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

**Amendment No. 10
to
SCHEDULE 14D-9**

Solicitation/Recommendation Statement Under Section 14(d)(4)
of the Securities Exchange Act of 1934

TARO PHARMACEUTICAL INDUSTRIES LTD.
(Name of Subject Company)

TARO PHARMACEUTICAL INDUSTRIES LTD.
(Name of Person(s) Filing Statement)

Ordinary Shares, NIS 0.0001 nominal (par) value per share
(Title of Class of Securities)

M8737E108
(CUSIP Number of Class of Securities)

**Taro Pharmaceutical Industries Ltd.
Ron Kolker
Senior Vice President, Chief Financial Officer
Italy House, Euro Park
Yakum 60972, Israel
+972-9-971-1800**

(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications on Behalf of the Person(s) Filing Statement)

With copies to:

**Jeffrey W. Tindell
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000**

**David H. Schapiro
Yigal Arnon & Co.
1 Azrieli Center
Tel-Aviv 67021
Israel
+972-3-607-7856**

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer

This Amendment No. 10 to the Schedule 14D-9 (this "Amendment"), filed with the U.S. Securities and Exchange Commission (the "SEC") on January 6, 2009, amends and supplements the Schedule 14D-9 filed with the SEC on July 10, 2008 by Taro Pharmaceutical Industries Ltd., a company incorporated under the laws of the State of Israel ("Taro" or the "Company"), as previously amended by Amendment Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 thereto filed with the SEC on July 23, 2008, July 28, 2008, August 28, 2008, August 29, 2008, September 2, 2008, September 10, 2008, November 12, 2008, January 5, 2009 and January 6, 2009, respectively. The Schedule 14D-9 relates to the tender offer by Alkaloida Chemical Company Exclusive Group Ltd., a company organized under the laws of the Republic of Hungary (the "Offeror") and a subsidiary of Sun Pharmaceutical Industries Ltd., a company organized under the laws of the Republic of India ("Sun India" and, together with the Offeror and their respective affiliates, collectively, "Sun"), to purchase all of the Company's ordinary shares, NIS 0.0001 nominal (par) value per share, for \$7.75 per share, net to the seller (subject to withholding taxes, as applicable) in cash, without interest, upon the terms and subject to the conditions described in the Tender Offer Statement on Schedule TO filed by Sun with the SEC on June 30, 2008, as amended.

The information in the Schedule 14D-9 is incorporated in this amendment by reference to all of the applicable items in the Schedule 14D-9, except that such information is hereby amended and supplemented to the extent specifically provided herein.

Item 4. The Solicitation or Recommendation; Item 8. Additional Information.

Item 4 and Item 8 of the Schedule 14D-9 are hereby amended and supplemented by adding thereto the following information:

"On January 6, 2009, Taro delivered a letter to Mr. Dilip Shanghvi, Managing Director and Chairman of Sun, to continue good faith negotiation."

A copy of the letter is filed as an exhibit hereto and is incorporated herein by reference.

Item 9. Exhibits.

Item 9 of the Schedule 14D-9 is hereby amended and supplemented by adding the following exhibit:

<u>Exhibit No.</u>	<u>Description</u>
(a)(11)	Letter to Mr. Dilip Shanghvi, delivered January 6, 2009

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 10 to Schedule 14D-9 is true, complete and correct.

TARO PHARMACEUTICAL INDUSTRIES LTD.

By: /s/ Ron Kolker

Name: Ron Kolker

Title: Senior Vice President, Chief Financial Officer

Date: January 6, 2009

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
(a)(11)	Letter to Mr. Dilip Shanghvi, delivered January 6, 2009



January 6, 2009

Via email

Dear Dilip

I am writing once again in a continuing effort to establish a basis for the settlement of our differences, in accordance with the suggestion of the Israeli Supreme Court.

We were disappointed that you have refused to agree to our earlier offers to (i) hold a meeting of the principals as promptly as practicable to negotiate a settlement, (ii) hold a shareholder referendum on a merger at a price of Sun's choosing, and (iii) engage in mediation as suggested by the Supreme Court. Each of these proposals was intended to evidence a sincere desire on the part of our Board to bring this matter to a mutually satisfactory conclusion and the Board's willingness to endorse a merger at an appropriate price, rather than subject our shareholders to the possibility of becoming a locked-in minority in another Sun controlled entity.

You previously wrote, and publicly stated, that you would not engage in discussions with us in the absence of a counterproposal to your merger proposal of \$9.50. As you know, we believe your proposal woefully undervalues Taro. Moreover, it is frankly hard for our Board to consider that price to be a realistic one, in light of (i) the \$10.25 per share that you paid to Brandes for its minority interest last year, and (ii) the consistent position of Templeton, which holds nearly enough shares to block a merger all by itself, that it would not support a merger at this level.

Nevertheless, in an effort to respond to your request for a counterproposal to your \$9.50 offer, our Board has authorized me to propose a merger price of \$15 per share in cash. We believe that a merger price at this level would have a reasonable prospect of obtaining a favorable shareholder vote, and our Board would be prepared to support it.

We look forward to your response and would be prepared to meet promptly to conclude a transaction at this price. We also remain willing to pursue any of the other proposals we have previously made and which are enumerated above. If you are interested in pursuing discussions of a merger, we would be prepared to join in seeking a short extension of the 30 day discussion period set by the Israeli Supreme Court. We would also suggest that any further discussions proceed on a confidential basis, as originally agreed upon by our respective counsel.

Sincerely,

Barrie Levitt, M.D.
Chairman of the Board of Directors

cc: Dr. Mark Mobius
Mr. Carlos von Hardenberg

ISRAEL Haifa
Taro Pharmaceutical Industries Ltd
14 Hakitor Street, P.O. Box 10347
Haifa Bay, 26110
Tel: 972-4-847-5700
Fax: 972-4-872-7165
www.taro.co.il

ISRAEL Yokum
Taro Pharmaceutical Industries Ltd
Euro Park (Italy Bldg.)
Yokum Business Park, Yokum, 60972
Tel: 972-9-971-1800
Fax: 972-9-955-7443
www.taro.co.il

U.S.A.
c/o Taro Pharmaceuticals U.S.A., Inc.
3 Skyline Drive
Hawthorne, NY 10532
Tel: 914-345-9001
Fax: 914-345-8728
www.taro.com

CANADA
c/o Taro Pharmaceuticals Inc.
130 East Drive, Bramalea
Ontario L6T 1C3
Tel: 905-791-TARO
Fax: 905-791-4473
www.taro.ca

UK
c/o Taro Pharmaceuticals (UK) Ltd
Lakeside House, 1 Furze Ground Way
Stockley Park East, Uxbridge, UB11 1SD
Tel: 44-8707-369544
Fax: 44-6707-369545
www.taropharma.co.uk