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SRF Buys DuPont's Pharmaceutical Propellant Business for \$20 Million

Under the deal, DuPont would transfer 'Dymel' brand to SRF along with technological knowhow

Our Bureau

New Delhi: Arun Bharat Ram-led SRF Limited has announced the acquisition of Global DuPont Dymel, the pharmaceutical propellant business of American chemical giant DuPont. In an all-cash deal, SRF would pay a consideration of \$20 million or a tad more than ₹120 crore for DuPont's Fluorochemicals business, which is part of the performance chemicals segment that DuPont plans to hive off by mid-2015.

Under the transaction, DuPont would transfer the 'Dymel' brand to SRF as well as the technology and knowhow for setting up its own 'current Good Manufacturing Practices' (cGMP) facility for manufacturing its unique pharma grade propel-

lants that do not emit ozone-depleting gases while delivering medications to patients.

In the long run, the access to the pharma segment allows SRF to move up the value chain and cater to the growing demand for the pharma grade HFC 134a, approved as a long-term environment friendly alternative propellant for a growing number of medical applications.

"This acquisition is in sync with our long-term strategy to move up the value chain and will enable us to enter the niche pharma product segment. The growth in the Metered Dose Inhalers (MDI) sector is expected to be reasonably robust in the years to come," said Ashish Bharat Ram, Managing Director, SRF Ltd. "This will also offer great synergy with our existing HFC plants going forward," he added.

DuPont will supply SRF the product from its existing facility till SRF's facility is approved. DuPont currently has a manufacturing facility for pharma grade HFA-134a in Texas which is in full compliance with the US Food and Drug Administration's (US FDA) "current Good Manufacturing Practices" (cGMP).

SRF Limited already has two plants for manufacture of technical grade of HFC 134a. Additionally, with the possibility of some drugs going off patent by 2019, it is likely that India will witness a significant growth in the demand of pharma grade of HFC 134a and SRF, as the only Indian supplier of the product, looks well positioned to reap the benefits, said a statement from the company on the acquisition that takes effect immediately.

