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Cipla divests its stake from a Chinese firm

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Singapore: Indian pharma major, Cipla recently announced that the company's wholly owned subsidiary Meditab holdings entered into a definitive agreement to sell its entire 48.22 per cent stake in Chinese company, Jiangsu Cdymax Pharmaceuticals Company to an affiliate of one of the other shareholders of Jiangsu for $ 18.5 million.

The Jiangsu Cydmax Pharmaceuticals manufactures active pharmaceutical ingredients (APIs) mainly for anti-cancer and hormone drugs. "Cipla had 48.22 percent 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," a Cipla spokesperson said.

The completion of this transaction is subject to approvals by the Chinese regulatory board, the company added. China is one of the largest pharmaceutical markets in the world and Cipla is evaluating on various projects to be in the market and offer affordable high quality products, added the spokesperson.