

Sun-Ranbaxy CCI probe in new phase

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too low or increase prices further in case of expensive drugs."

The official, however, said the merger itself wasn't under threat. "Frankly, this will just delay the merger by a few months. It will eventually go through despite objections from stakeholders."

The commission now has a total of 180 days to take a call on the deal. Section 29 of the Competition Act says CCI can proceed to investigate a combination where it is of the opinion that the same "is likely to cause, or has caused

an appreciable adverse effect on competition within the relevant market in India".

Another government official confirmed that a second-stage investigation had been ordered and added that the commission will issue a notice to the companies in the next four days, and invite responses from them.

"The companies will be asked to publish details of their agreement in newspapers and public comments would be invited on the same," this person said. The commission will then call for additional information from the companies, if it thinks it

needs more clarity. Once these additional comments are in, the CCI will take a call on the deal within 45 days after seeking public feedback

On 11 July, the National Stock Exchange and BSE cleared the deal. It still needs to be cleared by capital market regulator Securities and Exchange Board of India, CCI and various courts.

Under the terms of the deal, shareholders of Ranbaxy will receive four shares of Sun Pharma for every five shares they hold. Analysts were expecting the merger to be completed by the end of the year.

Ranbaxy shares fell 0.73% to ₹648.75 and Sun Pharma shares fell 0.35% to ₹861.80 on the BSE on a day the benchmark Sensex climbed 0.44% to 26,560.15 points.

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