

# Recipharm Buys Majority Stake in Nitin Lifesciences for ₹671 Crore

Our Bureau

**Mumbai:** Swedish contract drug manufacturing firm Recipharm has acquired 74% equity stake in Nitin Lifesciences, a privately held sterile injectable manufacturing firm for ₹671 crore, a move that will help the foreign company expand its emerging markets operations.

The deal represents approximately 12.4 times EBITDA of ₹73 crore. Recipharm said it expects to complete the deal after gaining regulatory approval from the Foreign Investment Promotion Board (FIPB) in the first quarter of 2016.

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The latest acquisition marks the second largest inbound transaction for an injecta-

ble asset after the US generic giant Mylan acquired Agila Specialties in 2013 for a deal value of \$1.6 billion. Nitin Lifesciences focuses primarily on the Indian market with supplies to drug makers, including Alembic, Biocon and Intas, from its three manufacturing sites.

The sites, that have capabilities of making small volume parenterals, have no US FDA certification. Recipharm said it hopes to strengthen its global position in sterile injectables, including lyophilization capabilities through the latest deal.

EY India acted as advisor to Nitin Lifesciences, while Recipharm was advised by Veritas Legal on legal compliance issues.

V Krishnakumar, Partner, Transaction Advisory Services, EY, said, "Among other things, this deal reinforces the long-term attractiveness of India's domestic sterile injectables market."

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