

AstraZeneca mulls delisting, stock jumps 20%

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Yet another multinational company is looking to delist from India's stock exchanges.

AstraZeneca Pharma India, owned by AstraZeneca Pharmaceuticals AB (AZP AB) of Sweden, is likely to consider a proposal to delist its Indian subsidiary at its board meeting on Wednesday.

The foreign parent holds 75 per cent in the company, after it reduced its stake from 90 per cent in May last year through an offer-for-sale to institutional investors at ₹620 a share. AstraZeneca has asked the Indian arm to convene a board meeting to consider the delisting proposal and to take the steps required to get shareholders' approval through a postal

MNCs maange more

- Unilever Plc increased stake in its local arm, Hindustan Unilever, from 52.48% to 67.28% at a cost of ₹29,200 crore
- Diageo Plc raised its stake in United Spirits from 25.02% to 29% at a cost of ₹860 crore in February
- GlaxoSmithKline Plc is looking to raise its holding in its Indian arm, GlaxoSmithKline Pharmaceuticals Ltd, from 50.7% to 75% at a cost of ₹6,386 crore
- Moody's plans to raise its holding in credit rating agency ICRA. Last year, Moody's arch-rival McGraw Hill Financial Inc, which controls S&P, acquired more stake in India's top credit rating agency CRISIL

ballot, according to a company statement.

AstraZeneca stocks shot up 20 per cent on the news, closing at ₹1,110.90 on the BSE on Monday.

The proposal is not without its concerns. Analysts from some brokerage houses said delisting could hamper the interests of mi-

nority shareholders. "As per the old rules, the shares had to be bought back from the public. That is not the case as a majority of shareholders can buy it from institutional investors," said an analyst with a brokerage house, who declined to be named. Once the board takes up the proposal,

it will all hinge on the offer price, said Ranjit Kapadia, Senior Vice-President of Centrum Broking. As the company is currently making losses, anything above the market price will be attractive but whether minority shareholders will tender their shares at that price remains uncertain, as they may continue to hold their shares in anticipation of a better price, he added.

In January, the Indian subsidiary had said it planned to shut down its Avishkar research and development site in Bangalore, but added it remained committed to maintaining a significant presence in the country.

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(With inputs from Mumbai bureau)

Company