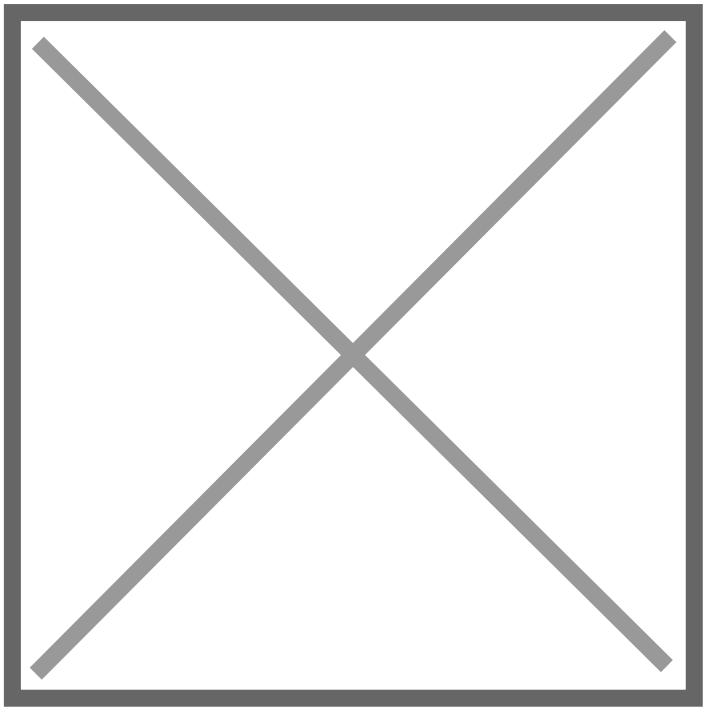


13. Shantha Biotechnics

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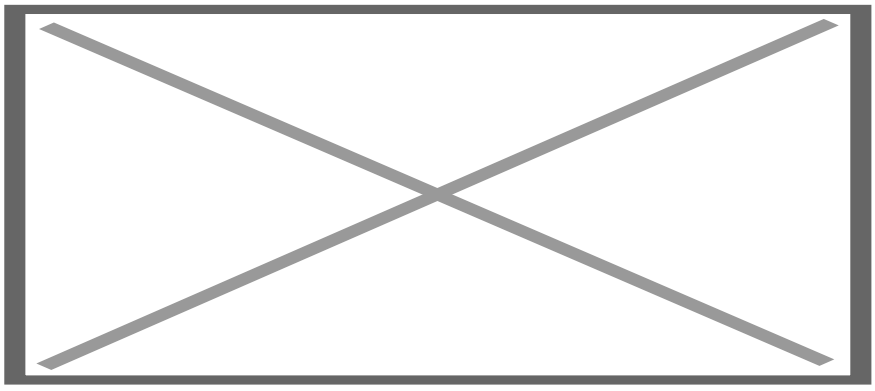


CEO: KI Varaprasad Reddy

Pioneering Spirit

Shantha Biotechnics, had an extremely good year, registering an impressive 75 percent growth

A n Indian biotech icon, Shantha Biotechnics, had an extremely good year in 2004-05, registering an impressive 75 percent growth in revenues. The company's total biotech turnover for 2004-05 was Rs 70 crore, up from Rs 40 crore the previous year, registering an impressive 75 percent growth. It has generated a major chunk of its revenues, Rs 61.80 crore, from the sale of its Hep B vaccine. Shantha sold about 160 million doses of Hep B vaccine during the year, 90 million doses in the domestic market and 70 million doses abroad. While the sale of therapeutics including erythropoietin, interferon, streptokinase and growth factors accounted for Rs 6.7 crore during the year 2004-05.



Shantha Biotechnics, a pioneer in recombinant vaccines, was the first to develop, manufacture and market an indigenously developed r-DNA hepatitis-B vaccine. It commercially launched Shanvac-B (hepatitis B vaccine) in 1997, which was the first Indian hepatitis-B vaccine pre-qualified by WHO-Geneva.

After ShanvacB, the company has launched a series of recombinant biotherapeutic proteins. It launched Shanferon in 2002, a recombinant human interferon alpha 2b; Shankinase in 2004, a recombinant streptokinase; and recently in January 2005, Shanpoetin, a recombinant human erythropoietin.

Shantha's contract R&D services wing, offering cloning and expression of genes in various host systems, development and characterization of cell lines, fermentation and purification process development, etc generated revenues worth Rs 2 crore during the year. While the diagnostic kits (HIV, HBV and HCV) launched by the company fetched Rs 2 crore during the year 2004-05.

Focusing on the pure play biopharma segment, it has developed technical collaborations with both Indian and foreign research institutes. Shantha has an agreement with IVI, Korea for technology transfer of typhoid vaccine; National Institute of

Immunology, New Delhi for controlled release Hepatitis-B vaccine, Indian Institute of Science, Bangalore for anti-malarial drugs; Bhabha Atomic Research Centre, Mumbai for plant-based vaccines and Polytherics Ltd, London, UK for Pegylation technology for developing Pegylated Interferon.

It has a significant pipeline of products in segments like Vaccines: Basic pediatric and enhanced pediatric vaccines, Combination, adult and travel vaccines; Therapeutic Products: Tissue Plasminogen Activator, Anti GP IIb/IIIa, Human Insulin, Peg Interferon, TNF Alfa; Oncology Products: G-CSF, human monoclonal antibodies RM I, RM II, RM III, RM IV, Anti EGFR; Diagnostic Kits: AFP Elisa, Hepatitis B Elisa, Hepatitis C Elisa and HIV I+II Elisa.

Presently, Shantha has five patents to its name and its total employee strength is 526 people, which is expected to increase to 745 during the next year. An R&D driven company, it has ploughed back more than 25 percent of its revenues, till date into R&D activities. During 2004-05, it made a total investment of Rs 60 crore in the company. Its R&D center spread over 40000 sq ft and its R&D efforts are mainly focused on therapeutic products for oncology and on vaccines. The company's manufacturing facility meets WHO cGMP and US FDA Standards.

Exports account for a major part of Shantha's revenue. During FY05, 69 percent of its revenue was through exports, Hep B being the major product. It caters to international markets including Asia-Pacific, Africa, CIS and Latin America in addition to supplies to Global Organizations like UNICEF and PAHO. Shantha has a subsidiary, Shantha West Inc. in San Diego, US, which is engaged in basic research in monoclonal antibodies for therapeutic applications in the oncology segment.Â