

Sun Pharma Board To Consider Bulk Drug Company Acquisition

Mumbai, February 10, 2001:

The Board of Directors of Sun Pharmaceutical Industries Ltd. is meeting on Feb. 17, 2001 to consider the viability of merger of Pradeep Drug Company Ltd. with itself.

Pradeep Drug Company (03/2000 turnover Rs. 21.47 Cr, net loss Rs. 0.95 Cr.) is a Chennai based listed company with a large bulk active manufacturing facility spread over 17.5 acres. Dadha family and associates hold about 40% stake in the company. Pradeep Drug Company has been a BIFR referred company since 1997. Currently, the largest selling bulk drugs from Pradeep Drug are Clarithromycin, Azithromycin and Erythromycin.

Sun Pharma currently owns 3 bulk drug manufacturing facilities. A dedicated facility at Ankleshwar (the erstwhile Gujarat Lyka plant) manufactures Cephalexin. High value added complex speciality bulk drugs are manufactured at Panoli and Ahmednagar. The Company has already initiated filing of Drug Master Files from Panoli and Ahmednagar, and 4 DMF are expected to be filed in 2001-2002. These factories are expected to be used increasingly for exports to regulated markets. Sun Pharma was looking for additional bulk manufacturing capacity to address the requirements of the domestic as well as non-regulated markets.

In the past, Sun Pharma had been using Pradeep Drug Co. as a third party sourcing base for some of its bulk actives. (This merger therefore is not expected to add to the turnover of Sun Pharma). Sun Pharma has a number of interesting new processes in its research pipeline awaiting scale up. In order to ensure confidentiality, Sun Pharma would prefer to introduce these products in a facility that it owns.

Sun Pharma (March 2001 turnover Rs. 476.42 Cr. and PAT Rs. 90.67 Cr.) is ranked 5th by prescription sales in the domestic market with a clear leadership position in the therapy areas of psychiatry, neurology, cardiology, gastroenterology. Formulation sales account for about 67% of turnover. The Company's speciality prescription products and bulk drugs are marketed in 26 countries. Exports account for 20% of current turnover.

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