

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

IN RE: DR. REDDY'S LABORATORIES LTD.
SECURITIES LITIGATION

Case No. 3:17-cv-06436-PGS-DEA

Class Action

**LEAD PLAINTIFF'S MEMORANDUM OF LAW IN SUPPORT
OF MOTION FOR APPROVAL OF SETTLEMENT DISTRIBUTION PLAN**

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Lead Plaintiff, the Public Employees' Retirement System of Mississippi ("Lead Plaintiff"), on behalf of itself and all other members of the certified Settlement Class,¹ respectfully submits this Memorandum of Law in support of its motion, as permitted by the Final Order and Judgment in this matter (ECF No. 113 at ¶23), for entry of the proposed Order Approving Settlement Distribution Plan (the "Distribution Order"), consistent with the accompanying Declaration of Jordan Broker in Support of Lead Plaintiff's Motion for Approval of Settlement Distribution Plan ("Distribution Declaration" or "Distribution Decl."), dated March 19, 2026, submitted on behalf of the Court-approved Claims Administrator, Epiq Class Action and Claims Solutions, Inc. ("Epiq").

Pursuant to the Stipulation and Agreement of Settlement, dated May 15, 2020 ("Stipulation," ECF No. 95-1), previously approved by the Court, Defendants have no interest in the relief sought by this motion.² See Stipulation at ¶13 ("This is not a claims-made settlement. As of the Effective Date, other than for the purpose of paying any Taxes with respect to the Settlement Amount as provided in this Stipulation, neither Defendants nor any other Person who or which paid any portion of the Settlement Amount on their behalf shall have any right to the return of the Settlement Fund, the Settlement Fund Balance, or any portion thereof for any reason").

If entered by the Court, the proposed Distribution Order will, among other things: (i) approve Epiq's administrative recommendations for accepting and rejecting Claims submitted herein; (ii) direct the distribution of the Net Settlement Fund to Class Members whose Claims

¹ All capitalized terms used herein that are not defined have the same meanings given to them in the Stipulation and Agreement of Settlement, dated May 15, 2020 (the "Stipulation"), previously filed with and approved by the Court (ECF Nos. 95-1, 113).

² All capitalized terms not defined herein have the same meanings as set forth in the Stipulation (ECF No. 95-1) or in the Distribution Declaration.

have been accepted as valid and approved by the Court according to the terms of the approved Settlement Distribution Plan; (iii) establish a bar date beyond which no new Claims will be allowed or adjusted; (iv) approve payment of the Claims Administrator's estimated fees and expenses to complete an initial distribution; and (v) authorize destruction of Claim Forms after the distribution is complete.

I. THE NOTICE PROGRAM AND APPROVAL OF THE SETTLEMENT

Pursuant to the Stipulation, Dr. Reddy's Laboratories Ltd. ("Dr. Reddy's"), an Indian company, agreed to pay, or cause to be paid, \$9,000,000 to settle the claims of the Settlement Class against Defendants in the Action. The Court granted preliminary approval of the Settlement by an order dated May 18, 2020 (ECF No. 96) and granted final approval by a Judgment dated December 23, 2020 (ECF No. 113).

In accordance with the Preliminary Approval Order, Epiq mailed the Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorneys' Fees and Expenses (the "Notice") and Proof of Claim and Release Form ("Claim Form") (collectively, the "Notice Packet") to potential Settlement Class Members and to brokers and other nominees that purchased Dr. Reddy's ADSs on behalf of Class Members. Distribution Decl. at ¶5. The Notice Packet informed Class Members that if they wished to be eligible to participate in the distribution of the Net Settlement Fund, they were required to submit Claim Forms no later than September 22, 2020. *Id.* at ¶8.

The Court approved the proposed Plan of Allocation (ECF No. 111) and the Effective Date of the Settlement has occurred. *See* Stipulation at ¶40. Accordingly, the Net Settlement Fund may be distributed to Authorized Claimants, subject to the establishment of the Tax Reserve provided for in the Stipulation with respect to taxes that may be assessed by the government of India. Stipulation at ¶¶1(ddd); 26-28.

In July and August 2020, Dr. Reddy's and Lead Counsel, on behalf of the Settlement Class, filed applications with the Authority for Advance Rulings ("AAR") in India, which is responsible for making determinations about any Indian taxes owed on the corpus of the Settlement Amount. Although the parties maintain that no Indian tax will be owed on the Settlement Amount, the AAR has not ruled on the parties' AAR applications. Accordingly, pursuant to the terms of the Settlement, a 50% Tax Reserve will be withheld from the distribution to Authorized Claimants so that funds are available in the unlikely event of a future ruling that Indian tax is due. Lead Counsel had hoped that the AAR would rule within a year or two of the AAR applications, obviating the need for the reserve to be withheld from a distribution. However, given the passage of time with no ruling, we respectfully submit that an initial distribution should proceed.

II. CLAIMS ADMINISTRATION PROCESS

Under the terms of the Stipulation and the Notice, all Class Members wishing to participate in the distribution of the Net Settlement Fund were required to submit Claim Forms no later than September 22, 2020. Distribution Decl. at ¶8. As set forth in the accompanying Distribution Declaration, Epiq has processed and reviewed 6,550 Claims. *Id.* Claims received after June 1, 2023 have not been processed, given their lateness. *Id.* at ¶¶32-33.

Epiq has prepared detailed reports of: (1) Authorized Claimants that submitted timely and eligible Claims (Exhibit C-1); (2) Authorized Claimants that submitted late, but otherwise eligible Claims (Exhibit C-2); and (3) all wholly rejected or ineligible Claims received through June 1, 2023 (Exhibit C-3). These reports are annexed to the Distribution Declaration, respectively. *Id.* at ¶41. Based on these determinations, the Claims Administrator, in consultation with Lead Counsel, recommends that a distribution to the Claimants listed in Exhibits C-1 and C-2 be authorized.

A. Procedures and Review

With respect to Epiq’s extensive review process, among the 6,550 Claim Forms received and processed, 476 were paper Claims (submitted by mail) or online Claims (uploaded using the Settlement website). *Id.* at ¶11. 6,074 were submitted electronically by large investors or their nominees with hundreds or thousands of transactions (“Electronic Claims” or “E-Claims”) to Epiq’ Electronic Filing Team. *Id.* at ¶15. The paper Claim Forms were opened and scanned into an electronic database created for this Settlement. *Id.* at ¶11. The data from all the Claim Forms was entered into the database created for the Settlement, evaluated and processed according to a complex coding procedure to identify and classify deficiency or ineligibility conditions existing within the Claims. *Id.* at ¶¶11-19.

Many of the Claims initially submitted were deficient or ineligible for one or more reasons, including for not being signed, not being properly documented, not having any eligible transactions in Dr. Reddy’s ADSs during the Class Period or being otherwise deficient. *Id.* at ¶¶21-26.

If a paper or online Claim was determined to be defective or ineligible, in whole or in part, a notice was sent to the Claimant describing the defect(s) in his, her or its Claim and what was necessary to cure any “curable” defect(s) in the Claim. *Id.* at ¶22. The deficiency notice advised the Claimant that the submission of the appropriate information and/or documentary evidence to complete the Claim had to be sent within twenty (20) days from the date of the notice or the Claim would be recommended for rejection to the extent the deficiency or condition of ineligibility was not cured. *Id.* Claimants were also advised that they could request Court review of Epiq’s administrative determinations if they wished to contest the rejection of their Claims. *Id.*

If an “Electronic Claim,” *i.e.*, large Claims with many transactions that are submitted to Epiq’s Electronic Filing Team specializing in handling such Claims, was determined to be deficient and/or rejected, Epiq notified the filer of the deficiencies or conditions of rejection by emailing a Status Email with an attached Transaction Report, which listed the specific Claims that were deficient/rejected, along with detailed information about the conditions of ineligibility so that the issues could be cured. *Id.* at ¶¶24-26. The email advised the filer that any deficient transactions or Claims that remain uncured would be rejected, and it informed the filer that it could, on behalf of the Claimants, request that the Court review Epiq’s administrative determinations if it wished to contest the rejection. *Id.* at ¶25.

The administration was also subject to Epiq’s rigorous quality assurance reviews and screening for questionable filers. *Id.* at ¶¶35-36. Among other things, Epiq’s Quality Assurance personnel performed a final Quality Assurance review once all of the accepted Claims were processed, deficiency notices were mailed and deficiency responses were reviewed and processed, to ensure the correctness and completeness of all of the processed Claims before Epiq prepared its final reports to Lead Counsel. Here, in connection with this final review, Epiq: verified that Claim Forms had signatures of authorized individuals; verified that true duplicate Claims were identified, verified and rejected; verified that persons and entities excluded from the Settlement Class did not file Claims or their Claims were rejected; performed an audit of deficient Claims; performed additional reviews of Claims with high Recognized Claim amounts; audited Claims that were designated invalid; audited Claims with a Recognized Claim amount equal to zero; performed other auditing based on Claim completion requirements and calculation specifications based on the Court-approved Plan of Allocation; and re-tested the accuracy of the loss calculation program. *Id.*

B. Recommended Disposition of the Claims

1. Lead Counsel Recommends that the Claims Administrator's Eligibility Determinations Be Approved

A total of 5,238 Claims were received and/or postmarked on or before the deadline to submit Claim Forms. *Id.* at ¶38. Of these 5,238 timely Claims, 3,131 have been determined by Epiq to be eligible in whole or in part to receive a payment from the Net Settlement Fund and represent a Recognized Claim amount of \$89,409,403.54. *Id.* and Ex. C-1. A total of 1,312 Claims were received after the original deadline, but on or before June 1, 2023, and represent a Recognized Claim amount of \$4,645,833.12. *Id.* at ¶39 and Ex. C-2. A total of 2,661 Claims were rejected, after exhaustion of the deficiency process explained above. *Id.* at ¶40 and Ex. C-3. Many of these rejected Claims (1,614) did not calculate to a Recognized Claim under the Court-approved Plan of Allocation; 53 were deficient and not cured; 810 were not submitted by members of the Settlement Class; 19 were duplicates; and 165 Claims were withdrawn. *Id.*

It is respectfully requested that the Court authorize distribution of the Net Settlement Fund to the eligible Claimants identified by Epiq (including those that filed after the Claim deadline but on or before June 1, 2023, as set forth below), and reject those designated for rejection.

2. Lead Counsel Recommends that the Court Accept Certain Late-Filed But Otherwise Valid Claims

Epiq received and processed 1,312 Claims that were postmarked after the Court-established Claim deadline, but on or before June 1, 2023. *Id.* at ¶¶32, 39. Among these, 758 are, but for their late submission, otherwise valid and calculate to a Recognized Claim amount of \$4,645,833.12. *Id.*

Although these Claims were late, they were received while the processing of Claims was ongoing. The processing of these late Claims did not delay the Claims administration, nor will it

delay the distribution of the Net Settlement Fund. Lead Counsel believes that it would be appropriate to allow payment of these otherwise eligible Claims that were received while Claim processing was being completed, and respectfully request that these Claims be approved as eligible for payment.³

However, in order to complete the administration, there needs to be a final cut-off date. Epiq recommends that all Claims received after June 1, 2023 be rejected as untimely. *Id.* at ¶¶32-33. Processing Claims received after June 1, 2023 would necessarily delay the relief requested by this Motion. However, the proposed Distribution Plan, discussed below, would allow the payment of such very late claims from unclaimed funds, if any. *Id.* at ¶¶ 43(e)-(f).

C. Claimants Requesting Judicial Review

Epiq received one request for judicial review from a Claimant (“Disputing Claimant”). *Id.* at ¶¶29-31, Ex. B. As explained in the Distribution Declaration, the Disputing Claimant purchased *and* sold Dr. Reddy’s ADSs during the Class Period, but prior to the first allegedly corrective disclosure. Accordingly, the shares were purchased and sold at allegedly artificial prices. Indeed, they were sold at a *gain*, and the Claimant was not damaged. Because the Claim did not result in a Recognized Claim under the Court approved Plan of Allocation, it is not eligible for a payment from the Settlement. The Claims Administrator communicated with the Disputing Claimant in an effort to explain the rejection, however the Claimant wishes to present the dispute for review by the Court. The Disputing Claimant will be provided with copies of these motion papers, without voluminous exhibits that are not relevant to the claim dispute.

³Lead Counsel and the Court have discretion to accept Claims submitted after the filing deadline. *See* Preliminary Approval Order at ¶13(a) (“Such deadline may be further extended by Court order or by Lead Counsel in their discretion”).

III. DISTRIBUTION OF THE NET SETTLEMENT FUND

Epiq, in consultation with Lead Counsel, has developed a distribution plan for the Net Settlement Fund that will allow for the fair and efficient distribution of the Settlement proceeds, pursuant to the Plan of Allocation and Stipulation, until the fund is exhausted. *See* Distribution Decl. at ¶43. Epiq has also submitted an estimate of its fees and expenses to conduct the initial distribution of the Net Settlement Fund in the amount of \$29,270.75. *See* Distribution Decl., Ex. D. If less than this estimate is actually incurred, Epiq will return the difference to the Net Settlement Fund.

As set forth in the Distribution Declaration, Epiq will conduct an initial distribution (the “Initial Distribution”) of the Net Settlement Fund, after deducting all payments approved by the Court, and after payment of any U.S. and New Jersey taxes, the costs of preparing appropriate U.S. and New Jersey tax returns, escrow fees, and the estimate to complete the initial distribution, while maintaining the 50% Tax Reserve required by the Stipulation to pay assessed Indian taxes and a 10% reserve to address any future U.S. and New Jersey tax liability, the costs of Indian tax counsel, and claims administration-related contingencies that may arise (the “Reserve”). *See* Distribution Decl. at ¶43(a)-(b).

Lead Counsel will hold the Reserve in the Settlement Fund, pursuant to the terms of the Stipulation and the Distribution Order, until it is no longer needed. To the extent the Reserve is not used, the remainder of the Reserve and any unclaimed funds will be distributed in future distributions. *Id.* at ¶43(d).

Epiq will calculate award amounts for all Authorized Claimants based on each Authorized Claimant’s *pro rata* share of the Net Settlement Fund in accordance with the previously approved Plan of Allocation. *Id.* at ¶43(a)(i). Epiq will, pursuant to the terms of the Plan of Allocation, eliminate from the Initial Distribution any Authorized Claimant whose *pro*

rata share of the Net Settlement Fund is less than \$10.00. *Id.* at ¶43(a)(ii). A “Distribution Amount” will be calculated for each of the remaining Authorized Claimants, which is the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants who will receive \$10.00 or more, multiplied by the remaining Net Settlement Fund (“Initial Distribution Amount”). *Id.* at ¶43(a)(iii).

With respect to additional distributions, after Epiq has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, but no earlier than six (6) months after the Initial Distribution, Epiq will, after consulting with Lead Counsel and if cost-effective, conduct a second distribution of the Net Settlement Fund (the “Second Distribution”). *Id.* at ¶43(d). In the Second Distribution, any unclaimed amounts remaining in the Net Settlement Fund after the Initial Distribution, including the Reserve to the extent not used and to the extent available given rulings of the AAR, after deducting Epiq’s fees and expenses incurred in connection with administering the Settlement for which it has not yet been paid (including the estimated costs of such Second Distribution), and after the payment of any U.S. and New Jersey taxes, the costs of preparing appropriate tax returns and any escrow fees, will be distributed to Authorized Claimants in the Initial Distribution that cashed their Initial Distribution checks and would receive at least \$10.00. *Id.* Additional re-distributions, after deduction of costs and expenses as described above and subject to the same conditions, may occur thereafter until Lead Counsel, in consultation with Epiq, determines that further re-distribution is not cost-effective. *Id.*

When further redistribution of the funds remaining in the Net Settlement Fund is not cost effective, any otherwise valid Claims received after June 1, 2023, or adjusted after March 16, 2026, that would have been eligible for a payment may be paid, pursuant to Paragraph 43(e)-(f).

Finally, at such time as Lead Counsel, in consultation with Epiq, determines that further distribution of the funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance of the Net Settlement Fund, after payment of any unpaid fees or expenses incurred in connection with administering the Net Settlement Fund and after the payment of any U.S. and New Jersey taxes, the costs of preparing appropriate tax returns, and any escrow fees, will be donated to the Consumer Federation of America, or another non-profit non-sectarian organization chosen by the Court. *Id.* at ¶43(e).

Consumer Federation of America (“CFA”) is a non-profit, consumer advocacy organization established in 1968 to advance consumer interests, including those of investors, through policy research, advocacy, and education before the judiciary, Congress, the Executive Branch, federal and state regulatory agencies, and state legislatures. *See generally* www.consumerfed.org (last visited March 20, 2026). CFA has been approved as a *cy pres* beneficiary in numerous securities cases, including *In re Conduent Inc. Sec. Litig.*, No. 19-cv-08237-SDW-AME, ECF Nos. 148-1, 149 (D.N.J. April 30, 2025); *In re StoneCo Ltd. Sec. Litig.*, No. 21-cv-9620, ECF Nos. 129, 141 (S.D.N.Y. March 1, 2026); *In re Livent Corp. Sec. Litig.*, Case No. 190501229, Dkt No. 23102256 (Pa. Com. Pl. April 11, 2024); and *Allison v. Oak Street Health, Inc., et al.*, No. 22-CV-00149, ECF. Nos. 189, 194 (N.D. Ill. Dec. 12, 2024).

Epiq will destroy paper copies of the Claims and all supporting documentation one year after all funds have been distributed, and two years after all funds have been distributed, it will destroy electronic copies of the same.

CONCLUSION

For all of the foregoing reasons, Lead Plaintiff respectfully requests that this motion be granted in its entirety and that the Court enter the proposed Order Approving Settlement Distribution Plan, submitted herewith.

Dated: March 25, 2026

Respectfully submitted,

KAPLAN FOX & KILSHEIMER LLP

/s/ Joel B. Strauss

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CERTIFICATE OF SERVICE

I, Joel B. Strauss, hereby certify that, on March 25, 2026, I caused the foregoing to be served on all counsel of record by filing the same with the Court using the CM/ECF system, which will send electronic notices of the filing to all counsel of record.

/s/ Joel B. Strauss
JOEL B. STRAUSS