

Press Release

Nicholas Piramal India Limited acquires Anafortan and CEFI Brand Groups from Khandelwal Laboratories Pvt. Ltd.

Anafortan and CEFI are unique brand groups in the Indian market with patented drug delivery systems technology

Mumbai, 15 April 2008: Nicholas Piramal India Limited (NSE: NICOLASPIR, BSE: 500302) (“NPIL”) and Khandelwal Laboratories Private Limited (“K-Lab”) today announced signing of a definitive agreement for purchase of Anafortan and CEFI Brand Groups of K-Lab by NPIL for a total consideration of Rs. 1,160 million. As a part of the agreement, K-Lab has agreed to provide NPIL with certain patents’ use and non-compete assurances for Cefixime and Camylofin based drugs.

Anafortan and CEFI Groups had Revenues of Rs. 491 million and EBIDTA of Rs. 207 million for the financial year ended 31 March 2008.

CEFI Group consists of third-generation, wide-application, Cefixime-based formulations in pure and combination forms. CEFI offers unique therapeutic value to patients; it is marketed in nine dosage forms, including CEFI-XL and CEFI-OD, which are based on extended release and once-a-day drug delivery systems. K-Lab has won patents from the Indian Patent Office for these delivery systems. CEFI Group had Revenues of Rs. 262 million for the year ended 31 March 2008. As per ORG-IMS, the Cefixime-based drugs segment is worth Rs. 6,246 million and is growing at 25.4% on MAT-FEB-08 basis.

Anafortan is the only smooth muscle, anti-spasmodic drug of its kind in India. Anafortan Group consists of six Camylofin-based formulations in pure and combination forms. Camylofin is known to be a very safe anti-spasmodic drug, which does not cause side effects in infants and pregnant women. Anafortan had Revenues of Rs. 229 million for the year ended 31 March 2008. As per ORG-IMS, Camylofin-based drugs market has grown at 13.5% on MAT-FEB-08 basis.

Commenting on the transaction, Mr. Ajay Piramal, Chairman, Nicholas Piramal, said “We are delighted to acquire the CEFI and Anafortan Brand Groups from K-Lab. CEFI and Anafortan offer unique therapeutic value to patients, which we hope to offer to patients across India with our national sales and distribution network. During the transaction, we have become highly appreciative of K-Lab’s scientific and innovative talent, and we hope to expand on this relationship between the two Companies”.

Commenting on the transaction, Mr. Sanjeev Khandelwal, Managing Director, Khandelwal Laboratories, said “This deal vindicates K-Lab’s focus on intellectual property and intangible assets. K-Lab has filed more than 200 patents. CEFI-XL was the No.1 product out of all the new products launched by all the companies in India (as per IMS-ORG July’06). This group is growing at around 70% per annum. Certain companies which breached the CEFI-XL patent have now withdrawn the product. Anafortan and Anaspas are both patented, and have a great potential to grow. We are excited to do this deal with NPIL, as they respect IP. This is the start of a new relationship to harness and leverage intellectual property together.”

Genesis Management Consultancy Services advised Nicholas Piramal regarding the transaction, while N. A. Shah Associates (Consultants) Pvt. Ltd. acted as advisors to Khandelwal Laboratories.

Notes to Editors:

Please note that all financials in this announcement are pro-forma financials for the year ended 31 March 2008.

About Nicholas Piramal India Limited (name proposed to be changed to Piramal Healthcare Limited):

Nicholas Piramal India Limited ("NPIL") is one of India's largest pharmaceutical companies with a growth track record of above 30% CAGR since 1988. The Company is currently ranked 4th in the Indian market with a diverse product portfolio spanning nine therapeutic areas. NPIL's had consolidated Revenues of Rs. 24.7 billion in 2006-07. The Company is one of the leading players in the Indian formulations market with a diverse product portfolio spanning nine therapeutic areas. The Company is also one of the largest custom manufacturing companies with a global footprint of assets across North America, Europe and Asia. It has world-class USFDA-approved formulations and API facilities without any 483s. NPIL has a long track record of successful collaboration with innovator companies. NPIL is listed in India on the Bombay Stock Exchange and National Stock Exchange.

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About Khandelwal Laboratories Limited:

K-Lab focuses on harnessing intellectual property through its focus on NDDS, Dendrimers, Chiral Enantiomers and Nanotechnology. K-Lab focuses on identifying the unknown in known drugs. K-lab identifies and reaches strategic and symbiotic relationships with brilliant experts. Majority of K-Lab's sales come from patented products. K-Lab has recently received DCGI permission for its Silver Nano Gel, which has been developed for first time in the world in association with Nanocet. This product has been patented widely across the world. We now intend to outlicense the same. K-Lab is a pioneer in the field of Oncology and has recently launched Liposomal Doxorubicin and is soon going to launch many more Oncology products. K-Lab has a rich pipeline of patented products available for strategic partnership with Pharmaceutical companies with strong marketing networks and who want to leverage themselves to harness a 50+ PE based on a strong IP foundation.
