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Indian govt may turn down chinese major pharma's offer to acquire Gland Pharma

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The deal, if materializes will be China's biggest takeover of Indian company

If reports are to be believed, India is all set to block China's Fosun Pharmaceutical Group's proposed $1.3-billion takeover of drugmaker Gland Pharma. The deal has won the approval of the Competition Commission of India (CCI) and India's Foreign Investment Promotion Board (FIPB) in the last few months, but some in the government have expressed concerns, the source said, declining to be named, read a Reuters report.

The deal, if materializes will be China's biggest takeover of Indian company. A collapse of the acquisition would be a setback for Fosun Pharma, which had sought Gland Pharma's stable of generic injectable medicines and facilities approved to manufacture products for sale in the US. The acquisition is still subject to the review and approval of India's CCEA, so the termination date has been further extended to September 26, a Hong Kong filing by Fosun Pharma shows.

Gland Pharma said it had no information about the government's decision."We have not heard anything about it (rejection).The FIPB gave its clearance in March. Thereafter we have been following up, but we do not know anything further than that. We did not expect any hurdles," a senior Gland Pharma executive told TOI.

Chinese authorities have approved the takeover of the injectable drugmaker, but it is awaiting a nod from the Cabinet Committee on Economic Affairs of India, Shanghai Fosun said in a statement to Reuters. Chinese drug makers have been eyeing acquisitions for a long time now, with aims to capture a large share of the US pharmaceutical market.