

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K/A

Annual report pursuant to section 13 and 15(d) [amend]

Filing Date: **2005-05-02** | Period of Report: **2004-12-31**
SEC Accession No. **0001169232-05-002393**

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FILER

CARACO PHARMACEUTICAL LABORATORIES LTD

CIK: **887708** | IRS No.: **382505723** | State of Incorpor.: **MI** | Fiscal Year End: **0331**
Type: **10-K/A** | Act: **34** | File No.: **001-31773** | Film No.: **05791476**
SIC: **2834** Pharmaceutical preparations

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

FORM 10-K/A
Amendment No. 1

(Mark one)

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2004

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period from _____ to _____.

Commission File No. 0-24676

CARACO PHARMACEUTICAL LABORATORIES, LTD.
(Exact name of registrant as specified in its charter)

Michigan
(State of Incorporation)

38-2505723
(I.R.S. Employer Identification No.)

1150 Elijah McCoy Drive, Detroit, MI 48202
(Address of principal executive office)

(313) 871-8400
(Registrant's telephone number)

Securities Registered Pursuant to Section 12(b) of the Exchange Act:

Title of Each Class to be so Registered	Name of Each Exchange On which Each Class is to be Registered
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Common Stock, No Par Value	American Stock Exchange
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Securities Registered Pursuant to Section 12(g) of the Exchange Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2)

Yes No

The aggregate market value of the voting common stock held by non-affiliates, based on the last sale price of the common stock on June 30, 2004, as reported on the American Stock Exchange, was \$90,511,898.

Indicate the number of shares outstanding of each of the registrant's classes of Common Stock, as of the latest practicable date.

As of April 26, 2005, there were 26,360,294 shares of common stock outstanding

CARACO PHARMACEUTICAL LABORATORIES, LTD.
Amendment No. 1 to the Annual Report of Form 10-K
For the Fiscal Year ended December 31, 2004
EXPLANATORY NOTE

We are filing this Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2004, as filed with the U.S. Securities and Exchange Commission on March 15, 2005 to include (i) "Management's Report On Internal Control Over Financial Reporting" and the related "Report Of The Registered Public Accounting Firm," required by Item 308(b) of Regulation S-K as permitted by paragraph (b) of the conditions of the Order Under Section 36 of the Securities Exchange Act of 1934 Granting an Exemption from Specified Provisions of Exchange Act Rules 13a-1 and 15d-1 (Release No. 34-50754, November 30, 2004) and (ii) Part III information.

This Amendment does not affect the original financial statements or footnotes as originally filed. This amendment does not reflect events occurring after the original filing of the Form 10-K, and does not modify or update the disclosures therein in any way other than as required to reflect the amendment as described above and set forth below. Accordingly, this Form 10-K/A should be read in conjunction with our other filings made with the Securities and Exchange Commission subsequent to the filing of the original Annual Report on Form 10-K, including any amendments to those filings.

Item 9A. Controls and Procedures.

a. The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”). These rules refer to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Our Chief Executive Officer, who is also our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report (the “Evaluation Date”), and has concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective in providing him with material information relating to the Company known to others within the Company which is required to be included in our periodic reports filed under the Exchange Act.

b. There has been no change in the Company’s internal control over financial reporting that occurred during the quarter ended December 31, 2004 that materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Management’s Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934. The Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. Because of these inherent limitations, internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and presentation, and may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management is also required to assess and report on the effectiveness of our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. In connection therewith, we are required to maintain evidential matter, including documentation, to provide reasonable support for such assessment. We began initial compliance efforts for Section 404 in June 2004 even though at that time management and the Company were not certain as to whether the Company would be deemed an “accelerated filer” required to comply with Section 404 in 2004. Ultimately, after finally determining that the Company was an “accelerated filer,” we found ourselves with insufficient time to be fully in compliance. Accordingly, although management selected the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commissions in its Internal Control-Integrated Framework to make its assessment and report as required by Section 404, and management and the Company worked diligently to implement this framework to enable management to complete its assessment on the Company’s internal control over financial reporting for the year ended December 31, 2004, in accordance with Section 404, we were left in a situation where although most of the documentation and testing of process level and entity level controls were in place, because such documentation and testing were not fully completed, management could not assess and report on the Company’s internal control over financial reporting for our fiscal year ended December 31, 2004. As a result, our independent public accounting firm, Rehmann Robson, has issued a disclaimer opinion, set forth below, stating that it does not express an opinion as to management’s assessment of the Company’s internal control over financial reporting as of December 31, 2004.

Our management's inability to complete an assessment of our internal control over financial reporting in accordance with Section 404 for the year ended December 31, 2004, and Rehmann Robson's disclaimer opinion, do not necessarily imply that a significant deficiency or material weakness exists in our internal control over financial reporting. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Our management is not aware of any material weaknesses in the Company's internal control over financial reporting, and nothing has come to the attention of

management which causes management to believe that any material inaccuracies or errors exist in the Company's financial statements as of December 31, 2004.

Our Chief Executive Officer, who is also our Chief Financial Officer, has completed the certification required to be filed as an exhibit to this Report (See Exhibit 31.1) relating to the design of our disclosure controls and procedures and the design of our internal control over financial reporting. This officer believes the certification to be accurate, despite our inability to complete the assessment of the Company's internal control over financial reporting as required by Section 404 of the Sarbanes Oxley Act for the fiscal year ended December 31, 2004, because we did have processes and procedures in place during 2004 that management believes were sufficient to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles. In addition, notwithstanding its "disclaimer opinion," Rehmann Robson has advised our audit committee of the board of directors that such disclaimer does not affect its unqualified report on our consolidated financial statements as of and for the year ended December 31, 2004.

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

Caraco Pharmaceutical Laboratories, Ltd.

We were engaged to audit management's assessment included in the accompanying Management's Report On Internal Control Over Financial Reporting that Caraco Pharmaceutical Laboratories, Ltd ("Caraco") (a subsidiary of Sun Pharmaceutical Industries Limited) maintained effective internal control over financial reporting as of December 31, 2004 based on *criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)*. Caraco's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting.

Management selected the framework noted in the first paragraph for its evaluation of the effectiveness of the Company's internal control, however, although management documented and tested most process level and entity level controls, because such documentation and testing were not fully completed, management could not assess and report on the Company's internal control over financial reporting for the year ended December 31, 2004.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Since management was unable to render an opinion on its assessment of internal control over financial reporting and we were unable to apply other procedures to satisfy ourselves as to the effectiveness of the Company's internal control over financial reporting, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion either on management's assessment or on the effectiveness of the Company's internal control over financial reporting.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the balance sheets of Caraco as of December 31, 2004 and 2003, and the related statements of operations, stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2004 and our report dated March 4, 2005 expressed an unqualified opinion on those financial statements.

Rehmann Robson

April 25, 2005
Troy, Michigan

Item 9B. Other Information.

The disclosures in Item 10 and 11 below with respect to the appointment of Daniel H. Movens as CEO and as a director of Caraco effective May 2, 2005, and with respect to the employment agreement between Mr. Movens and Caraco are hereby incorporated by reference.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Caraco's Board of Directors is divided into three classes with each class of directors elected to a three-year term of office. At each annual meeting of shareholders, shareholders elect one class of directors for a three-year term to succeed the class of directors whose term of office expires at that meeting. Set forth below is a list of the directors of Caraco as of April 29, 2005. As previously disclosed, on April 15, 2005, the Board appointed Daniel H. Movens as a director of the 2005 class effective May 2, 2005, and nominated him, together with Sailesh T. Desai and Georges Ugeux, for election as directors at the 2005 Annual Meeting to serve until 2008, and the election and qualification of their successors. Effective May 2, 2005, Mr. Movens was also appointed Caraco's CEO. For additional disclosure about Mr. Movens, see "Executive Officers" below.

INCUMBENT DIRECTORS' TERMS EXPIRING 2005

Nominees	Age	Principal Occupation and Business Experience During Past 5 Years and other Directorships	Director Since
Sailesh T. Desai	50	Mr. Desai has served as a full time director of Sun Pharmaceutical Industries Limited ("Sun Pharma"), since 1999, responsible for domestic marketing of pharmaceutical formulations. From 1994 to 1998, Mr. Desai was the principal shareholder and Managing Director of Milmet Laboratories, Pvt. Ltd., a manufacturer and marketer of ophthalmic solutions which was organized under the laws of the Commonwealth of India and merged into Sun Pharma in 1998.	2000
Georges Ugeux	60	In October 2003, Mr. Ugeux founded Galileo Global Advisors LLC (a company offering strategic advice on international business development). From September 1996 to October 2003, Mr. Ugeux was a Group Executive Vice President, International and Research and a member of the Office of the Chief Executive of NYSE. From 1995 until September 1996, Mr. Ugeux served as President of the European Investment Fund. From 1992 until 1995, Mr. Ugeux was President of Kidder, Peabody Europe as well as Managing Director while serving as a member of the Managing Committee of the Board of Directors of Kidder, Peabody Inc. From 1988 until 1992, Mr. Ugeux was Group Finance Director at Societe Generale de Belgique, a Belgian diversified industrial and financial conglomerate.	2004

DIRECTORS' TERMS EXPIRING 2006

Nominees	Age	Principal Occupation and Business Experience During Past 5 Years and other Directorships	Director Since
Dilip S. Shanghvi	49	Mr. Shanghvi has served as Chairman of the Board of Directors of Caraco since 1997. Mr. Shanghvi is the founder of Sun Pharma, its Managing Director since its inception in 1993, responsible for marketing, research and development and human resource development, and its Chairman since 1999. Mr. Valia is Mr. Shanghvi's brother-in-law.	1997
Jitendra N. Doshi	54	Mr. Doshi has been the Chief Executive Officer of Caraco since September 2003 the Chief Financial Officer since November 2002 and its Chief Operating Officer since August 30, 2002. Mr. Doshi commenced employment with Caraco as its Senior Vice President - Commercial in April 2001. From September 1999 to April 2001, Mr. Doshi was employed by Sun Pharma as General Manager - Operations. From 1991 to 1999, Mr. Doshi was Managing Director of Aqua Bearing Ltd., an auto parts manufacturer organized under the laws of the Commonwealth of India.	2001

DIRECTORS' TERMS EXPIRING 2007

Nominees	Age	Principal Occupation and Business Experience During Past 5 Years and other Directorships	Director Since
Timothy S. Manney	46	Since May 2002, Mr. Manney has been President and Director of Synova, Inc. (a privately-held information technology staffing and creative - services consulting firm). From 1990 to May 2002, Mr. Manney served as the Chief Financial Officer of Covansys Corporation (a publicly-held information technology solutions company).	2004
Sudhir Valia	48	Mr. Valia has worked for Sun Pharma as a full time director responsible for finance, commercial, operations, projects and quality control since December 1993. Prior to then, Mr. Valia	1997

was a chartered accountant in private practice. Mr. Valia is a qualified chartered accountant in India. Mr. Shanghvi is Mr. Valia's brother-in-law.

Audit Committee

The Board maintains an Audit Committee. The Audit Committee is responsible for selecting, evaluating, retaining and, where appropriate, replacing Caraco's independent auditors. Generally, the Audit Committee monitors the integrity of Caraco's financial statements and the independence and qualifications of the independent auditors. The Audit Committee is governed by a written charter. The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The current members of the Audit Committee are Mr. Manney and Mr. Ugeux. Mr. Manney is the committee's Chairman. Each of these members is independent under Section 121(A) of Amex listing standards currently in effect. The Board of Directors has determined that Mr. Manney is an audit committee financial

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expert. The Board of Directors is currently actively searching for a third independent director to serve on its Board of Directors to replace Mr. William C. Brooks (who resigned as a director on April 14, 2005), in order to bring it into compliance with the Amex requirements which require three independent directors on its Audit Committee. There have been no material changes to the procedures by which shareholders may recommend nominees to Caraco's Board of Directors as previously disclosed in Caraco's 2004 Proxy Statement.

EXECUTIVE OFFICERS

The following table provides information about Caraco's executive officers who are not a directors as of April 26, 2005.

Name	Age	Five-Year Business Experience	Executive Officer Since
Robert Kurkiewicz	54	Commenced employment with Caraco as its Vice President – Quality Assurance in November 1993 and was promoted to Sr. Vice President - Technical, October 1998.	1993
Gurpartap Singh Sachdeva	36	Vice President - Sales and Marketing since September 2003 and National Sales and Marketing Manager since September 2000. From May 1998 to September 2000, Mr. Singh was the Manager of Bulk Drugs for Sun Pharma.	2005

As disclosed above, on April 15, 2005 the Compensation Committee and the Board of Directors approved the appointment of Mr. Daniel H. Movens, age 47, as Caraco's new CEO effective May 2, 2005. Effective on May 2, 2005, Mr. Jitendra N. Doshi will continue as Caraco's Chief Operating Officer and Chief Financial Officer.

Mr. Movens' business experience is as follows: Mr. Movens joined Anda, Inc., a wholly-owned subsidiary of Andrx. Corporation, in 1995 and was named President of Anda, Inc., in February, 2004, after holding a number of positions of increasing responsibility, including Executive Vice President of Operations. For fifteen (15) years before joining Anda, Inc., Mr. Movens worked in the retail pharmacy industry, working for independent pharmacies and pharmacy chains. During 2004, Caraco sold \$5.4 million of products to Anda, Inc.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics (the "Code") applicable to its directors, officers and employees. A copy of the Code is available at no charge by contacting the Human Resources Manager, Michael Perry, at 1150 Elijah McCoy Drive, Detroit, MI 48202, or by telephone: (313) 871-8400 or by email: mperry@caraco.com.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that Caraco's directors, executive officers and persons who own more than ten percent of a registered class of Caraco's equity securities file reports of stock ownership and any subsequent changes in stock ownership with the SEC not later than specified deadlines. To Caraco's knowledge, based solely on a review of the copies of such reports furnished to Caraco, all directors, executive officers and persons who own more than ten percent of Caraco's equity securities complied with applicable Section 16(a) filing requirements, except as follows: Sun Pharma filed a late report with respect to four transactions in which it acquired Series B preferred stock.

Item 11. Executive Compensation.

COMPENSATION OF EXECUTIVE OFFICERS

The following table shows, as to the Chief Executive Officer and as to the other executive officers whose salary and bonus exceeded \$100,000 during the last fiscal year, information concerning all compensation paid for services to Caraco during the last three fiscal years:

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			
		Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options	LTP Payments	All Other Compen- sation
		(\$)	(\$)	(\$)	(\$)	(#)	(\$)	(\$)

Jitendra N. Doshi	2004	159,854	(0)	0	0	0	0	4,560(1)
Chief Executive Officer	2003	134,758	(0)	0	0	0	0	4,560(1)
	2002	109,769	(0)	0	0	0	0	4,560(1)
Robert Kurkiewicz	2004	142,604	(0)	0	0	0	0	4,560(1)
Sr. Vice President	2003	134,208	(0)	0	0	0	0	4,560(1)
Technical	2002	127,492	0	0	0	0	0	4,560(1)

(1) \$380.00 per month was given for car allowance.

Option Grants in Last Fiscal Year

No stock options were granted in 2004 to the named executive officers.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth information for the named executive officers with regard to the aggregate stock options exercised during the year ended December 31, 2004, and the stock options held as of December 31, 2004.

Name	Shares Acquired on Exercise	Value Realized (\$)(1)	Number of Securities Underlying Unexercised Options at FY-End (#) Exercisable/Unexercisable	Value of Unexercised In-the- Money Options at FY-End (\$) (2) Exercisable/Unexercisable
Jitendra N. Doshi	50,000	\$367,000	25,000 / 50,000	\$ 207,500 / 415,000
Robert Kurkiewicz	0	\$0	6,000 / 4,000	\$ 52,500 / 35,000

(1) The value is based on the difference between the exercise prices and the closing sales prices on the dates of exercise.

(2) The value is based on the difference between the exercise prices and the closing sale price of Caraco's common stock on December 31, 2004.

Employment Agreements

Jitendra N. Doshi, the Chief Executive Officer of Caraco, entered into an employment agreement with Caraco dated August 30, 2002 in his capacity as Chief Operating Officer. The employment agreement provides Mr. Doshi with a salary at the rate of \$130,000 annually, which may be reviewed and adjusted, and a car allowance of \$380.00 per month. The employment agreement is for a term of five (5) years, commencing on January 1, 2002 and ending on December 31, 2006. The agreement automatically renews for successive one-year periods unless terminated by Caraco or Mr. Doshi upon ninety (90) days notice. In the event of the death or Disability (as such term is defined in the employment agreement) or if Caraco terminates Mr. Doshi for just cause (as such term is defined in the employment agreement), Mr. Doshi shall be entitled to his base

salary and to benefits earned by him prior to the date of death, Disability or termination for just cause. In the event Caraco terminates Mr. Doshi without cause or if Mr. Doshi terminates for cause (as such term is defined in the employment agreement), he will receive base salary payments and his premium payments for health insurance benefits for six (6) months from the date of termination. In addition, any stock options that would become available for exercise at the end of the year during which such termination occurred shall immediately vest. In October 2003, Mr. Doshi became the interim Chief Executive Officer of Caraco. In October, 2004, the Compensation Committee increased his salary to \$165,000 annually.

Robert Kurkiewicz, the Senior Vice President - Technical, entered into a five-year employment agreement on November 22, 1993 which was amended on January 1, 1999 to extend the term until January 1, 2003 and which was further amended on August 30, 2002 to extend the term until December 31, 2007. The agreement, as amended, provides Mr. Kurkiewicz' with a salary of \$129,800 per year, which may be reviewed and adjusted, and a car allowance of \$380.00 per month. The agreement provides that at the end of the term, it is renewable for successive one-year terms. In the event that Caraco terminates the agreement without cause, Mr. Kurkiewicz is entitled to receive monthly base salary payments and his premium payments for health insurance benefits for six (6) months from the date of termination. In addition, any stock options that would become available for exercise at the end of the year during which such termination occurred shall immediately vest. In October 2004, the Compensation Committee increased his salary to \$145,000 annually.

Gurpartap Singh Sachdeva, the Vice President of Sales and Marketing, entered into an employment agreement with Caraco dated February 1, 2005. The employment agreement provides Mr. Sachdeva with a salary at the rate of \$135,000 annually, which may be reviewed and adjusted, and a car allowance of \$380.00 per month. The employment agreement is for a term of five (5) years, commencing on February 1, 2005. The agreement automatically renews for successive one-year periods unless terminated by Caraco or Mr. Sachdeva upon ninety (90) days notice. In the event of the death or Disability (as such term is defined in the employment agreement) or if Caraco terminates Mr. Sachdeva for just cause (as such term is defined in the employment agreement), Mr. Sachdeva shall be entitled to his base salary and to benefits earned by him prior to the date of death, Disability or termination for just cause. In the event Caraco terminates Mr. Sachdeva without cause or if Mr. Sachdeva terminates for cause (as such term is defined in the employment agreement), he will receive base salary payments and his premium payments for health insurance benefits for six (6) months from the date of termination. In addition, any stock options that would become available for exercise at the end of the year during which such termination occurred shall immediately vest.

As disclosed above, the Compensation Committee appointed Daniel H. Movens as CEO of Caraco effective May 2, 2005. Caraco and Mr. Movens have entered into an employment agreement effective as of May 2, 2005, the terms of which are summarized below.

Under the employment agreement, Mr. Movens agrees to serve as Chief Executive Officer of the Company for period of thirty-six (36) calendar months which will automatically renew at the end of thirty-six (36) months. However, after the initial thirty-six (36) month period, each party may terminate the agreement upon ninety (90) days written notice to the other party. Mr. Movens shall receive a base salary of \$390,000, may receive a bonus of up to fifty (50%) percent of the base compensation (with twenty-five (25%) percent of the base compensation guaranteed only for the first year), and shall receive stock options for 40,000 shares upon the effective date at the fair market value of the common stock on the day immediately preceding the effective date and stock options for 40,000 shares of the Company annually thereafter (all such options to vest over a period of three years from the date of their respective grants), a stock grant on the effective date of 45,000 shares of the Company' s common stock (which will vest over a period of three (3) years), and a stock grant of an

additional 10,000 shares if the employment agreement is renewed. In addition, the Company will reimburse Mr. Movens for his reasonable relocation expenses; any such expense over and above \$50,000 will require prior approval of the Company.

If Mr. Movens is terminated without cause and for a reason other than for nonperformance, if Mr. Movens terminates for good reason, or if there is a change in control (as defined in the employment agreement) of the Company or Sun Pharmaceutical Industries Limited and Mr. Movens terminates within six months thereof because he reasonably determines that there has been a significant change in the nature and scope of his duties and powers, he is entitled to a lump sum severance payment in an amount equal to 1 ½ times the highest annual base and last earned bonus(es), together with certain benefits for a period of at least twelve (12) months, and all stock options and stock grants shall be deemed vested in full. With respect to any such amounts which are considered to be “parachute payments” under Internal Revenue Code §280G, the Company shall pay an additional amount representing a gross-up of any federal, state and local income tax liability arising from such payments. After one year of employment with the Company, the amount of this severance could be reviewed to be increased to two (2) times the highest annual base and last earned bonus(es).

If Mr. Movens becomes disabled (as defined in the employment agreement), or dies, the Company shall be obligated to pay accrued unpaid salary and benefits for a one (1) year period following such date of disability or death. If Mr. Movens quits before the first anniversary of the employment agreement, he will receive no severance compensation. If Mr. Movens quits after one (1) year of service, the Company shall pay him his base salary for a maximum period of one (1) year following such termination, or until he finds another position, whichever comes first. In addition, if Mr. Movens is terminated for nonachievement of performance objectives, to be agreed upon, during his first year of employment, the Company will pay him his base salary for a maximum period of one (1) year, or until he finds another position, whichever comes first, and one-third (1/3) of the stock options and stock grants awarded to him will vest. If Mr. Movens is terminated for nonachievement of performance objectives, to be agreed upon, following his first year of employment, the Company will pay him 1 ½ times his base salary for a maximum period of one (1) year or until he finds another position, whichever comes first, and all of his stock options and stock grants awarded to him will vest. Mr. Movens is under no duty to seek other employment or to attempt in any way to reduce any amounts payable to him by means of mitigation or set off, except, as to set-off only, if he terminates without good reason or if he is terminated for non-achievement of performance objectives.

The Company and Mr. Movens have also entered into a Confidentiality And Non-Competition agreement, pursuant to which Mr. Movens agrees not to solicit any customer of the Company for business in competition with the Company, or solicit for employment any other employee of the Company, for a period of two (2) years following his termination. In addition, for a period of twelve (12) months following the termination of his employment, Mr. Movens agrees not to engage in any activity within North America which is competitive in any material respect with the business of the Company, including generic pharmaceutical manufacturing and marketing, but excluding wholesale distribution. In addition, for a period of twelve (12) months following termination of his employment, Mr. Movens agrees that he will not perform services for any business or organization, whether as an employee, consultant, advisor, independent contractor, or otherwise, which engages in any activity within North America that is competitive in any material respect with the business conducted by the Company, including any business engaged in generic pharmaceutical manufacturing and marketing and any other business in which the Company generates more than ten (10%) percent of its gross revenues.

Change in Control Arrangements

Under our 1999 Equity Participation Plan, options granted under that plan will become fully exercisable following certain changes in control of our company, such as:

A person, other than Sun Pharma, becomes the owner of a majority of the outstanding shares of our company;

A public announcement is made of a tender or exchange offer by any person, other than Sun Pharma, for 50% or more of the outstanding shares of our company;

The shareholders of our company approve a merger or consolidation with any other corporation or entity, unless, following the merger, the shares outstanding immediately before the merger continue to represent a majority of the outstanding shares of the surviving entity immediately following the merger;

Where shareholders approve a plan of complete liquidation of our company or an agreement for the sale of disposition by the company of all or substantially all of the assets of our company; or

Certain changes in the composition of our Board of Directors.

Compensation Committee Interlocks and Insider Participation

As noted, Mr. Dilip S. Shanghvi is the Chairman of our Compensation Committee and the Chairman of the Board of Caraco, a non-executive position. Mr. Shanghvi is also the Managing Director of Sun Pharma. As disclosed above, Sun Pharma engages in a number of transactions with Caraco. See “Item 13. Certain Relationships and Related Transactions.”

Compensation of Directors

Directors who are employees of Caraco or who are directors and/or employees of Sun Pharma and its affiliates do not receive additional compensation for their service on the Board of Directors and its Committees. Each non-employee director receives an annual retainer of \$12,000, a fee of \$1,500 if in person (\$500 if by telephone) for each attended Board and Committee meeting (with \$500 extra for the chairman of the Committee), a one time grant of 3,000 stock options upon initial election and an annual grant of 1,500 stock options on each anniversary date of election. No additional Committee fees are paid if the Committee meets on the same day as the Board meets. Non-employee directors are also reimbursed for out-of-pocket expenses incurred in connection with attending Board and Committee meetings.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The SEC requires that Caraco provide information about any shareholder who beneficially owns more than 5% of Caraco's common stock. The following table provides the required information, as of April 26, 2005, about the shareholders (who are not officers or directors) known to Caraco to be the beneficial owner of more than 5% of Caraco's common stock. Caraco relied solely on information furnished by its transfer agent and Schedule 13Ds.

Amount and Nature of Beneficial Ownership as of April 26, 2005

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Sun Pharma. Corp Comm Dept, Acme Plaza Andheri Kurla Road, Andheri (East) Mumbai 400 059 India	16,868,680(1)	63.1%

- (1) Sun Pharma directly owns 8,382,666 shares of common stock of Caraco and beneficially owns 8,486,014 shares registered in the name of Sun Global, whose address is Akara Building, 24 DeCastro Street, Wickhams Clay 1 Road, Town Tartola, British Virgin Islands. In addition, Sun Pharma and its affiliates own 5,984,000 shares of Series B preferred stock which are convertible into shares of common stock three years from the date of their respective issuance or upon a change in control. The earliest any shares of such series B preferred stock becomes convertible is December 2006.

SECURITY OWNERSHIP OF MANAGEMENT AND DIRECTORS

The following table contains information, as of April 26, 2005, about the number of shares of Caraco's common stock beneficially owned by incumbent directors, the executive officers and by all current directors, nominees and executive officers as a group. The number of shares of common stock beneficially owned by each individual includes shares of common stock which the individual can acquire by June 26, 2005 through the exercise of any stock option or other right. Unless indicated otherwise, each individual has sole investment and voting power (or shares those powers with his or her spouse) with respect to the shares of common stock listed in the table.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Jitendra N. Doshi(1)	60,000	(2) *
Dilip S. Shanghvi(3)	0	(4) *
Robert Kurkiewicz(1)	10,013	(5) *

Guarpartap Singh Sachdeva (1)	9,800	(6) *
Sailesh T. Desai (3)	0	(4) *
Timothy S. Manney (7)	1,000	(8) *
Georges Ugeux (9)	1,000	(10) *
Sudhir Valia (3)	0	(4) *
All current executive officers and directors as a group (8 persons)	96,813	(12)* *

* Less than 1.0% of the outstanding shares

- (1) The mailing address of each of these holders is 1150 Elijah McCoy Drive, Detroit, Michigan 48202.
- (2) Includes no stock options that are currently exercisable.
- (3) The mailing address of S. Desai, D. Shanghvi and S. Valia is Sun Pharmaceutical Industries Limited, Corp Comm Dept, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai 400 059 India.
- (4) Excludes 16,868,680 shares of common stock and 5,984,000 shares of Series B preferred stock beneficially owned by Sun Pharma and its affiliates. (See footnote 1 under “Security Ownership of Certain Beneficial Owners” and “Transactions of Directors, Executive Officers and Certain Beneficial Holders of Caraco.”) Messrs. Desai, Shanghvi and Valia are directors of, and Mr. Shanghvi, together with his associate companies, is also the majority shareholder of, Sun Pharma, and, therefore, may be deemed to share investment control over the shares of common stock held by Sun Pharma and its affiliates. Each of Messrs. Desai, Shanghvi and Valia disclaims beneficial ownership of the shares of common stock beneficially owned by Sun Pharma and its affiliates.
- (5) Includes stock options that are currently exercisable to purchase 8,000 shares of common stock.
- (6) Includes stock options that are currently exercisable to purchase 2,000 shares of common stock and 1,800 shares held in the name of his wife..

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- (7) Mr. Manney’ s mailing address is c/o Synova, Inc., 1000 Town Center, Suite 700, Southfield, MI 48075.
 - (8) Includes stock options that are currently exercisable to purchase 1,000 shares of common stock.
 - (9) Mr. Ugeux’ s mailing address is c/o Galileo Global Advisors, One Rockefeller Center, New York, New York, 10020.
 - (10) Includes stock options that are currently exercisable to purchase 1,000 shares of common stock.

Equity Compensation Plan Information
12-31-04

<i>Plan category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights.</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights.</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
<i>Equity compensation plans approved by security holders</i>	<i>181,600</i>	<i>\$1.39</i>	<i>2,684,000</i>
<i>Equity compensation plans not approved by security holders</i>	<i>200,000</i>	<i>\$3.50</i>	<i>–</i>
<i>Total</i>	<i>381,600</i>	<i>\$2.03</i>	<i>2,684,000</i>

The equity compensation plan approved by security holders consists of the 1999 Equity Participation Plan. Options under the 1999 Plan were generally granted as incentive stock options to employees (279,000) and as non-qualified stock options to former directors and consultants (37,000).

Item 13. Certain Relationships and Related Transactions.

The following discloses transactions during 2004, 2003 and 2002 and proposed transactions between Caraco and several of the incumbent directors, executive officers and security holders who beneficially hold in excess of five percent of our outstanding shares:

On November 21, 2002, we entered into a products agreement with Sun Global. Under the agreement, which was approved by our independent directors, Sun Global has agreed to provide us with 25 new generic drugs over a 5-year period. In exchange for each new generic drug transferred to us by Sun Global which passes a bioequivalency test, we issue Sun Global 544,000 shares of Series B preferred stock

During 2004 and 2003, Sun Global earned 3,808,000 and 544,000 shares of Series B preferred stock for seven products and one product transfers, respectively, as provided under the November 2002 products agreement. During 2002, we issued to Sun Pharma 1,632,000 shares of our common stock for three product transfers under the former 1997 products agreement with Sun Pharma.

During 2003 and 2002, we borrowed approximately \$0.6 million and \$1.4 million, respectively, from Sun Pharma, and in 2003 we repaid the entire balance of all of our outstanding loans from Sun Pharma in the amount of approximately \$10 million. Prior to April 1, 2001, the interest rate was 10%; thereafter it was 8%.

During 2004, 2003 and 2002, we purchased approximately \$16.7 million, \$10.3 million and \$2.4 million, respectively, of our materials from Sun Pharma. We intend to continue to purchase raw materials from Sun Pharma in 2005.

During 2004, 2003 and 2002, Caraco purchased at Sun Pharma's cost, approximately \$0.61 million, \$0.51 million, and \$0.31 million, respectively, of equipment from Sun Pharma. We intend to continue to purchase equipment from Sun Pharma in 2005.

We entered into two non-cancelable operating leases during 2000 with Sun Pharma to lease production machinery. The leases each require rental payments of \$4,245 and expire during 2005.

Caraco entered into a manufacturing and supply agreement and a distribution and sale agreement in December 2004 with an affiliate of Sun Pharma. No fees were earned by Caraco under these agreements in 2004.

Item 14. Principal Accountant Fees and Services.

Rehmann Robson audited the financial statements of Caraco for the year ended December 31, 2004.

Audit and Non-Audit Fees

Aggregate fees for professional services rendered for Caraco by Rehmann Robson as of the years ended December 31, 2004 and 2003 are set forth below. The aggregate fees included in the Audit category are fees billed *for* the fiscal years for the audit of Caraco's annual financial statements and review of quarterly financial statements and statutory and regulatory filings or engagements. The aggregate fees included in each of the other categories are fees billed *in* the fiscal years.

	<u>2004</u>	<u>2003</u>
Audit Fees	\$123,000	\$95,500
Audit-Related Fees	\$7,280	\$13,875
Tax Fees	10,245	\$15,450
All Other Fees	\$0	\$0
Total	\$140,525	\$124,825

Audit Fees for the years ended December 31, 2004 and 2003 were for professional services rendered for the audits of the financial statements of Caraco, quarterly review of the financial statements included in Caraco's Quarterly Reports on Form 10-Q, or services that are normally provided by Rehmann Robson in connection with statutory and regulatory filings or engagements for such years, including Rehmann's Robson's audit of management's assessment of internal control over financial reporting as of December 31, 2004.

Audit-Related Fees for the years ended December 31, 2004 and 2003 were for assurance and related services by Rehmann Robson that are reasonably related to the performance of the audit or review of Caraco's financial statements.

Tax Fees for the years ended December 31, 2004 and 2003 were for professional services rendered by Rehmann Robson for services related to tax compliance, tax advice and tax planning.

None of the services described above was approved by the Audit Committee under the *de minimus* exception provided by Rule 2-01(c)(7)(i)(C) under Regulation S-X.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

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Pursuant to its charter, the Audit Committee pre-approves all audit and non-audit services provided by the independent auditors prior to the engagement of the independent auditors with respect to such services.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 29th day of April, 2005.

CARACO PHARMACEUTICAL LABORATORIES, LTD.

/s/ Jitendra N. Doshi

Chief Executive Officer and
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons in the capacities on April 29, 2005.

* Chairman of the Board

Dilip S. Shanghvi

/s/ Jitendra N. Doshi Director, CEO and CFO (and Principal Accounting Officer)
Jitendra N. Doshi

* Director

Sailesh T. Desai

* Director

Timothy Manney

* Director

Georges Ugeux

* Director

Sudhir V. Valia

* /s/ Jitendra N. Doshi Attorney-in-Fact

Jitendra N. Doshi

EXHIBIT INDEX

- 3.01 Registrant' s Amended and Restated Articles of Incorporation, as amended. (1)
- 3.02 Certificate of Amendment to the Articles of Incorporation filed February 13, 1997. (2)
- 3.03 Certificate of Amendment to the Articles of Incorporation filed February 10, 2000. (3)
- 3.04 Certificate of Determination of Rights, Privileges and Preferences Series B Preferred Stock. (4)
- 3.05 Registrant' s Amended and Restated Bylaws. (12)

- 10.01 Development and Loan Agreement, dated August 10, 1990, between Registrant and The Economic Development Corporation of the City of Detroit; First Amendment thereto, dated December 3, 1990; Second Amendment thereto, dated April 2, 1993; and supplemental letter, dated October 26, 1993 and agreement. (5)
- 10.02 Amended and Restated Section 108 Guaranty Agreement, dated as of August 10, 1990, of C. Arnold Curry and Cara Jean Curry in favor of the Economic Development Corporation of the City of Detroit. (5)
- 10.03 Registrant' s Amended and Restated Purchase Money Promissory Note, dated as of August 10, 1990, in the principal amount of \$157,500, to the order of the Economic Development Corporation of the City of Detroit. (5)
- 10.04 Registrant' s Amended and Restated Section 108 Note, dated August 10, 1990 in the principal amount of \$9,000,000, payable to The Economic Development Corporation of the City of Detroit. (5)
- 10.05 Amended and Restated Purchase Money Mortgage, dated as of August 10, 1990, between Registrant as mortgagor and The Economic Development Corporation of the City of Detroit. (5)

- 10.06 Agreement, dated as of October 1, 1993, among Registrant and Non-Affiliate (5)
- 10.07 Employment Agreement, dated October 22, 1993, of Robert Kurkiewicz. (5)
- 10.08 Stock Purchase Agreement by and between Caraco Pharmaceutical Laboratories, Ltd. and Sun Pharmaceutical Industries, Ltd. dated as of April 23, 1997. (6)
- 10.09 Products Agreement by and between Caraco Pharmaceutical Laboratories, Ltd. and Sun Pharmaceutical Industries, Ltd. dated as of April 23, 1997. (6)
- 10.10 Registration Rights Agreement dated as April 1997. (6)
- 10.11 Second Note and Mortgage Modification Agreement (7)
- 10.12 Amendment to Employment Agreement of Robert Kurkiewicz dated as of April 1, 1997. (7)
- 10.13 1999 Equity Participation Plan. (8)
- 10.14 Agreement between ICICI Bank and the Corporation for the term loan of \$5 million. (9)
- 10.15 Term Sheet between Bank of Nova Scotia and the Corporation for the term loan of \$12.5 million. (10)
- 10.16 Renewal to Employment Agreement of Robert Kurkiewicz dated as of January 1, 1999. (3)

- 10.17 Third Amendment to Employment Agreement of Robert Kurkiewicz dated August 30, 2002. (3)
- 10.18 Employment Agreement of Jitendra N. Doshi. (3)
- 10.19 Agreement between Caraco and Sun Pharma Global, Inc. dated November 21, 2002. (4)
- 10.20 Sales contract with government vendor. (4)
- 10.21 Third Note Modification Agreement (11)
- 10.22 Third Mortgage Modification Agreement (11)
- 10.23 Employment Agreement of Mr. Singh (12)
- 10.24 Employment Agreement of Mr. Movens (+)
- 10.25 Confidentiality and Non-Competition Agreement of Dan Movens (+)

- 21 Subsidiaries of the Registrant (12)
 - 23.01 Consent of Independent Auditors (12)
 - 24.1 Power of Attorney (included on signature page of Form 10-K filed on March 15, 2005).
 - 31.1 Certificate of Chief Executive Officer and Chief Financial Officer (+)
 - 32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (+)
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+ Filed herewith

- (1) Incorporated by reference from Exhibits to Registrant' s Form 10-KSB filed on or about March 30, 1995 as Commission File no. 0-24676.
- (2) Incorporated by reference from Exhibits to Registrant' s Form 10-KSB filed on or about March 31, 1997, as Commission File No. 0-24676.
- (3) Incorporated by reference from Exhibits to Pre-Effective Amendment No. 1 to Form SB-2 filed on September 4, 2002 as Commission File No. 333-91968.
- (4) Incorporated by reference from Exhibits to Registrant' s Form 10-KSB filed on or about March 31, 2003, Commission File No. 0-24676.
- (5) Incorporated by reference from Exhibits to Registrant' s Registration Statement on Form SB-2, as amended, filed on November 5, 1993 as Commission File No. 33-71398C.
- (6) Incorporated by reference from Exhibits to Registrant' s Form 10-QSB filed on November 14, 1997 as Commission File No. 0-24676.
- (7) Incorporated by reference from Exhibits to Registrant' s Form 10-KSB filed on or about March 31, 1998, as Commission File No. 0-24676.
- (8) Incorporated by reference from Exhibit A to Registrant' s Proxy Statement dated April 28, 1999 as Commission File No. 0-24676.
- (9) Incorporated by reference from Exhibits to Registrant' s Form 10-QSB filed on August 14, 2000 as

- (10) Incorporated by reference from Exhibits to Form SB-2 filed on July 3, 2002 as Commission File No. 333-91968.
- (11) Incorporated by reference from Exhibit to Registrant' s Form 10-QSB filed on or about May 15, 2003, Commission File No. 0-24676.
- (12) Incorporated by reference from Exhibit to Registrant' s Form 10-K filed on or about March 15, 2005, Commission File No. 0-24676.

EXHIBIT 10.24

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, effective as of the 2nd day of May, 2005 (the "Effective Date"), by and between Caraco Pharmaceutical Laboratories Limited ("Company" which for purposes of this Agreement shall mean and include Caraco Pharmaceutical Laboratories Limited and any of its subsidiaries, whether now in existence or formed during the term of this Agreement.), a Michigan corporation with its principal place of business at 1150, Elijah McCoy Drive, Detroit, Michigan MI 48202, and Daniel Movens ("Executive"), of Plantation, Florida.

WHEREAS, the Company wishes to employ services of Executive for the period provided in this Agreement; and Executive is willing to serve in the employment of Company, upon the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Employment. Company hereby agrees to employ Executive, and Executive agrees to enter the employment of Company, upon the terms and conditions herein provided. Executive warrants to Company that his execution of this Agreement and performance by him of the duties hereunder will not violate the terms of any other agreements to which Executive is a party.

2. Position and Responsibilities. During the period of his employment hereunder, Executive agrees to serve as Chief Executive Officer of the Company whereby he will be primarily responsible for the Company's operations, while performing such other duties as may appropriately be delegated to him from time to time by the Company's Board of Directors/ Chairman. Such duties shall include, but not limited to, those set forth in Exhibit A (a detailed list of duties will be determined at a later date), which is attached hereto and is herein incorporated by reference. Executive shall report directly to the Board of Directors. Executive also agrees to serve, if elected, as an officer and director of any subsidiary of Company without additional compensation. For purposes of this Agreement, the term "subsidiary" shall mean any corporation's voting stock and at least a majority of each class or that corporation's nonvoting stock held by the Company.

3. Term of Employment and Duties.

(A) Term. Executive's employment shall commence on the Effective Date and shall continue for a period of thirty-six calendar months thereafter ("Initial Term"), unless sooner terminated, as provided in Paragraph 6 hereof. At the end of the Initial Term this Agreement shall automatically renew, for an indefinite term, shall be subject to the terms and conditions of this Agreement, except as otherwise provided by the parties in writing, and shall thereafter expire upon ninety (90) days written notice by Company to Executive, upon ninety (90) days notice by Executive to Company or as otherwise provided in Paragraph 6 (including the Initial Term, the "Employment Term").

(B) Duties. Executive shall diligently and conscientiously devote his full time, attention, skill and best efforts to the faithful performance of his duties to Company. Executive shall not engage

in any other business or occupation without Company's written consent; provided, however, nothing contained herein shall prohibit Executive from making passive or personal investments, provided such investments do not result in an undisclosed conflict of interest between Executive and Company. Executive acknowledges that he shall travel as reasonably required around the United States and abroad in connection with his employment.

4. Compensation.

(A) **Base Compensation.** For all services rendered by Executive in any capacity during his employment under this Agreement, including, without limitation, services as an executive, officer, director, or member of any committee of Company, commencing with the Effective date and for a period of twelve (12) months ("base period") thereafter, shall pay a base compensation to Executive at the rate of US \$390,000 (US dollars three hundred ninety thousand)

per year, which shall be reviewed annually by the Company's Compensation Committee and adjusted accordingly in its discretion.

(B) **Fringe Compensation.** In addition to the foregoing, during each year of employment hereunder, Company shall provide Executive with the following:

(1) **Health and Dental Benefits.** Health, vision and dental benefits will be provided to Executive, spouse and dependent children as per Company's policy. However, the premium for vision and dental plans will be paid by Executive.

(2) **Bonus.** The Company agrees to a recurring annual target bonus of an amount equivalent to 50 percent of the base compensation. This bonus will depend on the performance of the Executive and the Company, and will be based on mutually set performance objectives/goals between the Company's Board of Directors and the Executive, which will be evaluated at the end of each year of employment. Only for the 1st year (first 12 months) of employment, half of the above target bonus will be guaranteed and paid at the end of the 1st year of employment. It is agreed and understood that the Executive will not vote in any Board vote concerning his own bonus.

(3) **Stock Options.** Subject to the approval of the Company's Board of Directors, the Executive will be granted options to purchase 40,000 shares of the Company common stock. The Executive price per share will be equal to the closing price of the Company's common stock on the trading day immediately prior to the date the options are granted which is expected to be the date on which the Executive commences employment with the Company. The option shall be exercisable pro rata over a period of 3 years, with 1/3rd of the option shares having potential to vest at the end of each full year of employment. Future stock options will be granted to Executive on an annual basis for not less than 40,000 shares of the Company common stock, at the then closing price as described above and on commensurate terms, based on Company performance in light of pre-established mutually agreed upon Company goals and objectives.

(4) **Stock Grants.** Subject to the approval of the Company's Board of Directors, on the day of commencement of employment the executive will be given a stock grant of 45,000 shares of Company's common stock which will vest over a period of 3 years with 1/3rd fully vested and available for

issue at the end of each full year of employment. Additional stock grant of 10,000 shares will be provided when the Employment Agreement is renewed.

(5) **Taxes.** The executive will be responsible for the payment of any tax liability as a result of this agreement. The Company may withhold tax on any payments or benefits provided to the executive as required by law or regulation. However, Executive in his sole discretion may defer for a period not exceeding one year, receipt and delivery of bonus(es) and any stock grant(s) or transfer(s) which shall not in any way affect the vesting or the Company's obligation to pay or deliver same. The Company may withhold tax on any such deferral as required by law or regulation.

(6) **401K.** The Company has constituted a trust for extending 401K benefits to its employees, which will be available to Executive, as per Company policy and with No Match provision by the Company.

(7) **Relocation Expenses.** The Company will reimburse Executive for all reasonable relocation expenses incurred by Executive in connection with his and his family's relocation. A reimbursement allowance will be paid to offset any tax liability. Typically, this will include moving expenses, airfare for Executive and immediate family (as per Company policy), and closing costs (out of pocket) related to housing. This will not include any brokerage fees or realtor commission. Caraco will make suitable relocation arrangements directly or via service provider, as per Company policy. The total re-location expenses shall not exceed US\$ 50,000/-. Any expense over and above this amount will require prior approval.

(8) **Expense Reimbursement.** Payment or reimbursement of reasonable travel and other expenses (including without limitation entertainment expenses incurred primarily for the benefit of Company) incurred by Executive will occur as per Company's rules and / or policy from time to time in performing his duties under this Agreement and in carrying out and promoting the business of Company, upon presentation by him, from time to time, of an itemized account ("vouchers") of such expenditures in such detail as may reasonably be required by Company.

(9) **Vacation.** At least four (4) weeks of vacation with full pay each 12-month period during the term of this Agreement, at such times as shall be mutually agreed upon by Executive and the Company's Board of Directors.

(10) **Professional Development.** To attend seminars and conferences relating to the business of Company (with full pay) as per Company policy and rules from time to time. Company shall pay or reimburse Executive for all fees, reasonable travel and other expenses incurred in connection with attendance at such seminars and conferences. Reimbursements shall be made upon presentation of vouchers by Executive.

(11) **Disability Insurance and Term Life.** The Company shall provide the Executive with a short-term and long-term disability plan as per Company policy. In addition, the Company shall pay the Executive a fixed amount of US\$1,500 per annum to reimburse for any life insurance policy premium. However, the procurement of Insurance policy and timely renewal etc will be the responsibility of Executive.

(12) Right to Change Plans. Except as otherwise specifically set forth above, the Company shall not be obligated by reason of sub-paragraphs 4(B)(1), (6) and (11), excluding life insurance premium reimbursement, to institute, maintain or refrain from changing or discontinuing any benefit or benefit plan so long as such changes are generally applicable to other officers of the Company.

5. Key-Man Insurance. At any time during the term of this Agreement, Company shall have the right to insure the life of Executive for the sole benefit of Company, in such amounts, and with such terms, as it may determine. All premiums payable thereon shall be the obligation of Company. Executive shall have no interest in any such policy, but shall cooperate with Company in taking out such insurance by submitting to physical examinations, by supplying all information required by the insurance Company, and by executing all necessary documents, provided that no financial obligation is imposed upon Executive by any such documents.

6. Termination. This Agreement shall terminate upon the occurrence of any one of the events set forth below:

(A) Cause. Company may, at any time and in its sole discretion, terminate the employment of Executive hereunder for Cause, effective as of the date of written notice (a "Termination Notice") to Executive specifying the nature of such Cause (the "Termination Date"). For purposes of this Agreement, "Cause" shall mean (i) Executive's conviction of, or plea of nolo contendere to, a felony or a crime of moral turpitude; (ii) Executive's willful and intentional misrepresentation, intentional fraud, willful dishonesty or willful breach of fiduciary duty which is intended to result, or does result, in his or any person's or entity's unjust enrichment at the expense and detriment of Company (excluding good faith expense reimbursement disputes); (iii) Executive's willful misconduct; (iv) Executive's willful violation of any governmental law, rule or regulation relating to the operation of the Company; (v) willful violation by Executive of Company's published business conduct guidelines, code of ethics, conflict of interest or other similar policies; (vi) Executive's intentional and willful material violation of the Confidentiality and Non-Competition Agreement signed by him contemporaneously with this Agreement, incorporated by this reference and (vii) any intentional and willful material breach by Executive of any material provision of this Agreement (excluding Exhibit A) and/or Executive's willful failure to follow any lawful written policy or directive of the Company's Board of Directors, any of which shall remain uncured for a period of fifteen (15) days following receipt by Executive of notice from Company of its intention to terminate because of such breach or failure provided, however, that the Termination Notice shall set forth in reasonable detail the act constituting Cause hereunder.

(B) Termination by Company Without Cause and Other Than For Non-Performance. Company may, at any time, and in its sole discretion, terminate the employment of Executive hereunder for any or no reason, other than for Cause under Section 6(A) or for non-performance under Section 6(G), by delivery to him of a Termination Notice; provided, however, that Company shall be obliged to pay Executive severance compensation following the Termination Date as set forth in Section 7 hereof.

(C) Termination by Executive for Good Reason. If at any time during the employment term Executive resigns from the employ of Company for Good Reason (as defined in the next sentence), Company shall be obligated to pay Executive severance compensation following the Termination Date as set forth in Section 7 hereof. For

purposes of this Agreement “Good Reason” shall mean, without the consent of the Executive, that (1) Executive is no longer designated and/or has the authority as Chief Executive Officer of Caraco Pharmaceutical Laboratories Limited, (2) there shall be a material change in Executive’s status or responsibilities, including material reporting responsibilities, which does not represent a promotion, (3) Executive shall be assigned duties that are materially inconsistent with his status, position or duties as Chief Executive Officer for the Company’s manufacturing operations in USA or (4) there should occur any material breach by Company of any material provision of this Agreement which shall also include but not be limited to: the Company’s failure to make timely payment(s) or otherwise any transfer of a benefit or other remuneration required by this Agreement, any of the above of which has remained uncured for a period of fifteen (15) days following receipt by Company of notice from Executive of his intention to resign because of such change, inconsistency or breach.

(D) Termination in Case of Disability or Death.

(1) If Executive, due to physical or mental injury, illness, disability or incapacity, shall fail to render the services provided for in this Agreement including off-site or work at home services rendered for (i) a consecutive period of ninety (90) days or (ii) a period of one hundred twenty (120) days in any consecutive one hundred eighty (180) day period (provided that interim returns to work of less than ten (10) consecutive business days in duration shall not be deemed to interfere with a determination of consecutive absent days if the reason for absence before and after the interim return are the same), Company may, at its option, terminate Executive’s employment hereunder upon fourteen (14) days’ written notice to Executive, provided that the Company has provided the Executive with a short-term and long-term disability plan as more fully set forth above. If the employment of Executive is terminated pursuant to this Section 6(d)(i), Company shall have no further obligations to Executive hereunder after the Termination Date other than the payment of accrued but unpaid salary and benefits for a one-year period after the Termination Date.

(2) If Executive shall die during the Employment Term, this Agreement and Executive’s employment hereunder shall terminate immediately upon Executive death. If the employment of Executive is terminated pursuant to this Section 6(d)(ii), Company shall have no further obligations to Executive hereunder after the Termination Date other than the payment of accrued but unpaid salary and benefits for a one-year period after the Termination Date.

(E) Executive’s Right to Terminate Upon Change of Control. In the event that at any time during the Employment Term, there is a “Change in Control of Company” or “Change in Control of Sun Pharmaceutical Industries Limited” (as hereinafter defined) and, if the Executive reasonably determines, there is a significant change in the nature and scope of duties and powers of the Executive, as outlined herein and upon the provision of written notice to Company within six (6) months after the date of such Change in Control of Company or Change in Control of Sun Pharmaceutical Industries Limited Executive shall be entitled to terminate his employment hereunder as of the date of provision of such written notice, and Company shall in such event pay severance compensation following the Termination Date as set forth in Section 7.

For the purposes of this Agreement, “Change in Control of the Company” means the occurrence of any of the following events: (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than Sun Pharmaceutical Industries Limited and Affiliates becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities; (ii) the consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets to a person other than Sun Pharmaceutical Industries Limited and Affiliates, or (iii) the consummation of a merger or consolidation of the Company with any other person other than Sun Pharmaceutical Industries Limited and Affiliates and other than a merger or consolidation which would

result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent at outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation or liquidation. For purposes of this Agreement, any change in the majority beneficial ownership of Sun Pharmaceutical Industries Limited shall not constitute a "Change in Control of Sun Pharmaceutical Industries Limited" as long as the present controlling shareholders of Sun Pharmaceutical Industries Limited and the Affiliates are the single largest beneficial shareholding group of Sun Pharmaceutical Industries Limited or of the Company by continuing to hold at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent. For the purposes of this Agreement, "Affiliates" means (a) any person or

entity which at present owns, controls or holds with power to vote, ten (10) percent or more of the outstanding voting securities of Sun Pharmaceutical Industries Limited (per the attached list to be provided and updated, as applicable, and incorporated herein as Exhibit "B"), (b) any entity as to which ten (10) percent or more of its outstanding voting securities are directly or indirectly owned, controlled or held with power to vote, by Sun Pharmaceutical Industries Limited (per the attached list to be provided and updated, as applicable, and incorporated herein as Exhibit "C").

(F) Resignation by Executive Without Good Reason. Executive may, at any time, and in his sole discretion, resign his employment with the Company without Good Reason by delivery to Company a written Resignation Notice of ninety (90) days prior to his designated effective date of resignation. If the Executive resigns his employment with the Company for No Reason on or before the first anniversary of this Agreement he shall not be entitled to any Severance Compensation. Following the first anniversary of this Agreement, in the event Executive were to resign his employment with the Company, the Company shall be obligated to pay Executive all payments of accrued but unpaid salary and compensation and any other benefits and remuneration customarily paid under this Agreement through the effective date of resignation, plus as severance compensation the Company, as per the non-compete or similar restrictive covenant period, will continue to pay to the Executive his base salary for a maximum period of one (1) year or till the Executive finds another suitable position/job in accordance with the Confidentiality and Non-Competition Agreement, whichever comes first.

(G) Termination of Executive for Non-Performance. If the Executive is terminated during the first year of employment for performance reasons related to non-achievement of mutually agreed business objectives and goals between the Board of Directors of the Company and the Executive; then the Company as severance will pay the Executive his base salary for a maximum period of one (1) year or until the Executive finds another suitable position/job, in accordance with the Confidentiality and Non-Competition Agreement whichever comes first, and will exercise vesting of 1/3rd the stock options and stock grants awarded to the Executive. If the Executive is terminated for performance reasons after his first year of employment, then the Company will pay the Executive a severance of 1.5 times his base salary (excluding bonus) for a maximum period of (1) year in 12 monthly payments or till the Executive finds another suitable position/job in accordance with the Confidentiality and Non-Competition Agreement, whichever comes first, and will exercise vesting of all stock options and stock grants awarded to the Executive.

(H) Release of All Claims. As a condition to payment of severance under any provision of this Agreement, Executive shall first execute a release of claims as, to all claims related to this Agreement, which preserves Company's compliance with the severance obligation and any pension plan, in a form provided by Company.

(I) Resignation From Board. Upon termination from employment for any reason, Executive shall resign from the Board of Directors for the Company and also resign from all director and officer positions with any subsidiary or affiliate of Company.

7. Severance Compensation. In the event Executive's employment hereunder is terminated prematurely by the Company pursuant to Section 6(b) hereof, or by Executive pursuant to Section 6(c) or 6(e) hereof, the Company shall pay Executive a lump sum payment (the "Severance Payment") of an amount equal to one and a half (1.5) times the highest annual base and last earned bonus(es) and shall continue to pay and provide Executive with one year of health, vision and dental insurance coverage (as reflected in Section 4(B)(1) above) for a period of at least 12 months, the vesting in full any installments of shares for stock options and stock grants including, but not limited to: this Agreement, stock option agreements, restricted stock units, stock, stock appreciation rights and all other awards granted to executive between Company and Executive which, but for this Agreement, would not yet be exercisable or vested on such date, and allow Executive to exercise said benefit, in full, for the entire remaining period specified in such agreements (but in no event for a period less than 3 months following such termination), and to pay an additional amount representing a gross-up of any federal and state and local income tax liability arising from any amounts payable pursuant to this Agreement which are considered to be a "parachute payment" under Internal Revenue Code §280G and the regulations promulgated thereunder. In no event shall Executive's Severance Payment be for a term less than any term restricting Executive under a non-compete or similar restrictive covenant. After one year of employment with the Company this amount of Severance Compensation could be reviewed to be increased to two (2) times the highest annual base and last earned bonus(es).

8. Confidential Information. Executive recognizes and acknowledges that the list of Company's customers, as it may exist from time to time, its financial and other data, its future plans, technical data, knowledge know-how and its

trade secrets are valuable, special and unique assets of the Company. At no time will Executive disclose any such list of information, or any part thereof to any person, firm, corporation, association or other entity for any reason or purpose whatsoever unless disclosure is for the benefit of the Company.

In the event of a breach or threatened breach by Executive of the provisions of this Paragraph, Company shall notify Executive, in writing, of the nature of his breach of the provisions hereof, and if such breach is repeated and continuing, shall be entitled to an injunction restraining Executive from disclosing, in whole or in part, such list or information, or from rendering any services to any person, firm, corporation, association or other entity to whom such list or information, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein shall be construed as prohibiting Company from pursuing any other remedies available to it for such breach or threatened breach, including recovery of damages from Executive.

Executive shall execute a Confidentiality and Non-Competition Agreement. In the event of any conflict between this Section 8 and the Confidentiality and Non-Competition Agreement, the Confidentiality and Non-Competition Agreement shall prevail.

In addition, Executive has disclosed and provided a copy of his Confidentiality and Non-Competition Agreement with his most recent employer to the Company with the intention of addressing and avoiding any potential conflict, default or breach of any kind by entering into this Agreement. In the event Executive would be required to hire legal counsel of his choice to defend any legal action, or threatened legal action, with respect to this disclosed Confidentiality and Non-Competition Agreement, the Company agrees to fully reimburse Executive all of his necessary and customary costs, including attorneys' fees, that he incurs.

9. No Duty to Mitigate; Set-off. The Company agrees that if the Executive's employment is terminated during the term of this Agreement, the Executive shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Agreement by means of mitigation, set-off or otherwise except, as to set-off only, as provided in Section 6(F) or (G). Further, the amount of the Severance Compensation provided for in this Agreement shall not be reduced by any compensation earned by the Executive or benefit provided to the Executive as the result of employment by another employer or otherwise except, as to set-off only, as provided in Section 6(F) or (G). The Executive shall retain any and all rights under any pension plan of the Company and otherwise his entitlement is as set forth in Sections 6(F), 6(G) or 7 and, except as otherwise limited by such Sections, as in any welfare plan, equity plan and stock options/grant plans, as applicable.

10. Notices. All notices required to be given under this Agreement shall be in writing, sent certified mail, return receipt requested, postage prepaid, to the following addresses or to such other addresses as either may designate in writing to the other party:

(A) If to Company, then:
1150, Elijah McCoy Drive,
Detroit, Michigan MI 48202
Attn: Chief Operations Officer

With a copy to: Fred B. Green, General Counsel to the Company
Bodman LLP
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

(B) If to Executive, then:
11781 NW 9th Street
Plantation, Florida 33325

11. Arbitration. Except for any injunctive proceeding to enforce compliance with Section 8 of this Agreement or with the Confidentiality and Non-Competition Agreement, any disputes arising out of or in connection with this Agreement or any of its provisions, including but not limited to the alleged breach of the provisions of this Agreement, or

with Executive's employment with the Company, shall be submitted to and determined by arbitration conducted in accordance with the then applicable Employment Dispute Resolution Rules of the American Arbitration Association, except as modified hereby. The parties shall be entitled to reasonable discovery. The Arbitrator shall have jurisdiction to determine any claim submitted to him. The Arbitrator's decision shall be in writing and contain findings of fact and conclusions of law. The Arbitrator may grant any relief authorized by law for any properly established claim. The award rendered by the Arbitrator may be entered as a judgment (with full binding, force and effect) in any court having jurisdiction thereof. This Agreement shall constitute a written agreement to submit any such dispute or controversy to arbitration within the meaning of Michigan law and shall confer jurisdiction on the Courts of the State of Michigan to enforce such agreement to arbitrate and to enter judgment on award in accordance with said Michigan arbitration law.

12. Attorney's Fees. The successful party to any arbitration between or among any of the parties to this Agreement shall be entitled to recovery of a reasonable attorney's fees, arbitration fees and court costs. The arbitrator may apportion fees or award fees based on success in various claims or parts of any arbitration or litigation.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan. Any arbitration or other proceedings related to this Agreement or the transactions herein described shall be commenced and held in Detroit, Michigan.

14. Waiver. The waiver by either party hereto of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party hereto.

15. Entire Understanding. This Agreement, together with the Confidentiality and Non-Competition Agreement executed by Executive contemporaneously herewith, contain the entire understanding of the parties relating to the employment of Executive by Company. It may not be changed orally but only by an agreement in writing signed by the party or parties against whom enforcement of any waiver, change, modification, extension or discharge is sought.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Company, its successors and assigns and Executive and his heirs and legal representatives.

17. Assignment. Executive acknowledges that the services to be rendered by him are unique and personal. Accordingly, Executive may not assign any of his rights (except as specifically permitted herein) or delegate any of his duties or obligations under this Agreement, except with the written permission of Company.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the date and year first above written.

Attest:

CARACO PHARMACEUTICAL
LABORATORIES, LTD

By: /s/ Dilip Shanghvi

DILIP SHANGHVI, CHAIRMAN

In the presence of:

/s/ Daniel Movens

Daniel Movens

EXHIBIT 10.25

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

1. I acknowledge that by virtue of my employment with Caraco Pharmaceutical Laboratories Ltd. (together with its subsidiaries and affiliates, including Sun Pharmaceutical Industries Limited, the “Company”), I may acquire or become privy to certain information (the “Confidential Information”), which the Company desires to maintain secret and confidential. I shall not, without the prior written consent of the Company, at any time during my employment or thereafter, use or disclose, directly or indirectly, any Confidential Information concerning the Company. Confidential Information includes, but is not limited to all non-public information concerning (i) the Company’s business methods, plans, prospects, technical know-how, knowledge and product candidates, credit policies, operations and manufacturing, marketing and sales techniques, (ii) names, addresses and other information, such as special needs, concerning the Company’s customers and suppliers, (iii) use Company’s source of leads and methods of obtaining new business, (iv) the Company’s costs and methods of pricing, (v) the Company’s financial statements or information concerning its financial performance or condition and (vi) scientific, pharmaceutical, medical research and/or information technology, developments, techniques or designs which have been or are being conducted by the Company or any of its subsidiaries, affiliates and/or related entities. I further acknowledge that the Confidential Information is a unique and valuable asset of the Company, that this restriction is both reasonable and necessary for the protection of the Company, and that any violation of this restriction shall be construed strictly against me.

2. I agree that for a period of two (2) years after the termination of my employment by the Company or by me (for any reason or for no reason at all), I shall not, either directly or indirectly solicit any customer of the Company for business in competition with the Company or solicit for employment any other employee of the Company, whether for my own account or for the account of any other person or employer.

3. I recognize the importance of the Confidential Information to the Company and unless utilizing this information is for the benefit of the company as an employee, hereby agree that, without the prior written consent of the Board of Directors, I will not copy, summarize or otherwise make any extract of such Confidential Information or take or remove any Confidential Information from the Company’s business premises. I further recognize and agree that any intentional material violation and failure to cure the terms of this Confidentiality and Non-Competition Agreement (“Agreement”) is good cause for my dismissal as an employee of the Company and that upon any such dismissal, I shall forfeit any rights to any severance pay or other benefits from the Company.

4. If I intentionally commit a material breach of this Agreement and fail to cure, the Company shall be entitled to an injunction restraining me from any continuing breach of this Agreement. This section shall not be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach, including recovery of damages from me or anyone associated with me. It shall not be a violation of this Agreement to use Confidential Information in connection with the performance of duties for the Company or to divulge information, which at the time of disclosure is public knowledge.

5. I agree to disclose promptly and fully, in writing, to the Company, all discoveries, designs, inventions, developments, improvements and the like (“Inventions”), whether patentable or not, which arise out of or otherwise relate to my work at for the Company, and which I make, conceive, refuse to practice or work on, whether in whole or in part and whether alone or with others, during my employment by the Company, whether or not during working hours. I understand that all right, title and interest in and to the Inventions shall be the sole and exclusive property of the Company, and at the request of the Company, I agree to execute, without charge to the Company, irrevocable assignments to the Company or its nominees of my entire rights, title and interest and to the Inventions throughout the world, including all parent applications and patents relating thereto and all right to file, obtain and maintain such applications and patents and to execute any and all documents necessary or desirable to permit the Company to file such parent applications. I further agree to assist the Company in securing, defending or enforcing any such title and right thereto.

6. For a period of twelve (12) months following the termination of my employment with the Company (for any reason or for no reason at all), I agree that:

- (i) I will not engage in any activity within North America (the “Territory”) which is competitive in any material respect with the business of the Company now or in any business the Company hereinafter engages in or becomes involved in, including but not limited to any business that is engaged or involved in generic pharmaceutical manufacturing and marketing, excluding wholesale distribution;
- (ii) I will not perform services for any business or organization, whether as an employee, consultant, advisor, independent contractor or otherwise, which engages in any activity within the Territory that is competitive in any material respect with the business conducted by the Company now or in the future including but not limited to any business that is engaged or involved in generic pharmaceutical manufacturing and marketing, and any other business in which the Company generates more than ten (10%) of its gross revenues; and
- (iii) I will not interfere with any of the suppliers of the Company, including, without limitation, reducing in any material way the willingness or capability of any supplier to continue supplying the Company with their present or contemplated requirements.

7. I acknowledge that this Agreement may limit, restrict or negatively impact upon such employee’s ability to obtain other employment in the future an that the Company has advise me to consult with my own independent legal counsel prior to entering into this Agreement.

8. This Agreement may not be changed, modified or amended unless such change, modification or amendment is done in writing and signed by the employee named below and a duly authorized officer or representative of the Company.

9. This Agreement shall be governed by, and construed in accordance with the laws of the State of Michigan.

CERTIFICATE

I hereby certify that I have read, understand and agree to the terms and conditions set forth in this Confidentiality and Non-Competition Agreement.

Date: _____

BY : /s/ Daniel Movens

Daniel Movens

EXHIBIT 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE AND FINANCIAL OFFICER

I, Jitendra N. Doshi, the Chief Executive Officer and Chief Financial Officer of Caraco Pharmaceutical Laboratories, Ltd. (the “registrant”) certify that:

1. I have reviewed this annual report on Form 10-K/A of the registrant;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Inapplicable;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and I have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during registrant’s most recent fiscal quarter (registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, registrant’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2005

/s/ Jitendra N. Doshi

Jitendra N. Doshi
Chief Executive Officer
and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report on Form 10-K/A of Caraco Pharmaceutical Laboratories, Ltd. (“Caraco”) for the year ended December 31, 2004 (the “Report”), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Caraco.

April 29, 2005

/s/ Jitendra N. Doshi

Jitendra N. Doshi
Chief Executive Officer and Chief Financial Officer
