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In a first, China's Fosun Pharmaceutical Group is all set to acquire 96 percent stake in Gland Pharma for \$1.3-1.5 billion, a leading daily reported. Hyderabad-based Gland Pharma is backed by global private equity firm KKR & Co. The deal will be announced in a day, said the first person close to the development.

The two companies will ink an agreement where Fosun will acquire 96 percent of the stake including shares held by founders of Gland Pharma Mr Ravi Penmetsa and family and private equity giant, KKR & Co LP. However reports also suggested that Gland will initially buy 86 percent of the company while Mr Penmetsa may retain a 10 percent stake. The deal may need FIPB approval.

Established in 1978, Gland Pharma develops and manufactures generic injectables, primarily for the US market. It also sells its products in India and other semi-regulated markets. Its manufacturing facilities are approved by the US and UK drug regulators. Shanghai Fosun Pharmaceutical (Group) Co, is part of Fosun International group, the flagship company of billionaire Guo Guangchang, one of China's best-known entrepreneurs.

With wide presence across business segments in the healthcare chain - drug manufacturing, distribution and retail to high-end diagnostics and medical devices, Shanghai-based Fosun Pharma has grown rapidly through acquisitions. The company has a Fosun's portfolio covers liver diseases, diabetes, tuberculosis and diagnostic products, and it's also the leading

provider of anti-malaria medicines globally.

This agreement, on closure, will be first significantly large foreign direct investment (FDI) from China in Indian manufacturing. The agreement will, further, will aid the Chinese firm to expand its research and manufacturing capacity under 'Make in India' program.

The deal will have to get regulatory approvals from Indian authorities. As this will be a controlling acquisition by a Chinese player, the deal will undergo strict regulatory scrutiny. Shanghai Fosun Pharmaceutical ended 2015 with a revenue of \$1.9 billion. Its market value was \$8.3 billion as of 31 December 2015, as per reports.