

Funds advised by Convergent Finance LLP to acquire a controlling stake in Jagsonpal Pharmaceuticals Limited

Mumbai, February 21, 2022: Funds managed by Infinity Investment Management and advised by Convergent Finance LLP ("Convergent Funds"), announced the execution of an agreement with the existing promoter shareholders of Jagsonpal Pharmaceuticals Limited ("Jagsonpal") to acquire approximately 43.7% of the outstanding shares of Jagsonpal at a price per share of INR 235 for a total consideration of INR 2,692 mm (USD 36.0 mm).

Jagsonpal's shares are listed on the Bombay Stock Exchange and National Stock Exchange. The proposed transaction will trigger a mandatory open offer for an additional 26% of the outstanding shares in accordance with applicable regulations of the Securities and Exchange Board of India.

The transaction is subject to conditions precedent (including the completion of the open offer). The acquisition as well as the open offer are expected to close during the quarter ended June 2022.

Founded in 1964, by Jagmohan Singh Kochhar, Jagsonpal is a leading pharmaceutical company in the domestic formulations business. The company has been publicly traded since 1986. Historically Jagsonpal's key strength has been the discovery of effective novel formulations leveraging Rajpal Singh Kochhar and the team's deep scientific expertise. Jagsonpal's product range focuses primarily on women's health and orthopedics.

Rajpal Singh Kochhar, the Chairman & Managing Director, remarked, "We are excited to have the Convergent Funds as committed long-term partners. We are extremely impressed by the Convergent Funds' partnership model and track record of value creation through operational improvements and efficient capital allocation. I believe this will greatly benefit the company and its stakeholders. Going forward, while the Convergent Funds will work extensively with company management in building the business, we will support the business with our legacy knowledge, pharmaceutical expertise, and industry connects."

Harsha Raghavan, Managing Partner at Convergent, commented, "Jagsonpal is a well-established company in the Indian domestic formulations industry with a strong portfolio of brands. Women's health is a critical issue for our nation, and Jagsonpal plays an important role in making its products accessible to the masses. The company has a robust distribution network and large field force of medical representatives. We are honoured and excited to work with the Kochhar family and Jagsonpal's management team to identify growth levers that can catapult its market position."

About Convergent Finance LLP

Convergent Finance LLP is an investment management and advisory partnership at the forefront of bringing together Ideas, Capital, and passionate Entrepreneurs. The Convergent investment process involves identifying proprietary platform and bolt-on opportunities, speed of execution, and a relentless focus on performance improvement. The Convergent value investing approach believes in paying fair and reasonable valuations through bilaterally negotiated transactions.

About Jagsonpal Pharmaceutical Limited

Established in 1964, Jagsonpal Pharmaceuticals, specializes in developing and manufacturing bulk drugs and pharmaceutical formulations. The company has major presence in the field of gynaecology, IVF specialization and orthopaedics. Jagsonpal's strength lies in marketing and distributing of its pharmaceutical products in India. The firm has an extraordinary distribution network with 1,600+ authorized stockists / super stockists and 125,000+ pharmacies.