

Taparia may buy pharma chain Guardian Lifecare

Boby Kurian, Rupali Mukerjee & John Sarkar | TNN

Mumbai/New Delhi: India's highest individual taxpayer Ashutosh Taparia, whose family sold contraceptive maker Famy Care to Mylan for \$800 million, is in advanced talks to acquire Guardian Lifecare, one of the country's top three pharmacy chains, people directly familiar with the matter said. Taparia's deal is expected to resolve a legal dispute between the founder of Guardian and private equity investor Samara Capital, which has dragged the Gurgaon-based pharma retailer in recent past.

Taparia is likely to buy the shares held by Samara Capital and Japan's Mitsui. Guardian Lifecare founder Ashutosh Garg will retain a minority interest and continue to manage the company, which is being valued at around Rs 300 crore — an almost one-time multiple on its annualized revenue, sources added. Guardian, with a network of 310 stores, is said to be the third largest retailer after Apollo and MedPlus in the heavily fragmented pharma market.

Sources said Taparia was

in the midst of due diligence and the deal may be closed over the next one month. "We are in discussions, but nothing has been concluded as of today," Taparia, joint MD, Famy Care, told TOI. When contacted, Guardian Lifecare

ter filing a winding-up petition earlier this year. Though now, sources said, the petition may be withdrawn with both the parties coming together and resolving the issue. Samara has been an investor in the company since 2008.

INDIA'S NO. 1 INDIVIDUAL TAXPAYER

- The Taparia family had sold contraceptive maker Famy Care to Mylan for \$800m
- It MD Ashutosh Taparia is the country's highest individual taxpayer, having paid ₹75cr in taxes
- His offer to acquire the ₹300cr Guardian Lifecare may help end a legal row between



- Its founder Ashutosh Garg and PE Samara Capital
- The Taparia offer follows the growing trend of Indian family offices acquiring stressed assets
- Dilip Shanghvi, Sudhir Valia, Riddhi Siddhi and Ipca Labs founder have struck similar deals earlier

promoter Garg and Samara Capital declined to comment.

The move by Taparia, who has launched a proprietary investment vehicle with \$150-million corpus, is the latest instance of Indian family offices buying into under-performing or turnaround assets.

Apollo Pharmacy and MedPlus have aggressively expanded their network through organic growth and city-specific acquisitions. This came even as Guardian Lifecare had a rocky relationship with Samara Capital with the lat-

Sources said Guardian's reasonably big nutraceuticals business, which is grossing about Rs 80 crore in annual revenues, is driving Taparia's interest. The potential acquirer is expected to push Guardian's higher margin nutraceutical sales as part of a transition plan. "Taparias understand the pharma retail market. Hence the deal is within their comfort zone, though it is a low-margin business," said Sunil Jain, MD, Sprout Capital, a boutique investment banking firm.

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