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Dishman might sell China plant to clear debts

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Ahmedabad-based contract research and manufacturing services (CRAMS) company Dishman Pharmaceuticals and Chemicals may sell-off its China-based plant to clear its mounting debt.

Only a few months ago, the company started its operating units in the Shanghai Chemical Industry park.

J R Vyas, chairman and managing director of Dishman Pharmaceuticals, said, "We have started production at the China facility a couple of months back."

Mr Vyas also said that the company is also simultaneously seeking to sell its special economic zone (SEZ) land in Gujarat to reduce its debt.

"We have decided to liquidate the Chinese asset. However, while we are looking for a suitable buyer, we have started manufacturing from that plant so that it achieves a break-even," sources in the company said.

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Construction of the Shanghai unit had begun back in 2006. Since regulatory approvals from the Chinese authorities took muchÂ longer to materialize, the company is now said to be looking to sell off its China facility.

Reports further added that the company had a total debt of Rs 799.69 crore as on March 2013.

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