

Cipla won't litigate with Smith via the media

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SA's third biggest generic drug manufacturer Cipla Medpro on Friday (11 January) issued a brief statement saying that it would not litigate via the media despite the "provocative and misleading allegations" made by its former chief executive Jerome Smith. Smith resigned last October, on the eve of a disciplinary inquiry against him.

Smith has now taken his former employer to the Labour Court, claiming R30.5m for what he says are unpaid bonuses and his salary for the remainder of his contract, which was to have run until the end of this year.

Court papers lay bare a dispute between the Smith and Cipla Medpro's board of directors over whether or not R3.6m paid to him as bonuses for 2010 and 2011 were appropriately authorised, a row that appears to have led to a breakdown in the relationship between the parties.

"Smith has chosen the Labour Court to argue his case and Cipla Medpro will vigorously defend the matter in this forum and the company remains confident of its position in this regard," Cipla said in a statement.

"The Company remains committed to using the appropriate legal and regulatory forums to have issues with Smith properly tested and judged and to communicating factual and accurate information in a timely and objective manner via Sens (the securities exchange news service)," it said.

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