 2013. Accordingly, the maximum amount that can be utilized in the present Buyback is ₹ 17,807.8 Millions. The Company

has proposed to utilize an aggregate maximum amount of up to ₹ 6,750.0 Millions for the Buyback which is within the maximum amount as aforesaid and which represents 3.79% of the paid-up capital and free reserves (including securities premium account) and 3.49% of the networth (viz. total of shareholders' funds reduced by the amount of revaluation reserves and miscellaneous expenses to the extent not written off) of the Company as on March 31, 2016 as per audited standalone financial statements for the financial year ended on March 31, 2016.

- 6.3. The shareholding of the Promoter and Persons in Control as on the date of the Public Announcement i.e. June 24, 2016 is given below:

Sr. No.	Name of Shareholder	Number of Equity Shares	% of Equity Shares
A.	Promoter		
1.	Dilip S. Shanghvi	231,140,480	9.60
	Sub-Total (A)	231,140,480	9.60
B.	Promoter Group		
1	Vibha D. Shanghvi	8,864,000	0.37
2.	Aalok D. Shanghvi	2,885,000	0.12
3.	Vidhi D. Shanghvi	2,830,000	0.12
4.	Kumud Shantilal Shanghvi	200,000	0.01
5.	Sudhir V. Valia	14,384,000	0.60
6.	Jayant S. Sanghvi	7,416,840	0.31
7.	Pratham Investments (held by its partners on behalf of the firm)	4,600,480	0.19
8.	Kirit Valia	1,281,386	0.05
9.	Jitendra Vrundavandas Valia	501,150	0.02
10.	Varsha Kiran Doshi	322,000	0.01
11.	Dipti N. Modi	227,880	0.01
12.	Jitendra V Valia (HUF)	127,300	0.01
13.	Ajay V. Valia	16,010	0.00
14.	Kirit Valia HUF	86	0.00
15.	Shanghvi Family & Friends Benefit Trust	1,280,200	0.05
16.	Viditi Investment Private Limited	201,385,320	8.37
17.	Tejaskiran Pharmachem Industries Private Limited	195,343,760	8.12
18.	Family Investment Private Limited	182,927,440	7.60
19.	Quality Investment Private Limited	182,868,640	7.60
20.	Virtuous Finance Private Limited	97,104,040	4.03
21.	Virtuous Share Investments Private Limited	83,976,000	3.49
22.	Sholapur Organics Private Limited	16,035,080	0.67
23.	Jeevanrekha Investrade Private Limited	1,462,720	0.06
24.	Package Investrade Private Limited	897,440	0.04
25.	Shanghvi Finance Private Limited	283,360	0.01
26.	Asawari Investment and Finance Private Limited	49,600	0.00
27.	Flamboyawer Finance Private Limited	20,920	0.00
28.	Sanghvi Properties Private Limited	15,520	0.00
29.	Gujarat Sun Pharmaceutical Industries Private Limited	14,400	0.00
30.	Nirmit Exports Private Limited	7,040	0.00
	Sub-Total (B)	1,007,327,612	41.86

C.	Persons acting in concert		
1.	Raksha S. Valia	33,922,000	1.41
2.	Aditya Medisales Limited	40,203,960	1.67
3.	Unimed Investments Limited	10,428,760	0.43
	Sub-Total (C)	84,554,720	3.51
	Grand- Total (A+B+C)	1,323,022,812	54.97

- 6.4. In terms of the Buyback Regulations, under the Tender Offer, the Promoter and Persons in Control have an option to participate in the Buyback. In this regard, Promoter and Persons in Control have expressed their intention vide their letters each dated June 23, 2016 to participate in the Buyback and offer up to an aggregate maximum number of 297,419,890 Equity Shares or such lower number of Equity Shares with the intent that subsequent to the Buyback, the aggregate shareholding percentage of the Promoter and Persons in Control does not fall below the aggregate shareholding percentage of the Promoter and Persons in Control as on the Record Date, to the extent possible. The extent of their participation in the Buyback has been detailed in paragraph 9.2, 9.3 and 9.4 of this DLoF.
- 6.5. The pre-Buyback shareholding of Promoter and Persons in Control of the Company is 54.97% of the total paid-up equity share capital of the Company and assuming that the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion of their respective Buyback Entitlement, post-Buyback shareholding of Promoter and Persons in Control of the Company will be [●]% of the total paid-up equity share capital of the Company. For details with respect to aggregate shareholding of Promoter and Persons in Control post-Buyback please refer paragraph 13.6 of this DLoF.
- 6.6. We confirm that on completion of the Buyback, the shareholding of the Equity Shareholders other than Promoter and Persons in Control shall not fall below the minimum level required as per the regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.

7. AUTHORITY FOR THE BUYBACK

- 7.1. The Buyback is being undertaken by the Company in accordance with the provisions of Article 13 of the Articles of Association of the Company, the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act, the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable, and in compliance with the Buyback Regulations.
- 7.2. The Buyback has been duly authorized by a resolution passed by the Board of Directors at their meeting held on June 23, 2016. Since the Buyback Size is less than 10% (ten percent) of the paid-up capital and free reserves (including securities premium account) of the Company under the board of directors approval route, as provided under the proviso to Section 68(2)(b) of the Companies Act, 2013, the approval of the Equity Shareholders of the Company is not required.
- 7.3. The Buyback is subject to such other approvals, permissions and sanctions as may be required from any statutory, regulatory or governmental authorities as may be required under applicable laws and is subject to such conditions and modifications, if any, as may be prescribed or imposed by such authorities while granting such approvals, permissions and sanctions, as may be required and which may be agreed to by the Board or any person authorized by the Board in this regard.

8. NECESSITY OF THE BUYBACK

- 8.1. The Buyback is being undertaken by the Company to return surplus funds to the Equity Shareholders. Additionally, the Buyback is being undertaken for the following reasons:
- The Buyback will help the Company to distribute surplus funds to Equity Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to Equity Shareholders;
 - The Buyback, which is being implemented through the Tender Offer as prescribed under the Buyback Regulations, would involve a minimum reservation for Small Shareholders (viz. Reserved Category) of 15% (fifteen percent) of the Equity Shares to be bought back under the Buyback. The Company believes that this minimum reservation of 15% for Small Shareholders would benefit a large number of public shareholders, who would get classified as Small Shareholders;
 - The Buyback may help in improving financial ratios like earnings per share, return on assets and return on equity calculated on the basis of consolidated financial statements, by reducing the equity base of the Company; and
 - The Buyback gives an option to the Eligible Sellers to either choose to participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback or choose not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1. We believe that the Buyback is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion of their respective Buyback Entitlement, the funds deployed by the Company towards the Buyback would be ₹ 6,750.0 Millions (Six Thousand Seven Hundred and Fifty Millions only).
- 9.2. In terms of the Buyback Regulations, under the Tender Offer, the Promoter and Persons in Control have an option to participate in the Buyback. In this regard, Promoter and Persons in Control have expressed their intention vide their letters each dated June 23, 2016 to participate in the Buyback and tender up to an aggregate maximum number of 297,419,890 Equity Shares (as detailed below) or such lower number of Equity Shares with the intent that subsequent to the Buyback, the aggregate shareholding percentage of the Promoter and Persons in Control does not fall below the aggregate shareholding percentage of the Promoter and Persons in Control as on the Record Date, to the extent possible.

The maximum number of Equity Shares which may be tendered by the Promoter and Persons in Control who have expressed their intention to tender Equity Shares in the Buyback is as under:

Sr. No.	Name of the Promoter and Persons in Control	Maximum Number of Equity Shares which may be tendered
1.	Dilip S. Shanghvi	231,140,480
2.	Vibha D. Shanghvi	8,864,000

3.	Aalok D. Shanghvi	2,885,000
4.	Vidhi D. Shanghvi	2,830,000
5.	Kumud Shantilal Shanghvi	200,000
6.	Sudhir V. Valia	14,384,000 ⁽¹⁾
7.	Jayant S. Sanghvi	23,000
8.	Pratham Investments (held by its partners on behalf of the firm)	14,500
9.	Kirit Valia	4,000
10.	Jitendra Vrundavandas Valia	1,600
11.	Varsha Kiran Doshi	1,000
12.	Dipti N. Modi	710
13.	Jitendra V Valia (HUF)	400
14.	Ajay Vrundavandas Valia	50
15.	Kirit Valia HUF	10
16.	Shanghvi Family & Friends Benefit Trust	4,000
17.	Viditi Investment Private Limited	625,000
18.	Tejaskiran Pharmachem Industries Private Limited	606,000
19.	Family Investment Private Limited	568,000
20.	Quality Investment Private Limited	567,000
21.	Virtuous Finance Private Limited	302,000
22.	Virtuous Share Investments Private Limited	261,000
23.	Sholapur Organics Private Limited	50,000
24.	Jeevanrekha Investrade Private Limited	4,600
25.	Package Investrade Private Limited	2,800
26.	Shanghvi Finance Private Limited	880
27.	Asawari Investment and Finance Private Limited	160
28.	Flamboyawer Finance Private Limited	70
29.	Sanghvi Properties Private Limited	50
30.	Gujarat Sun Pharmaceutical Industries Private Limited	50
31.	Nirmit Exports Private Limited	30
32.	Raksha S. Valia	33,922,000 ⁽²⁾
33.	Aditya Medisales Limited	125,000
34.	Unimed Investments Limited	32,500
Total		297,419,890

(1) As on the date of Public Announcement, out of above 14,384,000 Equity Shares, 2,400,000 Equity Shares have been pledged.

(2) As on the date of Public Announcement, out of above 33,922,000 Equity Shares, 11,200,000 Equity Shares have been pledged.

- 9.3. The Promoter and Persons in Control vide their further letters each dated June 27, 2016 have requested the Company to first allocate the Buyback Entitlement (to the extent not exercised) of the Promoter and Persons in Control who have not tendered Equity Shares against their respective Buyback Entitlement either in full or in part against the Additional Equity Shares, if any, tendered by them with a view to maintain the aggregate shareholding percentage of the Promoter and Persons in Control at the same level post Buyback, to the extent possible, or with a view to ensure that the aggregate shareholding percentage of the Promoter and Persons in Control does not fall below the aggregate shareholding percentage of the Promoter and Persons in Control as on the Record Date, to the extent possible.

In view thereof, in the event that some members of Promoter and Persons in Control of the Company do not tender Equity Shares against their respective Buyback Entitlement either in full or in part, it is proposed that any Additional Equity Shares tendered by the remaining members of the Promoter and Persons in Control over and above their Buyback Entitlement will first be accepted against the Buyback Entitlement (to the extent not exercised) of the Promoter and Persons in Control who have not tendered Equity Shares against their Buyback Entitlement either in full or in part. Thereafter remaining Additional Equity Shares tendered by such Promoter and Persons in Control, if any, and Additional Equity Shares tendered by Eligible Sellers other than Promoter and Persons in Control over and above their Buyback Entitlement, if any, shall be accepted in the manner specified in regulation 9(7) of the Buyback Regulations.

9.4. Details of the date and price of acquisition of the Equity Shares that the Promoter and Persons in Control intend to tender are set-out below:

i. **Dilip S. Shanghvi:**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various transactions	18,93,000	10	15.77 ⁽²⁾	2,98,60,505
During financial year 1996-97 ⁽³⁾	Purchase	40,300	10	15.99	6,44,495
April 1, 2000	Bonus	38,66,600	10	NIL	NIL
January 16, 2001	Allotment upon merger of Sun Pharmaceutical Exports Limited with the Company	5,719	10	12.52 ⁽⁴⁾	71,576 ⁽⁴⁾
May 24, 2002	Acquisition pursuant to delisting from regional stock exchanges	19,493	10	602.71	1,17,48,645
During financial year 2002-03 ⁽³⁾	Transmission of Shares	1,02,900	10	NIL	NIL
Sub-Total		59,28,012	10		
January 21, 2003	Split of face value of equity shares from ₹ 10 each to ₹ 5 each	1,18,56,024	5	NA	NA
June 8, 2004	Bonus	1,18,56,024	5	NIL	NIL
August 27, 2004	Gift Given	(3,00,000)	5	NA	NA
May 23, 2006	Gift Given	(15,000)	5	NA	NA
May 8, 2007	Demerger of an undertaking of the Company into Sun	NA	NA	NA	(10,25,357)

	Pharma Advanced Research Company Limited				
June 30, 2009	Gift Given	(283,000)	5	NA	NA
Sub-Total		2,31,14,048	5		
November 29, 2010	Split of face value of equity share from ₹ 5 each to ₹ 1 each	115,570,240	1	NA	NA
August 3, 2013	Bonus	11,55,70,240	1	NIL	NIL
Total		23,11,40,480	1		

(1) Since specific details of acquisition of equity shares prior to April 1, 1996 is not available, aggregate holding as on April 1, 1996 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1996.

(3) Specific date of acquisition of equity shares is not available.

(4) Represents cost of acquisition of equity shares in Sun Pharmaceutical Exports Limited.

ii. Vibha D. Shanghvi

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various transactions	48,200	10	150 ⁽²⁾	72,30,000
April 1, 2000	Bonus	96,400	10	NIL	NIL
Sub-Total		1,44,600	10		
January 21, 2003	Split of face value of equity shares from ₹ 10 each to ₹ 5 each	2,89,200	5	NIL	NA
June 8, 2004	Bonus	2,89,200	5	NIL	NIL
May 8, 2007	Demerger of an undertaking of the Company into Sun Pharma Advanced Research Company Limited	NA	NA	NA	(1,56,168)
Sub-Total		5,78,400	5		
November 29, 2010	Split of face value of equity shares from ₹ 5 each to ₹ 1 each	28,92,000	1	NA	NA
August 3, 2013	Bonus	28,92,000	1	NIL	NIL
January 30, 2015	Gift Received	30,80,000	1	NIL	NIL
Total		88,64,000			

(1) Since specific details of acquisition of equity shares prior to April 1, 1996 is not available, aggregate holding as on April 1, 1996 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1996.

iii. **Aalok D. Shanghvi**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various Transactions	24,000	10	260 ⁽²⁾	62,40,000
April 1, 2000	Bonus	48,000	10	NIL	NIL
Sub-Total		72,000	10		
January 21, 2003	Split of face value of equity shares from ₹ 10 each to ₹ 5 each	1,44,000	5	NA	NA
June 8, 2004	Bonus	1,44,000	5	NIL	NIL
May 8, 2007	Demerger of an undertaking of the Company into Sun Pharma Advanced Research Company Limited	NA	NA	NA	(1,34,784)
Sub-Total		2,88,000	5		
November 29, 2010	Split of face value of equity shares from ₹ 5 each to ₹ 1 each	14,40,000	1	NA	NA
August 3, 2013	Bonus	14,40,000	1	NIL	NIL
January 31, 2014	Gift Received	5,000	1	NIL	NIL
Total		28,85,000			

(1) Since specific details of acquisition of equity shares prior to April 1, 1996 is not available, aggregate holding as on April 1, 1996 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1996.

iv. **Vidhi D. Shanghvi**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 30, 2009	Gift Received	2,83,000	5	NIL	NIL
Sub-Total		2,83,000	5		

November 29, 2010	Split of face value of equity shares from ₹ 5 each to ₹ 1 each	14,15,000	1	NA	NA
August 3, 2013	Bonus	14,15,000	1	NIL	NIL
Total		28,30,000			

v. **Kumud Shantilal Shanghvi**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
August 3, 2013	Bonus	2,00,000	1	NIL	NIL
Total		2,00,000			

vi. **Sudhir V. Valia**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1994 ⁽¹⁾	Opening balance	200	10	10	2,000
April 10, 1994	Gift Received	13,000	10	NIL	NIL
February 29, 2000	Gift Received	1,15,000	10	NIL	NIL
April 1, 2000	Bonus	2,56,400	10	NIL	NIL
Sub-Total		3,84,600	10		
January 21, 2003	Split of face value of equity shares from ₹ 10 each to ₹ 5 each	7,69,200	5	NA	NA
June 8, 2004	Bonus	7,69,200	5	NIL	NIL
Sub-Total		15,38,400	5		
November 29, 2010	Split of face value of equity shares from ₹ 5 each to ₹ 1 each	76,92,000	1	NA	NA
August 3, 2013	Bonus	76,92,000	1	NIL	NIL
January 22, 2015	Sale – Open Market	(10,00,000)	1	-	-
Total		1,43,84,000			

(1) Since specific date of acquisition of equity shares prior to April 1, 1994 is not available, aggregate holding as on April 1, 1994 is provided.

vii. **Jayant S. Sanghvi**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 8, 2004	Bonus	23,000	1	NIL	NIL

viii. **Pratham Investments (held by its partners on behalf of the firm)**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
March 31, 2008	Purchase	14,500	1	242.29 ⁽¹⁾	35,13,188

(1) Represents cost of acquisition of equity shares after considering the effect of split of equity shares from face value of ₹ 5 each to ₹ 1 each.

ix. **Kirit Valia**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 8, 2004	Bonus	4,000	1	NIL	NIL

x. **Jitendra Vrundavandas Valia**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 26, 2009	Purchase	1,600	1	221.26 ⁽¹⁾	3,54,016

(1) Represents cost of acquisition of equity shares after considering the effect of split of equity shares from face value of ₹ 5 each to ₹ 1 each.

xi. **Varsha Kiran Doshi**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
February 11, 1995	Gift Received	1,000	1	NIL	NIL

xii. **Dipti N. Modi**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 8, 2004	Bonus	710	1	NIL	NIL

xiii. Jitendra V. Valia (HUF)

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 4, 2004	Purchase	400	1	78.43 ⁽¹⁾	31,372

(1) Represents cost of acquisition of equity shares after considering the effect of split of equity shares from face value of ₹ 5 each to ₹ 1 each.

xiv. Ajay Vrundavandas Valia

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
August 3, 2013	Bonus	50	1	NIL	NIL

xv. Kirit Valia HUF

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Not Available ⁽¹⁾	Bonus	10	1	NIL	NIL

(1) These represent equity shares received on amalgamation of Ranbaxy Laboratories Limited ("Ranbaxy") into the Company against the bonus shares held in Ranbaxy of which specific details are not available.

xvi. Shanghvi Family & Friends Benefit Trust

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1998 ⁽¹⁾	Various Transactions	4,000	1	2.65 ⁽²⁾	10,593

(1) Since specific details of acquisition of equity shares prior to April 1, 1998 is not available, details of 4,000 equity shares from aggregate holding as on April 1, 1998 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1998 after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xvii. Viditi Investment Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various Transactions	6,25,000	1	28 ⁽²⁾	1,75,00,000

(1) Since specific details of acquisition of equity shares prior to April 1, 1996 are not available, the details of 6,25,000 equity shares from aggregate holding as on April 1, 1996 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1996 after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xviii. Tejaskiran Pharmachem Industries Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various Transactions	6,06,000	1	28 ⁽²⁾	1,69,68,000

(1) Since specific details of acquisition of equity shares prior to April 1, 1996 are not available, the details of 6,06,000 equity shares from aggregate holding as on April 1, 1996 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1996 after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xix. Family Investment Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various Transactions	5,68,000	1	28 ⁽²⁾	1,59,04,000

(1) Since specific details of acquisition of equity shares prior to April 1, 1996 are not available, the details of 5,68,000 equity shares from aggregate holding as on April 1, 1996 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1996 after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xx. Quality Investment Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various Transactions	5,67,000	1	28 ⁽²⁾	1,58,76,000

(1) Since specific details of acquisition of equity shares prior to April 1, 1996 are not available, the details of 5,67,000 equity shares from aggregate holding as on April 1, 1996 is provided.

(2) Represents average cost of acquisition of equity shares held as on April 1, 1996 after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxi. Virtuous Finance Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various Transactions	3,02,000	1	28 ⁽²⁾	84,56,000

- (1) Since specific details of acquisition of equity shares prior to April 1, 1996 are not available, the details of 3,02,000 equity shares from aggregate holding as on April 1, 1996 is provided.
- (2) Represents average cost of acquisition of equity shares held as on April 1, 1996 after considering the effect of split of face value of equity shares from ₹10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxii. Virtuous Share Investments Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1996 ⁽¹⁾	Various Transactions	2,61,000	1	28 ⁽²⁾	73,08,000

- (1) Since specific details of acquisition of equity shares prior to April 1, 1996 are not available, the details of 2,61,000 equity shares from aggregate holding as on April 1, 1996 is provided.
- (2) Represents average cost of acquisition of equity shares held as on April 1, 1996 after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxiii. Sholapur Organics Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
April 3, 1997	Purchase	20,000	1	29.23 ⁽¹⁾	5,84,600
April 21, 1998	Purchase	30,000	1	29.27 ⁽¹⁾	8,78,091
Total		50,000			

- (1) Represents cost of acquisition of equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxiv. Jeevanrekha Investrade Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 6, 2000	Allotment upon merger of Gujarat Lyka Organics Limited with the Company	4,600	1	21.33 ⁽¹⁾	98,118

- (1) Represents cost of acquisition of equity shares in Gujarat Lyka Organics Limited after considering the effect of split of equity shares from ₹ 10 each to ₹ 5 each and further split of equity shares from ₹ 5 each to ₹ 1 each.

xxv. Package Investrade Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
June 6, 2000	Allotment upon merger of Gujarat Lyka Organics Limited with the Company	2,800	1	21.37 ⁽¹⁾	59,830

- (1) Represents cost of acquisition of equity shares in Gujarat Lyka Organics Limited after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxvi. Shanghvi Finance Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1998 ⁽¹⁾	Various Transactions	880	1	26.11 ⁽²⁾	22,977

- (1) Since specific details of acquisition of equity shares prior to April 1, 1998 are not available, details of 880 equity shares from aggregate holding as on April 1, 1998 is provided.

- (2) Represents average cost of acquisition of equity shares held as on April 1, 1996 after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxvii. Asawari Investment & Finance Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
August 31, 2002 ⁽¹⁾	Allotment upon merger of M. J. Pharmaceuticals Limited with the Company	160	1	585.49 ⁽²⁾	93,679

- (1) Date of Intimation of allotment

- (2) Represents cost of acquisition of equity shares in M. J. Pharmaceuticals Limited after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxviii. Flamboyer Finance Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
August 31, 2002 ⁽¹⁾	Allotment upon merger of M. J. Pharmaceuticals Limited with the Company	70	1	245.40 ⁽²⁾	17,178

- (1) Date of Intimation of allotment

- (2) Represents cost of acquisition of equity shares in M. J. Pharmaceuticals Limited after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxix. Sanghvi Properties Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
August 31, 2002 ⁽¹⁾	Allotment upon merger of M. J. Pharmaceuticals Limited with the Company	50	1	226.13 ⁽²⁾	11,306

(1) Date of Intimation of allotment

(2) Represents cost of acquisition of equity shares in M. J. Pharmaceuticals Limited after considering the effect of split of face value of equity shares from ₹10 each to ₹5 each and further split of face value of equity shares from ₹5 each to ₹1 each.

xxx. Gujarat Sun Pharmaceutical Industries Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
August 31, 2002 ⁽¹⁾	Allotment upon merger of M. J. Pharmaceuticals Limited with the Company	50	1	222.85 ⁽²⁾	11,142

(1) Date of Intimation of allotment

(2) Represents cost of acquisition of equity shares in M. J. Pharmaceuticals Limited after considering the effect of split of face value of equity shares from ₹10 each to ₹5 each and further split of face value of equity shares from ₹5 each to ₹1 each.

xxxi. Nirmit Exports Private Limited

Date of Transaction	Nature of Transaction	No. Of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
August 31, 2002 ⁽¹⁾	Allotment upon merger of M. J. Pharmaceuticals Limited with the Company	30	1	515.11 ⁽²⁾	15,453

(1) Date of Intimation of allotment

(2) Represents cost of acquisition of equity shares in M. J. Pharmaceuticals Limited after considering the effect of split of face value of equity shares from ₹10 each to ₹5 each and further split of face value of equity shares from ₹5 each to ₹1 each.

xxxii. Raksha S. Valia

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Opening Balance as on April 1, 1994 ⁽¹⁾	Opening balance	100	10	10	1,000

April 10, 1994	Gift Received	13,000	10	NIL	NIL
February 29, 2000	Gift Received	3,00,000	10	NIL	NIL
April 1, 2000	Bonus	6,26,200	10	NIL	NIL
Sub-Total		9,39,300	10		
January 21, 2003	Split of face value of equity shares from ₹ 10 each to ₹ 5 each	18,78,600	5	NA	NA
June 8, 2004	Bonus	18,78,600	5	NIL	NIL
June 16, 2005	Sale – Open Market	(1,40,000)	5	-	-
June 20, 2005	Sale – Open Market	(1,40,000)	5	-	-
Sub-Total		34,77,200	5		
November 29, 2010	Split of face value of equity shares from ₹ 5 each to ₹ 1 each	1,73,86,000	1	NA	NA
August 3, 2013	Bonus	1,73,86,000	1	NIL	NIL
January 29, 2015	Sale – Open Market	(8,50,000)	1	-	-
Total		3,39,22,000			

(1) Since specific date of acquisition of equity shares prior to April 1, 1994 are not available, aggregate holding as on April 1, 1994 is provided.

xxxiii. Aditya Medisales Limited

Date of Transaction	Nature of Transaction	No. Of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
During financial year 1994-95 ⁽¹⁾	Purchase	1,25,000	1	23.48 ⁽²⁾	29,34,908

(1) Specific date of acquisition is not available.

(2) Represents cost of acquisition of equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

xxxiv. Unimed Investments Limited

Date of Transaction	Nature of Transaction	No. Of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
Purchased during 1994-95 ⁽¹⁾	Purchase	32,500	1	4.12 ⁽²⁾	1,33,901

(1) Specific date of acquisition is not available.

(2) Represents cost of acquisition of equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 5 each and further split of face value of equity shares from ₹ 5 each to ₹ 1 each.

- 9.5. Assuming the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buyback may increase to [●]% from 54.97% prior to Buyback. Please refer to paragraph 13.6 for further details.
- 9.6. Assuming the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Equity Shareholders other than Promoter and Persons in Control, post the Buyback may decrease to [●]% from 45.03% prior to Buyback. Please refer to paragraph 13.6 for further details.
- 9.7. The Buyback of Equity Shares shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.8. Consequent to the Buyback and depending on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and other public shareholders, the shareholding of each such person shall undergo a change. Please refer to paragraph 13.6 for further details.
- 9.9. The debt-equity ratio immediately on completion of Buyback shall be in compliant with the permissible limit of 2:1 prescribed under the Act even if the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement.
- 9.10. We believe that the Buyback is not expected to impact growth opportunities for the Company.
- 9.11. The Promoter and Persons in Control of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoter and Persons in Control, except for creation of pledge or revocation of pledge for bonafide purposes, during the period from the date of passing the board resolution till the closing of the Buyback.
- 9.12. The Company shall not issue any new Equity Shares or other specified securities including by way of bonus till the date of closure of the Buyback.
- 9.13. The Company shall not raise further capital for a period of one year from the closure of the Buyback except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- 9.14. The Board of Directors of the Company, at its meeting held on May 30, 2016 recommended dividend of ₹1/- (Rupee One Only) each per Equity Share subject to approval of Equity Shareholders at the ensuing annual general meeting of the Company. Cash resources of the Company will reduce to the extent dividend is paid out by the Company.
- 9.15. Salient financial parameters consequent to the Buyback based on the audited standalone and consolidated financial statements for the financial year ended on March 31, 2016 (which are subject to approval of Equity Shareholders at the ensuing annual general meeting of the Company) are as under:

Parameters	Based on Consolidated Financial Statements		Based on Standalone Financial Statements	
	Pre Buyback	Post Buyback	Pre Buyback	Post Buyback
Net Worth (₹ in Millions) ⁽¹⁾	314,042.2	307,292.2	214,830.9	208,080.9

Profit After Tax (₹ in Millions)	47,159.1	47,159.1	(10,733.6)	(10,733.6)
Return on Net Worth ⁽²⁾	15.02%	15.35%	(5.00)%	(5.16)%
Earnings Per Share (EPS) (Basic) (in ₹) ⁽³⁾⁽⁴⁾	19.59	19.65	(4.46)	(4.47)
Book Value per share (in ₹) ⁽⁵⁾	130.49	128.09	89.27	86.73
Price Earnings (PE) Multiple ⁽⁶⁾	38.53	38.41	-(7)	-(7)

(1) Net Worth is equal to total of shareholders' funds reduced by revaluation reserves and miscellaneous expenditure to the extent not written off

(2) Return on Net Worth = Profit After Tax / Net Worth

(3) Earnings per Share = Profit After Tax / weighted average number of Equity Shares outstanding for the year

(4) EPS post Buyback is computed after reducing 75,00,000 Equity Shares to be bought back under the Buyback from weighted average number of Equity Shares outstanding for the year

(5) Book value per Equity Share = Net Worth / Number of Equity Shares outstanding at the end of the year

(6) PE Multiple = Market Value per Equity Share as on the date of Public Announcement / EPS as per latest audited financial statements

(7) Since EPS is negative based on standalone financial statements, PE Multiple is not given.

10. BASIS OF CALCULATING THE BUYBACK PRICE

10.1. The Equity Shares are proposed to be bought back at a price of ₹ 900/- (Rupees Nine Hundred Only) per Equity Share.

10.2. The Buyback Price of ₹ 900/- (Rupees Nine Hundred Only) per Equity Share has been arrived at after considering various factors including, but not limited to, the volume weighted average market price of the Equity Shares on the NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) during 3 (three) months and 2 (two) weeks preceding the date of the Board Meeting, closing market price as on the date of Board Meeting on the NSE and the impact on the net worth of the Company.

10.3. The Buyback Price represents a premium of 14.85% over the volume weighted average market price of the Equity Shares on the NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) during 3 (three) months preceding the date of the Board Meeting which was ₹ 783.64 and 21.09% over the volume weighted average market price of the Equity Shares on the NSE during 2 (two) weeks preceding the date of the Board Meeting which was ₹ 743.23. The closing market price of the Equity Shares as on the date of the Board Meeting was ₹ 751.70 on the BSE and ₹ 752.60 on the NSE. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buyback, being May 30, 2016, was ₹ 812.50 on the BSE and ₹ 812.10 on the NSE.

10.4. The Buyback Price is 10.08 times and 6.90 times of the book value per Equity Share of the Company as on March 31, 2016 as per audited standalone financial statements and consolidated financial statements, which was ₹ 89.27 and ₹ 130.49 per Equity Share respectively. The earnings per Equity Share (basic) of the Company prior to the Buyback, for the financial year ended March 31, 2016 were ₹ (4.46) and ₹ 19.59 per Equity Share based on audited standalone financial statements and consolidated financial statements respectively. Assuming full acceptance under the Buyback, the earnings per Equity Share (basic) of the Company for the financial year ended March 31, 2016 will be ₹ (4.47) and ₹ 19.66 per Equity Share based on standalone financial statements and consolidated financial statements respectively post the Buyback.

10.5. The return on net worth of the Company was (5.00)% and 15.02% for the financial year ended on March 31, 2016 based on audited standalone financial statements and consolidated financial statements respectively. Assuming full acceptance under the Buyback, post Buyback return on net

worth of the Company for the financial year ended March 31, 2016 will be (5.16)% and 15.35% based on standalone financial statements and consolidated financial statements respectively.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be ₹ 6,750.00 Millions (Rupees Six Thousand Seven Hundred and Fifty Millions only).
- 11.2. The funds for the Buyback will be sourced from balances of cash and cash equivalents and/or surplus funds and/ or internal accruals of the Company and/or other permissible sources of funds but not from any borrowed funds.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1. In accordance with regulation 10 of the Buyback Regulations, the Company has appointed [●] as the Escrow Agent for the Buyback. The Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated [●], 2016, pursuant to which the Escrow Account in the name and style "Sun Pharma-Buyback of Equity Shares 2016-Escrow A/c" bearing account number [●] has been opened with the Escrow Agent at its branch office located at [●]. The Manager has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.2. In accordance with regulation 10 of the Buyback Regulations, the Company proposes to offer acceptable securities with appropriate margin to be pledged in favour of the Manager to the Buyback on or before opening of the Buyback Offer Period. Additionally, the Company proposes to deposit cash equivalent to 1% (one percent) of the Buyback Size in the above Escrow Account by way of security for the fulfillment of the obligations under the Buyback on or before opening of the Buyback Offer Period.
- 12.3. The Company has adequate and firm financial resources to fulfill its obligations under the Buyback and the same has been certified vide a certificate dated June 30, 2016 by CA Arvind P. Valia (Membership No.: 033962), Partner of M/s. Valia & Timbadia, Chartered Accountants (ICAI Firm Registration No.: 112241W), having their office at 32, Trinity Chambers, 117, Bora Bazar Street, Fort, Mumbai – 400 001, Maharashtra, India and Telephone No. +91 22 2269 2624.
- 12.4. Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that the firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1. The present capital structure of the Company pre Buyback and Post Buyback is as follows:

(₹ In Millions)			
Sr. No.	Particulars	Pre Buyback	Post Buyback*
1.	Authorized Share Capital:		
	5,990,000,000 Equity Shares of ₹ 1 each	5,990.0	5,990.0
	100,000 Cumulative Preference Shares of ₹ 100 each	10.0	10.0
	Total	6,000.0	6,000.0
2.	Issued, Subscribed and Paid-up Capital#:		
	2,406,753,959 Equity Shares of ₹ 1 each	2,406.7	-

	2,399,180,459* Equity Shares of ₹ 1 each	-	2,399.1
	Total	2,406.7	2,399.1

#This includes Equity Shares held by Sun Pharma Employees Stock Option Plan Trust

*Assuming full acceptance in the Buyback.

- 13.2. The Company did not implement any Buyback programme in the last three years.
- 13.3. As on date of this Draft Letter of Offer, there are no partly paid-up Equity Shares outstanding.
- 13.4. As on date of this Draft Letter of Offer, there are no outstanding securities convertible into Equity Shares. However, 6,71,894 Employees Stock Options were outstanding as at June 24, 2016 under two Employee Stock Option Scheme(s) of the Company.
- 13.5. As on date of this Draft Letter of Offer, there is no amount under calls in arrears.
- 13.6. The shareholding pattern of the Company (a) pre Buyback i.e. as on date of the Public Announcement; and (b) the post Buyback is as follows:

Category of Shareholder	Pre Buyback		Post Buyback*	
	Number of Shares	% to pre Buyback Equity Share capital	Number of Shares	% to post Buyback Equity Share capital
Promoter and Persons in Control	1,323,022,812	54.97	[●]	[●]
Foreign Investors (including Non-Resident Indians FII and Foreign Mutual Funds)	603,234,848	25.07	[●]	[●]
Financial Institutions/Banks & Mutual Funds promoted by Banks/Institutions	245,559,280	10.20	[●]	[●]
Others (Public, Public Bodies Corporate, etc.)	234,937,019	9.76	[●]	[●]
Total	2,406,753,959	100.00	[●]	[●]

* Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement.

- 13.7. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.
- 13.8. Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buyback may increase to [●]% from 54.97% prior to the Buyback.
- 13.9. No Equity Shares were either purchased or sold by the Promoter and Persons in Control during a period of six months preceding the date of the Board meeting i.e. June 23, 2016 at which the Board approved the proposal for Buyback except the following:

Name of Shareholder	Aggregate No. of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
Jitendra V. Valia (HUF)	3,000	Sale	859.90	January 29, 2016	856.20	January 29, 2016

14. BRIEF INFORMATION ABOUT THE COMPANY

14.1. History of the Company

The Company was initially established in the year 1982, as a Partnership firm named M/s. Sun Pharmaceutical Industries and subsequently registered and incorporated into a joint stock company (as a public limited company) on March 1, 1993, under the provision of Part IX of the Companies Act, 1956. The Company obtained Certificate of Commencement of Business vide certificate dated March 18, 1993. The registered office of the Company is located at Sun Pharma Advanced Research Centre (SPARC), Tandalja, Vadodara, Gujarat 390020, India. The Equity Shares of the Company were listed in the year 1994 on the NSE (Code: Sunpharma) and on the BSE (Code: 524715).

The Company is the world's fifth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business, economies of scale and an extremely skilled team enable the Company to deliver quality products in a timely manner at affordable prices. The Company provides high-quality, affordable medicines trusted by customers and patients in over 150 countries across the world. The Company's global presence is supported by 47 manufacturing facilities spread across 6 continents, Research & Development ("**R&D**") centres across the globe and a multi-cultural workforce comprising over 50 nationalities. The consolidated revenues for 12 months ending March 2016 are approximately US\$ 4.3 billion, of which US contributes US\$ 2.1 billion. In India, the Company enjoys leadership across 13 different classes of doctors with 30 brands featuring amongst top 300 pharmaceutical brands in India. The Company's footprint across emerging markets covers over 100 markets and 6 markets in Western Europe. The Company's Global Consumer Healthcare ("**GCH**") business is ranked amongst top 10 across 4 global markets. The Company's Active Pharmaceutical Ingredients ("**API**") business footprint is strengthened through 14 world class API manufacturing facilities across the globe. The Company fosters excellence through innovation supported by strong R&D capabilities comprising about 2,000 scientists and R&D investments of over 8% of annual revenues. (source: www.sunpharma.com)

14.2. Growth of Business

- a) The Company focuses on building a sustainable business model for driving the long-term growth of the organization. The model encompasses four most-critical business aspects, which can be continuously streamlined to achieve higher efficiencies:
 - Creating sustainable revenue streams;
 - Business development;
 - Balance profitability and investments for future; and
 - Optimize operational costs.
- b) In March 2015, the Company completed the merger of Ranbaxy Laboratories Limited ("**Ranbaxy**") with itself. This was a landmark transaction in the Indian pharmaceutical industry. This merger has further strengthened the Company's positioning as the world's 5th largest specialty generic company. This merger has made the Company, a leader in the Indian pharmaceutical market with almost 9% market share and the no. 1 prescription ranking with 13 different doctor categories. The merger has significantly enhanced the Company's presence in many markets including the US, emerging markets and Europe. The merger also gives the Company an entry point in the Over-the-Counter ("**OTC**") business segment, a strategic strength, which the Company can plan to leverage on, for establishing a global OTC business.

This merger also has significantly enhanced the Company's ability to invest further in R&D activities.

14.3. Financial Growth

- a) As per standalone financial statements for the financial years ended March 31, 2016, 2015 and 2014, the Company recorded total income of ₹ 78,317.0 Millions, ₹ 81,334.2 Millions and ₹ 27,861.8 Millions respectively, and Profit/(Loss) after tax of ₹ (10,733.6) Millions, ₹ (14,741.3) Millions and ₹ (28,285.2) Millions respectively.
- b) As per consolidated financial statements for the financial years ended March 31, 2016, 2015 and 2014, the Company recorded total income of ₹ 287,289.5 Millions, ₹ 278,428.4 Millions and ₹ 166,325.9 Millions respectively, and Profit after tax of ₹ 47,159.1 Millions, ₹ 45,393.8 Millions, and ₹ 31,414.7 Millions respectively.

14.4. The details of changes in the equity share capital of the Company since its incorporation are as follows:

Sr. No.	Date of Allotment	No. of shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative capital (No of shares)	Details
1	March 1, 1993	2,00,000	10	10	Other than Cash	2,00,000	Issue of shares on registration of partnership firm as a limited company under the provisions of Companies Act, 1956
2	March 30, 1993	7,00,000	10	10	Cash	9,00,000	Issue of shares on rights basis
3	September 18, 1993	51,00,000	10	10	Cash	60,00,000	Preferential allotment of shares
4	November 11, 1993	10,00,000	10	20	Cash	70,00,000	Issue of shares on rights basis
5	January 8, 1994	1,85,000	10	55	Cash	71,85,000	Preferential allotment of shares
6	June 1, 1994	35,92,500	10	NIL	Other than cash	1,07,77,500	Bonus issue in the ratio 1:2
7	August 9, 1994	3,23,400	10	140	Cash	1,11,00,900	Issue of shares on rights basis
8	December 8, 1994	37,00,300	10	150	Cash	1,48,01,200	Initial public offer/issue
9	February 7, 1998	4,13,633	10	-	Other than cash	1,52,14,833	Allotment pursuant to amalgamation of Tamilnadu Dadha Pharmaceuticals Limited with the Company
10	March 25, 1999	2,08,000	10	-	Other than cash	1,54,22,833	Allotment pursuant to amalgamation of Milmet Laboratories Private Limited with the Company
11	April 1,	3,08,44,466	10	NIL	Other than	4,62,67,299	Bonus issue in the ratio

Sr. No.	Date of Allotment	No. of shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative capital (No of shares)	Details
	2000				cash		2:1
12	June 6, 2000	4,77,581	10	-	Other than cash	4,67,44,880	Allotment pursuant to amalgamation of Gujarat Lyka Organics Limited with the Company
13	January 16, 2001	11,438	10	-	Other than cash	4,67,56,318	Allotment pursuant to amalgamation of Sun Pharmaceutical Exports Limited with the Company
14	January 16, 2001	200	10	-	Other than cash	4,67,56,518	Bonus (earlier kept in abeyance – for allotment made on April 1, 2000)
15	March 22, 2001	(500)	10	-	Not Applicable	4,67,56,018	Forfeiture of shares due to non-payment of call money
16	March 30, 2002	18,519	10	-	Other than cash	4,67,74,537	Allotment pursuant to amalgamation of Pradeep Drug Company Limited with the Company
17	August 28, 2002	19,771	10	-	Other than cash	4,67,94,308	Allotment pursuant to amalgamation of M. J. Pharmaceuticals Limited with the Company
18	January 21, 2003	-	5	-	Not Applicable	9,35,88,616	Split of face value of equity shares of from ₹ 10/- each to ₹ 5/- each
19	March 15, 2003 to May 23, 2003	(8,32,938)	5	-	Not Applicable	92,75,5678	Buyback of shares
20	June 8, 2004	9,27,55,678	5	-	Other than cash	18,55,11,356	Bonus issue in the ratio 1:1
21	August 18, 2005	4,274	5	-	Other than cash	18,55,15,630	Allotment pursuant to amalgamation of Phlox Pharmaceuticals Limited with the Company
22	March 31, 2006	2,16,007	5	729.30	Cash	18,57,31,637	Allotment pursuant to conversion of foreign currency convertible bonds (“FCCBs”) issued on November 26, 2004
23	April 1, 2006 to March 31, 2007	76,70,483	5	729.30	Cash	18,58,85,928	Allotment pursuant to conversion of FCCBs issued on November 26, 2004

Sr. No.	Date of Allotment	No. of shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative capital (No of shares)	Details
24	April 1, 2007 to March 31, 2008	1,37,14,271	5	729.30	Cash	20,71,16,391	Allotment pursuant to conversion of FCCBs issued on November 26, 2004
25	November 29, 2010	-	1	-	Not Applicable	1,03,55,81,955	Split of face value of equity shares from ₹ 5/- each to ₹ 1/- each
26	August 3, 2013	1,03,55,81,955	1	-	Other than cash	2,07,11,63,910	Bonus issue in the ratio 1:1
27	April 10, 2015	33,49,56,764	1	-	Other than cash	2,40,61,20,674	Allotment pursuant to merger of Ranbaxy Laboratories Limited with the Company
28	April 29, 2015	3,02,674	1	270 to 701.25 ⁽¹⁾	ESOS Allotment	2,40,64,23,348	Allotment pursuant to Sun Employee Stock Option Scheme - 2015 at different rates
29	July 23, 2015	72,789	1	270 to 562.50 ⁽²⁾	ESOS Allotment	2,40,64,96,137	Allotment pursuant to Sun Employee Stock Option Scheme - 2015 at different rates
30	October 31, 2015	39,913	1	270 to 562.50 ⁽³⁾	ESOS Allotment	2,40,65,36,050	Allotment pursuant to Sun Employee Stock Option Scheme - 2015 at different rates
31	October 31, 2015	1,30,000	1	6.25	ESOP Allotment	2,40,66,66,050	Allotment to Sun Pharma Employee Stock Option Plan Trust for allocation to employees of the Company pursuant to Sun Employee Stock Option Plan - 2015
32	February 12, 2016	32,449	1	270 to 562.50 ⁽⁴⁾	ESOS Allotment	2,40,66,98,499	Allotment pursuant to Sun Employee Stock Option Scheme - 2015 at different rates
33	February 12, 2016	30,000	1	6.25	ESOP Allotment	2,40,67,28,499	Allotment to Sun Pharma Employee Stock Option Plan Trust for allocation to employees of the Company pursuant to Sun Employee Stock Option Plan - 2015
34	May 2, 2016	25,460	1	270 to 562.50 ⁽⁵⁾	ESOS Allotment	2,40,67,53,959	Allotment pursuant to Sun Employee Stock Option Scheme - 2015 at different rates
	Total	2,40,67,53,959					

- (1) Allotted as follows: 17,136 equity shares for ₹270/-, 44,509 equity shares for ₹488.75, 21,864 equity shares for ₹490/-, 63,396 equity shares for ₹537.50, 1,43,769 equity shares for ₹562.50 and 12,000 equity shares for ₹701.25
- (2) Allotted as follows: 8,244 equity shares for ₹270/-, 11,404 equity shares for ₹488.75, 12,492 equity shares for ₹490/-, 18,128 equity shares for ₹537.50/- and 22,521 equity shares for ₹562.50
- (3) Allotted as follows: 5,328 equity shares for ₹270/-, 6,300 equity shares for ₹488.75, 8,432 equity shares for ₹490/-, 7,114 equity shares for ₹537.50/- and 12,739 equity shares for ₹562.50
- (4) Allotted as follows: 2,304 equity shares for ₹270/-, 3,912 equity shares for ₹488.75, 16,973 equity shares for ₹490/-, 3,576 equity shares for ₹537.50 and 5,684 equity shares for ₹562.50
- (5) Allotted as follows: 3,708 equity shares for ₹270/-, 2,958 equity shares for ₹488.75, 3,950 equity shares for ₹537.50 and 14,844 equity shares for ₹562.50

14.5. The Details of the Board of Directors of the Company as on date of Public Announcement i.e. June 24, 2016 are as follows:

Name, DIN and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Directorships in Other Companies and Bodies Corporate
Mr. Israel Makov DIN: 05299764 Age: 77 years	Chairman and Non-Executive Director	M.Sc.	Date of original appointment : May 29, 2012 Term: Liable to retire by rotation	Other bodies corporate 1. BioLight Investments Ltd 2. Micromedic Technology Ltd 3. Makov Associates Ltd 4. APT Holding Worldwide Inc. 5. Israel National Nanotechnology Initiative 6. Weizmann Institute of Science 7. Friends of Gesher Theatre
Mr. Dilip S. Shanghvi DIN: 00005588 Age: 60 years	Managing Director	Graduate in commerce	Date of original appointment : March 1, 1993 Term : Reappointed as Managing Director w.e.f. April 1, 2013 for a period of 5 years or till such time he becomes liable to retire by rotation	Public limited companies 1. Sun Pharma Advanced Research Company Limited Private limited companies 1. Sun Petrochemicals Private Limited 2. Alfa Infraprop Private Limited 3. Aditya Clean Power Ventures Private Limited Other bodies corporate 1. Sun Pharmaceutical Industries Inc. 2. Sun Pharma de Mexico SA de CV 3. SPIL de Mexico SA de CV 4. Taro Pharmaceutical Industries Limited. 5. MSD - Sun, FZ - LLC 6. Sun Pharma Global FZE Section 8 company under the Companies Act, 2013 1. Shantilal Shanghvi Foundation

Name, DIN and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Directorships in Other Companies and Bodies Corporate
<p>Mr. Sudhir V. Valia</p> <p>DIN: 00005561</p> <p>Age: 59 years</p>	<p>Whole-time Director</p>	<p>Chartered Accountant</p>	<p>Date of original appointment : January 31, 1994</p> <p>Term : Reappointed as Whole-time Director w.e.f. April 1, 2014 for a period of 5 years or till such time he becomes liable to retire by rotation</p>	<p>Public limited companies</p> <ol style="list-style-type: none"> 1. Sun Pharma Advanced Research Company Limited 2. Sun Pharma Laboratories Limited <p>Private limited companies</p> <ol style="list-style-type: none"> 3. Alfa Infraprop Private Limited 4. Universal Enterprises Private Limited 5. Karad Chemicals and Allied Products Private Limited 6. Kopta Estate Private Limited 7. Sun Petrochemicals Private Limited 8. Fasttrack Housing Finance Private Limited 9. Aditya Clean Power Ventures Private Limited. 10. Aditya Thermal Energy Private Limited 11. Suraksha Asset Reconstruction Private Limited <p>Other bodies corporate</p> <ol style="list-style-type: none"> 12. Taro Pharmaceutical Industries Limited, Israel 13. Taro Development Corporation 14. Taro Pharmaceutical North America Inc. 15. Taro Pharmaceutical Inc. Canada 16. Taro Pharmaceutical Canada Limited 17. Taro Pharmaceutical USA, Inc. 18. Taro International Limited, Israel 19. Sun Pharmaceuticals (SA) (PTY) Limited 20. Sun Pharmaceutical Industries (Europe) B.V 21. Sun Global Canada PTY Limited 22. Sun Pharmaceutical Industries Inc 23. Sun Pharma de Mexico SA de CV 24. SPIL de Mexico SA de CV 25. Alkaloida Chemical Company

Name, DIN and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Directorships in Other Companies and Bodies Corporate
				Exclusive Group Limited 26. Aditya Acquisitions Company Limited 27. Morley and Company Inc. Section 8 Company under the Companies Act, 2013 28. Shantilal Shanghvi Foundation 29. Krishna Vrundavan Pratishtan
Mr. Sailesh T. Desai DIN: 00005443 Age: 61 years	Whole-time Director	B.Sc.	Date of original appointment : March 25, 1999 Term : Reappointed as Whole-time Director w.e.f. April 1, 2014 for a period of 5 years or till such time he becomes liable to retire by rotation	Public limited companies 1. Sun Pharmaceutical Laboratories Limited Private limited companies 2. Universal Enterprises Private Limited Other bodies Corporate 3. Sun Pharmaceutical (Bangladesh) Limited 4. SIPL Da Mexico SA DE CV Section 8 Company as per Companies Act, 2013 5. Shantilal Shanghvi Foundation
Mr. Keki M. Mistry DIN: 00008886 Age: 61 years	Independent Director	B.com; Chartered Accountant; Certified Public Accountant	Date of original appointment : August 28, 2002 Term: Appointed in 22 nd annual general meeting held on September 27, 2014 for a term of 2 (two) years till the conclusion of 24 th annual general meeting	Public Limited Companies 1. HDFC Standard Life Insurance Company Limited 2. HDFC Asset Management Company Limited 3. HDFC Ergo General Insurance Company Limited 4. HDFC Bank Limited 5. HCL Technologies Limited 6. Greatship (India) Limited 7. Housing Development Finance Corporation Limited 8. Torrent Power Limited 9. Gruh Finance Limited Other bodies corporate

Name, DIN and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Directorships in Other Companies and Bodies Corporate
				10. Griha Investments 11. Griha Pte. Ltd. 12. CDC Group Section 8 Company as per Companies Act, 2013 13. H T Parekh Foundation
Mr. Ashwin S. Dani DIN: 00009126 Age: 73 years	Independent Director	B.Sc. (Hons); B.Sc. (Tech.) (Pigments & Varnishes); Master degree in Polymer Science	Date of original appointment : January 28, 2004 Term: Appointed in 22 nd annual general meeting held on September 27, 2014 for a term of 2 (two) years till the conclusion of 24 th annual general meeting	Public limited companies 1. Asian Paints Limited 2. Resins and Plastics Limited 3. ACC Limited 4. Hitech Plast Limited 5. Gujarat Organics Limited 6. Hitech Insurance Broking Services Limited Private Limited Companies 7. Geetanjali Trading and Investments Private Limited 8. Isis Holding and Trading Company Private Limited 9. Smiti Holding and Trading Company Private Limited 10. Rayirth Holding and Trading Company Private Limited 11. Hydra Trading Private Limited 12. Canes Venatici Trading Private Limited 13. Rituh Holding and Trading Company Private Limited 14. Avinash Holding and Trading Company Private Limited
Mr. S. Mohanchand Dadha DIN: 00087414 Age: 79 years	Independent Director	Intermediate in Science	Date of original appointment : May 29, 1997 Term: Appointed in 22 nd annual general meeting held on September 27, 2014 for a term of 2 (two) years till the conclusion of 24 th annual general meeting	Public limited companies 1. Sun Pharma Advance Research Company Limited 2. Sun Pharma Laboratories Limited 3. Netmeds Marketplace Limited Private limited companies 4. Dadha Pharma Private Limited 5. Wardex Pharmaceuticals Private Limited 6. Vitalic Health Private Limited

Name, DIN and Age of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Directorships in Other Companies and Bodies Corporate
				7. Dadha Pharma Distribution Private Limited 8. Tresara Health Private Limited 9. Vitalic Nutrition Private Limited 10. Trisa Jewellery Private Limited
Mr. Hasmukh S. Shah DIN: 00152195 Age: 81 years	Independent Director	B.A.; Economics (Hons); M.A.	Date of original appointment : March 23, 2001 Term: Appointed in 22 nd annual general meeting held on September 27, 2014 for a term of 2 (two) years till the conclusion of 24 th annual general meeting	Public limited Companies 1. Atul Limited
Ms. Rekha Sethi DIN: 06809515 Age: 52 years	Independent Director	Graduation in English Literature; Post Graduate diploma in Advertising and Management	Date of original appointment : February 13, 2014 Term: Appointed in 22 nd annual general meeting held on September 27, 2014 for a term of 2 (two) years till the conclusion of 24 th annual general meeting	Public limited Companies 1. Sun Pharma Laboratories Limited 2. CESC Limited Section 8 Companies as per Companies Act, 2013 3. Management & Entrepreneurship and Professional Skills Council.

14.6. The details of changes in the Board of Directors during the last 3 years preceding the date of Public Announcement are as under:

Name of the Director	Appointment/ Resignation	Effective Date	Reasons
Ms. Rekha Sethi	Appointment	February 13, 2014	-
Mr. Sudhir V. Valia	Re-appointment	April 1, 2014	-
Mr. Sailesh T. Desai	Re-appointment	April 1, 2014	-
Mr. Keki M. Mistry	Re-appointment	September 27, 2014	-
Mr. Ashwin S. Dani	Re-appointment	September 27, 2014	-
Mr. Hasmukh S. Shah	Re-appointment	September 27, 2014	-
Mr. S. Mohanchand Dadha	Re-appointment	September 27, 2014	-

14.7. The Buyback will not result in any benefit to any Directors of the Company except to the extent of the Equity Shares held by them in the Company which they may tender in the Buyback or the

Promoter and Persons in Control of the Company except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share Capital of the Company, post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company as extracted from the audited standalone financial statements and consolidated financial statements for the preceding three financial years being March 31, 2016 (which is subject to the approval of Equity Shareholders at the ensuing annual general meeting), March 31, 2015 and March 31, 2014 are as under:

(a) Based on audited standalone financial statements

(₹ in Millions)

Particulars	As on / Year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Total Income	78,317.0	81,334.2	27,861.8
Total Expenses (Excluding Finance Costs and Depreciation)	78,348.6	84,804.6	25,913.5
Finance Cost ⁽¹⁾	5,306.4	5,512.5	183.8
Depreciation	4,639.8	6,606.8	1,019.4
Profit/(Loss) before tax	(10,679.1)	(15,589.7)	(28,010.9)
Provision for tax / (Deferred Tax Credit)	54.5	(848.4)	274.3
Profit / (Loss) after tax	(10,733.6)	(14,741.3)	(28,285.2)
Equity Share Capital	2,406.6	2,071.2	2,071.2
Reserves & Surplus ⁽²⁾	212,424.3	225,307.7	72,007.6
Net worth ⁽³⁾	214,837.6	227,862.7	74,078.8
Total debt (excluding working capital loans)	29,035.4	38,144.4	46.4

(b) Based on audited consolidated financial statements

(₹ in Millions)

Particulars	As on / Year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Total Income	2,87,289.50	2,78,428.40	1,64,428.0
Total Expenses (Excluding Finance Costs and Depreciation)	1,97,880.90	1,94,284.80	88,903.1
Finance Costs ⁽¹⁾	4,768.90	5,789.90	441.9
Depreciation	10,135.20	11,947.20	4,092.30
Profit/(Loss) before tax	67,652.80	64,029.00	45,816.6
Provision for tax / (Deferred Tax Credit)	9349	9146.9	7,026.6
Profit/ (Loss) after tax (after minority interest and share of loss of associates)	47,159.1	45,393.8	31,414.7
Equity Share Capital	2,406.60	2,071.20	2,071.20

Reserves & Surplus ⁽²⁾	3,11,635.60	2,53,825.90	1,83,178.30
Net worth ⁽³⁾	3,14,048.9	2,56,380.9	1,85,249.50
Total debt (excluding working capital loans)	34,583.10	40,181.90	1205.2

Notes:

- (1) Finance Cost includes Interest Expense, Other Borrowing Cost and Net Loss on foreign currency transaction and translation.
(2) Excluding revaluation reserves and miscellaneous expenditure to the extent not written off
(3) Including Share Suspense Account and share application money pending allotment

15.2. Key Financial Ratios

(a) Based on audited standalone financial statements

Particulars	As on / Year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Earnings per Share - Basic (₹) ⁽¹⁾	(4.46)	(6.13)	(13.66)
Earnings per Share – Diluted (₹) ⁽¹⁾	(4.46)	(6.13)	(13.66)
Book Value Per Share (₹) ⁽²⁾	89.27	110.01	35.77
Return on Net worth (%) ⁽³⁾	(5.00)%	(6.47)%	(38.18)%
Debt-Equity Ratio ⁽⁴⁾	0.14	0.17	0.00

(b) Based on audited consolidated financial statements

Particulars	As on / Year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Earnings per Share - Basic (₹) ⁽¹⁾	19.6	18.9	15.2
Earnings per Share – Diluted (₹) ⁽¹⁾	19.6	18.9	15.2
Book Value Per Share (₹) ⁽²⁾	130.49	123.78	89.44
Return on Net worth (%) ⁽³⁾	15.02%	17.71%	16.96%
Debt-Equity Ratio ⁽⁴⁾	0.11	0.16	0.01

Note: The formulae used for computation of the above ratios are as follows:

- (1) Earnings per Share = Profit After Tax/ weightage average number of Equity Shares outstanding for the year
(2) Book value per Share = Net Worth / Number of Equity Shares outstanding at the end of the year
(3) Return on Net Worth = Profit After Tax / Net Worth
(4) Debt-Equity Ratio = Total Debt excluding Working Capital/ Net Worth

15.3. The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable.

16. STOCK MARKET DATA

16.1. The Equity Shares are currently listed and traded on BSE and NSE.

16.2. The high, low and average market prices in preceding three financial years (April to March) and the monthly high, low and average market prices for the six completed calendar months preceding the

date of publication of Public Announcement and the corresponding volumes on NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) are as follows:

Period	HIGH			LOW			Average Price (₹)	Total Volume Traded in the period (No. of shares)
	High Price (₹)	Date of High Price	No. of shares traded on that date	Low Price (₹)	Date of Low Price	No. of shares traded on that date		
PRECEDING 3 YEARS								
FY 2016	1200.80	April 7, 2015	39,78,093	704.00	November 24, 2015	98,46,509	865.68	122,16,37,290
FY 2015	1075.00	March 19, 2015	26,61,474	570.10	April 2, 2014	37,65,317	794.40	56,87,00,491
FY 2014	1132.50	July 18, 2013	10,33,600	475.35	August 22, 2013	28,46,075	715.70	42,15,77,375
PRECEDING 6 MONTHS								
May 2016	842.00	May 30, 2016	48,88,391	756.00	May 31, 2016	1,57,06,495	796.81	7,00,84,277
April 2016	841.15	April 18, 2016	22,57,502	797.00	April 26, 2016	40,83,983	817.10	4,21,56,971
March 2016	877.10	March 2, 2016	31,84,958	770.00	March 29, 2016	74,68,509	842.38	6,21,45,474
February 2016	898.45	February 23, 2016	24,70,030	802.45	February 12, 2016	52,60,215	854.11	5,52,67,503
January 2016	878.00	January 29, 2016	47,09,689	764.00	January 21, 2016	32,64,178	800.02	5,72,59,844
December 2015	826.00	December 30, 2015	19,19,186	721.50	December 4, 2015	2,46,05,807	774.39	11,19,94,680

Source: www.nseindia.com

Note: High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.

- 16.3. The closing market price of the Equity Shares on BSE and NSE on June 22, 2016, being the Working Day previous to the day on which the Board approved the proposal for Buyback, was ₹ 739.90 and ₹ 740.05 respectively. The closing market price of the Equity Shares as on the date of the Board Meeting was ₹ 751.70 on the BSE and ₹ 752.60 on the NSE. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buyback, being May 30, 2016, was ₹ 812.50 on the BSE and ₹ 812.10 on the NSE.

17. DETAILS OF THE STATUTORY APPROVALS

- 17.1. The Board at its meeting held on June 23, 2016 (Thursday) approved the proposal for the Buyback.
- 17.2. The Buyback is subject to approvals, if any, required under the provisions of the Act, the Buyback Regulations and applicable rules and regulations as specified by RBI under FEMA and/ or such other applicable rules and regulations for the time being in force. As on date, there are no other statutory or regulatory approvals required to implement the Buyback other than those mentioned in this DLoF.
- 17.3. The buyback of Equity Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Shareholders including Non-Resident

Indians (“**NRI**”) and erstwhile Overseas Corporate Bodies (“**OCB**”) must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such Non-Resident Shareholders including NRI and OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to validly tender Equity Shares in the Buyback and for the Company to purchase such Equity Shares tendered. The Company will have the right to make payment to the Eligible Sellers in respect of whom no prior RBI approval is required and will have the right to reject the Equity Shares tendered by the Eligible Sellers who are Non-Resident Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

- 17.4. On July 1, 2016, the Company has submitted a draft letter of request for the staff of the Division of Corporation Finance of the SEC to grant exemptive relief with respect to Rule 14e-1(a) under the Exchange Act. Rule 14e-1(a) of the Exchange Act provides that a tender offer must remain open for a minimum of 20 business days. The exemptive relief requested, if granted by the SEC, will permit the Buyback to remain open for a fixed period of 10 Working Days, in compliance with the Buyback Regulations.
- 17.5. If any statutory or regulatory approvals become applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory / regulatory approvals are delayed, changes to the proposed timetable of the Buyback, if any, shall be intimated to BSE and NSE.

18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRE

18.1. REGISTRAR TO THE BUYBACK



Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai - 400078, Maharashtra, India.

Tel. No.: +91 22 6171 5400 **Fax:** + 91 22 2596 0329

Contact person: Mr. Ganesh Mhatre

Email: sunpharma.buyback@linkintime.co.in **Website:** www.linkintime.co.in

SEBI Registration Number: INR000004058 **CIN:** U67190MH1999PTC118368

18.2. COLLECTION CENTRE

Eligible Sellers are requested to submit their Tender Form(s) and requisite documents either by registered post / courier to the Registrar to the Buyback, super scribing the envelope as “**Sun Pharma Buyback Offer 2016**”, or hand deliver the same to the Registrar to the Buyback at the address abovementioned.

THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1. The Company proposes to Buyback not exceeding 75,00,000 (Seventy Five Lakhs) fully paid-up Equity Shares (representing upto about 0.31% of the total paid-up Equity Share capital of the Company) from the Equity Shareholders as on the Record Date, on a proportionate basis, through the Tender Offer route at a price of ₹ 900/- (Rupees Nine Hundred only) per Equity Share, payable in cash for an aggregate maximum amount of upto ₹ 675,00,00,000 (Rupees Six Hundred Seventy Five Crores only). The Buyback is in accordance with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Act and in accordance with Article 13 of the Articles of Association of the Company and subject to regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and/ or regulatory authorities, including but not limited to approvals from SEBI and the RBI, if any. The Buyback Size is 3.79% of the fully paid-up Equity Share capital and free reserves (including securities premium account) as per the latest audited standalone balance sheet of the Company for the financial year ended March 31, 2016.
- 19.2. The aggregate shareholding of the Promoter and Persons in Control as on the date of the Draft Letter of Offer is 1,32,30,22,812 Equity Shares which represents 54.97% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the Promoter and Persons in Control of the Company have an option to participate in the Buyback. In this regard, the Promoter and Persons in Control have expressed their intention vide their letters each dated June 23, 2016 to participate in the Buyback and tender up to an aggregate maximum number of 297,419,890 Equity Shares or such lower number of Equity Shares with the intent that subsequent to the Buyback, the aggregate shareholding percentage of the Promoter and Persons in Control does not fall below the aggregate shareholding percentage of the Promoter and Persons in Control as on the Record Date, to the extent possible. The Promoter and Persons in Control vide their further letters each dated June 27, 2016 have requested the Company to first allocate the Buyback Entitlement (to the extent not exercised) of the Promoter and Persons in Control who have not tendered Equity Shares against their respective Buyback Entitlement either in full or in part against the Additional Equity Shares, if any, tendered by them with a view to maintain the aggregate shareholding percentage of the Promoter and Persons in Control at the same level post Buyback, to the extent possible, or with a view to ensure that the aggregate shareholding percentage of the Promoter and Persons in Control does not fall below the aggregate shareholding percentage of the Promoter and Persons in Control as on the Record Date, to the extent possible. In view thereof, in the event that some members of Promoter and Persons in Control of the Company do not tender Equity Shares against their respective Buyback Entitlement either in full or in part, it is proposed that any Additional Equity Shares tendered by the remaining members of the Promoter and Persons in Control over and above their Buyback Entitlement will first be accepted against the Buyback Entitlement (to the extent not exercised) of the Promoter and Persons in Control who have not tendered Equity Shares against their Buyback Entitlement either in full or in part. Thereafter remaining Additional Equity Shares tendered by such Promoter and Persons in Control, if any, and Additional Equity Shares tendered by Eligible Sellers other than Promoter and Persons in Control over and above their Buyback Entitlement, if any, shall be accepted in the manner specified in regulation 9(7) of the Buyback Regulations.
- 19.3. Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buyback may be [●] number of Equity Shares representing [●]% of paid-up equity share capital of the Company, post the Buyback.

19.4. **Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**

- (i) The Board at its meeting held on June 23, 2016 announced July 15, 2016 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buyback.
- (ii) The Equity Shares to be bought back as a part of this Buyback are divided into two categories:
- (a) Reserved category for Small Shareholders ("**Reserved Category**"); and
- (b) General category for other Eligible Sellers ("**General Category**").
- (iii) As defined in the Buyback Regulations, Small Shareholder includes a shareholder, who holds Equity Shares of the Company, as on the Record Date, whose market value, on the basis of closing price on the Recognized Stock Exchange registering the highest trading volume, as on Record Date, is not more than ₹ 2,00,000/- (Rupees Two Lakh Only). As on the Record Date, the closing price on NSE / BSE was ₹ [●]/-. Accordingly all Equity Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as "Small Shareholders" for the purpose of the Buyback.
- (iv) Based on the above definition, there are [●] Small Shareholders in the Company with aggregate shareholding of [●] Equity Shares as on the Record Date, which constitutes [●]% of the outstanding number of Equity Shares of the Company and [●]% of the maximum number of Equity Shares which the Company proposes to buyback as a part of this Buyback.
- (v) In compliance with regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- (a) 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 75,00,000 (seventy five lakhs) Equity Shares which works out to 11,25,000 (eleven lakhs twenty five thousand) Equity Shares; or
- (b) The number of Equity Shares entitled as per their shareholding as on Record Date i.e. Friday, July 15, 2016, which works out to be [●] Equity Shares.
- (1) All the outstanding fully paid-up Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Persons in Control also intend to offer Equity Shares held by them in the Buyback.
- (2) Based on the above and in accordance with regulation 6 of the Buyback Regulations, [●] [(Rounded off)] fully paid-up Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Eligible Sellers shall consist of [●] Equity Shares.
- (vi) Based on the above Buyback Entitlement, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.

General category for all other Eligible Sellers	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.
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19.5. Fractional Entitlements:

If the Buyback Entitlement under the Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Sellers.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

19.6. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in this DLoF, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the acceptance as described in paragraph 19.6 (i) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and 1 (one) share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- (iii) Post the acceptance as described in paragraph 19.6 (i) and 19.6 (ii) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) above, shall be reduced by 1 (one).
- (iv) Adjustment for fractional results in case of proportionate Acceptance, as described in paragraph 19.6 (iii) above:
 - (a) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional

Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- (b) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

19.7. **Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in the DLoF, the Company will accept the Equity Shares tendered in the Buyback by all other Eligible Sellers in the General Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from other Eligible Sellers in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the Acceptance as described in paragraph 19.7 (i) above, in case there are any Equity Shares left to be bought back in the General Category, then subject to first giving effect to the provisions of paragraph 9.3 of this DLoF, the Additional Equity Shares tendered by the other Eligible Sellers over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Sellers divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.
- (iii) Adjustment for fractional results in case of proportionate acceptance as described in paragraph 19.7 (i) and (ii) above:
 - (a) For any Eligible Seller, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (b) For any Eligible Seller if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

19.8. **Basis of Acceptance of Equity Shares between Categories**

- (i) In case there are any Equity Shares left to be bought back in one category ("**Partially filled Category**") after acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately, i.e. valid acceptances per Eligible Seller shall be equal to the Additional outstanding Equity Shares validly tendered by an Eligible Seller in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially filled Category.

- (ii) If the Partially filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) shall be reduced by 1 (one).
- (iii) Adjustment for fraction results in case of proportionate Acceptance, as defined in paragraph 19.8 (i) and (ii) above:
 - (a) For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (b) For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9. For avoidance of doubt, it is clarified that:

- (i) The Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Seller;
- (ii) The Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Seller as on the Record Date; and
- (iii) The Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.

19.10. Further in order to give effect to the provisions of paragraph 9.2 and paragraph 9.3 of this Draft Letter of Offer, depending upon the level of response received from the public shareholders including the Small Shareholders, in terms of the SEBI circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, the Registrar in consultation with the Manager to the Buyback shall proportionately accept such number of Equity Shares tendered by the Promoter and Persons in Control with a view to maintain the aggregate shareholding percentage of the Promoter and Persons in Control at the same level post Buyback, to the extent possible or that post Buyback aggregate shareholding percentage of Promoter and Persons in Control does not fall below their aggregate shareholding percentage as on record date, to the extent possible.

20. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT

- 20.1. The Buyback is open to all Eligible Sellers.
- 20.2. The Company proposes to effect the Buyback through a Tender Offer method, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to the Eligible Sellers.

- 20.3. The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such Equity Shares.
- 20.4. The Company shall comply with regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- 20.5. Eligible Sellers will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Sellers are required to tender the applications separately from each demat account.
- 20.6. The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Sellers, on the basis of their Buyback Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Sellers will be accepted as per paragraph 19.6, 19.7, 19.8 and 20.8.
- 20.7. As elaborated under paragraph 19.4 above, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories; (a) Reserved category for Small Shareholders and (b) the General category for other Eligible Sellers, and the Buyback Entitlement of an Eligible Seller in each category shall be calculated accordingly.
- 20.8. After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Sellers in that category, and thereafter, from Eligible Sellers who have tendered over and above their Buyback Entitlement, in other category.
- 20.9. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- 20.10. For implementation of the Buyback, the Company has appointed Antique Stock Broking Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Antique Stock Broking Limited

Address: 20th Floor, 'A' Wing, Naman Midtown,
Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013.

Tel.: +91 22 4031 3300; **Fax:** +91 22 4031 3318

Contact Person: Mr. Anil Agarwal; **Tel.:** +91 22 4031 3318

Email: anil@antiquelimited.com; **Website:** www.antiquelimited.com

SEBI Registration Number: INZ000001131 (BSE capital market segment)

Corporate Identity Number: U67120MH1994PLC079444

- 20.11. The Acquisition Window will be provided by the BSE to facilitate placing of sell orders by Eligible Sellers who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time.

- 20.12. All Eligible Sellers may place orders in the Acquisition Window, through their respective stock brokers ("**Seller Member(s)**").
- 20.13. During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Sellers through their respective Seller Members during normal trading hours of the secondary market.
- 20.14. Seller Members can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
- 20.15. Modification / cancellation of orders and multiple bids from a single Eligible Seller will be allowed during the Tendering Period of the Buyback. Multiple bids made by single Eligible Seller for selling the Equity Shares shall be clubbed and considered as "one" bid for the purposes of Acceptance.
- 20.16. The cumulative quantity tendered shall be made available on BSE's website, www.bseindia.com, throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.17. All documents sent by the Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
- 20.18. **Procedure to be followed by Eligible Sellers holding Equity Shares in the dematerialised form**
- (i) Eligible Sellers who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
 - (ii) The Eligible Seller / Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the clearing corporation for the transfer of the Equity Shares to the special account of clearing corporation before placing the bids/ orders and the same shall be validated at the time of order entry.
 - (iii) The details of the special account of clearing corporation shall be informed in issue opening circular that will be issued by BSE / clearing corporation.
 - (iv) For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
 - (v) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the Eligible Seller. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
 - (vi) Eligible Sellers who have tendered their Equity Shares in the Buyback can 'hand deliver' Tender Form duly signed (by all Eligible Sellers in case Equity Shares are in joint names) in

same order in which they hold the Equity Shares, along with the TRS generated by the exchange bidding system at the head-office (mentioned in paragraph 18 of the Letter of Offer) of Registrar to the Buyback. TRS will be generated by the respective Seller Members. Eligible Sellers who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buyback, may send the same by registered post / speed post, at their own risk, super scribing the envelope as "**Sun Pharma Buyback Offer 2016**", to the Registrar to the Buyback at their office mentioned on the cover page of this DLoF, so that the same are received not later than 2 (two) days from the Buyback Closing Date i.e. [●], 2016 (by 5 PM).

- (vii) All Eligible Sellers shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
 - (a) Duly attested power of attorney, if any person other than the Eligible Seller has signed the Tender Form;
 - (b) Duly attested death certificate and succession certificate / legal heirship certificate, in case any Eligible Seller has expired; and
 - (c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).
- (viii) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the clearing corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Equity Shareholders.
- (ix) The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company.

20.19. Procedure to be followed by Registered Eligible Sellers holding Equity Shares in physical form

- (i) Eligible Sellers who are holding physical Equity Shares and intend to participate in the Buyback are required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the following:
 - (a) The Tender Form duly signed (by all Eligible Sellers in case Equity Shares are in joint names) in the same order in which they hold the Equity Shares;
 - (b) Original share certificates;
 - (c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Eligible Sellers in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company;
 - (d) Self-attested copy of the Eligible Seller's PAN Card;
 - (e) Any other relevant documents such as (but not limited to):
 - Duly attested Power of Attorney if any person other than the Eligible Seller has signed the relevant Tender Form;
 - Notarized copy of death certificate / succession certificate or probated will, if the original Eligible Seller has deceased; and

- Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- (f) In addition to the above, if the address of the Eligible Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Seller would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- (ii) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Seller. TRS will contain the details of the order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- (iii) After placement of bid, as mentioned in paragraph 20.19 (ii) above, the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 20.19 (i) above) either by registered post or courier or hand delivery to the Registrar to the Buyback (at the address mentioned on the cover page and mentioned in paragraph 18 above) not later than 2 (two) days from the Buyback Closing Date i.e. [●], 2016 (by 5 PM). The envelope should be superscribed as "**Sun Pharma Buyback Offer 2016**". One copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Seller Member.
- (iv) Eligible Sellers holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as "unconfirmed physical bids". Once, Registrar confirms the bids it will be treated as "Confirmed Bids".
- (v) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Company and Registrar shall have the right to reject such Equity Shares tendered. The Equity Shares shall be liable for rejection on the following grounds amongst others: (a) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (b) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (c) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (d) In case the signature on the Tender Form and Form No. SH-4 doesn't match as per the specimen signature recorded with Company/Registrar.
- (vi) In case any Eligible Seller has submitted Equity Shares in physical form for dematerialization, such Eligible Seller should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date.

20.20. For Equity Shares held by Eligible Sellers, being Non-Resident Shareholders of Equity Shares (Read with paragraph 17 "DETAILS OF THE STATUTORY APPROVALS"):

- (i) Eligible Sellers, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.

- (ii) In case the Equity Shares are held on repatriation basis, the Eligible Sellers who are Non-Resident Shareholders shall obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring the Equity Shares, payment for the same was made by such non-resident Eligible Seller from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Eligible Sellers who are Non-Resident Shareholders is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Seller shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback. In the event, such consent letter is not submitted by such non-resident Eligible Seller, the Company shall have the right to reject the Equity Shares tendered in the Buyback and acceptance of such Equity Shares shall be at the sole discretion of the Company subject to such conditions as the Company may deem fit including making payment for the same on a non-repatriation basis.

20.21. **In case of non-receipt of the Letter of Offer:**

- (i) **In case the Equity Shares are in dematerialised form:** An Eligible Seller may participate in the Buyback by downloading the Tender Form from the website of the Company i.e. www.sunpharma.com or by providing their application in writing on plain paper, signed by Eligible Seller or all Eligible Sellers (in case Equity Shares are in joint name), stating name and address of Eligible Sellers, number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- (ii) **In case the Equity Shares are in physical form:** An Eligible Seller may participate in the Buyback by providing their application in writing on plain paper signed by Eligible Seller or all Eligible Sellers (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Sellers PAN card(s) and executed share transfer form in favour of the Company. The transfer form no. SH-4 can be downloaded from the Company's website www.sunpharma.com. Eligible Sellers must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.19 (i) above), reach the collection centres not later than 2 (two) days from the Buyback Closing Date i.e. [●], 2016 (by 5 PM). If the signature(s) of the Eligible Sellers provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar / Company or are not in the same order (although attested), the Company / Registrar shall have a right to reject such applications.

Please note that Eligible Seller(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or Seller Broker in the electronic platform to be made available by BSE before the Buyback Closing Date.

The Company shall accept Equity Shares validly tendered by the Equity Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Seller(s) who intend to participate in the Buyback using the "plain paper" option as mentioned in this paragraph are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.

- 20.22. Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to, any Eligible Seller, shall not invalidate the Buyback in any way.
- 20.23. The acceptance of the Buyback made by the Company is entirely at the discretion of the Eligible Sellers of the Company. The Company does not accept any responsibility for the decision of any Eligible Seller to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Sellers are advised to adequately safeguard their interest in this regard.
- 20.24. **Method of Settlement**

Upon finalization of the basis of acceptance as per Buyback Regulations and in terms of this DLoF:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member/ Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Eligible Sellers validly participating in the Buyback will be made in Indian National Rupees.
- (iii) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company (the "**Special Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
- (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to the respective Seller Members by clearing corporation as part of the exchange payout process, not later than [●], 2016. In case of Custodian Participant orders, excess demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
- (v) Equity Shares in physical form, to the extent tendered but not accepted, will be returned back to the Equity Shareholders directly by Registrar. The Company will issue a new single share certificate for all the unaccepted physical Equity Shares and return the same to the sole/ first Equity Shareholder (in case of joint Equity Shareholders). Share certificates in respect of unaccepted/ rejected Equity Shares and other documents, if any, will be sent by registered post/ speed post at the Eligible Sellers sole risk to the sole / first Equity Shareholder (in case of joint Eligible Sellers), at the address recorded with the Registrar / Company, not later than [●], 2016.
- (vi) Every Seller Member, who puts in a valid bid on behalf of an Eligible Seller, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted demat Equity Shares to their respective clients. Company's

Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

- 20.25. Eligible Sellers who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Sellers for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Sellers from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, applicable taxes, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.
- 20.26. The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

21. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.

IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

I. GENERAL

- A) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 following March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 ("the Income Tax Act").
- B) A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since Sun Pharmaceutical Industries Limited is incorporated in India, the shares of the Company would be "situated" in India and any gains arising to a non-resident on transfer of such shares would be taxable in India under the Income Tax Act. Further, the non-resident can avail the

beneficial provisions of the Double Taxation Avoidance Agreement (“DTAA”), if any, between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

- C) The Income Tax Act also provides for different tax regimes / rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buyback of equity shares listed on the stock exchange is set out below. All references to equity shares in this note refer to listed equity shares unless stated otherwise.

II. CLASSIFICATION OF SHAREHOLDERS

Shareholders can be classified under the following categories:

A) Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

B) Non Resident Shareholders being:

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Others:
 - Company
 - Other than Company

III. CLASSIFICATION OF INCOME

Shares can be classified under the following two categories:

- A) Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
- B) Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains of Business or Profession”, hereinafter referred to as “business income”)

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of income arising from sale of shares has been a subject matter of litigation with the tax authorities. There have been various judicial pronouncements as to whether gains from transactions in securities should be taxed as “business income” or as “capital gains”. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Recently, the apex body of Income-tax has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months and if the taxpayer desires to treat the income arising from the transfer thereof as “capital gains”, the same shall not be put to dispute by the Tax Officer.

Further, investments by FII in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset and the transfer of such shares would be treated as “capital gains” under the provisions of the Income Tax Act.

A) SHARES HELD AS INVESTMENT

- i.** As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per computation provisions contained in section 48 of the Income Tax Act. The provisions of buyback tax on the Company under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

ii. Period of holding

Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long term capital gain' as stated below :

- In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a 'short-term capital asset', and the gains arising therefrom shall be taxable as 'short term capital gains ("STCG")
- Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a 'long-term capital asset', and the gains arising therefrom shall be taxable as 'long-term capital gains' ("LTCG").

iii. Buyback of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buyback) is transacted through a recognized stock exchange then the taxability will be as under (for all categories of shareholders):

- LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
 - STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.
- iv.** Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In such cases, where the total income as reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess).
 - v.** Further in case of Eligible Sellers being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses etc for the year.

- vi. Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement (“DTAA”), if any, entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/maintaining necessary documents prescribed under the Income Tax Act.
- vii. As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security transacted.

B) SHARES HELD AS STOCK-IN-TRADE

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains of Business or Profession”. In such a case, the provisions of section 46A and section 48 of the Income Tax Act will not apply.

i. Resident Shareholders

- a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- b) For persons other than stated in a) above, profits would be taxable @ 30% or other applicable tax rate.

No benefit of indexation by virtue of period of holding would be available in any case.

ii. Non Resident Shareholders

- a) Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement (“DTAA”), if any, entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting/maintaining necessary documents prescribed under the Income Tax Act.
- b) Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - For foreign companies, profits would be taxed in India @ 40%.
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess).

IV. TAX DEDUCTION AT SOURCE

A) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to resident shareholders pursuant to the said Buyback.

B) In case of Non-resident Shareholders

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore important for the non-resident shareholders to appropriately compute such gains (if any) on this transaction and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians / authorized dealers / tax advisors appropriately.

V. RATE OF SURCHARGE AND CESS

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

A) Surcharge

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crores and @ 7% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of other assessee (i.e. other than companies): Surcharge @15% (increased to 15% by Finance Act, 2016 applicable from Financial year 2016-17) is leviable where the total income exceeds ₹ 1 crore.

B) Cess

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases

The above note on taxation sets out the provisions of law in a summary manner only and is not a complete/exhaustive analysis or listing of all potential tax consequences on the disposal of equity shares under the Buyback. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.

22. DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors made declaration as on the date of passing the board resolution approving the Buyback i.e. June 23, 2016 as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulation. Accordingly, the Board has made full inquiry into the affairs and prospects of the Company and confirm that:

1. There are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. It has, based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act formed an opinion that:
 - (a) immediately following the date of the Letter of Offer, there will be no grounds on which the Company could be found unable to pay its debts;
 - (b) as regards the Company's prospects for the year immediately following the date of Letter of Offer, that, having regard to their intention with respect to the management of Company's business during the said year and to the amount and character of the financial resources, which will be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

This declaration has been made and issued by the undersigned directors under the authority of the Board in terms of the resolution passed at the meeting held on June 23, 2016.

For and on behalf of the Board of Directors of Sun Pharmaceutical Industries Limited

Sd/-

Dilip S. Shanghvi
Managing Director
(DIN: 00005588)

Sd/-

Sudhir V. Valia
Whole-time Director
(DIN: 00005561)

23. AUDITORS CERTIFICATE

The text of the report dated June 24, 2016 received from Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of the Company and the statement of computation of permissible capital payment for the Buyback of Equity Shares of the Company addressed to the Board of Directors of the Company is reproduced below.

Quote

Ref No.: RKH/2016-17/3

To,
The Board of Directors
Sun Pharmaceutical Industries Limited
Sun House, CTS No. 201 B/ 1
Western Express Highway
Goregaon (E)
Mumbai- 400063

Dear Sirs,

Sub : Auditors' Report on the matters specified in clause (xi) of Part A of Schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ('the Buyback Regulations') for proposed Buyback of Equity Shares

1. We have been informed by the Management of Sun Pharmaceutical Industries Limited ('the Company') that the Board of Directors of the Company at their meeting held on June 23, 2016 has approved the proposed Buyback of up to 7,500,000 equity shares of ₹ 1 each of the Company at a price of ₹ 900 per equity share ('the Buyback') in pursuance to sections 68, 69 and 70 of the Companies Act, 2013 ('the Act') and the Buyback Regulations.
2. In terms of the requirements of clause (xi) of Part A of Schedule II to the Buyback Regulations, we report that:
 - (a) We have inquired into the Company's state of affairs in relation to its audited accounts as at and for the year ended March 31, 2016 which are subject to adoption by the Members at the Annual General Meeting.
 - (b) The amount of the permissible capital payment towards Buyback of Equity Shares [on the basis set out in the attached 'Statement of computation of permissible capital payment for the proposed Buyback of Equity Shares' ('the Statement') prepared by the Management of the Company and initialed by us for the purpose of identification] is, in our view, properly determined by the Management of the Company as per the proviso to clause (b) of sub-section (2) to section 68 of the Act.
 - (c) The Board of Directors of the Company, at their meeting held on June 23, 2016, has formed the opinion as specified in clause (x) of Part A of Schedule II to the Buyback Regulations on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.

3. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in the public announcement and in the letter of offer to be circularised to the Members of the Company and filed with various regulatory authorities, in connection with the Buyback, in pursuance of the provisions of sections 68, 69 and 70 of the Act and the Buyback Regulations, and should not be used for any other purpose or by any other person.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Rajesh K. Hiranandani
Partner
Membership No. 36920

Mumbai, June 24, 2016

Statement of computation of permissible capital payment for the proposed Buyback of Equity Shares of Sun Pharmaceutical Industries Limited (the Company)

[Computed in accordance with requirements of the proviso to clause (b) of sub-section (2) to section 68 of the Companies Act, 2013]

Particulars		Amount Rs. In Million	Amount Rs. In Million
A	Paid up equity share capital and free reserves as at March 31, 2016, based on the audited standalone financial statements of the Company as at and for the year ended March 31, 2016		
	Paid up Equity Share Capital		2,406.6
	Free Reserves, comprising		
	- Securities premium account	18,585.2	
	- General reserve	34,779.3	
	- Surplus in the statement of profit and loss	122,306.9	
			175,671.4
	Total paid up equity share capital and free reserves		178,078.0
B	The amount of maximum permissible capital payment towards the Buyback being lower of;		
	(a) 10% of total paid up equity share capital and free reserves as at March 31, 2016, and		17,807.8
	(b) Amount approved by the Board of Directors at their meeting held on June 23, 2016 (not exceeding)		6,750.0

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

Sd/-
Sailesh T. Desai
Whole-time Director
Mumbai, June 24, 2016

Unquote

24. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at Sun Pharma Advanced Research Centre (SPARC), Tandalja, Vadodara, Gujarat - 390020, India between 10 a.m. and 5.00 p.m. on all working days (Monday to Friday) during the Offer Period:

- (i) Certificate of Incorporation of the Company.
- (ii) Memorandum and Articles of Association of the Company.
- (iii) Annual reports of the Company for the preceding three financial years viz. March 31, 2015, 2014 and 2013 and audited annual financial results approved by the Board for the quarter and year ended March 31, 2016.
- (iv) Copy of resolution passed by the Board of Directors at their meeting held on June 23, 2016 approving the proposal of the Buyback.
- (v) Certificate dated June 24, 2016 received from Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations.
- (vi) Copy of Public Announcement dated June 24, 2016 published in the newspapers on June 27, 2016 regarding Buyback.
- (vii) Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (viii) Certificate dated June 30, 2016 by CA Arvind P. Valia (Membership No.: 033962), Partner of M/s. Valia & Timbadia, Chartered Accountants (ICAI Firm Registration No.: 112241W) certifying that the Company has made firm financial arrangements for fulfilling its obligations under the Buyback, in accordance with the Buyback Regulations.
- (ix) Copy of the Escrow Agreement dated [●] executed amongst the Company, Escrow Agent and the Manager to the Buyback.
- (x) Confirmation letter by the Escrow Agent dated [●] that the Escrow Account has been opened and that the amount required to be deposited in the Escrow Account has been deposited.
- (xi) SEBI comments received on DLoF vide letter dated [●] issued in terms of the Buyback Regulations.

25. DETAILS OF THE COMPLIANCE OFFICER

The Equity Shareholders may contact the Compliance Officer(s) of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Mr. Sunil R. Ajmera, Company Secretary or

Mr. Ashok I. Bhuta, GM (Legal & Secretarial)

Sun Pharmaceutical Industries Limited,
SUN House, CTS No. 201 B/1, Western Express Highway,
Goregaon (E), Mumbai - 400063, Maharashtra, India.

Tel: +91 22 4324 4324; **Fax:** +91 22 4324 4343

Email: secretarial@sunpharma.com; **Website:** www.sunpharma.com

26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SELLERS

- (i) In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the Eligible Sellers can approach the Compliance Officer of the Manager to the Buyback at investors@vivro.net and/ or Registrar to the Buyback and/ or Compliance Officer(s) of the Company for redressal.
- (ii) If the Company makes any default in complying with the provisions of Section 68 of the Companies Act, 2013 or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, 2013, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013, as the case may be.
- (iii) The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies, Gujarat, Dadra & Nagar Haveli

ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop,
Naranpura, Ahmedabad - 380013, Gujarat, India.

27. DETAILS OF INVESTOR SERVICE CENTRE

In case of any queries, Equity Shareholders may also contact the Registrar to the Buyback, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Registrar to the Buyback:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai - 400078, Maharashtra, India.

Tel. No.: +91 22 6171 5400 **Fax:** + 91 22 2596 0329

Contact person: Mr. Ganesh Mhatre

Email: sunpharma.buyback@linkintime.co.in **Website:** www.linkintime.co.in

SEBI Registration Number: INR000004058 **CIN:** U67190MH1999PTC118368

28. LEGAL ADVISOR TO THE BUYBACK



Bathiya Legal

909, Hubtown Solaris, N. S. Phadke Road, Near East West Flyover,
Andheri(E), Mumbai - 400 069, Maharashtra, India.

29. TRANSACTION ADVISOR TO THE COMPANY



Inga Capital Private Limited

Naman Midtown, 21st Floor, 'A' Wing, Senapati Bapat Marg,
Elphinstone (West), Mumbai - 400 013, Maharashtra, India.

30. MANAGER TO THE BUYBACK



Vivro Financial Services Private Limited,

607,608 Marathon Icon, Opp. Peninsula Corporate Park,
Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel,
Mumbai-400 013, Maharashtra, India.

Tel No.: +91 22 6666 8040/46, **Fax No.:** +91 22 6666 8047

Contact Person: Ms. Shashi Singhvi / Mr. Harish Patel

Email: investors@vivro.net, **Website:** www.vivro.net

SEBI Registration No: INM000010122

CIN: U67120GJ1996PTC029182

31. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on June 23, 2016.

For and on behalf of the Board of Directors of Sun Pharmaceutical Industries Limited

Sd/-
Dilip S. Shanghvi
Managing Director
(DIN: 00005588)

Sd/-
Sudhir V. Valia
Whole-time Director
(DIN: 00005561)

Sd/-
Sunil R. Ajmera
Company Secretary
(Membership Number:
A12176)

Date: July 4, 2016

Place: Mumbai

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

Bid Number:

Date:

BUYBACK OPENS ON:		[●], 2016
BUYBACK CLOSES ON:		[●], 2016
For Registrar / collection centre use		
Inward No.	Date	Stamp
Status (please tick appropriate box)		
<input type="checkbox"/>	Individual	<input type="checkbox"/>
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/>
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>
<input type="checkbox"/>	VCF	<input type="checkbox"/>
<input type="checkbox"/>	FII	<input type="checkbox"/>
<input type="checkbox"/>	NRI/OCB	<input type="checkbox"/>
<input type="checkbox"/>	Bank / FI	<input type="checkbox"/>
<input type="checkbox"/>	Partnership/LLP	<input type="checkbox"/>
<input type="checkbox"/>	Insurance Co.	<input type="checkbox"/>
<input type="checkbox"/>	FVCI	<input type="checkbox"/>
<input type="checkbox"/>	Pension / PF	<input type="checkbox"/>
<input type="checkbox"/>	Others (specify)	<input type="checkbox"/>
India Tax Residency Status: Please tick appropriate box		
<input type="checkbox"/>	Resident in India	<input type="checkbox"/>
<input type="checkbox"/>	Non-Resident in India	<input type="checkbox"/>
<input type="checkbox"/>	Resident of	<input type="checkbox"/>
(Shareholder to fill the country of residence)		

To,
 The Board of Directors
Sun Pharmaceutical Industries Limited
 SUN House, CTS 201 B/1,
 Western Express Highway,
 Goregaon (E),
 Mumbai 400063;
Tel: +91 22 43244324; **Fax:** +91 22 43244343

Dear Sirs,

Sub: Letter of Offer dated [●], 2016 in relation to Buyback not exceeding 75,00,000 (Seventy Five Lakhs) Equity Shares of Sun Pharmaceutical Industries Limited (the "Company") at a price of ` 900/- (Rupees Nine Hundred only) per Equity Share ("Buyback Price"), payable in cash

- I / We (having read and understood the Letter of Offer dated [●], 2016) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us and are free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / we agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
- In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the clearing corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Seller Member as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

- Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/ us.

Note: An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement.. Number of Equity Shares validly tendered by Eligible Seller over and above his Buyback Entitlement shall be accepted in accordance with paragraph 19.6, 19.7, 19.8, and 20.8 of the Letter of Offer subject to giving effect to paragraph 19.2. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance.

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Acknowledgement Slip: SUN PHARMA BUYBACK OFFER 2016

(To be filled by the Equity Shareholder) (Subject to verification)

DP ID: _____

Client ID _____

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

STAMP OF BROKER

Please quote Client ID No. & DP No. for all future correspondence _____

12. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Name of the Depository Participant	
DP ID No.	
Client ID No. with the DP	

13. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1 (if any)	Joint Holder 2 (if any)	Joint Holder 3 (if any)
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. and Email ID				

*Corporate must affix rubber stamp

Instructions:

1. This Buyback will open on [●] and close on [●].
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. The Equity Shares tendered in the Buyback shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the shareholder.
4. The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
5. The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
6. Eligible Sellers to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
7. For the procedure to be followed by Eligible Sellers for tendering in the Buyback, please refer to clause 20 of the Letter of Offer.
8. All documents sent by Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
9. The buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.
10. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).

All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, SUN PHARMA BUYBACK OFFER 2016

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra-400078

Tel: +91 22 6171 5400; **Fax:** +91 22 2596 0329

Contact person: Mr. Ganesh Mhatre

Email: sunpharma.buyback@linkintime.co.in

Website: www.linkintime.co.in

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

Bid Number :

Date:

BUYBACK OPENS ON:		[●], 2016
BUYBACK CLOSSES ON:		[●], 2016
For Registrar / collection centre use		
Inward No.	Date	Stamp
Status (please tick appropriate box)		
<input type="checkbox"/> Individual	<input type="checkbox"/> FII	<input type="checkbox"/> Insurance Co.
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank / FI	<input type="checkbox"/> Pension / PF
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others (specify)
India Tax Residency Status: Please tick appropriate box		
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	<input type="checkbox"/> Resident of _____ (Shareholder to fill the country of residence)

To,
The Board of Directors
Sun Pharmaceutical Industries Limited
SUN House, CTS 201 B/1,
Western Express Highway,
Goregaon (E),
Mumbai 400063;
Tel: +91 22 43244324; **Fax:** +91 22 43244343

Dear Sirs,

Sub: Letter of Offer dated [●], 2016 in relation to Buyback not exceeding 75,00,000 (Seventy Five Lakhs) Equity Shares of Sun Pharmaceutical Industries Limited (the "Company") at a price of ₹ 900/- (Rupees Nine Hundred only) per Equity Share ("Buyback Price"), payable in cash

- I / We (having read and understood the Letter of Offer dated [●], 2016) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us and are free from all liens, equitable interests, charges and encumbrances.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender/offer Equity Shares for Buyback and that I / we am / are legally entitled to tender/offer the Equity Shares for Buyback.
- I / we agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
- I / We agree that the consideration for the accepted Shares will be paid to the Seller Member as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We agree that the Company is not obliged to accept any Equity Shares tendered/offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Eligible Seller.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

Note: An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement.. Number of Equity Shares validly tendered by Eligible Seller over and above his Buyback Entitlement shall be accepted in accordance with paragraph 19.6, 19.7, 19.8, and 20.8 of the Letter of Offer subject to giving effect to paragraph 19.2. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance..

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Acknowledgement Slip: SUN PHARMA BUYBACK OFFER 2016
(To be filled by the Equity Shareholder) (Subject to verification)

Folio No.:/: _____

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

- Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH-4 doesn't match as per the specimen signature recorded with Company/Registrar.
8. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).

All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK OFFER AT THE FOLLOWING ADDRESS QUOTING YOUR LEDGER FOLIO NO.:

Investor Service Centre, SUN PHARMA BUYBACK OFFER 2016
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra-400078
Tel: +91 22 6171 5400; **Fax:** +91 22 2596 0329
Contact person: Mr. Ganesh Mhatre
Email: sunpharma.buyback@linkintime.co.in
Website: www.linkintime.co.in