

Press release

AGM approves bonus preference shares

Baroda, August 28,2002: The 10th AGM of the speciality pharma company Sun Pharma, was held today in Baroda.

At the AGM, a major proposal approved was the issue of 18.71cr bonus 6% cumulative redeemable preference shares of Rs1/- each in the ratio of 4 such bonus preference shares for 1 equity share held in the company. Later, the board of directors set October 10, 2002 as the record date for issue of these bonus preference.

The preference shares would bear a coupon of 6%, and would be redeemable after 5 years. However, there would be no lock in, and the company would redeem these on a preannounced date every year starting from the first year itself. These bonus preference shares will be listed at the stock exchanges where the equity shares of the company are listed, subject to approvals of the stock exchanges and concerned authorities.

Since Sun Pharma's equity is held in compulsory demat form, these bonus preference would be automatically credited to the accounts of the shareholders unless otherwise specified. Shareholders who wish to receive these shares in physical form need to write to the company before Sept 16, indicating their request.

Shareholders also approved the increase in the authorized share capital of the company from Rs.110cr to Rs.130cr. This was done in order to give effect to the merger of MJ Pharma with Sun Pharma. In October last year, the board had recommended this merger at a ratio of 1 share of Sun Pharma for 210 shares of M J Pharma , and this was cleared by the AGM in November 2001. This merger, effective January 1,2002, received BIFR clearance in May 2002.. This increase in Sun Pharma's share capital was formally cleared at the AGM in order to add MJ Pharma's authorized share capital to that of Sun Pharma post merger.

About Sun Pharma:

Earlier in May this year, the company announced its annual results for the year ended March 2002, with a turnover of Rs7477mill and PAT of Rs1686mill. The company had announced a dividend of 50% (Rs.5 per share) for the year ended 31 March 2002.

Sun Pharma is ranked 5th among all Indian pharma companies with a 2.88 %MS (ORG Retail Chemist Audit, July 2002). Forbes Global recently ranked Sun Pharma among its best small 200 companies for 2002 (turnover <\$500mill).Sun Pharma also received the Express Pharma Pulse award for outstanding performance for 2002 in category A, market share over 2.5% ,

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).

The company's R&D center SPARC, in Baroda is manned by 210 scientists who work on process synthesis, dosage form development, drug discovery (NCE and ndds).

The 40 person strong Mumbai-Kalina R&D center works on ANDA filings for the US generics market.

A 16acre research site for innovation (NCE and NDDS) with 150,000 sq ft research lab area will begin operations by 2003.

A new research lab in Mahakali , Mumbai, with a research floor area of 50,000 sq. ft will also be commissioned in 2003, expanding several-fold the current research space in Kalina.

The outlay on innovation based projects is expected to increase to 70% of the research budget by 2004.

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