

Registered Office : SPARC, Tandalja, Vadodara - 390 020.
Corporate Office : Acme Plaza, Andheri - Kurla Road, Andheri(E), Mumbai - 400 059.



FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

The Hon'ble High Court of Gujarat had by its Order issued on 28th March, 2007 sanctioned the Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 for demerger of the Innovative Research & Development (including new Drug Delivery Systems) Unit / Division (the Demerged Undertaking) from Sun Pharmaceutical Industries Limited (SPIL) to Sun Pharma Advanced Research Company Limited (SPARC), the Resulting Company.

In terms of the above Scheme, one Equity Share of Re.1/- each of SPARC has been issued for every one equity shares of Rs.5/- each of SPIL as on the Record Date fixed for the purpose.

The Record Date for the issue of SPARC Shares was 30th April, 2007.

In terms of the Scheme of Arrangement, the assets and liabilities relatable to the Demerged Undertaking have been transferred to the Resulting Company (SPARC) at values as appearing in the Books of Accounts of SPIL as on the closing of business on 28-02-2007.

This intimation is issued to inform the shareholders, the method of calculation of the Cost of Acquisition and Date of Acquisition of the Resulting Company's equity shares and also the Cost of Acquisition of SPIL equity shares as per the provisions of the Income Tax Act, 1961, and is based on expert's opinion.

For the purpose of determining the post demerger Cost of Acquisition of Equity Shares of SPIL and SPARC, the Resulting Company under section 49 (2C) and 49 (2D) of the Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of acquisition of SPIL shares in the following manner:

Name of Company	Deemed Cost of Acquisition
Sun Pharmaceutical Industries Limited	97.84% of cost acquisition of SPIL Shares
Sun Pharma Advanced Research Company Limited	2.16% of cost acquisition of SPIL Shares
Total	100%

The Company has been advised that as per section 47(vid) of the Income Tax Act, 1961, the issue of shares by the Resulting Company (SPARC), in a scheme of demerger to the shareholders of the Demerged Company (SPIL) in consideration of demerger of the undertaking, will not be regarded as transfer. Also the Date of Acquisition of shares of SPARC will be deemed to be the date when the equity shares of the Company (SPIL) were acquired.

This communication is for the benefit of the shareholders and the Company takes no express or implied liability in providing this guidance.

Date: May 08, 2007
Place: Mumbai.

For Sun Pharmaceutical Industries Limited

Ashok I. Bhuta

Compliance Officer & Deputy General Manager (Legal & Secretarial)