

PRESS RELEASE

J.B. Chemicals makes Strategic Investment of USD 5.1 Mn. in Biotech Laboratories (Pty) Ltd., South Africa

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MUMBAI, 14th December 2006: J.B. Chemicals & Pharmaceuticals Limited (JBCPL), today announced that the Company has signed a definitive agreement to make a strategic investment of USD 5.1 mn. in Biotech Laboratories (Pty) Ltd. (Biotech) of South Africa. The transaction is valued at 1.1 times of Biotech sales of last year. The investment will entitle JBCPL to own significant minority stake of the issued capital in Biotech with an option to increase its holding further in future. The transaction, subject to requisite approvals and conditions precedent, is expected to be completed during the first quarter of 2007.

Key Highlights :

- Biotech is ranked 10th (IMS, June 2005) amongst the generic companies in the pharmaceutical private market in South Africa.
- Biotech is amongst the fast growing generic pharmaceutical companies in South Africa.
- Strategic investment in Biotech will help JBCPL to enter market that is lucrative and fast growing.
- Biotech owns a significant number of product dossiers. JBCPL plans to leverage the same by undertaking the manufacturing of these products through site variation opportunities at its own facilities in India.
- JBCPL will be able to exploit the markets of Southern African Developing Countries (SADC) through Biotech apart from its existing markets.
- Going forward, JBCPL plans to launch Doktor Mom range of products in South African markets.

Commenting on the strategic investment, Mr. J.B. Mody, Chairman & Managing Director (JBCPL), said, "The investment into Biotech is a strategic fit for JBCPL. This investment in Biotech results in considerable synergies for both companies and will allow JBCPL to tap the lucrative high growth South African and other African markets through the launch of its ethical and OTC range of products including Doktor Mom."

On the occasion, Mr. Shad Mapetla, CEO of Biotech, said, "The investment by JBCPL in Biotech bridges a very significant gap in our aggressive growth and development strategy, dictated by our vision of becoming the top pharmaceutical company in South Africa and SADC within a relatively short time. Critical to achieving this position is a good pipeline of relevant ethical and OTC products to be supplied by JBCPL."

Biotech is a strong Black Economic Empowerment (BEE) Company and enjoys this status for the tender. This will further strengthen JBCPL's position in South Africa in terms of participation in government and sector related tenders. South Africa is the largest pharmaceutical market in Africa, valued at close to USD 3 billion, with high potential for growth. Generics are becoming prevalent with the government promoting the need for generic medicines.

About Biotech

Biotech Laboratories (Pty) Ltd. headed by Mr. Shad Mapetla (Chief Executive Officer), is a South African pharmaceutical company which supplies generic and branded products to the southern African markets. Biotech markets, sells and distributes pharmaceuticals to both the private and public sectors in South Africa and the countries that make-up the SADC region. In line with the Company's mission to supply products that respond to the strategic health needs of developing nations, Biotech is one of the few black companies that supplies critical Tuberculostatics and has secured voluntary licenses which permit the company to supply selected anti-retroviral (ARV) to South African and sub-saharan African markets. Biotech clocked a turnover of USD 9 mn for the period ended August, 2006.

About JBCPL

JBCPL, one of India's leading pharmaceutical companies, manufactures & markets a diverse range of pharmaceutical formulations, herbal remedies and API's. JBCPL exports to many countries worldwide with a strong presence in Russia, Ukraine and the other CIS countries. The Company continues to invest in growing its shares in the regulated markets in USA, Europe and Australia. JBCPL has a strong R & D set-up for development of NDDS formulations, filing of DMF's and ANDA's. Its State-of-the-Art Manufacturing facilities are approved by renowned international regulatory authorities. JBCPL holds license from *Gilead Sciences Inc., USA, for Manufacturing and Distribution of a Generic Version of an Anti-Viral Patented drug in 95 countries* This compliments well with JBCPL's plans to supply ARV products to South African and sub-saharan African markets.

For more information on JBCPL visit { HYPERLINK "<http://www.jbcpl.com>" }.

For more details, please contact:

Beejal Desai
Vice President & Company Secretary
Head Investor Relations
J. B. Chemicals & Pharmaceuticals Ltd.
91 22 2499 1311

Kais Rahimtulla
Madison Public Relations
91 22 5654 8341/42/43
9820131613

Forward Looking Statement :

This Press Release may contain Forward Looking Statements regarding future events and future performance of J. B. Chemicals & Pharmaceuticals Ltd. that involves risks and uncertainties that could cause actual results to differ materially from those that may be indicated by such statements.