

Daiichi may take legal action against ex-Ranbaxy promoters

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Singapore: Breaking its silence for the first time in 10 days after Indian drug major Ranbaxy's \$500 million settlement of the US Food and Drug Administration (FDA) felony charges over drug safety, the company's largest shareholder Daiichi Sankyo has finally reacted.

The Japanese drugmaker, which currently holds 63.9 percent stake in Ranbaxy, said that, "Daiichi Sankyo believes that certain former shareholders of Ranbaxy concealed and misrepresented critical information concerning the US Department Of Justice (DOJ) and US FDA investigations."

The company has not named any former shareholders against whom legal action is expected to be taken. "Daiichi Sankyo is currently pursuing its available legal remedies and cannot comment further on the subject at this time," the firm clarified. Although the company has expressed its ignorance over the core points of the federal investigation that went on for nine long years, it has assured all support to Ranbaxy.

"Daiichi Sankyo continues to support Ranbaxy in its efforts to address and correct the conduct of the past which led to the investigations by the US Department of Justice and the US FDA. These efforts include significant changes to Ranbaxy's management, culture, operations and compliance," the company said.

In 2008, after studying the increasingly growing global generic drug market, Daiichi had acquired a 34.8 percent stake in Ranbaxy for \$2.4 billion from the then shareholders and sibling duo, Mr Malvinder Singh and Mr Shivinder Singh. By the end of the year, the Japanese drug manufacturers completed the Ranbaxy takeover through a deal worth \$4.6 billion, acquiring a total of 63.92 percent stake in the company.