

M&A Lab

December 19, 2014

SUN PHARMA – RANBAXY: A PANACEA FOR RANBAXY'S ILLS?

April 6, 2014 was a red letter day for the Indian pharmaceutical industry as Sun Pharmaceutical Industries Limited (“Sun Pharma”) and Ranbaxy Laboratories Limited (“**Ranbaxy**”) announced that they had entered into definitive documents for merger of Ranbaxy with Sun Pharma (“**Transaction**”). The announcement came amidst reports of faltering standards at Ranbaxy’s manufacturing plants and consequent import bans imposed on Ranbaxy by the United States Food and Drug Administration. The Transaction would give rise to a pharmaceuticals giant – the fifth-largest specialty generics company in the world and the largest pharmaceutical company in India.

As is the case with other high value M&A transactions, there were concerns that the combined entity post this Transaction could potentially stifle competition with its sizeable portfolio of specialty and generic products. The Transaction came under the scrutiny of antitrust regulators in India and the United States of America. There were also allegations of violations of India’s insider trading regulations by an entity connected to Sun Pharma. Despite these challenges, the Transaction has proceeded full steam ahead, with the Competition Commission of India granting its conditional approval to the Transaction on December 5, 2014. The United States Federal Trade Commission is also expected to clear the Transaction soon.

If all goes well, this Transaction could define the global pharmaceuticals landscape for the foreseeable future. All eyes are on Mr. Dilip Shanghvi, the managing director of Sun Pharma, to see whether Mr. Shanghvi’s magic will convert Ranbaxy into a 'crown jewel' or a 'white elephant' for Sun Pharma. This M&A Lab analyzes the legal, regulatory, tax and commercial considerations pertaining to the Transaction.

For a detailed analysis of the commercial, legal, regulatory and tax considerations and to access the M&A Lab, please [click here](#).

– Nikhil Joseph, Sahil Shah, Ruchi Biyani & Nishchal Joshipura

You can direct your queries or comments to the authors

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Medical Device Industry in India

April 28, 2025

Clinical Trials and Biomedical Research in India

April 22, 2025

Structuring Platform Investments in India For Foreign Investors

March 31, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India’s Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI’s Deal Value Test

February 22, 2025

Securities Market Regulator’s Continued Quest Against “Unfiltered” Financial Advice

December 18, 2024

Digital Lending - Part 1 - What’s New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith
Desai Associate on Tech, M&A, and
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025