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Advent International acquires majority stake in ZCL Chemicals

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Advent International, one of the largest and most experienced global private equity investors, announced that it has signed a definitive agreement to acquire a majority stake in ZCL Chemicals Limited, one the fastest growing pharmaceutical companies in India. The business was formerly known as Zandu Chemicals Ltd.

With this transaction, Morgan Stanley Private Equity Asia (MSPEA), a private equity platform that previously managed a minority investment in ZCL, will exit their investment.

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“ZCL will be our third pharmaceuticals investment in India and the second in the API space. ZCL is a high-growth business, led by a capable management team, which will further fortify our presence in the API market, a key sub-sector focus of ours,” said Shweta Jalan, Managing Director and Head of India, Advent International, India.

Over the last 12 months, Advent has committed over $1.2 billion globally across the healthcare sector. The firm has also committed over $600 million in four Indian businesses over the same period in varied sectors such as healthcare, consumer, and financial services amongst others.

“The acquisition of ZCL helps us get closer to our goal of creating a top five merchant API platform in India,” said Pankaj Patwari, Director, Advent International India.

“We are very pleased with this transaction and excited to partner with Advent. In the last 12 years we have established ZCL as one of the leading pure-play API companies in the country, and today marks an important milestone in these efforts,” said Nihar Parikh, Executive Director, ZCL Chemicals Ltd.

The transaction will be subject to customary closing conditions.

ZCL Chemicals was advised by Jefferies (Sole Financial Advisor), Bombay Law Chambers (Legal Counsel) and Deloitte (Finance and Tax).