

SHASUN CHEMICALS AND DRUGS LIMITED

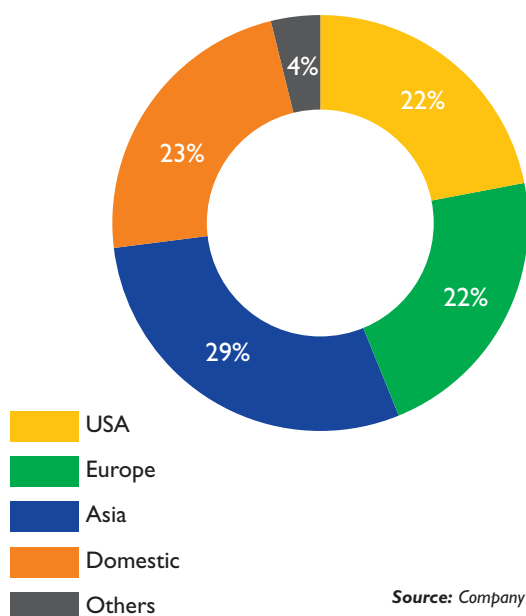


Company Background

Shasun Chemicals and Drugs Limited was incorporated in 1976 and is headquartered in Chennai, India. It manufactures active pharmaceutical ingredients (APIs) and their intermediaries. Shasun has also emerged as a key player in various service segments in the pharmaceutical field besides APIs and intermediaries. The company's APIs are sourced to reputed companies such as Boots Company Co., GlaxoSmithKline and Reliant Pharma. Its products are exported to more than 40 countries across North America, Europe, Asia and Latin America.

The company's revenues for FY 2006 were EUR 68.8 million, which registered a growth of 11 per cent over the previous year.

Shasun Chemicals and Drugs Ltd. - Revenue Break-up
by Geography : 2005-06



Source: Company Annual Report

Shasun Chemicals and Drugs in the EU

Shasun's business model of 'Non competing and Non conflicting' has ensured that it provides quality business services to various pharma companies. Matured API's are the major contributor to Shasun's overall revenues. The company has identified that the future growth in the EU would primarily depend on its ability to cater to the requirements of its pharma clients from Pre-clinical to commercial supplies. The company has operations in the UK and Scotland region of the EU.

Shasun in the United Kingdom

Shasun Chemicals and Drugs Ltd has operations in the UK since 2000. The company has been catering to the API demand in the market. It has a warehouse at Felixstowe to cater to the demand of its various UK and European customers.

Shasun has recently purchased the assets of Rhodia Pharma Solutions, a leading player in the Contract Research Manufacturing Services (CRAMS) domain. The acquisition was made through the UK subsidiary. Shasun has acquired Rhodia's development and custom manufacturing services, which cater to innovator and emerging pharmaceutical clients in the US, Europe and Asia. Shasun Pharma Solutions Limited is a fully owned subsidiary of Shasun in the UK. It has a 42 acre manufacturing site in the Dudley. In the manufacturing site, it has three manufacturing plants producing a range of pharmaceutical intermediaries and APIs from gram scale to multi-

tonne production supply . It has a fully integrated development facility and highly flexible pilot plant. There is also a development centre in here which accommodates 45 scientists with significant experience in route identification, process development, process industrialisation and analytical method development.

Shasun in Scotland

Shasun Pharma Solutions Limited also has a plant in Annan, South West Scotland. The plant has a total area of 27 acre and has four production facilities which manufacture APIs and a range of intermediaries . It has one of the best-equipped cGMP manufacturing facilities in the world. Both the facilities in Dudley, UK and Annan, Scotland are complimentary to each other.

Factors for Success

Acquisition of Rhodia Pharma Solutions

Through the acquisition of Rhodia, Shasun has gained access to an additional technology platform. It now has access to patented technologies such as HKR, ABF and Trifluoromethylation. This has enhanced the company's position in CRAMS, in which it is already among the leaders. The key benefits to the company from this acquisition are:

- The acquisition will expand company's manufacturing and customer base.
- Facilitate in integration of various operations.
- Provide existing customers of Shasun with efficient processes

Successful Partnerships and Collaborations

The company has collaborations with leading companies such as Boots Chemicals Inc, GlaxoSmithKline, and Reliant Pharma, for which the company provides Active Pharma Ingredients (APIs). These collaborations helped increase its brand value and revenues. It also has the advantage of world class manufacturing facilities, competitive and cost effective manufacturing. The new

acquisition has facilitated Shasun in catering to the requirements of the majority of pharma players and emerging pharma companies.

Synergy of Operations

Shasun has been able to synergise its various operations. It offers its customers advantage of outsourcing from both its UK and Indian plants. It can carry out research in India, development both in India and the UK, and manufacturing the final product in the UK. The company works out an optimal mix on the basis of regulations, intellectual property and cost.

Future Plans

Shasun is looking at growth opportunities in the EU and accordingly planning its strategies. The company wants to partner with companies for marketing its select generic formulations in the EU. Shasun would pursue the role of a contract manufacturer for its customers. It has plans to develop products and formulations for its customers on exclusive basis.

With API manufacturing capabilities and a non competing business model, Shasun has plans to leverage these strengths to form comprehensive partnerships with various clients and provide them enhanced services. It has plans to expand its presence in generics market in the EU through inorganic means.

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