



SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

Registered Office: SPARC, Akota Road, Akota, Vadodara 390 020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixth Annual General Meeting of the Shareholders of **SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED** will be held at Prof. Chandravadan Mehta Auditorium, General Education Centre, Maharaja Sayajirao University of Baroda, Pratapgunj, Vadodara - 390 002, Gujarat, on Monday, 8th August, 2011, at 10.45 a.m., to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. Mohanchand Dadha, who retires by rotation and being eligible for reappointment, offers himself for reappointment.
3. To appoint a Director in place of Dr. T. Rajamannar, who retires by rotation and being eligible for reappointment, offers himself for reappointment.
4. To re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, having ICAI registration no. 117366W, as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Mr. Dilip Shanghvi be and is hereby re-appointed as the Managing Director of the Company without any remuneration, for a further period of 5 years effective from 1st March, 2012, on the following terms and conditions, as set out in the draft agreement to be entered into by the Company and Mr. Dilip S. Shanghvi which is submitted for approval to this meeting and for identification initialed by the Chairman:

- 1) Subject to the control and supervision of the Board of Directors and subject to the provisions of the Companies Act, the Managing Director shall have the powers for general conduct and management of the affairs the Company and he shall be entitled to exercise all such powers and to do all such acts and things the Company is authorised to exercise and all such powers, acts or things which are directed or required by the Companies Act, 1956 or any other Act or by the

Memorandum or Articles of Association of the Company or otherwise, except those to be exercised or done by the Company in General meeting or by the Board of Directors at their meeting only.

- 2) Mr. Dilip Shanghvi shall perform such duties and exercise such powers as are additionally entrusted to him by the Board.
- 3) REMUNERATION :
No remuneration shall be payable to Mr. Dilip Shanghvi during his tenure / term as Managing Director of the Company.

“RESOLVED FURTHER THAT the Board of the Directors be and is hereby authorised to alter, vary and modify the terms and conditions of the said draft Agreement to be entered into for re-appointment which is hereby specifically approved, in the conformity with the requirements in such manner as may be agreed to between the Board and Mr. Dilip S. Shanghvi.”

“RESOLVED FURTHER THAT any of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this Resolution.”

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

“RESOLVED THAT, in accordance with the provisions of Sections 81 and 81(1A) and all other applicable provisions of the Companies Act, 1956, as amended (hereinafter referred to as the **“Act”**) including any statutory modification or re-enactment thereof for the time being in force, and in accordance with the applicable provisions of Foreign Exchange Management Act, 1999 (the **“FEMA”**), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (**“FEMA Regulations”**), the guidelines and clarifications issued by the Government of India (**“GOI”**), the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **“SEBI Regulations”**), the Memorandum of Association and Articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the Company’s equity shares are listed (the **“Stock Exchanges”**) and any other applicable laws, regulations, policies or guidelines, and subject to the approval, consent, permission and sanction to the extent necessary of any authorities, as may be necessary, including the approval of the GOI, the Securities and Exchange Board of India (**“SEBI”**), the Foreign Investment Promotion Board (**“FIPB”**), the Reserve Bank of India (**“RBI”**), Registrar of Companies (**“RoC”**) / Ministry of Corporate Affairs (**“MCA”**) and all other concerned statutory and other authorities and to the extent necessary, such other approvals, consents, permissions, sanctions and the like, as may be necessary, including the approval, consent, permission and sanction of any lenders or other third parties and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (the **“Board”** which shall include a duly authorised Committee or Sub-Committee thereof), the approval of the Shareholders of

the Company is hereby granted for the Company to create, offer, issue and allot equity shares of face value of Re.1 each at par or at a premium, aggregating maximum to upto Rs.200 crores (Rupees Two Hundred Crores only) (the **“Equity Shares”**) by way of Rights Issue or by way of a qualified institutions placement (as defined in the SEBI (ICDR) Regulations) or offer or otherwise, in one or more tranches or combinations thereof and in the manner, and on the terms and conditions as the Board may in its absolute discretion deem fit (the **“Issue”**), to such person or persons, who are the members of the Company or to other investors, including the right of renunciation in the case of Rights Issue, as the Board may in its sole discretion decide and as may be permitted under SEBI Regulations, FEMA Regulations or any other applicable laws, regulations, policies or guidelines, including the policies or regulations in India, including to one or more of the members, promoters (that is to say persons in present management and control of the Company) and their associates, directors, friends and relatives, foreign/ resident investors, foreign institutional investors, foreign venture capital investors, Indian and/or multilateral financial institutions, mutual funds, non resident Indians, employees and/or workers of the Company or its holding company or subsidiaries, in or out of India, or members of group companies, Indian public, bodies corporate, any other company/companies, private or public, or other body corporate(s) or entities, whether incorporated or not, authorities and such other persons, in one or more combinations thereof and/or any other categories of investors, whether they be holders of the Equity Shares or not.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the price at which the Equity Shares are to be issued, (that is, for cash at par or premium, or for consideration other than cash) and determine the category or categories of investors to whom the offer, issue and allotment/transfer of the Equity Shares arising under the offer shall be made to the exclusion of all other categories of investors on such terms and conditions as may be finalised by the Board and that the Board may finalise all matters incidental thereto as it may in its absolute discretion deem fit.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to make any alteration, addition or vary any of the terms of the proposed issue of Equity Shares, in consultation with the lead managers or pursuant to requirements of SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, the Board be and is hereby authorised to decide the Issue and offer structure, as permitted under applicable laws, regulations, policies and guidelines, and decide other matters incidental to the Issue.

“RESOLVED FURTHER THAT the Equity Shares issued and allotted pursuant to the offer, shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Company.

“RESOLVED FURTHER THAT such of the Equity Shares issued as are not subscribed in the Issue may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion may deem most beneficial to the Company including offering or placing such Equity Shares with banks / financial institutions / investment institutions / mutual funds / foreign institutional investors / bodies corporate or such other persons including the Directors, promoters of the Company or their relatives as the Board may in its absolute discretion deem fit.

“RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised on behalf of the Company to sign, execute, and deliver all such documents or instruments and do and perform all such acts, matters, deeds and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but not limited to, the allotment of the Equity Shares against the valid applications received in the Issue, as are in the best interests of the Company and to settle any questions, difficulties or doubts that may arise in relation to the foregoing.

“RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board/any Director of the Board be and is hereby authorised, on behalf of the Company, to decide and approve the terms and conditions of the Issue, and shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the Issue, as it may consider expedient and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment and utilization of the proceeds of the Issue, to liaise with regulatory authorities and further to do all such acts, deeds, matters and things and to negotiate and finalise all such deeds, documents and writings as may be necessary, desirable or expedient to give effect to the above resolution and to negotiate terms, appoint advisor(s), book running lead manager(s), registrar(s), any other intermediary/intermediaries registered with SEBI, legal counsel or legal experts, advertising agents/agencies, consultants and to pay any fees, commission, remuneration, incur expenses and take such further steps as may be required necessary, incidental or ancillary for the allotment and listing of the Equity Shares on the Stock Exchanges where the Company’s Equity Shares are proposed to be listed, as may be decided by the Board, file necessary forms with the RoC/ MCA and to make such modifications without being required to seek further consents or approval of the members.

“RESOLVED FURTHER THAT any Director of the Company and/or the Company Secretary be and are hereby authorised severally to file the required forms with the RoC/ MCA, and to do all such acts, deeds, matters and things as may be deemed necessary, desirable and expedient for giving effect to this resolution including to execute, sign and deliver all such documents including consent letter, power of attorney, certificates etc., as may be required in connection with the foregoing, or otherwise in connection with this resolution or the Issue and/ or otherwise considered by them in the best interests of the Company and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company.

By order of the Board of Directors
For **Sun Pharma Advanced Research Company Limited**,

Place: Mumbai
Date: 7th May, 2011

Meetal S. Sampat
Company Secretary

Registered Office:
SPARC, Akota Road,
Akota, Vadodara 390 020.

Sun Pharma Advanced Research Company Ltd.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding the meeting.

2. The Register of Members and Share Transfer Books of the Company will be closed from Monday, 1st August, 2011 to Monday, 8th August, 2011 (both days inclusive).
3. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
4. **Particulars required for Appointment / Re-appointment of directors pursuant to Clause 49 of the Listing Agreement:**

At the ensuing Annual General Meeting, Mr. S. Mohanchand Dadha and Dr. T. Rajamannar, Directors retire by rotation and being eligible for re-appointment, offer themselves for re-appointment as Directors liable to retire by rotation. The term of office of Mr. Dilip S. Shanghvi, Chairman & Managing Director expires on 29th February 2012, and it is proposed to re-appoint him as the Managing Director of the Company for a further period of five years effective from 1st March, 2012.

The information or details for the aforesaid Directors are as under:

1) Mr. S. Mohanchand Dadha

Mr. S. Mohanchand Dadha (75 years), is a successful entrepreneur with more than five decades of wide experience in Pharma Industry and has competent knowledge and experience in financial and accounting areas. Mr. Dadha was Managing Director and Promoter of erstwhile Tamilnadu Dadha Pharmaceuticals Ltd. He is also trustee of many Charitable Trusts. He was the Member of Tamilnadu Government constituted Drug Committees, namely The Drug Advisory Committee and the Committee for the development of Drug Industries in Tamilnadu. He is a Director in the following companies: Sun Pharmaceutical Industries Ltd., Wardex Pharmaceuticals Ltd., Dadha Pharma Pvt. Ltd., Santec Solutions Pvt. Ltd., and RX Distribution India Ltd.

Mr. S. Mohanchand Dadha is holding 29428 Equity Shares of the Company (including Shares held jointly).

2) Dr. T. Rajamannar

Dr. T. Rajamannar (49 years), has completed M. Sc. from University of Chennai, Ph.D in Organic Chemistry from IIT Chennai and holds Post Doctoral qualification from University of Zurich, Switzerland. He has around 28 years of experience in pharmaceutical research, drug discovery, identification project and research management. Dr. T. Rajamannar was an employee of Sun Pharmaceutical Industries Ltd., since 1993 and was transferred to SPARC pursuant to the Scheme of Arrangement for Demerger sanctioned by the Honourable High Court of Gujarat at

Ahmedabad, and at present he is the Whole Time Director of the Company, managing research activities of the Company. He has 16 research publications in international journals and over 200 patent applications filed, to his credit. He is the recipient of CSIR Award from 1983 to 1988. He is a Council Member of Chemical Research Society of India and National Organic Symposium Trust. He is a member of ICH EWG [Expert Working Group] for Q11, representing IGPA. He is Ph.D guide and M.Sc. Curriculum expert member at Faculty of Science and Technology, M. S. University of Baroda. He is also a faculty member at National Chemical Laboratory, Pune.

Presently, he is also a Director of SPARC Bio-Research Pvt. Ltd.

3) Mr. Dilip S. Shanghvi

Mr. Dilip S. Shanghvi (55 years), is a graduate in commerce from Kolkata University. He is the Chairman and Managing Director of the Company. He is also the Chairman & Managing Director of Sun Pharmaceutical Industries Limited and founded that Company in 1982. He has extensive experience in the pharmaceutical industry. Under the leadership of Mr. Dilip S. Shanghvi, Sun Pharmaceutical Industries Ltd. has recorded an all-round growth in business. Mr. Dilip Shanghvi is actively involved in international pharmaceutical markets, business strategy, business development and research and development functions in our company. He has been a Director of the Company since incorporation.

Mr. Dilip S. Shanghvi has been awarded various awards including Ernst and Young 'Entrepreneur of the Year 2010', India, The Economic Times 'Entrepreneur of the Year' award in 2008, Business Standard "CEO of the Year", the 'First Generation Entrepreneur of the Year' awarded at the CNBC- TV 18 India Business Leader Awards 2007, 'Entrepreneur of the Year' awarded by Ernst & Young, and 'Lifetime Honor' by the Indian Merchants Chamber at the Juran Quality Medal for 2008.

Presently, he is on the Board of Directors of Sun Pharmaceutical Industries Ltd., Caraco Pharmaceutical Laboratories Ltd., Sun Petrochemicals Pvt. Ltd., Aditya Thermal Energy Pvt. Ltd., Alfa Infraprop Private Limited, Sun Pharma De Mexico SA DE CV, SPIL De Mexico SA DE CV, Taro Pharmaceutical Industries Ltd, Israel, Taro Development Corporation, Taro Pharmaceuticals North America Inc, Taro Pharmaceuticals Laboratories Inc, Taro Pharmaceuticals USA Inc, Taro Research Institute Ltd, Israel and Shantilal Shanghvi Foundation.

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

Item No. 5 :

Mr. Dilip S. Shanghvi had been initially appointed as the Managing Director of the Company by the Shareholders at the Extraordinary General Meeting of the Members held on 23rd March, 2007 for a period of 5 years, effective from 1st March, 2007. His term of office expires on 29th February, 2012, and the Board of Directors have recommended the re-appointment of Mr. Dilip S. Shanghvi as the Managing Director for a further period of 5 years effective from 1st March, 2012.

The Board of Directors of your Company is of the opinion that it is in the interest of the Company to re-appoint Mr. Dilip Shanghvi as the Managing Director of the Company to manage the day to day affairs of the Company. However at present, no remuneration is proposed to be paid to Mr. Dilip Shanghvi for his term pursuant to such re-appointment as Managing Director of the Company.

Mr. Dilip Shanghvi is also the Chairman & Managing Director of Sun Pharmaceutical Industries Ltd. (“**SPIL**”), and consent of the Board of Directors of SPIL will be obtained before re-appointment of Mr. Dilip Shanghvi as Managing Director of your Company, with or without remuneration.

The re-appointment will be for a period of 5 years which may be terminated by either party giving to the other 30 days notice in writing or upon Mr. Dilip S. Shanghvi’s ceasing to be a Director of the Company.

The terms and conditions of Mr. Dilip Shanghvi’s re-appointment as stated in the resolution may also be treated as an abstract of the terms of the draft Agreement between Mr. Dilip Shanghvi and the Company under Section 302 of the Companies Act, 1956.

None of the Directors except Mr. Dilip Shanghvi and Mr. Sudhir Valia are concerned or interested in the resolution.

Your Directors, recommend the above resolution for your approval.

The draft of the agreement to be entered into with Mr. Dilip Shanghvi is available for inspection by any member of the Company at the Registered Office of the Company on any working day (except Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting hours.

ITEM NO. 6.

Section 81 of the Act provides, inter-alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of the company in the manner laid down in Section 81 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 unless the shareholders in general meeting decide otherwise by way of a special resolution.

The significant growth plans of the Company envisage further fund requirements. The Company is considering raising further capital required for the Company's strategic plans.

The Company has various R&D projects in pipeline. The future R&D Projects of the Company would require considerable outlay of funds. These projects will necessitate influx of additional funds over a period of time.

In terms of the Listing Agreement with the Stock Exchanges, the Company shall, in the first instance, offer all further equity shares for subscription to the existing shareholders of the Company on a pro rata basis unless decided otherwise by the shareholders in a general meeting.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) of the Act, other applicable provisions of the Act.

Thus, the Company proposes to raise an amount not exceeding Rs. 200 (Rupees Two Hundred) crores only, through issuance of further equity shares which may or may not be issued to the existing shareholders of the Company in the ratio of their holdings in the Company, as set out in Item No. 6 of the Notice on terms to be decided by the Board of Directors or a Committee thereof.

The funds thus raised would be invested in existing / new projects under development which are being implemented as well as to meet other financial obligations of the company.

The proposed issue is in the interest of the Company and your Directors recommend the Resolutions at item Nos. 6 for your approval.

None of the Directors is in any way concerned or interested in the above resolution except to the extent of their respective shareholding, to the extent that they may be entitled to subscribe to Equity Shares of the Company in the Rights Issue, if any, and/or to the extent of securities that may be subscribed by the Companies/Institutions of which they are Directors and/or Members.

By order of the Board of Directors
For **Sun Pharma Advanced Research Company Limited,**

Place: Mumbai
Date: 7th May, 2011

Meetal S. Sampat
Company Secretary

Registered Office:
SPARC, Akota Road,
Akota, Vadodara 390 020