



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.

Tel No.: 66455645 Fax No.66455685

Website: www.sunpharma.in, Email address: secretarial@sparcmail.com

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 borrowing 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

proceeds from the Rights Issue of Equity Shares made in pursuance of the said Letter of Offer and to utilise the proceeds from the Rights Issue in relation to the funds intended for Funding the pharmaceutical research and development activities - clinical trials as identified in the Letter of Offer to new objects namely, for Funding the pharmaceutical research and development activities - Funding clinical trials in India or USA on any existing and/or future product/technology including S0597 nasal, latanoprost plus timolol combination eye drops, dry powder inhaler, Baclofen GRS Capsule and Paclitaxel Injection for Nanodispersion ("PICN")."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to their end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any director(s)/officer(s) / authorized representative(s) of the Company to give effect to the aforesaid resolution."

By order of the Board
For Sun Pharma Advanced Research Company Ltd.,
Sd/-
Meetal S. Sampat
Company Secretary

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

Place: Mumbai
Date: 2nd April, 2013

NOTES:

- 1) The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
- 2) The Company has appointed **Mr. Umesh Lakhani, Partner, M/s. S. H. Bathiya & Associates, Mumbai** as the Scrutinizer for conducting the postal ballot process. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for this purpose.
- 3) A member desiring to exercise vote by Postal Ballot/e-voting is requested to carefully read the instructions printed in the Postal Ballot Form, as applicable in case of physical voting by way of Postal Ballot Form, and return the duly completed form in the attached self-addressed business reply envelope, so as to reach the Scrutinizer at **Sun Pharma Advanced Research Company Ltd., 17-B, Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai - 400 093, on or before 6.00 p.m., on Wednesday, 8th May, 2013.** The Postal Ballot Forms received after this date will be treated as if the reply from the member has not been received.

EXPLANATORY STATEMENT

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

ITEM NO. 1

Pursuant to the Letter of Offer ("LOF") of the Company dated August 10, 2012, the Company had issued and allotted shares by way of Rights Issue of 29,588,056 Equity Shares of face value of ₹1.00 each for cash at a price of ₹ 67.00 each (face value ₹1.00/- each and premium ₹66.00 per share) for an amount aggregating to ₹ 1,982.40 million, of which the Company had received ₹ 40.00 per share on application (₹ 0.60 per share towards face value and ₹39.40 towards share premium) aggregating to ₹ 1183.52 million. The Board has made the final call of ₹27 per share (₹ 0.40 per share towards face value and Rs.26.60 towards share premium) at its meeting held on 24th January, 2013 and the Final Call Money was payable from March 1, 2013 to March 21, 2013.

The Net proceeds of the Rights Issue were marked for the Objects of the Issue more particularly stated and described under section titled 'Objects of the Issue' on Page 78 of the LOF, as were considered appropriate and necessary by the Company at that point of time and as detailed hereunder:-

(₹ in million)

Sr. No.	Fund Requirements	Amount
1.	Pharmaceutical research and development activities - clinical trials	1,029.82
2.	Repayment of identified loans availed from Group Entities	610.00
3.	General corporate purposes	325.58
4.	Issue expenses	17.00
TOTAL		1,982.40

Of the above the Company has utilised as stated in the Objects of the Issue, the entire amount earmarked towards Repayment of identified loans availed from Group Entities, General corporate purposes and Issue expenses, and in respect of the Pharmaceutical research and development activities - clinical trials for the products Baclofen GRS Capsule and Paclitaxel Injection for Nanodispersion ("PICN"), the Company has utilised an amount of ₹ 63.95 millions till February 28, 2013. The total amount spent on the objects of the issue upto February 28, 2013 amounts to ₹ 1016.53 millions, as per details given below:

(₹ in million)

Sr. No.	Fund Requirements	Amount of funds required as per the Letter of Offer	Amount utilised upto February 28, 2013	Balance unutilised Amount
1.	Pharmaceutical research and development activities - clinical trials	1,029.82	63.95	965.87
2.	Repayment of identified loans availed from Group Entities	610.00	610.00	-
3.	General corporate purposes	325.58	325.58	-
4.	Issue expenses	17.00	17.00	-
TOTAL		1,982.40	1016.53	965.87

The Company had anticipated that it shall deploy estimated amount funds towards clinical trials on Baclofen GRS Capsule and PICN, as follows:

Deployment of Funds as per the Letter of Offer :

(₹ in million)

Sr. No.	Product Name	Study	Amount to be spent as per LOF				Total Amount to be deployed
			Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	
A. Research and development activities – clinical trials							
1.	Baclofen GRS Capsule	Phase 3 Efficacy clinical study	131.00	159.31	39.83		330.14
		Phase 3 Open Label clinical study	51.62	51.62	77.43	77.43	258.10
		Phase 3 Duration of Action clinical study	81.00	121.5	-	-	202.50
		Phase 2 clinical study for Alcohol Dependence	-	93.86	93.86	-	187.72
2.	PICN	Phase1 Weekly Protocol (USA)	26.71	24.65	-	-	51.36
Total			290.33	450.94	211.12	77.43	
Total							1,029.82

However in the Fiscal 2013, the actual amount spent on the above was Rs. 63.95 million upto February 28, 2013.

Further, due to inherent unpredictability in clinical trial enrolments and results, deployment of funds in clinical trials on Baclofen GRS Capsule and PICN may be staggered. The Company is also conducting clinical trial studies/activities for other promising/interesting products for which also the Company may consider to commit/allocate the funds out of the funds raised by issue of the Right shares. Since the Company conducts clinical trial activities for other products also, such as S0597 nasal, latanoprost plus timolol combination eye drops, and dry powder inhaler, the Company now deems fit to deploy the net proceeds of rights issue in Pharmaceutical research and development activities of clinical trials on other existing and future products/technologies also in addition to Baclofen GRS Capsule and PICN. The details of some of such other existing main projects/products are given below.

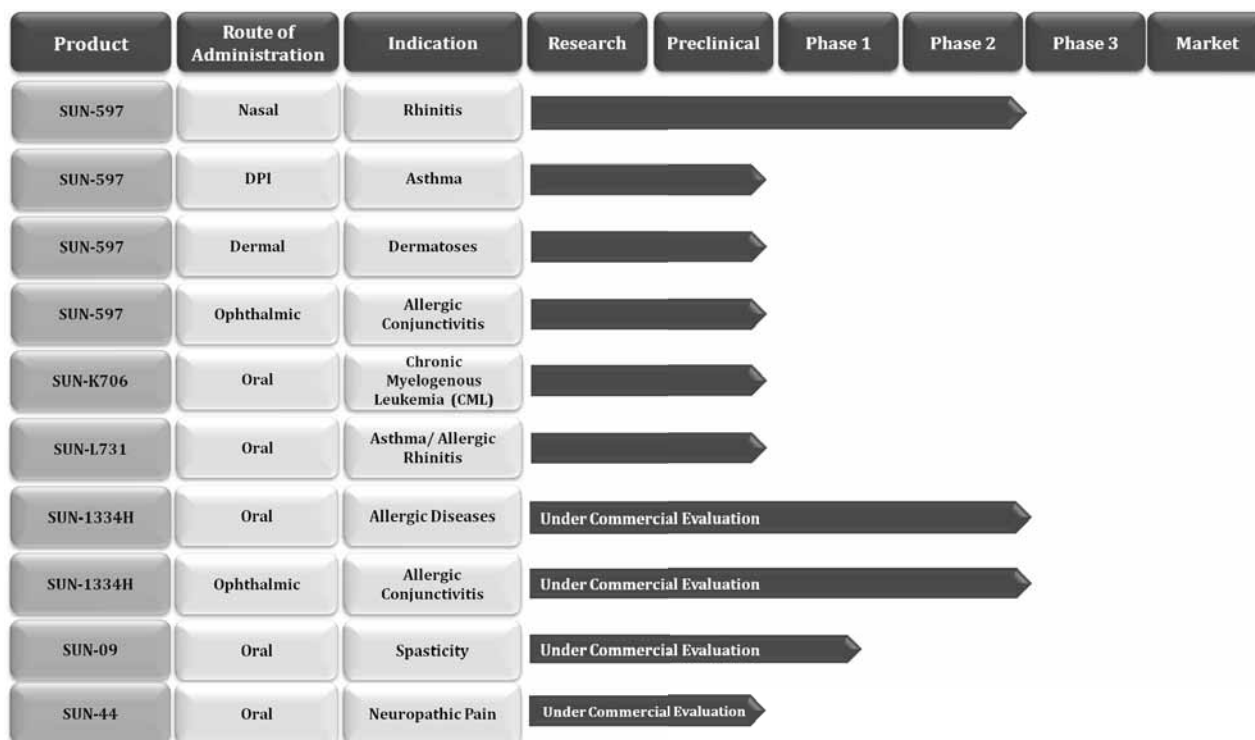
Our Company is developing a pipeline of technology platforms for NDDS including oral, injectables and topical and new compounds in our NCEs portfolio, which are at various stages of development as detailed hereunder:

Name of Product / technology for which Clinical Trials are presently being conducted with its Status:

NDDS Programs - Pipeline



NCE Programs - Pipeline



The deployment of the balance amount of Rs. 965.87 million is therefore now proposed to include utilisation on clinical trial activities for all products/ technologies of the Company, such as S0597 nasal, latanoprost plus timolol combination eye drops, and dry powder inhaler, in the following manner:

Proposed revised Objects:

(₹ in million)

Sr. No.	Fund Requirements	Amount
1.	Pharmaceutical research and development activities - Funding clinical trials in India or USA, on any existing and/or future product/technology including S0597 nasal, latanoprost plus timolol combination eye drops, dry powder inhaler, Baclofen GRS Capsule and PICN.	965.87

Proposed revised deployment of funds:

(₹ in million)

Sr. No.	Fund Requirements	Amount	Proposed/ estimated Deployment of Funds		
			March 2013	Fiscal 2014	Fiscal 2015
1.	Pharmaceutical research and development activities - Funding clinical trials in India or USA, on any existing and/or future product/technology including S0597 nasal, latanoprost plus timolol combination eye drops, dry powder inhaler, Baclofen GRS Capsule and PICN.	965.87	35.00	415.00	515.87

Section 61 of the Companies Act, 1956 provides that the Company shall not vary the terms of a contract under the prospectus or statement in lieu of prospectus, except subject to the approval of, or except on authority given by, the Company in a general meeting. 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 funds out of the Proceeds of a Rights Issue. Accordingly, approval of members is sought to confer authority in favour of the Board for utilisation of the unutilised portion of the proceeds of the Rights Issue for purposes other than those stated in the Letter of Offer.

Your Directors therefore recommend the resolution proposed at Item no. 1 to be passed as special resolution by the members.

None of the Directors is in any way concerned or interested in the above resolution except to the extent of their respective shareholding, or the shareholdings of the Companies/Institutions of which they are Directors and/or Members.

By order of the Board
For Sun Pharma Advanced Research Company Ltd.,

Sd/-
Meetal S. Sampat
Company Secretary

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

Place: Mumbai

Date: 2nd April, 2013

Encl.: 1. Postal Ballot Form
2. Self addressed postage pre-paid envelope.