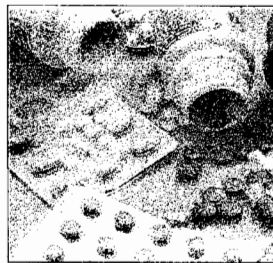


Maintain status-quo on Sun Pharma and Ranbaxy merger: HC to bourses

PRESS TRUST OF INDIA
HYDERABAD, APRIL 29

IN a setback to the Sun Pharma-Ranbaxy merger process, the Andhra Pradesh High Court has issued orders to BSE and NSE to maintain interim status quo on the matter.

Based on a writ petition filed by some individual investors, the High Court, while ordering the status quo on Friday, issued notices to Sebi, BSE, NSE, Sun Pharma, Ranbaxy, Daichii Sankyo and Silver Street Developers. "There shall be interim status quo, as prayed for," Justice P Naveen Rao said in his order. The petitioners alleged that there was heavy trading of Ranbaxy stock before the merger with Sun Pharma was announced



on April 6, and requested the court to direct the Sebi to investigate the insider trading of Ranbaxy shares and take appropriate action against Sun Pharma and Silver Street.

The petitioners also requested the court to 'restrain' the BSE and NSE from giving any clearance to the scheme of amalgamation or merger between the two drug makers.

"However, the extensive and sudden rise in the share

PETITIONERS
have alleged that there was heavy trading of Ranbaxy stock before the merger announced on April 6

price of Respondent 5 (Ranbaxy) prior to announcement of merger clearly demonstrates that certain persons had prior information about the said merger. Consequently the trading on the said shares amounts to violation of Sebi Insider Trading Regulations," the petitioner alleged. According to legal experts, both Sun Pharma and Ranbaxy will have to obtain approvals from BSE and NSE before proceeding

for further clearances from various institutions.

Sun Pharma had earlier denied insider trading charges against Silverstreet Developers LLP — its wholly owned arm — in the \$4 billion acquisition deal of Ranbaxy Laboratories. In a statement, Sun Pharma had said the matter related to purchase of shares of Ranbaxy Laboratories Ltd by Silverstreet Developers LLP "does not violate insider trading rules". As per the statement submitted to the court, more than seven million Ranbaxy shares were traded before the merger announcement was made, pushing the share price over 25 per cent.

The combination of the firms creates the fifth-largest speciality generics company in the world.

m2a