

Cipla acquires 51% stake in Uganda-based QCL

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Cipla has informed BSE (Bombay Stock Exchange) that Cipla (EU), UK, the wholly owned subsidiary of the company, has entered into a definitive agreement to acquire a 51 percent stake in Quality Chemicals Limited (QCL), Uganda from the existing shareholders of QCL.

As per the agreement, the cash consideration for 51 percent stake is payable in tranches with approx. \$8 million payable upfront on completion and 5 equal installments of \$4.41 million payable at annual intervals thereafter.

QCL was incorporated in the year 1997 and is engaged in the business of import and distribution of pharmaceutical and consumer products.

QCL also holds a 22.05 percent stake in the company's subsidiary in Uganda, Cipla Quality Chemical Industries Limited (CQCIL).

Consequent to this acquisition, company's effective stake (held through its subsidiaries) in CQCIL will increase from the existing 51.05 percent to 62.30 percent.

This acquisition will further strengthen the company's overall presence in the African market.

The turnover of QCL for the financial year ending Dec 2012, Dec 2013 and Dec 2014 was Ugandan Shilling 15.76 billion, Ugandan Shilling 17.02 billion and Ugandan Shilling 14.85 billion respectively.

The turnover \$45 bn was recorded with QCL for the fiscal year 2014-15.