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News / Story reproduced with thanks:- Times of India

GSK plan to buy 5% in DRL may not take off

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UK-based GlaxoSmithKlines (GSK) plan to buy about 5% stake in Dr Reddys Laboratories (DRL) for about \$150-160 million appears to be stuck and unlikely to happen,two people familiar with the matter have said.

Last year,the British company was in discussions to buy into Reddy Holdings,a company owned by the promoter family,which in turn owns 23% in Dr Reddys.This would have translated into a stake of about 5% in Dr Reddys.The deal has fallen through,at least in the current form whereby GSK was to buy a little over 5% in DRL, an industry executive privy to the development said.

Another executive added that there was a growing difference between the two companies.Both the officials asked not to be named.In separate mails,both DRL and GSK said they dont comment on market speculation.Last June,the two companies formed a drug marketing alliance,whereby GSK would sell over 100 branded drugs across therapies in several emerging markets.