

## **Daiichi allegations baseless: Singh brothers**

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A day after Daiichi Sankyo's allegations of concealment and misrepresentation by the certain former shareholders of Ranbaxy on May 22, 2013, the Singh brothers (Malvinder and Shivinder) have termed these as completely false and designed to divert attention away from Daiichi Sankyo's own failures to protect itself and its shareholders in the negotiations and agreement with the Singh family shareholders of Ranbaxy.

The counter statement from Singh family that came on late evening of May 23, 2013, clearly mentioned that the phrase 'former shareholders' is an obvious reference to the members and companies of the Singh family who were shareholders of Ranbaxy. Earlier Daiichi had accused them indirectly of concealing and misrepresenting critical information concerning the US Department of Justice (DOJ) and FDA investigations.

According to Singh family, Daiichi Sankyo purchased their interests in Ranbaxy in 2008 after a long negotiation process, as is typical of deals of this magnitude, and after conducting full due diligence on the affairs of Ranbaxy. The negotiations on behalf of Daiichi Sankyo were led by Mr Takashi Shoda, Daiichi Sankyo's current representative director and chairman and Dr Tsutomu Une, executive director, who is also the current chairman of Ranbaxy. They and Daiichi Sankyo were legally advised.

"At every step of the way during the negotiation process, Daiichi Sankyo and its representatives were made aware of the ongoing US FDA and DOJ investigations. They were also given full access to the documents at Ranbaxy pertaining to US FDA and DOJ investigations," mentioned the statement.

It goes on to add, "Daiichi Sankyo went in to the deal after satisfying itself with its due diligence, with knowledge of the US DOJ and FDA investigations and with the benefit of legal advice."

It reminded Daiichi that it was upon their request that Malvinder had agreed to continue at Ranbaxy for a period of five years. Malvinder left Ranbaxy in the middle of 2009. When he left, Dr Tsutomu Une of Daiichi Sankyo sent him a personal letter of appreciation to thank him for the many valuable contributions made by him and the Singh family to Ranbaxy. In that letter, Dr Une had mentioned, "On behalf of the board members of Ranbaxy Laboratories Limited, we greatly appreciate the many valuable contributions made by you and your family to Ranbaxy. Under the leadership of your family, Ranbaxy has grown from a small pharmaceutical company providing pharmaceutical products to the people of India in the early years of the last century to an international generics giant that today has sales of several billion dollars and customers on every continent and competes internationally with the best in the industry."

Again in April 2012, Malvinder was invited by Ranbaxy to attend a launch of Ranbaxy's new product. Dr Une met Malvinder at that launch but as per Singh family, there was no suggestion by Dr Une or anyone else on behalf of Ranbaxy or Daiichi Sankyo at that time that there was any concealment or misrepresentation.

"It was recently reported that Ranbaxy had entered into a settlement agreement with the US FDA and DOJ in relation to their investigations and that under that settlement agreement, Ranbaxy agreed to pay large penalties to the US FDA and DOJ. The decision to enter into that settlement agreement was made by Ranbaxy and had nothing to do with the Singh family which was not even consulted by Daiichi Sankyo/Ranbaxy."

"It is unfortunate that having made that decision, Ranbaxy's largest shareholder, Daiichi Sankyo, is now trying to desperately shift the blame as regards Ranbaxy's current situation away from itself. That is, of course, very convenient," concluded the statement. With the Singh brothers openly countering the veiled reference to their alleged involvement in concealing facts, industry analysts are expecting Daiichi too to explain their point of view further.