

## Cipla arm sells entire 48% stake in China firm

New Delhi: Drug major Cipla announced sale of its entire 48.22% stake in China-based Jiangsu Cdymax Pharmaceuticals for over Rs 114 crore (\$18.5 million) as it seeks to realign its global business.

The stake was held by Cipla's Mauritius arm Meditab Holdings, which has signed the deal to sell the shares in Jiangsu Cdymax Pharmaceuticals to an affiliate of one of the other shareholders of the Chinese firm. "Cipla had 48.22% stake in Cdymax with an objective to pursue formulation opportunities in China.

However, as per the new global growth strategy, Cipla did not see a strategic fit in these transactions and hence decided to divest the stake at a value of \$18.5 million which was the initial value of our investment in the entity," said a Cipla spokesperson.

China is one of the largest pharmaceutical markets in the world and Cipla is keen to be in the market to offer affordable high quality products, she added.

"We have been observing a huge amount of health awareness among the public in China, and we believe that there is a huge demand for affordable drugs across various therapies. Cipla is currently evaluating better opportunities which will aid the overall growth of the company," the spokesperson said.

Meditab Holdings Ltd has entered into a definitive agreement to sell its entire 48.22 per cent equity interest in Jiangsu Cdymax Pharmaceuticals Co Ltd to an affiliate of one of the other shareholders of Jiangsu, for a total consideration of \$18.5 million. Cipla said in a filing to the BSE. The closing of the transaction is subject to receipt of applicable regulatory approvals in China, it added. Shares of Cipla closed at Rs 649.35 per scrip on BSE, up 1.48% from its previous close. —PTI



Company