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ASIA EDITION

# Deep in debt Elder Pharma decides to sell itself

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**Singapore:** India-based Elder Pharmaceuticals is said to be up for sale, according to a report published in the Economic Times. The news of the sale of the firm, which has been dealing with debt and competition issues has sparked interest amongst prospective buyers in both domestic and international markets.

Although Elder Pharma has an accumulated debt of $224.13 million (Rs1,300 crore) after expanding operations through acquisitions, the company posted a nine percent rise in turnover at $250.68 million (Rs1,454 crore) for the year ended March 2013.

Market leaders like Sanofi, Pfizer and GSK, including some Japanese companies are said to be among those who have shown initial interest in the company. The company is likely to be valued at $517.24 million (Rs3,000 crore) as promoters of Indian pharma companies recently cashed out at a valuation of three to four times of annual sales of their respective companies.

The company that is based in India's business hub, Mumbai, mandated multinational consultancy firm Ernst & Young (E&Y) and Japanese investment banking firm Nomura Securities to manage the process of finding a buyer through a negotiated transaction, Economic Times first reported. The process of vendor due-diligence is underway. The company's advisors are reviewing the business ahead of offering assets to a potential buyer. The final verification of this process will be conducted by an external independent lawyer or auditor.

The associates revealed in the report that the complete list of prospective buyers will be generated within 15 days. The company and others involved have refused to answer questions on the subject. What has caught the fancy of big pharma giants across the world and even multinationationals is that buying this company would give them access to three brands including popular calcium supplement Shelcal.