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Cipla buys stake in U.S. firm

Special Correspondent

MUMBAI: Indian pharmaceutical major Cipla announced that it had invested in U.S.-based Chase Pharmaceuticals Corporation, an early stage drug development company.

In a statement, Cipla said its wholly-owned subsidiary Cipla (EU) Ltd. U.K., invested \$1.5 million in Chase Pharmaceuticals to acquire a 14.6 per cent stake on a fully diluted basis. Cipla will make an additional \$4.5 million investment in the U.S.-based company upon achievement of certain milestones, the statement added.

Chase is focussed on developing novel approaches to improve treatments for Alzheimer's disease and has a unique patented approach,

Cipla said adding that Chase was focussed on improving the efficacy, safety and tolerability of existing Alzheimer medications.

Cipla is investing through its impact investment unit Cipla New Ventures and will invest in the Series B round of financing as part of a syndicate which also, comprises Edmond de Rothschild Investment Partners and New Rhein Healthcare LLC.

Cipla New Ventures was set up to leverage Cipla's suite of delivery technologies through disruptive innovation around access and affordability and is managed by Chandra Chawla. The \$21 million two-phase financing will support Phase-2a and Phase-2b clinical trials for Chase's lead drug CPC 201.

The original venture funding for Chase was provided by the Brain Trust Accelerator Fund in 2010. "This investment is consistent with Cipla New Ventures' mission to build more innovation-led business streams for Cipla in the future," Subhanu Saxena, Managing Director & Global CEO, Cipla said in a statement.

Cipla said that in addition to financing Chase, it would collaborate with it to develop the drug and if successful, Cipla might provide low-cost access to Chase's lead drug in India and South Africa.

In India, more than 5 million patients suffer from dementia, most of whom are afflicted with Alzheimer's and this number is expected to double by 2030, Cipla said.

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