

Unique



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

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Communication to Stock Exchange

J.B. Chemicals & Pharmaceuticals Limited to sell its Russia-CIS Rx Business to Dr. Reddy's Laboratories Limited, Hyderabad.

Mumbai, July 22, 2011

The Board of Directors of J.B. Chemicals & Pharmaceuticals Limited ("JBCPL" or the "Company") at its meeting held today, has granted its approval to the Company for entering into a definitive agreement to sell its Russia-CIS prescription products business to Dr. Reddy's Laboratories Limited ("DRL"). The transaction, *inter alia*, involves sale of products registrations, intellectual properties etc. The consideration for the sale of this business is about INR 1375 million.

DRL's affiliate has also entered into a contract with the Company's wholly owned subsidiary situated in Russia for purchase of its inventory for a provisional consideration of USD 3.90 million.

Commenting on the transaction, Mr. J.B. Mody, Chairman, JBCPL said *"The decision to sell remaining Russia-CIS business has been taken in overall interest of the company and the sale proceeds will help company pursue growth opportunities in domestic formulations, Rest of the World exports and Contract manufacturing business."*

In addition, JBCPL has signed an agreement to supply DRL finished products for the acquired business.

Chairman further commented "This Supply Agreement is a testimony to the quality & competitiveness of JBCPL's branded product portfolio and its world class manufacturing capabilities."

The transaction is conditional upon customary closing conditions including JBCPL's shareholders' approval. The transaction is expected to close in the current quarter.

Bank of America Merrill Lynch is acting as exclusive financial advisor to JBCPL.

For J. B. Chemicals & Pharmaceuticals Ltd


Mayur Mehta
Company Secretary - Gen. Manager