

Mylan gets India's nod for \$1.6 bn Agila takeover

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New Delhi: India has cleared US-based Mylan's \$1.6 billion takeover plan of India-based Agila Specialties even as the country's Prime Minister overruled objections from the Department of Industrial Policy and Promotion (DIPP) and the health ministry. With this move, the country has sent out a positive signal to foreign investors to invest in India's pharmaceutical sector.

"The present proposals, before the Foreign Investment Promotion Board (FIPB) or as approved by it, will go through under the existing policy," Mr Anand Sharma, India's Commerce and Industry Minister said. Mylan's application is now likely to be approved by the Cabinet Committee of Economic Affairs (CCEA).

The meeting headed by India's Prime Minister, Dr Manmohan Singh involved Finance Minister Mr P Chidambaram, Health Minister Mr Ghulam Nabi Azad and Commerce and Industry Minister Mr Anand Sharma.

It was decided at the meeting that DIPP will float a discussion paper regarding curbs that could be imposed on foreign takeovers or stake purchases of existing Indian drug companies, after consultations with all ministries concerned.

Mylan's acquisition of Agila, a unit of Strides Acrolab, is the third-largest acquisition in the pharmaceutical sector in the world. The acquisition has already been cleared by the Competition Commission of India (CCI).