



OFFER LETTER TO SHARE HOLDERS
OFFER LETTER FOR EXIT OPPORTUNITY ON DELISTING OF EQUITY SHARES OF SUN
PHARMACEUTICAL INDUSTRIES LIMITED FROM THE STOCK EXCHANGE _ AHMEDABAD, THE
CALCUTTA STOCK EXCHANGE ASSOCIATION LIMITED, MADRAS STOCK EXCHANGE LIMITED AND
THE DELHI STOCK EXCHANGE ASSOCIATION LIMITED.

FROM
PROMOTERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED.
SPARC, Akota Road, Akota, Vadodara- 390 020.

This offer is being made to shareholders of Sun Pharmaceutical Industries Limited (SPIL) in States of Gujarat, Delhi, Haryana, West Bengal, Tamilnadu and Union Territory of Pondicherry pursuant to SEBI guidelines reference No. SMDRP/ CIR.14/98 dated 29.04.1998 on voluntary delisting of Equity Shares from the Stock Exchanges to provide an Exit Opportunity to the shareholders of SPIL of concerned stock exchange regions due to proposed delisting of Equity Shares of SPIL from the Stock Exchange _ Ahmedabad, The Calcutta Stock Exchange Association Limited, Madras Stock Exchange Limited and The Delhi Stock Exchange Association Limited with effect from 1st July, 2002 or such other date as may be agreed by the respective Stock Exchanges.

REGISTRARS TO THE OFFER:

INTIME SPECTRUM REGISTRY LTD.

Unit: Sun Pharmaceutical Industries Limited - Exit Offer

260 A, Shanti Industrial Estate,

Sarojini Naidu Road, Mulund (West), Mumbai - 400 080.

Phone : (022) - 5923837. Fax : (022) - 567 26 93.

e-Mail: isrl@vsnl.com

ALL FUTURE CORRESPONDENCE, IF ANY, SHOULD BE ADDRESSED TO THE REGISTRARS TO THE OFFER AT THEIR ABOVE MENTIONED ADDRESS.

THIS OFFER IS RESTRICTED TO THE EQUITY SHAREHOLDERS OF CONCERNED STOCK EXCHANGE REGIONS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED, WHOSE NAMES APPEARED ON THE REGISTER OF MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED AS ON THE RECORD DATE. IN CASE YOU REQUIRE ANY ASSISTANCE IN THIS MATTER, PLEASE CONTACT REGISTRARS TO THE OFFER.

RECORD DATE:

The Offerors hereby make an Offer to acquire the Equity Shares of Rs. 10/- each of SPIL at a price of Rs.600/- (Rupees Six Hundred Only) per equity share from the Equity Shareholders of Sun Pharmaceutical Industries Limited whose name(s) appeared in the Register of Members of SPIL on Tuesday, the 26th March, 2002, being the Record Date for the purpose of this Offer.

To,

The Equity Shareholders of Sun Pharmaceutical Industries Limited of concerned stock exchange Regions.

Dear Sir(s)/Madam,

1. BACKGROUND OF THE OFFER:

Members are aware that the Stock Exchange-Mumbai (BSE) and the National Stock Exchange of India Ltd (NSE) terminals are now available across the country in all major cities, hence investors have access to dealing in Company's Equity Shares through these terminals. The Board of Directors of the Company has, therefore, decided to delist the Equity Shares of the Company from the Stock Exchange - Ahmedabad, the Calcutta Stock Exchange Association Limited, Madras Stock Exchange Limited and The Delhi Stock Exchange Association Limited. The Company's Equity shares will continue to be listed at BSE, NSE and the Vadodara Stock Exchange Ltd. This will improve the compliance of the Company with the Stock Exchanges where it remains listed and will also effect cost reduction. The bulk of the trading in the Company's Equity Shares in any case takes place on the BSE and the NSE and the depth and liquidity of trading in the Company's Equity Shares on all other Stock Exchanges is very low or even nil in certain Exchanges.

The relevant statistics for total trading volumes on above mentioned Stock Exchanges for a period of two years i.e. from 1st April, 1999 to 31st March, 2001 are given below:

Stock Exchanges at	No. of Shares Traded
Ahmedabad	NIL
New Delhi	3,653
Kolkata	38,120
Chennai	2,043

The Company's Equity Shares are one of the scrips which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors, since 29th November, 1999.

The members of the Company at the Annual General Meeting held on 28th November, 2001 have passed a Special Resolution, unanimously to delist its equity shares from The Stock Exchange-Ahmedabad, The Delhi Stock Exchange Association Limited, The Calcutta Stock Exchange Association Limited and Madras Stock Exchange Limited, at an appropriate time in the future. The notice convening the said Annual General Meeting, which was sent to all the members, also provided justification for delisting.

2. THE OFFERORS:

The undersigned, Mr. Dilip Shantilal Shanghvi, Promoter of SPIL has agreed to purchase or make arrangements for purchase of Equity shares of SPIL from shareholders of SPIL of concerned Stock Exchange Regions received pursuant to this Offer Letter for exit opportunity.

3. THE OFFER AND OFFER PRICE:

Pursuant to SEBI Guidelines on voluntary delisting, all the shareholders of the Company residing in the Regional areas concerning each of the above mentioned Stock Exchanges from which delisting is proposed and whose names appear in the Register of Members as on Tuesday, the 26th March, 2002, being the Record Date fixed for this purpose, are entitled to participate in this offer and if they wish to avail themselves of this Exit opportunity, they should forward their share certificate(s) along with duly executed transfer deeds (or in case of de-mat shares, effect transfer in De-mat Account as per Instruction given below), photocopy or counterfoil of delivery instructions together with Form of Acceptance duly filled in and signed to the Registrars to the Offer so as to reach them latest by Friday, the 10th May, 2002, for purchase by promoter at Rs.600/- (Rupees Six Hundred Only) per Equity Share being the Offer Price. Shareholders of SPIL in the States/Regions of Gujarat, West Bengal, Tamil Nadu, Union Territory of Pondicherry, Delhi and Haryana are entitled for an Exit opportunity.

The Offer Price of Rs.600/- per equity share is a price which is higher than the SEBI formula price calculated as the weighted average of the traded prices (Rs.595/- per share) of the Equity Shares of the Company traded at the National Stock Exchange, where the highest of the volumes of Equity shares in the Company was recorded during the six months preceding the Record Date. The weighted average of the traded prices of the shares of the Company traded at the National Stock Exchange has

been certified by M/s Valia & Timbadia., Chartered Accountants, Mumbai.

4. **CONSIDERATION:**

The purchase Price of Rs.600/- (Rupees Six Hundred only) for every fully paid-up Equity Share of Rs. 10/- each of Sun Pharmaceutical Industries Limited will be paid in cash in the manner laid down herein.

The offer Price referred to above is firm and fixed for the duration of this Offer and shall not be varied, increased or reduced for any reasons whatsoever including any variation or change in the market quotations of the Equity shares of the Company or by reason of change in the financial condition of either the Company or the Offerors.

5. **MODE OF ACCEPTANCE OF OFFER:**

The shareholders are requested to forward by hand delivery to the Registrars to the Offer (between 10.00 A.M. to 4.00 P.M on all working days) or to send by post (in their own interest by Registered A/D) the following to the Registrars to the Offer so as to reach them on or before the last date of offer i.e. 10th May, 2002,

(a) Form of Acceptance duly filled in and signed, whether shares are held in physical mode or are in demat form.

(b) Original Share Certificate(s), if shares are held in physical mode.

(c) Valid Share Transfer Form(s), duly filled in and signed, if shares are held in physical mode (by all the Shareholders in the same order in which shares are held as per the Register of Members of the Company) as per the specimen signature(s) lodged with the Company and duly witnessed. One blank Share Transfer Form overprinted with the name of Mr. Dilip S. Shanghvi as the transferee, is enclosed along with this Letter of Offer, for use by the shareholders.

(d) In the case of demat shares, the Beneficial Owners are advised, to submit their Inter Depository Delivery Instruction or Delivery Instructions in Off Market mode duly signed to their own D.P.s to ensure that their shares are credited in favour of the below mentioned Depository Account, before the closure of the Exit Offer, i.e. on or before Friday, 10th May, 2002 and to forward to the Registrar to the Offer the photocopy of the delivery instruction to DP in "off _ market" mode or of counterfoil of the delivery instruction in "off _ market" mode duly acknowledged by the DP.

Shareholders whose shares are held in beneficiary account with NSDL should use an 'Inter Depository Delivery Instruction' to transfer the shares to the promoter account with CDSL as mentioned below.

The details of the Depository Account: DP Name: Asian Markets Securities Pvt. Ltd DP Id : 14000 Client Id : 120140000001285 titled Shri Dilip Shanghvi A/c Letter of Offer for Delisting.

(e) Duly completed Transfer Forms, Form of Acceptance and share certificates not received by the Registrars to the Offer or demat shares not credited in favour of the above mentioned Depository Account, on or before the last date i.e. 10th May, 2002 will be rejected. The Registrars to the Offer for Delisting are :

Intime Spectrum Registry Ltd.
Unit: Sun Pharmaceutical Industries Ltd. - Exit Offer
260 A, Shanti Industrial Estate,
Sarojini Naidu Road, Mulund (West),
Mumbai - 400 080.
Phone : (022) - 5923837 ; Fax : (022) - 567 26 93.
E-mail: isrl@vsnl.com

(f) In case of non-receipt of the Letter of Offer and Form of Acceptance, the eligible shareholders may obtain a copy of the same from the Registrars to the Offer or may download the same from SPIL's web site: sunpharma.com. Alternatively, they may send their consent to participate in the Offer, to the Registrars to the Offer, on a plain paper stating their name, address, number of shares held, folio number, distinctive numbers of the shares held, number

of shares offered, along with documents as mentioned above, so as to reach to the Registrars to the Offer on or before the closure of the Offer i.e. 10th May, 2002. In case of beneficial owners, they may send their application in writing to the Registrars to the Offer on a plain paper stating their name, address, number of shares held, folio number, distinctive numbers of the shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or the counterfoil of the delivery instruction in the "Off-market" mode, in favour of the special Depository Account, mentioned in (d) above, duly acknowledged by the DP, so as to reach the Registrars to the Offer, on or before the close of the offer, i.e. 10th May, 2002. The application should be signed by all the shareholders as per the registration details available with SPIL and should be sent to the Registrars to the Offer.

(g) Non-Resident shareholders who have given their address in the concerned stock exchange Region should also enclose copy of permission received from Reserve Bank of India for acquisition and sale of the shares held by them in SPIL and 'no - objection' certificate / tax clearance certificate from the income tax authorities under the Income Tax Act, 1961, indicating the amount of tax to be deducted by the offeror before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the offeror will arrange to deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable.

(h) The share certificates and the transfer documents so received shall be scrutinized on Monday, 20th May, 2002 and payment shall be arranged (despatched by Registered Post) in respect of all valid instruments by account payee demand draft/ bankers' cheque in the name of First shareholder at their risk, by Wednesday 29th May, 2002. Documents found defective are liable to be rejected and shall be returned in due course or may be sent back for removing the defects. It is advised that shareholders provide their bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheque/demand draft/pay order.

(i) Shareholders, who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer, can not withdraw the same.

6. OFFER PERIOD:

This offer will remain open on all working days (excluding public holidays) from Thursday, 11th April, 2002 to Friday, 10th May, 2002 (both days inclusive).

7. CONTINGENT CONDITIONS:

a) This offer is subject to the Offerors obtaining all requisite authorisations, clearances and approvals as may be required in respect of the Offer.

b) Barring the unforeseen contingencies, the Offerors intend to obtain all approvals and clearances within 10 days from the date of closure of this Offer. If all approvals are not obtained within such time, the Offerors will give an option to the shareholders of Sun Pharmaceutical Industries Limited who have accepted this Offer, either to call back the Share Certificates and Share Transfer Form(s) or to allow further time, until all the approvals are obtained. In any event neither the Offerors nor SPIL shall be liable for any claim on account of any loss in transit or other liability by reason of such delay or non-obtaining of approvals. By exercising the option to withdraw, the shareholders of SPIL shall be deemed to have waived all such claims, if any.

8. POWER OF ATTORNEY:Mr. Dilip S. Shanghvi and Sun Pharmaceutical Industries Limited, have authorised Mr. Ashok I. Bhuta to execute all transfer deeds, documents, make representations and do all other things on their behalf, incidental to or connected with this offer.

9. DECLARATION BY THE OFFEROR:The Offeror accepts full responsibility for the information given in this Letter of Offer. The Board of Directors of SPIL have noted and taken on record this Letter of Offer at their meeting held on 30th March, 2002.

The Shareholders of SPIL are not expected to suffer due to delisting as the Equity Shares of the Company will continue to be listed at the Vadodara Stock Exchange (Regional Stock Exchange), Mumbai Stock Exchange and the National Stock Exchange.

DILIP S. SHANGHVI
OFFEROR
Promoter of
SUN PHARMACEUTICAL INDUSTRIES LIMITED

Place: Vadodara
Dated: 30th March, 2002.

Form Of Acceptance and Authority