

Dr.Reddy's settles claims against Nordion for \$22.5 million

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Dr. Reddy's Laboratories has settled its claims against Nordion Inc (formerly MDS Inc), headquartered in Ottawa, Canada, in a case pending in the United States District Court for a cash payment of USD 22.5 Million by Nordion to Dr. Reddy's. The settlement was concluded on 20 March 2013, with the receipt of the settlement funds by Dr. Reddy's.

The case was brought by Dr. Reddy's in April 2009 seeking damages sustained by the company caused by a claimed breach by Nordion (then MDS) of its laboratory services agreement with Dr. Reddy's. Nordion, as a contract research organization, provided laboratory services to Dr. Reddy's, including bio-equivalency studies, to support Dr. Reddy's regulatory applications for approval of generic drugs, including Abbreviated New Drug Applications (ANDAs) filed with the United States Food and Drug Administration (the USFDA) for approval to market generic drugs in the United States.

The case arose after the USFDA cited MDS with violations of good laboratory practices which caused the USFDA not to accept, without further substantiation, MDS's laboratory reports performed during the period 2000-2004.