

Orchid seals Hospira deal

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US-based injectable drugs major Hospira Inc has completed the acquisition of the Active Pharmaceutical Ingredient (API) manufacturing facility and associated research and development (R&D) facility from Chennai-based Orchid Chemicals and Pharmaceuticals Ltd, almost two years after it first entered into agreement for the acquisition. Orchid Pharma has also announced that it had completed the implementation of the approved Corporate Debt Restructuring (CDR) package along with the BTA.

The acquisition of the manufacturing facility in Aurangabad, Maharashtra and R&D facility in Chennai is for around \$218 million after settling prior advances of around \$30 million.

Orchid Pharma, which has been reeling under debt for the past few years, has around ₹3,500 crore, according to recent reports. The proceedings from the business transfer also became part of the Corporate Debt Restructuring (CDR) process announced by the company earlier.

The company has been having high levels of debt since it redeemed its outstanding FCCBs in February 2012. Through the CDR process and the Business Transfer, which has been added as a part of the restructuring process into the CDR package, the company will be able to retire a portion of its overdues and by utilising the balance portion of funds for its working capital needs, restructure and balance debt over a period of 10 years.

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