

Press Release

Sun Pharma announces dividend, bonus preference. Record date for MJ Pharma swap announced

Mumbai, May 31, 2002:

The Board of Directors of the speciality pharma company Sun Pharma yesterday approved and took on record the audited annual accounts of the company for the year ended 31st March, 2002. The numbers for the year ended March 2002 also include the related numbers for the residual MJ Pharma after its merger. (Attached : audited annual results).

After factoring in deferred taxation and a write-off relating to Sun Pharma's investment in MJ Pharma in excess of the face value, Profit after tax is up to Rs.1686 mill (March 2001 Rs 1351 mill). The turnover is Rs.7472 mill (March 2001 Rs.6114 million). MJ Pharma (Ankleshwar unit) has not accounted for any turnover during the year.

Dividend:

The Board recommended a payment of dividend @ 50% (subject to tax) on the equity share capital of the company for the year ended 31st March 2002. This will be paid after requisite approval, to the equity shareholders. The record date for this is August 28, 2002.

The Register of Members and Share Transfer Books will be closed from August 23 2002 to August 28, 2002 (both days inclusive) for the purpose of payment of dividend and holding of Tenth Annual General Meeting.

Merger of M J Pharma:

The Board of Directors at its meeting on 30/5 took on record the BIFR order sanctioning the merger of M. J. Pharmaceuticals Ltd. (MJPL) with the Company after its restructuring w.e.f. 1st January, 2002 as per the Scheme of rehabilitation of MJPL.

The Board fixed Wednesday July 24, 2002 as the record date for erstwhile MJPL shareholders who will be entitled for one (1) equity share of Sun Pharma for every two hundred and ten (210) equity shares of MJPL. (note: the record date was rescheduled from the earlier announced June 24th , in compliance with stock exchange requirement)

Delisting from regional exchanges:

An exit offer was made earlier this year by Mr. Dilip Shanghvi, the promoter, to shareholders residing in areas covered by the regional stock exchanges (Ahmedabad, Calcutta Madras and Delhi) after the decision to voluntarily delist from these exchanges.

In response to the exit offer, a total of 285 shareholders of the Company offered 19,493 shares for repurchase at Rs.600/share. The total purchase consideration was about Rs.11.6 mill.

Bonus preference:

A Board meeting is to be held on Friday, 28th June, 2002 to consider the issue of Bonus Preference Shares to Sun Pharma equity shareholders.

Sun Pharma is ranked 5th among all Indian pharma companies with a 2.89 %MS (ORG Retail Chemist Audit, April 2002). Forbes Global recently ranked Sun Pharma among its best small 200 companies for 2002 (turnover <\$500mill).

Sun Pharma ranks among the top 5 companies for specialist consultants in therapy areas such as psychiatry, neurology, cardiology, gastroenterology, ophthalmology and orthopedics.

Manufacturing for formulations and bulk actives is spread across 8 sites, one bulk site is USFDA approved (one site awaits inspection), one formulation site is UK MCA approved.

The company's R&D center SPARC, in Baroda is manned by 210 scientists who work on process synthesis, dosage form development, NCE and ndds. The 40 person strong Bombay R&D center works on ANDA filings for

the US generics market. A 150 -scientist strong research site for innovation (NCE and NDDS) will become operational by 2004. The outlay on innovation based projects is expected to increase to 70% of the research budget by 2004.

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