

Matrix, Strides Arcolab to merge to form No.7 pharma firm

13 June 2005 | News



The Board of Directors of Strides Arcolab and Matrix Labs at their board meetings in Delhi and Hyderabad respectively, have in principle agreed to a plan of merger of the two companies. The proposed merger is subject to a valuation exercise to be conducted by an independent firm of Chartered Accountants, while the two companies will conduct due diligence of each others business.

The Boards of the two companies expect to meet within six to eight weeks to finalize the terms of the plan. The merger will be effective April 1, 2005 and is subject to shareholders' approval of both companies and other regulatory approvals. The combined proforma sales for the 12-month period to March 2005 were over Rs 1000 crore and net profits in excess of Rs 170 crore. The combined entity will be called Matrix Strides Limited and will emerge amongst India's leading integrated pharmaceutical companies.

In a joint statement issued, after their respective Board Meetings, chairman and CEO of Matrix, N Prasad and Arun Kumar, chairman and Group CEO of Strides Arcolab stated: "The coming together of two leading first generation pharmaceutical companies with similar philosophies and vision will create a significant generic company based out of India with worldwide operations. The merger of the two companies will compliment each others strengths and will emerge as a leader in the global generic space, leveraging Indian innovation and a strong global partnering philosophy."