

April 23, 2009

Securities and Exchange Board of India
Plot No. C4-A,'G' Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

Dear Sir,

Sub: Request for Informal Guidance under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 for Removal of certain names from the list of Promoters under SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997.

We would like to seek your informal guidance / interpretative letter on whether certain persons, who do not control or influence the Company in any manner, may be excluded from the list of Promoters / Promoter Group under Clause 40A of the Listing Agreement with the Stock Exchange and under Clause 2(h) SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997.

Under clause 2(h) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997, “Promoter” has been defined as follows:

“Promoter” means -

- (a) any person who is in control of the target company;
 - (b) any person named as promoter in any offer document of the target company or any shareholding pattern filed by the target company with the stock exchanges pursuant to the Listing Agreement, whichever is later;
- and includes any person belonging to the promoter group as mentioned in

Explanation I:

Provided that a director or officer of the target company or any other person shall not be a promoter, if he is acting as such merely in his professional capacity.

Explanation I: For the purpose of this clause, 'promoter group' shall include:

(a) in case promoter is a body corporate -

- (i) a subsidiary or holding company of that body corporate;
- (ii) any company in which the promoter holds 10% or more of the equity capital or which holds 10% or more of the equity capital of the promoter;
- (iii) any company in which a group of individuals or companies or combinations thereof who holds 20% or more of the equity capital in that company also holds 20% or more of the equity capital of the target company; and

(b) in case the promoter is an individual -

- (i) the spouse of that person, or any parent, brother, sister or child of that person or of his spouse;
- (ii) any company in which 10% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member;
- (iii) any company in which a company specified in (i) above, holds 10% or more, of the share capital; and
- (iv) any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total.

Explanation II: Financial Institutions, Scheduled Banks, Foreign Institutional Investors (FIIs) and Mutual Funds shall not be deemed to be a promoter or promoter group merely by virtue of their shareholding. Provided that the Financial Institutions, Scheduled Banks and Foreign Institutional Investors (FIIs) shall be treated as promoters or promoter group for the subsidiaries or companies promoted by them or mutual funds sponsored by them."

As per the said Regulations, Control has been defined as :

"Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

Further, Shri Dilip Shanghvi has been named as the Promoter of SUN PHARMACEUTICAL INDUSTRIES LIMITED under the Prospectus dated 5th September, 1994 issued by the Company in respect of the initial public offering by the Company. Pl. note under the Section V. under the heading "COMPANY, MANAGEMENT & PROJECT(page no.12), under section HISTORY AND PRESENT BUSINESS OF THE COMPANY , it was mentioned that Sun Pharmaceutical Industries was formed as a partnership firm in 1982 by Shri Dilip Shanghvi and his family members to manufacture Pharmaceutical formulations at Vapi, Gujarat , the copy of which is enclosed here with for your ready reference (Pl. see Annexure I).. Also under Offer Letter to Shareholders dated 30th March, 2002 for providing exit opportunity to the then existing shareholders on delisting of the Company's equity shares from certain regional stock exchanges, and Offering Circular dated 24 November, 2004 for Issue of Foreign Currency Convertible Bonds (FCCB) by the Company, Shri Dilip Shanghvi has been described as the Promoter of the Company. We enclose here with the copy of the Offer Letter to Shareholders dated 30th March, 2002 marking relevant portions which show the name of Shri Dilip Shanghvi as the promoter (Pl. see Annexure II). We also enclose here with the copy of the section of Risk factors in our FCCB Offering Circular dated 24 November, 2004 marking relevant portion (on page no.17 of the FCCB Offering Circular) which show the name of Shri Dilip Shanghvi as the promoter (Pl. see Annexure III)..

Further as per disclosures made to the stock exchanges (latest being as of 31st March, 09) under Clause 35 of the Listing Agreement with the Stock exchanges, and as per the requirement of clause 8(2) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 (latest being of 31st March, 09) the following persons have been named as Promoters / Promoter Group / Persons acting in concert of Sun Pharmaceutical Industries Ltd. (the copies enclosed for your ready reference as per Annexure IV & V respectively),

Sr. No.	Name
1.	Dilip Shantilal Shanghvi
2.	Viditi Investment Pvt. Ltd.
3.	Tejaskiran Pharmachem Industries Pvt. Ltd.
4.	Family Investment Pvt. Ltd.
5.	Quality Investment Pvt. Ltd.
6.	Virtuous Finance Ltd.

7.	Virtuous Share Investment Ltd.
8.	Sholapur Organics Pvt. Ltd.
9.	Jayant Shantilal Shanghvi
10.	Vibha Dilip Shanghvi
11.	Kumud Shantilal Shanghvi
12.	Aalok Dilip Shanghvi
13.	Jeevanrekha Investrade Pvt. Ltd.
14.	Kumud Shanghvi Trustee of Shanghvi Family & Friends Benefit Trust
15.	Package Investrade Pvt. Ltd.
16.	Varsha Kiran Doshi
17.	Shanghvi Finance Pvt. Ltd.
18.	Dipti Nirmal Modi
19.	Asawari Investment & Finance Pvt. Ltd.
20.	Flamboyawer Finance Pvt. Ltd.
21.	Sanghvi Properties Pvt. Ltd.
22.	Gujarat Sun Pharmaceutical Industries Pvt. Ltd.
23.	Nirmit Exports Pvt. Ltd.
24.	Sudhir V. Valia*
25.	Raksha Sudhir Valia*
26.	Aditya Medisales Ltd.*
27.	Unimed Technologies Ltd.*
	*being persons acting in concert

Further, according to Clause 40A of the Listing Agreement, the terms "promoter" and "promoter group" shall have the same meaning as is assigned to them under Explanations I, II and III to sub-clause (m) of clause 6.8.3.2 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

The terms "promoter" and "promoter group" have been defined under Explanations I, II and III to sub-clause (m) of clause 6.8.3.2 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as follows:

Explanation I:

For the purpose of sub-clauses (k) and (l) above, the term 'Promoter' shall include:

- (a) the person or persons who are in over-all control of the company;
- (b) the person or persons who are instrumental in the formulation of a plan or programme pursuant to which the securities are offered to the public;
- (c) the persons or persons named in the prospectus as promoters(s).

Provided that a director/ officer of the issuer company or person, if they are acting as such merely in their professional capacity shall not be included in the Explanation.

Explanation II:

'Promoter Group' shall include:

- (a) the promoter;
- (b) an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
- (c) in case promoter is a company:
 - (i) a subsidiary or holding company of that company;
 - (ii) any company in which the promoter holds 10% or more of the equity capital or which holds 10% or more of the equity capital of the promoter;
 - (iii) any company in which a group of individuals or companies or combinations thereof who holds 20% or more of the equity capital in that company also holds 20% or more of the equity capital of the issuer company; and
- (d) in case the promoter is an individual:
 - (i) any company in which 10% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member;
 - (ii) any company in which a company specified in (i) above, holds 10% or more, of the share capital;
 - (iii) any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total; and
- (e) all persons whose shareholding is aggregated for the purpose of disclosing in the prospectus under the heading "shareholding of the promoter group".

Explanation III:

The Financial Institution, Scheduled Banks, Foreign Institutional Investors (FIIs) and Mutual Funds shall not be deemed to be a promoter or promoter group merely by virtue of the fact that 10% or more of the equity of the issuer company is held by such institution. Provided that the Financial Institutions, Scheduled Banks and Foreign Institutional Investors (FIIs) shall be treated as promoters or promoter group for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

Also the term “promoter group” under Explanation II to sub-clause (m) of clause 6.8.3.2 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, has been defined to include an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);

Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi, are relatives of Shri Dilip S. Shanghvi under Section 6 of the Companies Act, 1956 and holding the shares of the Company , as stated below:

Name	Relationship with Shri Dilip S. Shanghvi, Promoter	No. of Shares held as on 31.3.2009	Percentage of Shareholding
1. Shri Jayant S. Sanghvi	Brother	873,184	0.42 %
2. Smt. Dipti N. Modi	Sister	19,200	0.02 %
3. Smt. Varsha K. Doshi	Sister	32,100	0.01 %

Accordingly, Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi, being relatives of Shri Dilip S. Shanghvi under Section 6 of the Companies Act, 1956, were included in the Promoter Group and therefore their equity share holdings were shown as part of the promoters' holding in the disclosure made under Clause 8(2) of the above Regulations and under Clause 35 of the Listing Agreement with the Stock Exchanges, even though they were not controlling in any manner the working or management of the Company.

We have now been informed by Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi, that they may be excluded from the list of Promoter group, since they do not control in any manner and are not connected or concerned with the management or working of the Company in any way. They have stated to the Company that since they are just related to the Promoter of the Company as stated above, they had classified them selves as the Promoter of the Company on the mistaken belief and , they were submitting the details of their shareholding to the Company. They further state that now they have been legally correctly advised that they need not classify themselves as the Promoter of the Company.

We represent as follows:

1. Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi do not, whether acting individually or acting jointly or in concert, by any means or in any manner, control ,manage or influence the management or policy decisions affecting the Company or the working of the Company.
2. Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi do not have any right to appoint any of the directors of the Company or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding (which in any case is miniscule) or management rights or shareholders agreements or voting agreements or in any other manner;
3. Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi are not involved and do not in any manner control or manage the working of the Company and are not instrumental in the formulation of any plan or programme/policy pursuant to which the securities are offered to the public.
4. Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi also do not have any access to any insider information of the Company and are not connected to the Company in any manner except as the relatives of the Promoter of the Company.
5. Further, Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi are not on the Board of Directors of the Company or any of its promoter group companies, nor employed by the Company. Shri Jayant S. Sanghvi was a Director of the Company since its inception and had ceased to be a Director of the Company with effect from 10th August 1996, and since then he has not been controlling the management or working of the Company and is no longer associated with the Company.
6. The shares of the Sun Pharmaceutical Industries Ltd., held by them individually are held as investors of the Company.

In view thereof, we seek your opinion whether Shri Jayant S. Sanghvi, Smt. Dipti N. Modi and Smt. Varsha K. Doshi may be excluded from the list of Promoters/Promoter Group or person having control over the Company which has been disclosed under Clause 8(2) of the above Regulations. Further, whether we can also exclude their names from the list of Promoters / Promoter Group for disclosure of shareholding under clause 35 of the listing agreement to be filed with the Stock exchanges under Clause 40A of the Listing Agreement with the Stock Exchange.

We enclose herewith banker's cheque no. 29000 dated 21st April, 2009 for Rs. 25,000/- drawn on Kotak Mahindra Bank being amount for the requisite fees.

We also request for confidentiality treatment of this letter for the maximum period, as per clause 11 of the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003.

Thanking you,

Yours faithfully,
For Sun Pharmaceutical Industries Ltd.,

(Ashok I. Bhuta)
D.G.M.(Legal & Secretarial) &
Compliance Officer

Encl: A banker's cheque for Rs.25,000/- & Annexures I to V as above mentioned