



SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

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

Mumbai Office: 17/B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai 400 093.

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POSTAL BALLOT NOTICE

Notice issued to the Members pursuant to section 192A of the Companies Act, 1956.

Dear Members,

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, notice is hereby given for seeking the approval of the members by way of Postal Ballot, for utilisation of unutilised portion of the proceeds from Rights Issue for the objects otherwise than as specified in the Letter of Offer dated 10th August, 2012 filed with the Securities and Exchange Board of India ("SEBI") as stated in the draft resolution given below:

In terms of Companies (Passing of Resolution by Postal Ballot) Rules, 2011 ("Rules"), passing of Resolution through Postal Ballot for the said proposal is not mandatory. Clause 127A of the Articles of Association of the Company also permits the Company to adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf instead of transacting such business in a General Meeting of the Company. In accordance with the Postal Ballot Rules, a listed Company may propose any resolution to be passed by the members through Postal Ballot. Thus although not mandatory, as a measure of good corporate governance, the Board is seeking members' approval through Postal Ballot process instead of convening an Extra-ordinary general meeting, to facilitate wider participation in the decision making process by members residing at different locations.

The Company has raised funds by way of Rights Issue of 29,588,056 Equity Shares of face value of ₹ 1.00/-, at premium of ₹ 66 per share, partly paid upto the extent of face value of ₹ 0.60 and premium of ₹39.40, the Company has received funds aggregating to ₹ 1183.52 million including share premium. The Board has made the final call of ₹27 per share at its meeting held on 24th January, 2013 and the Final Call Money was payable from March 1, 2013 to March 21, 2013. The Company had received the FIPB approval No. 37(2012)/13(2012) dated June 01, 2012 for the allotment of the aforesaid partly paid Equity shares provided that the shares are converted to fully paid within 6 months of the date of allotment. The Company had allotted the partly paid equity shares on October 03, 2012 and hence, the Company cannot further delay in making the final call on the aforesaid shares. However, due to inherent unpredictability in clinical trial results, deployment of funds for the objects as enlisted in the Letter of Offer dated 10th August, 2012 may be staggered.

The Board is therefore of the opinion that it is appropriate to utilise the funds for other projects rather than investing them in Short term securities and borrowings for the purpose of carrying out the clinical studies for other equally promising and interesting products in clinical trials such as S0597 nasal, latanoprost plus timolol combination eye drops, and dry powder inhaler in addition to the objects as stated in the Letter of Offer.

The Board of directors of the Company had at its meeting held on 24th January, 2013, approved the alteration in the utilisation of funds out of the proceeds of the Rights Issue of Equity Shares of the Company and change in the Objects of Issue as stated in the Letter of Offer dated 10th August, 2012 from - Funding the pharmaceutical research and development activities - clinical trials for Baclofen GRS Capsule and Paclitaxel Injection for Nanodispersion ("PICN") to new objects namely, Funding clinical trial expenses either in India or USA for any products including for Baclofen GRS Capsule and PICN, as proposed in the Special Resolution appended to this Notice.

As per the provisions of Section 61 of the Companies Act, 1956, a company may after obtaining the approval of the Members by way of Special resolution, alter the terms of a contract under the prospectus or statement in lieu of prospectus. Since the Letter of Offer of the Company is akin to a Prospectus and the objects of the issue are akin to the terms of the contract/agreement, section 61 is applicable here and accordingly the approval of members is being sought to alter the utilisation of the unutilised portion of the funds out of the Proceeds of a Rights Issue.

Accordingly the draft of the proposed Special Resolution together with the Explanatory Statement setting out the material facts and reasons for the Resolution are being sent to you alongwith a Postal Ballot Form ("Form") for your consideration. The Company has appointed Mr. Umesh Lakhani, Partner, M/s. S. H. Bathiya & Associates, Mumbai as the Scrutinizer for conducting the postal ballot process.

E-Voting option: In compliance with Clause 35B of the Listing Agreement and section 192A of the Companies Act, 1956, the Company is pleased to provide an option to the members, to vote on the postal ballot by way of electronic voting / e-voting to enable members to cast their vote electronically. Voting by electronic mode may be a more convenient means for exercising the voting rights and may help to increase members' participation in the decision-making process.

The Company has appointed CDSL to provide e-voting facility to its members. Members may vote either by way of Postal Ballot Form or by way of e-voting. In case the member has exercised the vote in physical as well as electronic mode, the vote by electronic mode only will be considered.

You are requested to carefully read the e-Voting instructions attached alongwith the postal ballot form, before casting your vote on e-Voting site : <http://www.evotingindia.com>.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed (no other form or photocopy thereof is permitted), in case of physical voting, in the attached self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer or cast the votes by electronic mode, as applicable, not later than 6.00 p.m. on Wednesday, 8th May 2013. Upon completion of the scrutiny of the forms/e-voting, the Scrutinizer shall submit his report to the Company.

The Chairman & Managing Director or any Whole-time Director of the Company or any person authorised by the Director of the Company will announce the result of the postal ballot on Saturday, 11th May, 2013 at 4.00 p.m., at the Office of the Company at Sun Pharma Advanced Research Company Ltd., 17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai - 400 093. The date of declaration of the results of postal ballot result will be taken to be the date of passing of the resolutions.

The result of the Postal Ballot will be displayed at the Registered Office and the Mumbai Office, besides being communicated to the Stock Exchanges on which the Company's Equity Shares are listed. The results will also be published in the newspapers and will be displayed on the web-site of the Company at www.sunpharma.in, for the information of the Members.

Notice is now hereby given, to the members of Sun Pharma Advanced Research Company Limited, for passing resolution through Postal Ballot pursuant to clause 127A of the Articles of Association of the Company read with section 192A of the Companies Act, 1956 ("Act") read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 (including any statutory modification or re-enactment thereof for the time being in force):

1. To consider and, if thought fit, to give assent or dissent to the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provision of Section 61 and all other applicable provisions, if any, of the Companies Act, 1956 and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, approval of the members of the Company be and is hereby accorded and the Board of Directors (hereinafter called the 'Board' which term shall be deemed to include any committee authorized to exercise its powers including the powers conferred by this resolution), be and is hereby authorized to vary, alter, modify, revise or amend the terms referred to in the Letter of Offer dated August 10, 2012, filed by the Company with the SEBI including to vary, amend, modify and/ or revise the utilisation of the