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

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**Amendment No. 17  
to  
SCHEDULE 14D-9**

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

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**TARO PHARMACEUTICAL INDUSTRIES LTD.**  
(Name of Subject Company)

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**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.  
Tal Levitt  
Secretary  
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)

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**With copies to:**

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

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

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This Amendment No. 17 to the Schedule 14D-9 (this "Amendment"), filed with the U.S. Securities and Exchange Commission (the "SEC") on December 21, 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, 9, 10, 11, 12, 13, 14, 15 and 16 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, January 6, 2009, January 6, 2009, March 31, 2009, September 29, 2009, December 8, 2009, December 10, 2009, December 15, 2009 and December 18, 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 and prior amendments is incorporated in this amendment by reference to all of the applicable items in the Schedule 14D-9 and prior amendments, 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 December 20, 2009, the Company sent a letter to Mark Mobius. On December 21, 2009, the Company placed an advertisement in the Financial Times which the Company may publish in substantially similar form in other newspapers and journals before the Company's upcoming Annual General Meeting on December 31, 2009.

A copy of the letter and the advertisement are filed as exhibits hereto and are incorporated herein by reference.

#### **Item 9. Exhibits.**

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

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| (a)(18)            | Letter to Mark Mobius dated December 20, 2009                       |
| (a)(19)            | Advertisement published in the Financial Times on December 21, 2009 |

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SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 17 to Schedule 14D-9 is true, complete and correct.

TARO PHARMACEUTICAL INDUSTRIES LTD.

By: /s/ Tal Levitt

Name: Tal Levitt

Title: Secretary

Date: December 21, 2009

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December 20, 2009

Dear Mark:

I am writing in response to your recent comments to the press. From your remarks it appears to me that you may have been misinformed. Let me take this opportunity to provide clarification.

I certainly understand your frustration with the lack of audited financials. We share that frustration. However, our audits for 2006 and the restated years of 2005 and 2004 are almost complete. We have been told that, with 2006 completed, it should be much less time consuming to finish 2007, 2008 and 2009. Relisting will be requested promptly thereafter.

You were also quoted as questioning the authenticity of our 2009 results. As you know very well, interim or quarterly results are generally not audited. Our 2009 results (the P&L and the balance sheet, including cash flows) are reported in accordance with GAAP and are governed by the Sarbanes-Oxley Act. Knowing misstatements are subject to severe penalties. If you have some factual basis for questioning the authenticity of our results, please let me know. If you don't, please stop making these false public innuendos.

We frankly find it hard to understand why, even given your asserted frustration with the audit, you would want to hand control of Taro over to Sun Pharmaceuticals. Caraco is not, as you were quoted as saying, "just one story." It is a very unfortunate example of how Sun operates when it has control of a public company. FDA inventory seizures – plant closings – the lead independent director resigning amid charges about Sun's "absolute refusal to permit a focused independent look at corporate governance matters." **That** is the record you are now pledged to support. You may wish to endorse such behavior; I do not.

Caraco is not Sun's only regulatory problem. Sun has now attracted scrutiny by India's own domestic regulator. In October 2009, India's Drugs Technical Advisory Board, its highest body on technical matters pertaining to the pharmaceutical industry, said it would investigate whether appropriate approval procedures were followed in allowing Sun to **market the cancer drug letrozole as a treatment for infertility**, on the basis of clinical trials involving a study of only 55 women. Femara®, the branded form of letrozole, states in its package insert that "You should not take Femara® if you are premenopausal ... as it **may cause harm to an unborn child**."<sup>1</sup> (Emphasis added) Yet despite the questions that have been raised, Sun continues to market this product to premenopausal women as it has in the past.

Finally, with respect to indemnification, please note that in 2005, the shareholders approved indemnification for the directors to "the fullest extent permitted by law." The only reason we are asking shareholders to ratify our existing indemnification at this time is in response to the frivolous lawsuit filed against Taro and its directors by Sun, which challenges their right to indemnification – something that virtually all directors of public corporations enjoy. Whether or not the indemnification proposal is passed at this year's meeting, our board will still have the benefit of the indemnity approved in 2005 – the only difference is that we will have to spend additional funds to defeat Sun's baseless challenge to the indemnity, which Sun has brought to serve its own self-interest.

Taro is now doing very well, both operationally and financially. We have compiled a record of steady and impressive accumulation of cash from operations over the past three years and have paid down a significant amount of debt, all of which is totally transparent and easily confirmed. Sun, of course, would

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<sup>1</sup> Femara's® package insert states: "You should not take Femara® if you are premenopausal. Your doctor should discuss the need for adequate birth control if you have the potential to become pregnant, if you are not sure of your postmenopausal status, or if you recently became postmenopausal. Femara® is only indicated in postmenopausal women....You should not take Femara® if you are pregnant as it may cause harm to an unborn child...."

like to take control of Taro and obtain the benefit of these improvements without paying a fair price to our shareholders. We are pledged to avoid that result.

Since Sun's objective here is and has been plain for all to see for some time – and presumably led you originally to oppose its efforts – one is forced to wonder why, after all this time, you have suddenly decided to change sides.

We urge you to abandon your recently adopted position, which is inconsistent with your prior stance, contradicts what you have said previously in court, and is entirely at odds with the best interests of Taro's minority shareholders.

Sincerely,

/s/ Barrie Levitt, M.D.

Barrie Levitt, M.D.

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# IMPORTANT INFORMATION

FOR SHAREHOLDERS OF  
TARO PHARMACEUTICAL INDUSTRIES LTD.

The Annual General Meeting of Taro Pharmaceutical Industries Ltd., scheduled for December 31, 2009, is fast approaching, and,

**YOUR VOTE IS CRITICAL  
TO PROTECTING YOUR INVESTMENT  
IN TARO.**

If you are a Taro shareholder and have not received the Company's Proxy Materials, or the Company's recent letters to shareholders, or if you need assistance to cast your vote, please contact Taro at: [taro@georgeson.com](mailto:taro@georgeson.com), or please call toll-free from anywhere in Europe: **001-866-741-9588**.

**YOUR VOTE IS IMPORTANT,  
REGARDLESS OF THE NUMBER  
OF SHARES YOU OWN.**

## IMPORTANT

For additional information or if you need any assistance voting your proxy, you can always call Georgeson Inc., our proxy solicitor, between the hours of 9:00 am and 11:00 pm EST, Monday through Friday. U.S. and international shareholders may call toll-free +1-866-741-9588. Banks and brokers may call +1-212-440-9800. European and Israeli institutional investors may call +39-06-421-71-777.

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