

 Early Warning System

IFC-48236

Desano Loan



Quick Facts

Countries	China, India
Specific Location	Zhangshu City, Jiangxi province (China) and Harohalli, Karnataka (India)
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-06-08
Borrower	Shanghai Desano Bio-pharmaceutical Co., Ltd.
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 150.00 million



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## Project Description

According to the Bank's website, the proposed investment is a US\$100 million equivalent A loan to the Company's subsidiaries to support: (i) the construction of a new API/FDF manufacturing facility in Bangalore, India, and (ii) the expansion of an existing API manufacturing facility in Jiangxi Province, China (a frontier region), for ARV drugs targeting low- and middle-income countries (the "Project"). The Project intends to play a key role in reducing the treatment cost of HIV patients globally and enhancing the resilience of pharmaceutical supply chain through localized production.



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## Early Warning System Project Analysis

This is a Category B project according to IFC's Policy on Environmental and Social Sustainability (2012). Key E&S issues include i) the Company's management and monitoring systems to assess and manage environmental and social (E&S) risks and impacts from its operations and related to the construction and operation of two new facilities funded under the project; ii) consistent management of labor and working conditions, occupational health and safety (OHS) policies and practices, iii) monitoring and management of air emissions, waste and wastewater, iv) hazardous material/waste and chemical management practices, v) life and fire safety and emergency preparedness and response, and vi) the company's stakeholder engagement activities.



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## Investment Description

- International Finance Corporation (IFC)

The Project is expected to cost US\$150 million, which will be funded by the IFC loans of up to US\$100 million equivalent in RMB with 7-year tenor and the Company's internally generated cashflow.



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### Private Actors Description

Headquartered in Shanghai, China, Shanghai Desano Bio-Pharmaceutical Co., Ltd. (“Desano” or the “Company”) is a leading manufacturer of Active Pharmaceutical Ingredients (“API”) and finished dosage forms (“FDF”) for the treatment of HIV-AIDS. The company sells its API products utilized by its domestic and overseas corporate drug manufacturing clients to produce generic antiretroviral (ARV) drugs. Also the company sells FDF products in China and exports them globally.

Desano is 54.28% directly and indirectly owned by its co-founder Shengping Xu. The rest is owned by employees and institutional private equity investors.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Shanghai Desano Bio-pharmaceutical Co., Ltd.	Client	-



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## Contact Information

Shanghai Desano Bio-Pharmaceutical Co., Ltd

Hong Guoliang

Finance Manager

+86-21-51323300

hongguoliang@desano.com

No. 1479, Zhangheng Road, Zhangjiang Hi-Tech Park, Shanghai

www.desano.com

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## Bank Documents

- [Environmental & Social Review Summary \(ESRS\)](#)