

CARACO PHARMACEUTICAL LABORATORIES LTD
 Form 4
 March 17, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SUN PHARMACEUTICAL
 INDUSTRIES LTD

2. Issuer Name and Ticker or Trading Symbol
 CARACO PHARMACEUTICAL
 LABORATORIES LTD [CPD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 03/15/2006

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

SPARC, TANDALJA,

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 X Form filed by More than One Reporting Person

VADODARA, GUJARAT,, K7 390
 020

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | | |
|--------------------------|--|----------------------|------------------|---|------------------|------------------|---------------------------|-----------------|--------------|----------------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Series B Preferred Stock | \$ 0 ⁽¹⁾ | 03/15/2006 | J ⁽²⁾ | | 544,000 | | 03/15/2009 ⁽¹⁾ | ⁽³⁾ | Common Stock | 544,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SUN PHARMACEUTICAL INDUSTRIES LTD SPARC, TANDALJA VADODARA, GUJARAT,, K7 390 020 | | X | | |
| SUN PHARMA GLOBAL INC AKARA BUILDING, 24 DE CASTRO STREET WILKHAMS CLAY 1 ROAD TOWN TARTOLA, D8 | | X | | |
| SHANGHVI DILIP S C/O SUN PHARMACEUTICAL INDUSTRIES LTD MAHAL INDUSTRIES ESTATE, MAHAKALI CAVES ANDHARI (EAST), MUMBIA, IN 400 093 | X | X | Chairman of the Board | |

Signatures

/s/ Dilip S. Shanghvi, Chairman and Managing Director, Sun Pharmaceutical Industries Limited 03/15/2006
__Signature of Reporting Person Date

/s/ Dilip S. Shanghvi, Director, Sun Pharma Global, Inc. 03/15/2006
__Signature of Reporting Person Date

/s/ Dilip S. Shanghvi 03/15/2006
__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Series B preferred shares are convertible into common stock after three years (or immediately upon a change in control) on a one-to-one basis.
Sun Global earned 544,000 shares of Series B Preferred Stock for a technology transfer to Caraco of a generic drug by Sun Global when
- (2) such drug passed its bioequivalency studies on March 15, 2006. In the event of the dissolution of Caraco, such shares have a preference equal to the value attributed to them as of March 15, 2006 of \$8.99 per share.
- (3) The shares of Series B Preferred Stock remain outstanding until such time as they are converted into Common Stock

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- (4) These shares are owned directly by Sun Global, Inc., which is a wholly-owned subsidiary of Sun Pharmaceutical Industries Limited ("Sun"). Dilip S. Shanghvi is the controlling shareholder of Sun.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.