

Minority shareholders' nod not must for Sun merger deal, claims Ranbaxy



NEW DELHI: Drug major Ranbaxy Laboratories on Friday said that it does not require approval from minority shareholders to go ahead with merger deal with Sun Pharmaceutical. According to our understanding, this transaction requires 75 per cent approval of all shareholders. We are proceeding on the deal, Ranbaxy Laboratories CEO and Managing Director Arun Sawhney told analysts in post-earnings call.

Sawhney was responding to question whether approval of minority shareholders is required for the merger. When asked if there were other suitors to acquire the company, he replied in negative and said Sun Pharmaceutical approached Daichi Sankyo.

On 7 April, Sun Pharmaceutical announced it will fully acquire the troubled Ranbaxy Laboratories in an all-stock transaction with

a total equity value of \$3.2 billion. Under the agreement, Ranbaxy shareholders will receive 0.8 share of Sun Pharma for each share of Ranbaxy.

The combination of Sun Pharma and Ranbaxy will create the fifth-largest specialty generics company in the world and the largest pharmaceutical company in India. The US drug regulator has banned imports of drugs into that country from all four Indian plants of Ranbaxy for alleged violations of manufacturing norms.

Meanwhile, the pharma firm posted a net loss of ₹73.6 crore for the quarter ended 31 March, 2014

year, the company recorded write-offs on account of inventory/other costs and goodwill impairment — Rs 15.9 crore and Rs 43.8 crore respectively. Ranbaxy's net sales during the quarter this year grew marginally by 1.03 per cent to Rs 2,436.1 crore, as against Rs 2,411.1 crore in the year-ago period.

The company has changed its accounting year from January-December (calendar year) to April-March (financial year). So this accounting year is for 15 months. Ranbaxy CEO and MD Arun Sawhney said, "Despite multiple challenges, Ranbaxy met its sales

guidance and continued to build on its strengths. At the same time we continued to work closely with regulatory agencies to address their concerns.

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