BioSpectrum
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

Advent International acquires ZCL Chemicals for Rs 2,000 Cr

12 March 2021 | News

Parikh family sold its entire 80 per cent holding and has completely exited ZCL



Parikh family, founder and promoters of ZCL Chemicals Limited has announced that they have sold the entire stake in the company to Advent International, one of the largest and most experienced global private equity investors, for an equity value of Rs 2,000 crore.

Pursuant to the signing of definitive agreements last month, Parikh family sold its entire ~80 per cent holding and has completely exited ZCL. Of the above, ~26 per cent will be transferred subject to the customary closing conditions and receipt of all applicable regulatory approvals. Morgan Stanley Private Equity Asia, a private equity platform that acquired ~20 per cent stake in ZCL for Rs 150 crore in 2016, has also exited ZCL for Rs 390 crore. The Parikh family facilitated a seamless exit to the private equity fund through this transaction.

In 2008, the Parikh family had acquired ZCL from Zandu Pharmaceuticals Limited at an equity valuation of Rs 12.5 crore, resulting in a 160 times return in 12 years at the current valuations of Rs 2,000 crore.

“On behalf of the Parikh family, I would like to thank all the stakeholders, leadership team and employees, who have collectively created this world-class Indian company. We are confident that Advent’s resources will be a catalyst for ZCL’s next stage of growth and innovation,” said Nihar Parikh, Founder and Promoter, ZCL.

ZCL, which is a debt-free company as on date with surplus cash reserves, has posted a CAGR of 52.64 per cent in terms of its valuation for the last 12 years.