

Buy Around 3000 - 3010

Target Around 3210 - 3290



Equity Data		Dr. Reddy's Laboratories Limited	
CMP			3008.70
BUY	3000.00 -		3010.00
Average	2760.00 -		2780.00
Target 1	3200.00 -		3210.00
Target 2	3280.00 -		3290.00
STLP (Below)			2740.00
52 Week High (Rs.)			4382.95
52 Week Low (Rs.)			2750.00
BETA			0.70
Market Cap (Rs. In Crores)			51243.80

Key Ratios	
TTM EPS (Rs.)	75.44
TTM PE (X)	39.79
Book Value (Rs.)	698.55
P/B.V. (X)	4.30
ROE (%)	12.28
EV/TTM EBIDTA(x)	21.02
EV/TTM Sales(x)	5.44
Dividend Yield%	0.67
Promoter Holding (%)	26.37

Financials (Standalone)	(Rs. In Crore)		
	2015-16	2014-15	2013-14
Net Sales	10207.70	10011.00	9728.00
Other operating income	244.80	222.80	189.70
Operating Profit	2648.80	2613.90	2913.20
PBT	1580.00	2059.90	2454.40
Net Profit	1354.50	1679.40	1932.80
Shareholder's Funds	11605.40	10634.00	9329.00
Trade Payable	719.20	716.00	842.30
Unsecured Loans	994.30	938.30	900.20
Net block (Fixed Assets)	4429.30	3249.40	2748.30
Investments	1776.10	1760.10	1740.10
Inventories	1699.60	1723.30	1592.10
Sundry Debtors	3893.50	4711.70	4561.50
Cash and Bank	1268.00	901.40	665.10

**Company Overview:**

Dr Reddy's Laboratories is a 25-year old company catering to the needs of the pharmaceutical sector. Dr Reddy's started its operation in 1984 in the Actove Pharmaceutical Ingredients (API) segment, with a single drug in 60 tonne facility near Hyderabad. In 1986 its shipped its first consignment of Methyldopa drug to West Germany. It is among the top three API players in world. Dr Reddy's, a global pharmaceutical company, has its headquarters located in India. It has a global presence in more than 100 countries, with subsidiaries in the US, UK, Russia, Germany and Brazil; joint ventures in China, South Africa and Australia; representative offices in 16 countries and third-party distribution set ups in 21 countries.

**Investment Rational:**

As seen in the charts below, stock currently in upward bias after taking strong support around 2930 - 2950 levels. Its technical indicators such as RSI and MACD also confirming its northward journey in upcoming sessions as both stands in overselling zone. At current juncture volumes also seems to pile up on the back of some delivery based buying.

On fundamentals ground, Dr. Reddy's Laboratories Limited. Is continuously growing well in top line terms as 5305 (Net Sales in Cr.) In 2011 to 10208 (Net Sales in Cr.) In 2016. On the bottom line front in long terms company is performing well but in last two years company PAT is showing some pressure due to exceptional item and to the some extent of growth in expenses. We assume in the coming quarter, company can perform better as in terms of sales as well as margins fronts which will lead to higher profits.

Hence we recommend to buy this stock around 3000 - 3010 for the tgt of 3210-3290 in shorter term..



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