

## **Sun Pharma wins legal battle in US against Taro Pharma**

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Sun Pharmaceutical Industries Ltd. (Sun) has received favourable ruling from the United States District Court for the Southern District of New York against Taro Pharmaceutical Industries (Taro). The court had dismissed in its entirety the complaint filed by Taro seeking to block the Tender Offer by Sun's subsidiary, Alkaloida Chemical Company Exclusive Group Ltd. (Alkaloida), to purchase all outstanding ordinary shares of Taro.

The court rejected Taro's claims based on allegations that Sun and Alkaloida had failed to make adequate disclosures concerning the offer. The court also rejected Taro's request for discovery, remarking that Taro had not explained any purpose that discovery would serve.

The court also dismissed Taro's other claims, including breach of contract and misappropriation of trade secrets, for lack of subject matter jurisdiction. The court gave Taro two weeks to file an amended complaint to attempt to fix the defects in its complaint. However, even if Taro revives its state law claims, they will not entitle Taro to obtain the injunction it was seeking to enjoin consummation of Alkaloida's Offer.

Dilip Shanghvi, chairman and managing director of Sun, said, "Sun is pleased, but not surprised, by this decision. The US District Court's complete dismissal of Taro's complaint confirms that this most recent lawsuit was just one more unfortunate attempt by the Taro directors to divert Taro's limited resources to assisting the Levitt family in their ongoing refusal to comply with their contractual obligations. Taro's previous attempt to thwart Sun's contractual rights already resulted in a stunning denunciation of the Taro directors by the Tel-Aviv District Court. Sun hopes that the Taro directors will not waste additional time or company resources on any further such tactics."

Alkaloida's offer remains subject to a continuing order issued by the Supreme Court of Israel temporarily prohibiting the closing of the offer until the Supreme Court issues a decision on the appeal of the separate litigation commenced against Alkaloida and its affiliates by Taro and certain of its directors regarding the applicability of the special tender offer (STO) rules under the Israeli Companies Law to the offer. The Tel-Aviv District Court previously ruled in favour of Sun that a special tender offer was not required. The offer is scheduled to expire on the fifth business day following the date Alkaloida announces a ruling on the appeal of the STO litigation or if, prior to such ruling, the Supreme Court's temporary order is otherwise lifted.