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## Sun Pharma moves SC against stay on Ranbaxy merger

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**S**un Pharmaceutical Industries Ltd on Tuesday moved the Supreme Court against the status quo ordered by the Andhra Pradesh high court in the proposed Sun Pharma-Ranbaxy merger.

Sun Pharma's special leave petition has asked for a vacation of the stay on the grounds that it affects 139,546 shareholders of Sun Pharma and 182,721 shareholders of Ranbaxy.

The petition claims that the high court failed to consider the established alternative remedy available for a claim of insider trading.

The insider trading complaint was the ground on which Tam-mali Shiva Kumar and Undi Venkatasubbaraju approached the high court to obtain the interim stay. They are the main respondents in the petition before the Supreme Court.

The allegations of insider trading are based on high transaction volume and a sudden spurt in Ranbaxy share price in the days before the announcement of the merger. Ranbaxy shares had risen 24% and trading volumes tripled in three sessions ahead of the announcement on 7 April that Sun Pharma would buy the loss-making company from Japan's Daiichi Sankyo Ltd.

Shiva Kumar and Venkatasubbaraju have in their petition before the high court noted that Silver Street Developers LLP, one of the purchasers of Ranbaxy shares in the run-up to the announcement of the merger, was owned by two partners who were 100% subsidiaries of Sun Pharma.

The Sun Pharma petition says that the Andhra Pradesh high court had no jurisdiction in passing its order as both Sun Pharma and Ranbaxy were based outside its territorial jurisdiction. Sun Pharma also alleged the existence of third-party elements and influences in the writ filed to stay the merger, specifically Daiichi Sankyo Co. Ltd, which is involved in a long drawn legal battle with an erstwhile promoter of one of the group companies of Ranbaxy.

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