

Daiichi Sankyo may sue Ranbaxy stakeholders

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While Ranbaxy is still reeling from the what is the largest settlement by any generic company in the US for violating the FDCA (Food, Drug and Cosmetic Act), Daiichi Sankyo, its parent firm have indicated that it is looking into legal options against key stakeholders from Ranbaxy.

Tokyo based Daiichi Sankyo, which took over Ranbaxy in 2008, has stated that, "Daiichi Sankyo believes that certain former shareholders of Ranbaxy concealed and misrepresented critical information concerning the U.S. DOJ and FDA investigations. Daiichi Sankyo is currently pursuing its available legal remedies and cannot comment further on the subject at this time."

The \$500 million settlement included both the civil and criminal cases against the manufacturer for malpractices and in data integrity and manufacturing processes at certain Ranbaxy facilities in India. The settlement also awarded Dinesh Thakur, the whistleblower who helped USFDA uncover evidence against malpractices, \$48.6 million.

Meanwhile, in a bid to clean up their act, Ranbaxy today highlighted some of the major specific actions the company has been taking in recent years to address certain conduct of the past and to ensure the safety and efficacy of all Ranbaxy products currently available in the global market. These actions include, a complete reconstitution of the Board of Directors and Executive Management team. Also plans were announced for enhancing its compliance procedures and policies; upgrading its business and manufacturing processes; building a culture of accountability and excellence across all levels of the organization.

Arun Sawhney, CEO & Managing Director, Ranbaxy, stated, "Ranbaxy is a different company today. The steps we have taken over the recent years reflect the wide-ranging efforts of the current board and management to address certain conduct of the past and ensure that Ranbaxy moves forward with integrity and professionalism in everything we do. We are fully committed to upholding the high standards that patients, prescribers and all other stakeholders expect."

Sawhney added, "All Ranbaxy products currently in the global market are safe and effective, and we remain focused on our philosophy of 'Quality and Patients First.' In the recent years we have made significant improvements in the way we conduct our business to ensure greater quality control and have made investments of over US\$ 300 million in our manufacturing facilities to install state-of-the-art technologies. We have also instituted a rigorous new Code of Conduct for all Ranbaxy employees, with clear accountability for compliance."

Daiichi Sankyo added in their statement that it would also continue to support Ranbaxy in its efforts to address and correct the conduct of the past which led to the investigations by the U.S. Department of Justice ("DOJ") and the U.S. Food and Drug Administration ("USFDA"). It said,"These efforts include significant changes to Ranbaxy's management, culture, operations and compliance."