Prepared by: Atharva Thube

About the Company

Dr. Reddy's Laboratories Ltd is an integrated global pharmaceutical company incorporated in 1984 in Hyderabad by Dr Anji Reddy. Company operates in 3 businesses i.e Pharmaceutical Services & Active Ingredients, Global Generics and Proprietary Products. Company has presence in 76 Countries with major Revenue Share coming from North America, Europe, India, CIS Countries. DRL operates in 23 Manufacturing Facilities & 8 R&D Facilities globally. DRL's major therapeutic areas of focus include gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. DRL also established Aurigene Oncology Ltd a biotechnology company in 2002 which specialises in Drug discovery and development in oncology including Novel small Molecules.

DRL's current strategic focus areas include development of Biosimilar and Innovative Products, GLP-1 Receptor Agonist which includes Semaglutide, Nutraceutical & NRT and Specialty Products including complex generics.

As per current economic situations, countries are looking for ways to diversify their manufacturing from China to across the world, this is where India is emerging as a low cost and high quality manufacturer and Pharmaceutical industry is one of the industries which stand to gain from it. Dr. Reddy's Laboratories with a past performance as a generic manufacturer already has established it's reputation, proven records and stands to gain from it. DRL is already top exporter in API, it has also started focusing on high value APIs and focusing on backward integration, engaging in strategic collaborations with global Pharmaceutical Companies.

Financial Highlights (FY25)

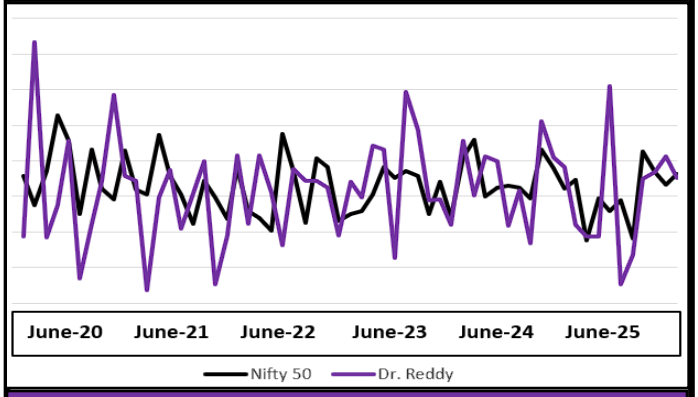
- Revenue stood at INR 32554 Crores with growth of 17% YoY.
- PAT was INR 5655 Crores, grown by 2% YoY.
- EBITDA Margins were 28.5%, a shrinkage of 0.9% YoY.
- Gross Margins were 58.5% compared to 58.61% of last year.
- Free Cash Flow stood at INR 18924 Crores, last year it was INR 29030 Crores. The significant decline is on account of CAPEX, M&A and Working Capital Changes.
- Global Generic Business grew by 18% YoY, which includes North American business stood at INR 14520 Crores (+12%) with 18 new launches, Indian Business at INR 5370 Crores (+16%) with 23 new launches, European Business stood at INR 3590 Crores (+75%) with 16% as organic growth and Emerging Markets including CIS Countries at INR 5480 Crores (+13%) due to Currency Fluctuations. Pharmaceutical Services & API Business grew by 14% YoY.
- R&D Spending grew to INR 2738 Crore by 8.4%.
- EPS stood at INR 67.8 which grew by 1.8% YoY.

Recommendation	**: XXX**
CMP	**: INR 1318.20**
Target Price	**: XXX**

Stock Data (as of 23 June 2025)

Nifty 50 (INR)	**: 24980.10**
52 Weeks H/L	**: 1317.80/799.72**
Market Capitalization	**: 110072 Crores INR**
NSE Code	**: DRREDDY**

Relative Stock Performance : 5 Years (Monthly Basis)



Absolute Return (23 June 2020 – 23 June 2025)

1 Year	**: 4.21%**
3 Years	**: 24.76%**
5 Years	**: 41.92%**

Shareholding Pattern (as of 23 June 2025)

Promoters	**: 26.64%**
FIIs	**: 25.76%**
DIIs	**: 25.63%**
Public & Others	**: 21.98%**

Financial Highlights (INR Crs)

Particulars	2023	2024	2025
Revenue	24670	28011	32644
Growth %	14.7%	13.5%	16.6%
EBITDA	6435	7947	8622
Margin	26.17%	28.47%	26.49%
PAT	4508	5578	5725
Margin	18.27%	19.91%	17.54%
ROE	19.35%	19.74%	17.06%
EPS	54.14	66.87	67.77
EV/EBITDA	11.16x	12.26x	10.67x

Mentored by: CA Parth Verma
Prepared by: Atharva Thube

Global Economy

Global GDP Growth is projected at 3.3% in 2025 and 2026 which is below historical (2019-2020) average of 3.7%, Growth in India slowed due to decline in industrial activity, IMF cut the forecast from 6.5% to 6.2% due to Trade Tensions and Global economic uncertainty. However, IMF still expects India to outperform Emerging and Developing Economies which are expected to grow by 4.5%. For USA, GDP growth projections were revised to 1.8% from 2.7% due to US President's Tariffs and trade tensions. Inflation too is elevated at 3% which is higher than past periods. Europe's GDP growth is expected to remain moderate with 0.8% growth and is expected to rise to 1.2% growth in 2026,

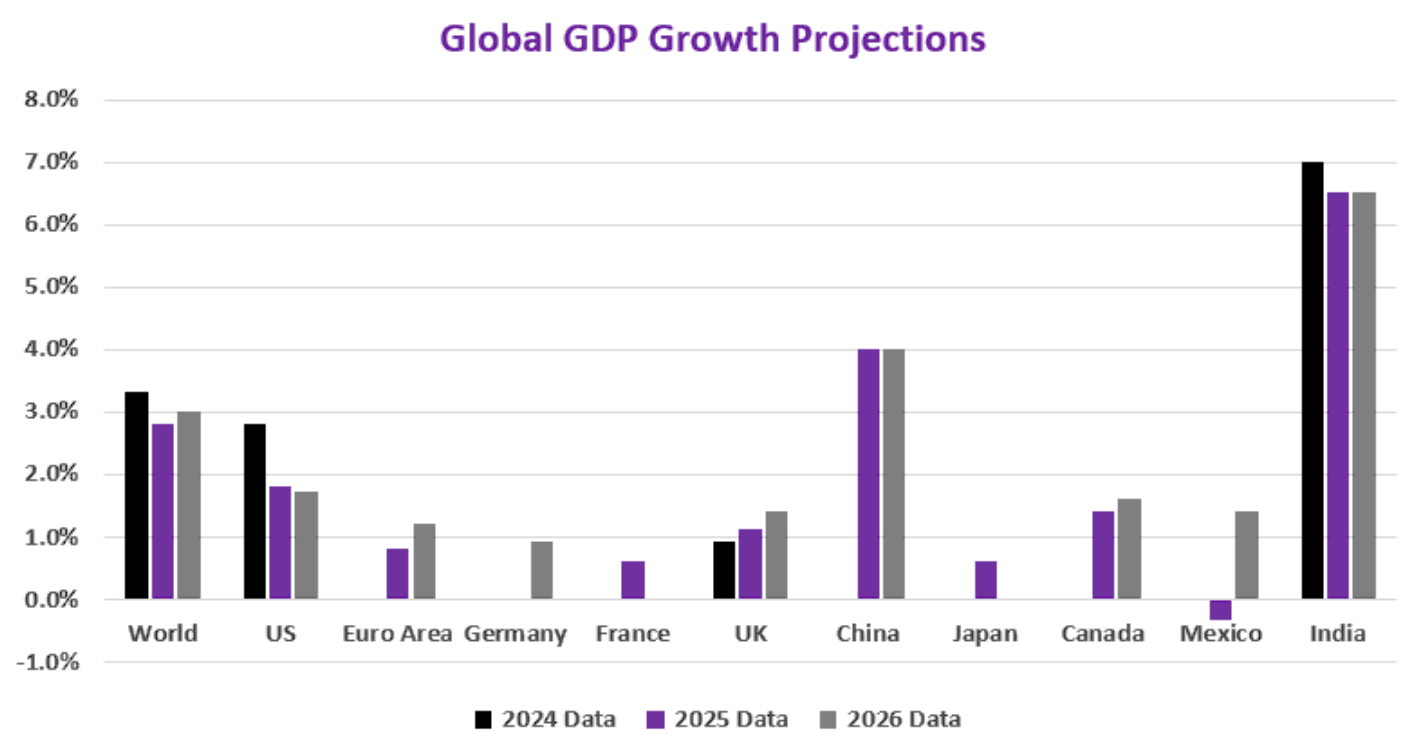
Due to recent Geopolitical tensions, Europe is increasing the spending on defence and energy, causing a drag on investments in other sectors. IMF expects trade volumes to decline globally as a result of Trade Policy Uncertainty affecting investments of Trade dependent firms. Trade amongst Western Nations is also affected negatively due to Geopolitical Situations.

Commodity prices have fallen substantially, reflecting new headwinds to global manufacturing and broader industrial activity. With re-emerging pressures in core inflation globally, the pace of global disinflation has slowed, while survey-based inflation expectations in key countries have risen alongside tariff-related developments.

Oil prices have declined precipitously in early April, as worries about the effect of rising trade tensions on demand coincided with OPEC+ pivoting toward relatively rapid increases in oil production. Brent oil prices are projected to average $66 per barrel this year and $61 per barrel next year, with demand growth set to remain well below previous Levels.

Currently Trump's major tariffs include Imports from China – 55%, Imports from Canada and Mexico – 25%, Steel & Aluminium - 50% which was 25%, Copper – 50%, Solar & EV Batteries – 35%, Consumer Electronics – 30%, Automobiles and Auto-part imports - 25%, Pharmaceuticals and Medical Equipment – 15-25%, 25% Tariffs on countries who import oil from venenzeula and more.

Source : IMF



Global Pharmaceutical Industry

Global Pharmaceutical Industry is estimated to be around $1.6 Trillion in 2024 and is expected to grow by CAGR 3-5%. The global medicine market is expected to grow more than US $600 billion to reach a size of around US$ 2.3 trillion by CY2028 indicating a CAGR of 5%-8%. During the Period innovative therapeutics, biosimilar and generics are expected to offset losses of exclusivity. Across the top 10 developed markets, the impact of brand losses of exclusivity between CY2024 and CY2028 is expected to double to around US$ 192 bn versus US$ 81 bn in the previous five years.

In the post pandemic era, pharmaceutical companies have been refreshing their portfolio strategies to continue their growth trajectory, with a combination of mergers and acquisitions (M&A), investments in research and development (R&D), including novel therapies (improved and new methods of treatments) higher adoption of digital capabilities. Global biotech spending is set to exceed US$ 890 bn by CY2028, with growth slowing to 9.5%-12.5% due to the impact of biosimilars, Oncology is projected to add 100 new treatments over the next five years. Oncology and immunology continues to be leading therapy areas with a expected CAGR of 14-17% and 2-5%. Weight loss drugs such as GLP-1 are also growing and expected to continue trend, while New Alzheimer and Anxiety/Depression Therapies are driving growth in Neurology and Mental Wellbeing Spending. Next-Generation Bio-therapeutics, including Cell, Gene, and RNA Therapies, are expected to grow threefold in the next five years, with an addition of 50 New Therapies. Firms are increasingly collaborating with each other for development in innovative therapeutics through R&D. Specialty medicines, catering to chronic, complex, and rare diseases, are poised to become a significant component of global pharmaceutical spending.

Source : Annual Report

LOE Data for Top 10 Developed Economies

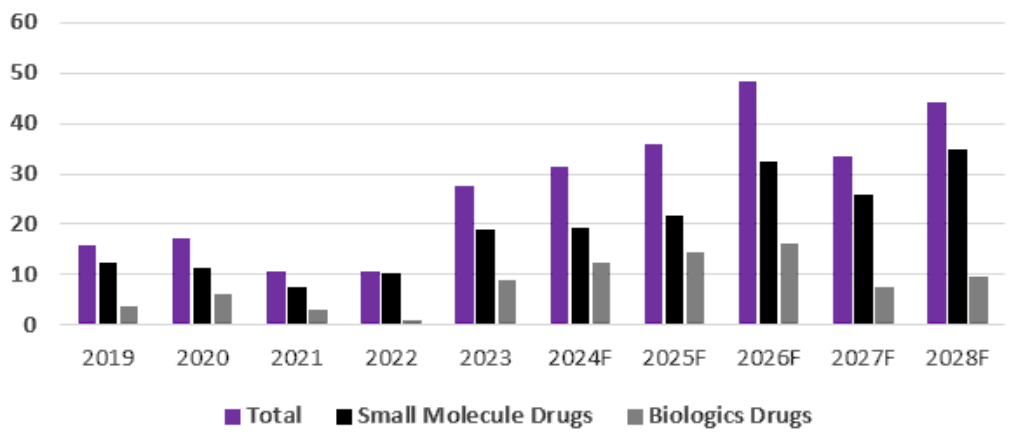
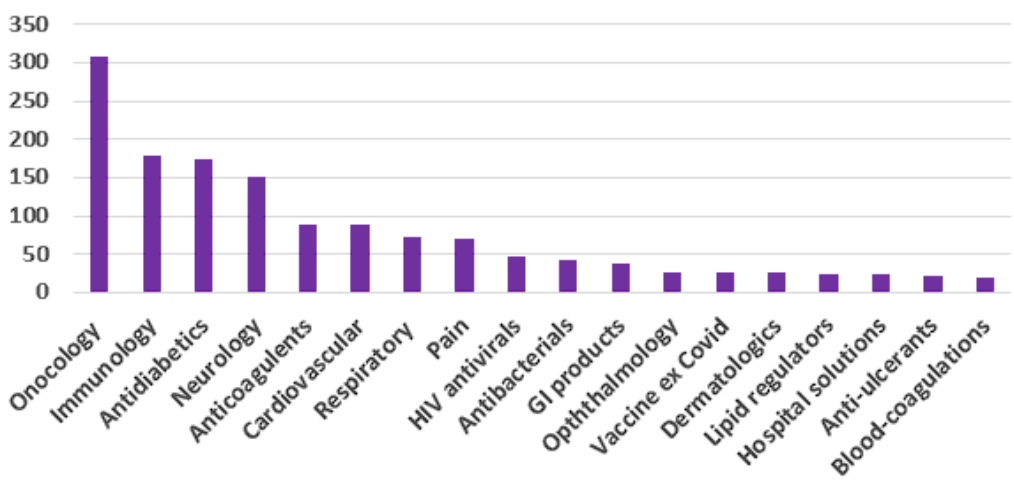


Figure in : $ Billion

Source : Annual Report

Estimated Global Spending for 2026 on Top Therapy Areas

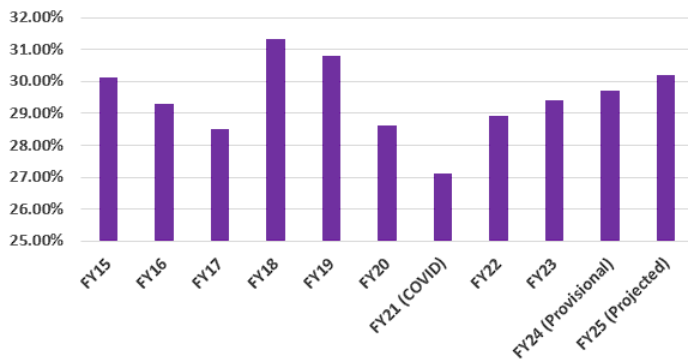


Indian Economy

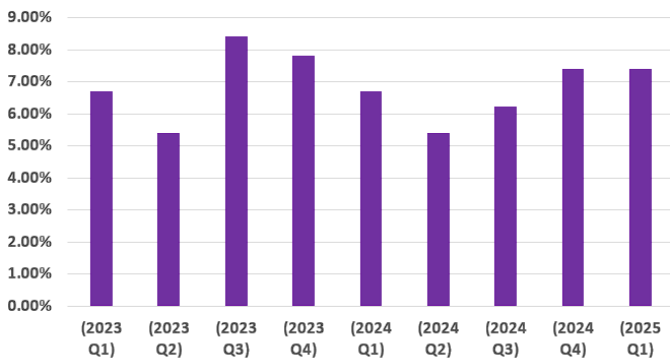
India has become 4th largest Economy and fastest growing economy ranging between 6-7%. India's growth is led by Domestic consumption, Capex Spending and Digital Infrastructure. Government continues to maintain Fiscal deficit for FY25, 5.1% of GDP and 4.5% for FY26. Gross Fixed Capital Formation as a % of GDP is also on growth trajectory which was 28.9% for FY22, 29.4% for FY23, 29.7% for FY24 indicating strong capital investments, GFCF is expected to cross 30% for FY25. India maintains Repo Rate at 6.5% for several consecutive MPC meetings reflecting a "Withdrawal of Accommodation" stance. CPI Inflation has been on downward trend falling to 2.10% from 2.82% in May. Core Inflation is estimated to increase to 4.5% from 2.82%. Food Inflation remains Volatile at 7.2% due to weather uncertainty and Transport and logistics issues. India's Exports stand at $824.9 Billion IN FY25, a 6% YOY growth compared to $778.1 Billion in FY24. Trade Deficit stands at $282.8 Billion for FY25, compared to $241.1 Billion in FY24.

Government of India had launched initiative "Make in India" in 2014 with an aim to boost Domestic Manufacturing and ease of doing business, Government launched PLI Scheme, Skill India initiative, Start up India, FAME 1 & 2, brought reforms for ease of doing business. These initiatives led to increase in FDI Inflows, Manufacturing of goods and Exports. Sectors such as Electronics, Pharmaceuticals, Defence, Automobiles & EVs, Semiconductors and Renewables have benefitted majorly from these initiatives. However, the growth in Capital intensive manufacturing, semiconductors and capital goods is still low. Capex in private sector has also been low and there is a dependence on import for high-end manufacturing components. Growth in India's export is followed by growth in imports, there was a strong import demand for capital goods, electronics and energy, crude oil's price surge and demand also contributes to increase in imports value and rupee's depreciation contributed to increase in cost for imports. For Exports, IT & Software Electronics, Petroleum, Pharmaceutical drugs, Financial Services remain the main Export drivers.

GFCF as a % of GDP



GDP Growth Rate QoQ

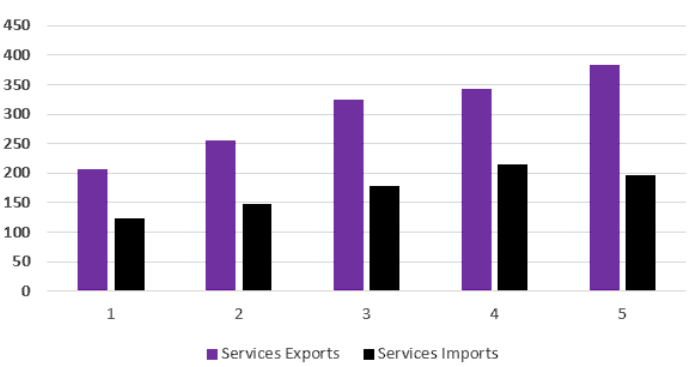


Figures in : $ Billion

Merchandise Exports and Imports

Figures in : $ Billion

Service Exports and Imports

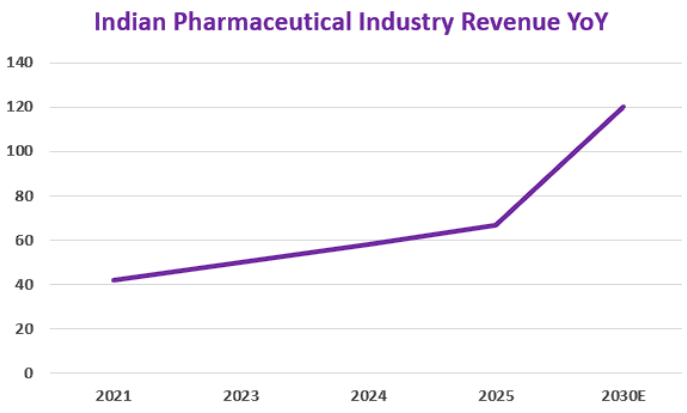


Dr. Reddy's Laboratories Ltd

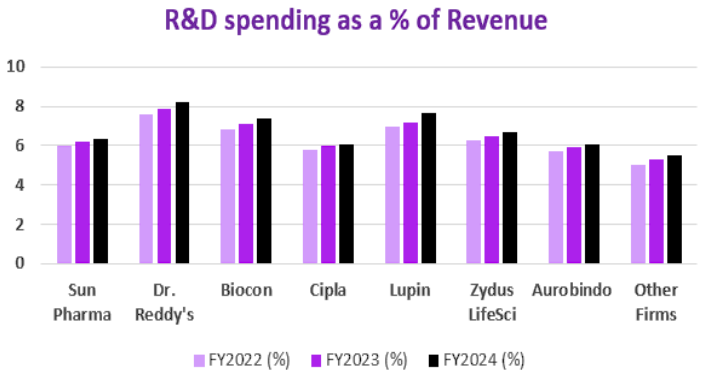
Indian Pharmaceutical Industry

Indian Pharmaceutical Industry is estimated to be around $55 Billion and growing at the rate of 8% YoY. Indian Pharmaceutical Industry ranks 3rd by volume and 14th by value. Government schemes, Low Cost manufacturing, Foreign Direct Investments, Skilled Labor are acting as major tailwinds for Indian Pharmaceutical Sector. AS Revenues increase, leading Pharmaceutical companies are constantly increasing their R&D Spending on Complex Generics and Innovative Drugs to transitions towards high value products. Biologics around the world are nearing patent expiry, Indian firms are trying to ride this wave with biosimilars to gain access to better margins and markets, companies are also investing in NCEs, NBEs as part of transition and innovation. Next Decade (2035-2045) is marked by many patented products reaching their expiry which is going to create opportunities for Generics Companies like DRL in areas like biologics, complex generics and injectables.

Figures in : ($ Billion)



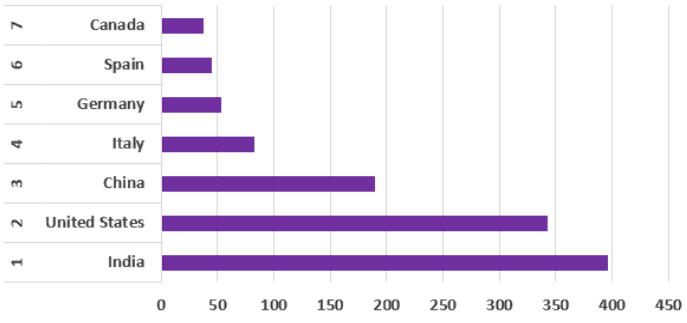
R&D Spending amongst Major Firms



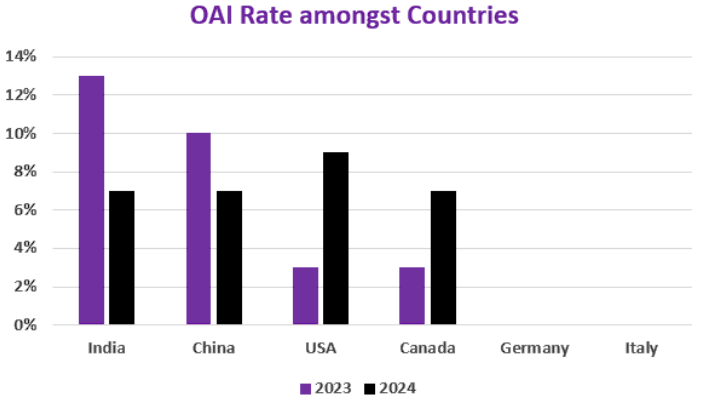
USFDA Compliant Manufacturing

India has the largest number of USFDA-compliant pharmaceutical plants outside the US and are estimated to be over 650+, India also has over 2,050+ WHO-GMP approved facilities serving demand from 150+ countries worldwide with 10,500+ manufacturing facilities. Post COVID, USFDA increased it's inspections of manufacturing facilities as per current data, OAI status for facilities was 44% in 2021 which has sharply declined to 7% in 2024. In 2023, Indian pharmaceutical manufacturing facilities outperformed the global average on USFDA inspection outcomes, 7% of Indian facilities inspected received an OAI classification compared to 13% of world's facilities indicating improving compliance and quality standards of India. This allows Indian firms to develop trust and expand rapidly into US and European Union Markets.

Source : USFDA



Source : USFDA



Dr. Reddy's Laboratories Ltd

Industry Revenue Share

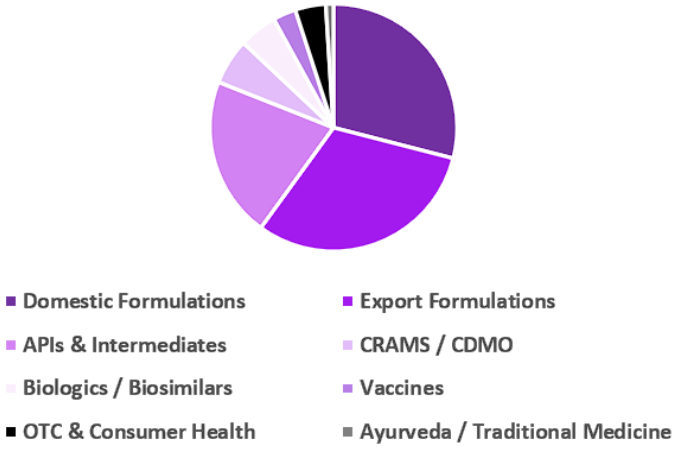
Domestic Formulations and Export Formulations make up 60% of market share which consists of Branded Generics for domestic consumption and Unbranded & Complex Generics for Export Purposes. Branded drugs include drugs prescribed for Chronic and acute therapies. Exports include unbranded generics and complex generics, complex generics are also becoming the area of focus due to high barriers to entry and better margins. API & Intermediates make up 21% of market share, due to heavy dependence on China, post COVID-19 Indian Government launched various schemes for increasing API production in country. CRAMS/CDMO make up 6% of market share with high margins and asset light model and fast growing model which involves custom synthesis of NCEs, manufacturing intermediates and drug development. Biologics and biosimilars make up 5% of market share. As patent expiry around the world nears, Indian firms are set to enter with biosimilars. OTC with market share of 4% is also set to grow at rapid pace which involves nutraceutical products and supplements. OTC market is expected to grow at 14-21%

Indian Pharmaceutical Exports

Indian Pharmaceutical Exports stand at $27.9 Billion as per FY23-24 Data and are growing at 8%. India has a sharp rise in exports of formulations, APIs and biotechnology products. This has been possible mainly due to increase in global demand and government caused tailwinds. As per government sources, India's pharmaceutical exports have hit an all time high in first ½ of 2025. Exports rose by 13.4% hitting $28.5 Billion mainly due to exporting generics, vaccines and therapeutics. India supplies over 70% of global demand for vaccines and 47% demand for US generics and 25% of all medicines in UK and 20% of global generic drug demand making it a strong exporter of drugs. India's exports are skewed towards generics and slowly it is transitioning towards high value products which includes complex generics for which CAPEX and R&D are being increased by Indian firms every year.

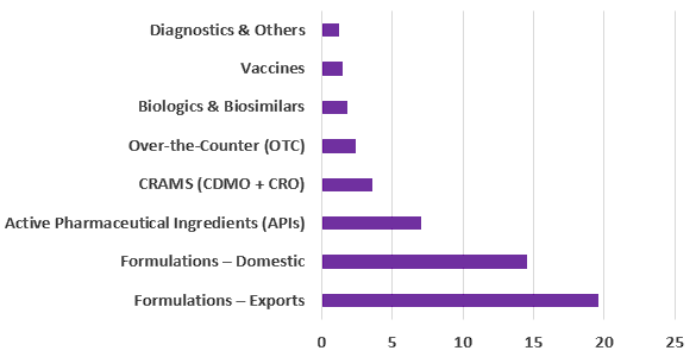
2025 Data

Segment Wise Revenue Share



2025 Data

Segment Wise Revenue ($ Billion)



Source : Pharmaceutical Export and Promotion Council

Share of Total Pharmaceutical Exports (%)

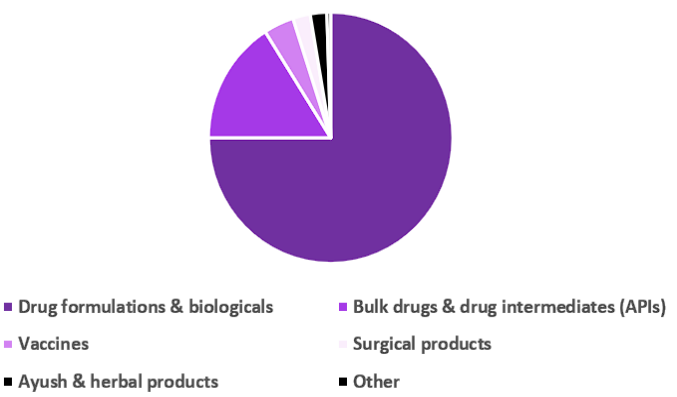
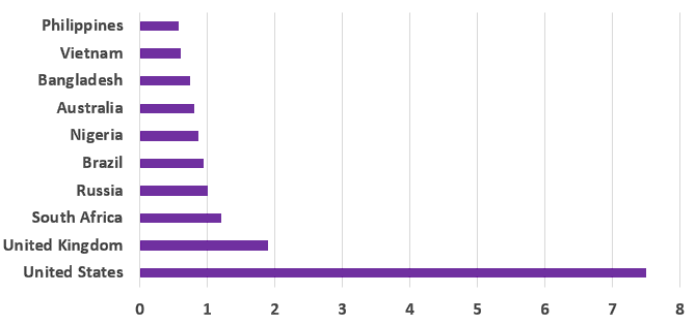


Figure in : ($ Billions) Source : IndianPharma

Countries importing Indian Pharmaceutical Products (2025)

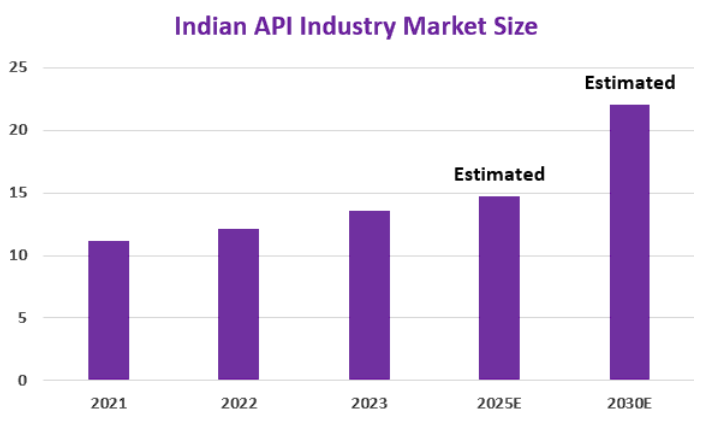


Dr. Reddy's Laboratories Ltd

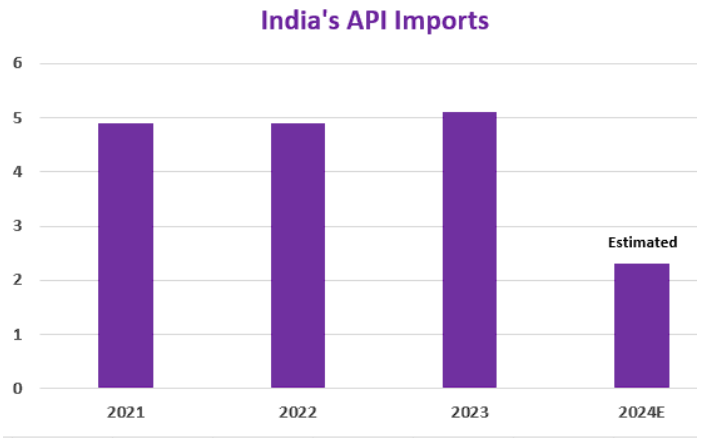
India's API industry

India is the 3rd largest producer of API after China and USA accounting for an 8% share of the Global API Industry. The Indian API market is estimated to be $14 Billion and estimated to grow at CAGR 11.1% during the 2024 to 2030 which is about 8% higher than the generic API industry. India manufactures 500+ different types of APIs and 57% of APIs contributes to prequalified list of the WHO. Growth of API industry is mainly driven by China +1 Strategy and Government support through various schemes such as PLI. Through greenfield investments and backward integration India has started manufacturing of 35 critical APIs for which India had import dependence on China. Over 90% of these 35 APIs used to be imported from China by India. However, China still continues to be top supplier of APIs to India. The estimated import decline is due to replacement of suppliers with domestic manufacturers and decline in prices of APIs.

Figures in : $ Billion Source : Modor Intelligence



Figures in : $ Billion Source : Modor Intelligence



US President's Tariffs

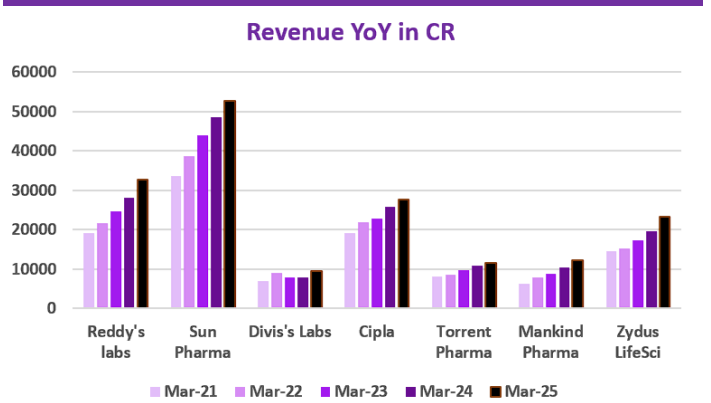
US President Donald Trump's tariff are expected to contribute towards cost pressures, margin hit and supply chain disruptions causing need for diversification and in other cases elimination by US firms. US is the largest market for Indian Pharmaceutical industry with a share of 31%. In April and again in July 2025, US policy provided temporary exemptions for Indian pharmaceuticals from the highest reciprocal tariffs, reflecting the sector's importance for both countries in public health and trade stability, meanwhile negotiations continue. Currently Pharmaceutical Sector faces low tariffs.

Figures in : $ Billion Source : Modor Intelligence

Growth of Indian Pharmaceutical Firms

There has been a rise in the rate of chronic diseases giving a boost to sales of pharmaceutical companies. Exports too have been increasing as there is shortage of drugs in US and demand in emerging economies have been increasing. Meanwhile, Indian firms have been capturing market shares with new launches in Generics, complex generics, biosimilars, speciality medicines in US and EU. There is a better penetration of healthcare in tier 2 and tier 3 cities as well.

Revenue data of Indian Pharmaceutical Firms



Dr. Reddy's Laboratories Ltd

Concall Updates

Snapshot 1

Key Financial Performance Metrics				
Particulars	Q2-FY25	Q3-FY25	Q4FY25	Q1FY26
Revenue	$938 million	$979 million	$996 million	$997 million
YoY Growth %	17.00%	16.00%	20.00%	11.00%
QoQ Growth %	4.00%	4.00%	2%.	0.00%
Gross Profit Margin	59.60%	59.00%	55.60%	56.90%
YoY Growth %	0.92%	0.19%	3.00%	-3.50%
QoQ Growth %	-0.81%	-0.91%	3.12%	1.34%
Gross Margins:				
Global Generics	63.00%	61.30%	59.30%	60.90%
PSAI	30.00%	28.60%	26.30%	13.20%
SG&A Spending	$270 million	$283 million	$282 million	$299 million
YoY Growth %	22.00%	19.00%	17.00%	13.00%
QoQ Growth %	-1.00%	5.00%	0.00%	7.00%
SG&A spend as a % of Sales	28.70%	28.80%	28.30%	30.00%
YoY Growth %	1.38%	0.82%	-0.63%	0.44%
QoQ Growth %	-0.87%	0.15%	0.57%	1.73%
R&D spend	$86 million	$78 million	$85 million	$73 million
YoY Growth %	33.00%	20.00%	6.00%	0.00%
QoQ Growth %	17.00%	-8.00%	9.00%	-14.00%
R&D Spend as a % of Sales	9.10%	8.00%	8.50%	7.30%
YoY Growth %	1.15%	0.25%	-1.18%	-0.76%
QoQ Growth %	1.00%	-1.10%	0.57%	-1.23%
EBITDA (including other income)	$267 million	$269 million	$290 million	$266 million
YoY Growth %	5%	9%	32%	5%
QoQ Growth %	6%	0%	8%	8%
EBITDA Margin	28.40%	27.50%	29.10%	26.70%
YoY Growth %	-3.26%	-1.76%	2.67%	5.00%
QoQ Growth %	0.30%	0.95%	1.60%	-8.00%
PBT	$225 million	$220 million	$235 million	$222 million
PBT as a % of Revenue	23.90%	22.40%	23.60%	22.30%

Snapshot 2

Revenue Breakdown based on Geography				
Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26
North America Generics	$445 million	$401 million	$418 million	$400 million
YoY Growth %	16%	0%	7%	-17%
QoQ Growth %	4%	-10%	4%	-4%
European Generic Business	€63 million	€134 million	€140 million	€131 million
YoY Growth %	7%	142%	142%	124%
QoQ Growth %	7%	114%	4%	-6%
Emerging Market Business	₹1,455 crores	₹1,436 crores	₹1,398 crores	₹1,404 crores
YoY Growth %	20%	12%	16%	10%
QoQ Growth %	23%	-1%	-3%	0%
Russia Growth YoY%	20%	20%	27%	17%
India Business Growth	₹1397 Crore	₹1346 crores.	₹1,305 crores	₹1,471 crores
YoY Growth %	18%	14%	16%	11%
QoQ Growth %	5%	-4%	-3%	13%
PSAI Business	$100 million	$97 Million.	$112 million	$95 million
YoY Growth %	18%	3%	13%	4%
QoQ Growth %	9%	-3%	15%	-14%

Notes to Snapshot 1

Q1FY26

- Performance of Revenue was driven by steady results across most markets, with the exception of the US generics business due to Lenalidomide.
- Decline in Gross Profit Margin is attributed to Lenalidomide Price erosion and lower operating leverage.
- Lower PSAI margins were due to Seasonal demand and Underutilization of Overhead Costs.
- Increase in SG&A are due to investments done in NRT, Nestle JV. For Nutraceutical Products.
- R&D was attributed to Complex Generics, API and Biosimilar Portfolio.
- CAPEX for the quarter stood at $80 Million.

Q4FY25

- Fiscal year 2025 was a milestone year, achieving record-high revenues exceeding $3.8 billion and crossing the $1 billion EBITDA threshold for the first time, both registering double-digit growth.
- NRT business contribution includes $69.90 Million in Q4 FY25 and $140.7 Million for the full year. IF NRT growth was excluded then revenues growth would have been 12% YoY for Q4 & Full Year.
- Gross Profit Margin decline on account of reduced manufacturing overhead leverage, lower income compared to previous period and one-off severance costs from the Shreveport plant divestment.

- Increase in SG&A Expenses was driven by the acquired NRT business, other commercial activities and higher freight rates.
- R&D Expense was focused differentiated pipeline which includes small molecules, biosimilars, complex generics which includes receptor agonist and novel oncology assets.
- CAPEX for FY25 stood at $316 Million, Majority of investments were in peptides (API and formulations infrastructure) and biosimilar facilities.

Notes on Snapshot 2

Q1FY26

- Decline in North American Generics is due to price erosion in certain products and delayed procurement by customers. Company also launched 5 new products and expects it to recover the growth.
- Growth in European Generic business is due to NRT and new launches which lead to offset of price erosion. Company also launched 13 new products.
- Growth in Emerging Market was driven by higher volumes and new product launches. DRL launched 26 new products across multiple countries.
- Performance in Indian markets is attributed to new launches and improved pricing.

Q4FY25

- Growth in North America Generics in Q4FY25 was on account of improved volumes and new product launches which was partially offset by price erosion. Company launched 7 new products. In Q3FY25, revenue decline was due to lower sales of Lenalidomide, Icosapent and Suboxone® since there was increase in competition.
- Growth in Q4FY25 for European Generics was on contributions from NRT, improved volumes and new product launch sales. Company also launched 10 new generic products.
- Growth in Q4FY25 for Emerging Market Generics was driven by higher volumes, new launches. Revenues here were impacted by Unfavourable forex. Company launched 26 new products.
- Russia business growth is driven by gain in market share due to continuous investments, peers are investing less as well.
- Growth in Q4FY25 for Indian Market was on account of existing product portfolio which includes Sanofi Portfolio and new launches also contributed to the growth. The cardiovascular and Gastro Intestinal segment have been declining.
- Growth in PSAI was on account of improved volume, new launches and growth in CDMO business.

Highlights from Concalls

Q1FY26

- Company filed 13 Drug Master Files.
- Company filed 11 global generics globally.
- US business has been on a decline, Management believe it is on account of orders moving from quarter to quarter and major contribution from decline in lenalidomide numbers.

Q4FY25

- Company filed 52 Drug Master Files and 111 for Full Year.
- Company filed 95 Generics Globally and 249 For Full Year.
- Company completed acquisition of NRT related brands in September 2024 for GBP 458 Million. In April 2025, company integrated UK business successfully.

- DRL launched 23 brands in Sanofi & Nestle Portfolio.
- DRL operationalized JV with Nestle for Nutraceutical Products in India in August 2025 and completed acquisition of Nicotinell® with other related brands in NRT category in September 2025.
- Secured exclusive commercialization rights from Henlius for Daratumumab in US and Europe Market for Oncology Portfolio.
- Signed agreement with Bio-Thera for commercialization of Ustekinumab and Golimumab with focus on Southeast Asian markets.
- Collaborated with Sanofi for introduction of Beyfortus (nirsevimab)
- Partnered with ALK-Abello to launch Sensimune.
- Launched Toripalimab and Elobixibat in Indian market.
- DRL will be receiving Sales based royalties for product DFD-29.
- DRL divested its Shreveport manufacturing facility in Louisiana, United States.

Regulatory Updates

Q1FY26

- USFDA inspected Middleburgh API facility in New York and issued form 483 with 2 observations.
- DRL Received form 483 with 2 observations for API facility CTO-5, DRL has responded to concerns and status update is awaited.
- FTO-11 received form 483 from USFDA with 7 observations. Company expects it to receive VAI.

Q4FY25

- Received "VAI" status for 3 Facilities which includes 2 formulation facilities in Duvvada, Visakhapatnam and API facility in Srikakulam on May 2024.
- On September 2024, Srikakulam facility was inspected again and USFDA issued form 483 for facility with 3 new observations.
- Received "VAI" status for API manufacturing facility in Hyderabad on November 2024.
- USFDA conducted GMP inspection and issued form 483 for API manufacturing facility in Hyderabad on November 2024 for which DRL has responded within stipulated time.

Regulatory Outcome

Q1FY26

Middleburgh API facility has received VAI classification, CTO-5 update is awaited and FTO-11 concerns are not responded to yet but stipulated timeline has not passed yet.

Q4FY25

All of the regulatory are cleared but the second inspection of Srikakulam Facility is yet to be cleared. DRL has responded to USFDA within stipulated time and outcome is awaited.

What's Next

- Prioritising presence in Consumer Health, Innovative Therapies and Biosimilars.
- Advancing critical pipeline programs which include Semaglutide, Abatacept.
- Carrying out strategic partnerships and acquisitions for diversification of portfolio.
- Improving innovative portfolio by introducing products like Beyfortus, Sensimune.

Product Updates and Insights

GLP-1 Receptor Agonist

GLP-1s prescribed for Type 2 Diabetes and Weight Management are being considered as valuable opportunities around the world. In 2023, Ozempic and Wegovy alone made $30 Billion in Sales. Eli Lilly's GLP-1s too brought in about $15 Billion in Sales. Despite the existing capacity, even Nova and Eli lily have struggled to keep up with demand for GLPs. Analysts estimate the market to triple and reach $150 Billion in within decade. USA remains the biggest market for GLPs as expected, followed by Europe and Canada. ROW markets such as Latin America, Emerging Economies are considered small opportunities. DRL has identified 15 GLP-1s with patent expiry in next decade. Estimated Market size for Semaglutide in Canada is around $1.8 Billion or 10 Million pens growing at CAGR 30-40% with potential for 5x volume expansion with lower prices and improved access. For India gains were small due to high cost and low disposable income in country. However, due to generics flooding in cost will drop substantially. IMARC Group forecasts Anti-Obesity market to grow Eightfold, currently valued at 3250 Crore Rupees.

As for patent expiry, Canada, India, Turkey, and ROW markets are going to lose protection in 2026 and onwards, DRL intends to capitalize on this opportunity by launching Semaglutide in these markets which is part of 87 countries DRL intends to launch in. Markets such as US, Europe and Japan are expected to open post 2029 subject to settlements. Injectable Semaglutide are expected to open up in Canada on January 2026 and on March 2026 (depending on delhi high court outcome) in India. For DRL, Canada, India, Brazil and turkey are major markets and ROW are considered small opportunities.

DRL has spent decade building capacity for Semaglutide. Company intends to make all three products i.e Ozempic, Wegovy and Rybelsus available in finished doses and do the API manufacturing. For commercialization, company intends to sell products themselves and supply via partners globally. For FY26 and FY27 DRL intends to rely on partner for manufacturing while API will be provided by DRL itself, the injectables is going to be manufactured through synthetic route and oral using semi-synthetic.

Analysts estimate GLP-1 Market in India could reach $1.5 Billion in next 5 years period due contributing factors such as high diabetic population, rising obesity and under-penetration of market. Industry dynamics remain competitive as everyone is trying to grab a pie of this opportunity. Biocon is working on Oral and injectables, Zydus Lifesciences is investing in GLP-1 programs, Lupin, Cipla and Torrent Pharma too are exploring the GLP-1 space.

Liraglutide

Liraglutide is API to Victoza and Saxenda of Nova Nordisk, prescribed for Type 2 Diabetes and Weight Management. Glenmark had launched Lirafit as it's biosimilar post patent expiry for Victoza and Biocon too had received USFDA approval for it's Liraglutide injections. However, Saxenda market remains less penetrated and Biocon is working towards regulatory approvals and has launched in UK, EU. DRL, Biocon and other firms are awaited expiry in other markets to launch their biosimilars as well. Currently DRL has given no dates for product launches but they have filed regulatory work with USFDA. Semaglutide inflow had peaked at $20 Billion which is still growing, however for Liraglutide it was $5 Billion globally making it comparatively smaller market for making good inflows. Liraglutide is also a part of GLP-1s opportunities DRL has identified.

Abatacept

DRL licensed CTLA4-Ig to Coya Therapeutics for use in COYA-302 which is used in treatment for neurodegenerative diseases. Under the agreement Coya retains the rights to sales in Developed Economies and DRL in ROW Markets. Agreement have royalties arrangments as well. Originator Bristol Myers Squibb generated $3.2 Billion from Orencia, revenue split includes $2.2 Billion from US and $1 Billion from EU, Japan and ROW. Nuvama and Fortune India estimate peak annual sales potential for biosimilar at $500 Million Globally. Abatacept is in Phase 3 Trials, submission is planned for end of calendar year 2025 and launch targeted for beginning of calendar year 2027 for intravenous version. Subcutaneous Formulations may be launched a year later due to patent adjustments. In US patent for Orencia expired in 2021 and in EU 2022, but still there are no biosimilars of Orencia available in the market. Very few firms have reach advanced stages of clinical trials, this creates a better opportunity for Abatacept penetration. Abatacept is also hard to interchange due to its unique functioning on body and it is prescribed for chronic lifelong diseases which makes it steady revenue generating drug. Many competitors have dropped out, due to complexity of abatacept which improves exclusivity but market for abatacept still remains small.

Denosumab

DRL has partnered with Alvotech for license and supply deal of AVT03 (Biosimilar of Prolia and Xgeva). Under this partnership, Alvotech handles development and manufacturing. DRL is responsible for registration and commercialization in the agreed markets. AVT03 is used to treat osteoporosis and prevent skeletal-related events in cancer patients. DRL holds exclusive commercialization rights in US and Semi-exclusive rights in Europe and UK this means for US, Gains will flow in profit sharing agreement and Alvotech cannot partner with other US firms for distribution or sale of AVT03. In case of Semi-exclusive Alvotech can partner with other firms. EU markets are flooded with biosimilars and US has approved 3 biosimilars with Dr. Reddy's approval on the way making the market competitive. Global Denosumab market is estimated to be $3.27 Billion and expected to grow at CAGR 12%. Drug is planned for US, UK and European Markets and US approval is expected in 12 months (filing on December 2024) and Europe in 15 months (filing on October 2024). DRL expects itself to be 3rd or 5th on the US market. AVT03 also help DRL establish it's credibility in biosimilar space which paves way for Abatacept

Rituximab

DRL_RI or Ituxredi® a monoclonal antibody targeting CD20, used in treating various blood cancers and autoimmune diseases has demonstrated pharmacological and clinical equivalence to innovator rituximab, with extensive supporting data across lymphoma and rheumatoid arthritis. It's approved and used across India and emerging markets, DRL had secured marketing authorisation from European Commission and in UK and launch in Europe was planned for February 2025. DRL also received CRL from USFDA due to deficiencies at sites and gaps in documentations due to these issues, there were delays in launches, approval from USFDA is expected in first half of 2026 and DRL also faced patent litigation from Genentech, Roche and Biogen for incomplete manufacturing disclosures which was settled in April 2024. Ituxredi® (Rituximab) is going to be manufactured in house. For US, DRL plans to partner with Fresenius Kabi, this saves them heavy investments in commercialization of drugs. Patent expiry for rituximab happened way back few years ago in US and EU markets, so DRL is entering a market with existing firms.

Revlimid

As per management Lenalidomide (Revlimid) is on decline and there is a price erosion offset by increase in quantity. Patent for Revlimid is expected to go off in January 2026, DRL has been selling a limited quantity under settlement agreement with BMS (Celgene's parent company) DRL will stop shipping generics of Revlimid few months before patent expiry date. Decline in margin is expected to be compensated by biosimilars such as semaglutide and abatacept. HDFC, Jefferies, HSBC, Citi and other firms have trimmed their earning targets on Revlimid.

Pembrolizumab

DRL has entered into partnership with Alvotech for co-development, manufacturing and commercialization of Pembrolizumab. (Keytruda). Pembrolizumab has huge clinical application, it is approved for multiple cancers with USFDA providing 30 approvals. Major ones include Melanoma, Non-small cell lung cancer, Head and neck squamous cell carcinoma and more. Keytruda is also a blockbuster drug and for 2024 it was World's Top selling drug. Global sales of Keytruda stand at $29.5 Billion in 2024. Patent expiry in major markets is expected to start by 2028. Keytruda qualifies as a complex biologic and due to this DRL has partnered with Alvotech. With Alvotech's R&D and manufacturing expertise in biosimilar development and DRL's infrastructure, regulatory experience and strong presence in major markets, pembrolizumab is expected to be low net investment product resulting into high ROI.

Daratumumab

Daratumumab is a prescribed for cancer, specifically multiple myeloma and recently it is also approved for light chain (AL) amyloidosis which is a blood related disorder. MM is a type of condition which has no cure this results in life long prescription of drugs like daratumumab. Patent expiry for US and EU is expected to start by 2029, with DRL's expertise in oncology pipeline, complexity of Darzalex and margin potential, Daratumumab acts a perfect strategy product for DRL's Pipeline. Darzalex is a blockbuster drug, Global sales were $10 Billion in 2023 and market for it still continues to expand. US and EU are biggest markets, Asia Pacific and Emerging markets remain small opportunity due to affordability concerns.

Ustekinumab and Golimumab

DRL has partnered with Bio-Thera Solutions for Commercialization and licensing Ustekinumab (BAT2206) and Golimumab (BAT2506). Ustekinumab and Golimumab are prescribed for immune system problems which include skin, stomach, intestinal, joint and backbone problems. Under the agreement Bio-Thera takes responsibility of development, manufacturing and supply while DRL focus on regulatory work and commercialization. These drugs are going to be released in South-Asian Countries such as Combodia, Indonesia, Malaysia, Philippines and more. DRL is going to have exclusive rights for Ustekinumab in these countries. Patents for both drugs have expired, Johnson & Johnson signed settlement agreement for Stelara with multiple biosimilar firms and launches were expected in 2025. For Simponi, there were no settlement agreements and firms are expected to bring biosimilar in 1-2 years. Stelara was a blockbuster drug generating $11 Billion sales in 2023. As for Simponi number was $3 Billion. Ustekinumab and Golimumab both are Chronic condition drugs requiring prescription for long term, specifically lifelong. BAT2206 completed Phase 3 trials and accepted by EMA and FDA. DRL has also secured exclusive commercialization rights in Southeast Asian countries. For BAT2506, BLA and MAA has been submitted to USFDA and European Medicine Agency.

Bevacizumab

Dr. Reddy's Laboratories (DRL) has developed a biosimilar of Bevacizumab, a monoclonal antibody targeting vascular endothelial growth factor (VEGF) used in the treatment of multiple cancers including colorectal, lung, kidney, ovarian, and brain cancers. Unlike ustekinumab and golimumab where DRL has partnered for development, in this case DRL developed and launched its own version. Patents for Avastin expired in the EU in 2018 and in the US in 2019, opening the market to heavy competition from global firms such as Amgen, Pfizer, Samsung Bioepis, Biocon, and Intas. Bevacizumab was once a blockbuster drug generating over $7 billion annually at peak sales, and even though biosimilar competition has led to significant price erosion, it remains a backbone oncology therapy with multi-billion dollar global demand. DRL's bevacizumab biosimilar has already been approved in India, the US, and several emerging markets, marking its entry into complex oncology biologics. While revenues are limited in regulated markets due to intense competition, DRL benefits strategically by strengthening its oncology portfolio and gaining regulatory and commercialization experience that will support the launch of higher-value biosimilars such as pembrolizumab and daratumumab in the future.

NRT Business Integration

In September 2024, Dr. Reddy's completed the acquisition of Haleon's nicotine replacement therapy (NRT) business outside the U.S., including well-known brands like Nicotinell, Nicabate, Thrive, and Habitrol across gums, patches, and lozenges. This move has already had a strong impact: in Q4 FY25, European revenues rose 145% year-on-year to ₹1,275 crore, of which ₹597 crore came from NRT, and in Q1 FY26, NRT sales grew further to ₹670 crore (12% quarter-on-quarter growth). Even excluding NRT, Europe continued to grow at double digits, showing that the rest of the portfolio remains stable. Dr. Reddy's is focusing on key markets such as Germany, the UK, and other parts of Europe, with expansion into Nordic countries underway. The company launched 39 new products in FY25 and another 13 in Q1 FY26, strengthening its pipeline. The global NRT market is valued at around USD 3 billion (2024) with expected mid-single-digit growth per year, and Dr. Reddy's now holds leading brands in many countries. While risks remain from price pressure in Europe and competition from e-cigarettes and nicotine pouches, NRT has already proven to be a major new growth driver and provides the company with a strong platform in consumer healthcare. Dr. Reddy has become a top brand globally in NRT space, except for USA.

Management Analysis

Profile	Education	Career
Dr. Kallam Anji Reddy (Founder)	Completed his Bachelors in Pharmacy from Andhra University and Did Ph.D in Chemical Engineering from National Chemical Laboratory, Pune.	After completing Ph.D, Dr. Kallam Anji Reddy joined a public sector pharmaceutical company. There he worked on API manufacturing, process chemistry and technology transfer. He also gained experience in large scale chemical production and industrial R&D. Later he started his own Small scale API manufacturing. Dr. Reddy also founded Standard Organics focusing on bulk drugs and intermediates which was later merged with DRL. Dr. Kallam Anji Reddy is also awarded with Padma Shri and Padma Bhushan.
Satish Reddy (Son of Dr. Kallam Anji Reddy)	Completed Chemical Engineering from Osmania University. Later Pursued masters in medicinal chemistry from Purdue University, USA.	Satish Reddy is the Chairman of Dr. Reddy's Laboratories. He joined the company in 1993 and has held senior leadership roles, overseeing its shift from a bulk API manufacturer to a business with a broader portfolio including finished dosage formulations. Under his leadership, Dr. Reddy's expanded its generics footprint in Russia, China, and other emerging markets. He has contributed to policy discussions on India's pharmaceutical sector, including patent law, drug pricing, and regulatory reforms, through his involvement with the Indian Pharmaceutical Alliance, CII, and government panels. He has also chaired or been part of several national committees on life sciences, intellectual property, corporate governance, and trade.
G.V Prasad (Son-In-law of Dr. Kallam Anji Reddy)	Did Chemical Engineering from Illinois Institute of Technology, Chicago then pursued Industrial Administration from Purdue University, USA.	G.V. Prasad is the Co-Chairman and Managing Director of Dr. Reddy's Laboratories. He joined the company in 1990 and has overseen its transformation from a mid-sized domestic firm into a global pharmaceutical company with operations in 66 countries and annual revenues of $2.83 billion. His leadership has emphasized research, innovation, transparent governance, and streamlined structures. Currently, he focuses on mentoring senior leaders, advancing science and digitalization and strengthening sustainability initiatives. He has also been part of multiple boards, won rewards and recognition.
Erez Israeli (CEO of DRL)	Erez has done his Bachelor and Master's degree from Bar-Ilan Univeristy in Israel.	Erez Israeli is the Chief Executive Officer of Dr. Reddy's Laboratories. He joined the company in April 2018 as Chief Operating Officer and became CEO in July 2019. He has over three decades of experience in the pharmaceutical industry. Before joining Dr. Reddy's, he served as President and CEO of Enzymotec and spent 23 years at Teva Pharmaceuticals in leadership roles including Vice President, Marketing & Sales (North America), President of Teva API, Head of Global Quality, and CEO of Growth Markets. Since taking over as CEO, he has focused on expanding Dr. Reddy's global presence,

Profile	Education	Career
		improving profitability, and strengthening its innovation and digital capabilities. He also oversaw acquisitions of select assets in India and abroad and guided the company's operations during the COVID-19 pandemic, ensuring supply continuity and employee safety.
Archana Bhaskar (Chief Human Resource Officer)	Archana has done Bachelor in Arts from Lady Shriram College and later she went to IIM Banglore for Post Graduation	Archana Bhaskar is the Chief Human Resource Officer at Dr. Reddy's and a member of the Management Council. She oversees Human Resources and Corporate Communication for the company. She joined Dr. Reddy's in June 2017 and has over 30 years of experience in people management across industries and geographies. Before Dr. Reddy's, she worked with Royal Dutch Shell in Singapore as the Global Head of Human Resources for the Commercial businesses. Earlier, she spent several years at Unilever in both European and global HR roles, and also worked with large Indian corporations, supporting them in strengthening HR policies and practices.
Deepak Sapra (CEO of PSAI Business)	Deepak has done bachelor in Mechanical Engineering. Later he pursued Post Graduate Program from IIT Banglore.	Deepak Sapra is the Chief Executive Officer (CEO) of the Pharmaceutical Services and Active Ingredients (PSAI) business. He oversees the API operations, Aurigene Pharmaceutical Services (APSL), Public Health initiatives, and B2B collaborations for Dr. Reddy's. Since joining Dr. Reddy's in 2003, he has held leadership roles in Marketing, Sales, Business Development, and Portfolio Management across global markets. He also played a key role in leading the company's COVID-19 initiatives on therapeutics and vaccines.
Dr. Jayanth Sridhar (Head of Biologics at DRL)	With a diversity in education profle Dr. Jayant holds a Ph.D in Biochemical Engineering from Gorgia University USA, Masters in Biotechnology from Texas University at San Antonia, under graduation in Chemical Engineering from BITS Pilani.	Dr. Jayanth Sridhar is the Global Head of Biologics at Dr. Reddy's Laboratories, a role he has held since May 2021. With over two decades of experience in biologics and vaccines, he has led technical operations across development, manufacturing, and commercialization. Jayanth has been involved in bringing multiple biologics and biosimilars to regulated and emerging markets, and has worked in leadership roles at Merck, BioMarin, Biocon, Cipla BioTec, Alvotech, and Biological E. At Dr. Reddy's, he is responsible for the biologics strategy, operations, and global expansion of the portfolio.

Profile	Education	Career
Krishna Venkatesh (Global Head of Quality & Pharmacovigilance)	He did B. Pharm from BITS Pilani, Masters in Pharmaceutics from Mississippi University	Krishna Venkatesh is the Global Head of Quality & Pharmacovigilance. Krishna has over 28 years of experience in the pharmaceutical industry and has been with Dr. Reddy's for 14 years. His experiences spans across areas of product development, process engineering, technology transfer and manufacturing operations. Prior to Dr. Reddy's he worked with Barr Pharmaceuticals and Teva Pharmaceuticals in the United States.
MVN or MV Narasimham (CFO of DRL)	MVN is CA by profession.	Mr. M. V. Narasimham serves as the Chief Financial Officer (CFO) of Dr. Reddy's Laboratories Ltd. He is a Chartered Accountant and has been with the company since 2000, holding several key roles over the years. He previously worked as Deputy CFO, where he oversaw global commercial business finance and taxation. From 2006 to 2012, he managed finance for the Pharmaceutical Services and Active Ingredients (PSAI) and Global Generics segments. Since 2012, he has led Corporate Finance, handling taxation, consolidation, and corporate analytics. With more than three decades of experience in finance, Mr. Narasimham continues to play an important role in shaping Dr. Reddy's financial strategy and operations across India and global markets.
M.V Ramana (CEO of Branded Market)	M.V Ramana did MBA from Osmania University and Advance Management Development Program from ISB.	M. V. Ramana is the Chief Executive Officer for Branded Markets (India & Emerging Markets) at Dr. Reddy's Laboratories. He has been with the company since 1992, starting as a management trainee and growing through multiple leadership roles. Over the years, he has managed businesses across more than 45 countries, including Asia, Latin America, Russia, Africa, and the Middle East. He has played a key role in establishing new therapy areas, expanding into new markets, and driving business model innovations tailored to emerging market needs. He also works closely with enabling functions such as HR, Legal, Compliance, IT, and Finance to ensure alignment and execution across geographies. Ramana holds an MBA from Osmania University and completed an advanced management development program at ISB–Kellogg. He is also a regular speaker at global pharmaceutical forums, particularly on generics and emerging markets.
Patrick Aghanian (CEO of Europe Generics Business)	Did Bachelor in Arts and MBA from California University	With 26 years of experience in pharmaceuticals, Patrick started his career at Glaxo SmithKline Consumer Healthcare in 1995. He joined Novartis Pharmaceuticals in 2003 and was with Sanofi from 2008-2018. He has been at Dr. Reddy's since 2019.

Profile	Education	Career
		He has experience spanning OTCs, originator and generic pharma, including specialist fields such as Oncology and Diabetes. He has worked in various geographies, including Eurasia, Middle-East and Europe.
Phanimitra B (Chief Digital and Informatio n Officer)	Phanimitra has done Engineering from BITS Pilani and MBA from IIM Banglore.	Phanimitra is the Chief Digital and Information Officer at Dr. Reddy's Laboratories, responsible for Digital Transformation, Process Excellence, and IT Management globally. He joined Dr. Reddy's in 2014 and has held multiple roles, including setting up the Analytics Centre of Excellence, leading corporate strategy, and driving digital transformation and commercial excellence for India and emerging markets. Prior to Dr. Reddy's, Phani worked at Hewlett Packard for over 11 years in strategy, analytics, and transformation consulting across the US, India, and Asia-Pacific. In 2021, he was recognized among the Analytics India Magazine's 50 Most Influential AI Leaders in India and is a frequent speaker at industry and academic forums.
Sanjay Sharma (Global Head of Operations at DRL)	Sanjay has done Chemical Engineering from IIT Delhi and Management Program from IIM Ahmedabad. He also attended Harvard for Advance Management Program	Sanjay Sharma is the Global Head of Operations at Dr. Reddy's Laboratories, responsible for manufacturing, supply chain, product commercialization, and ESG initiatives. He has nearly 33 years of experience across the FMCG and pharmaceutical industries, handling roles in manufacturing, supply chain, sales, ESG, and business transformation in both emerging and developed markets.
Sushrut Kulkarni (Global Head of Product Developm ent Organisati on)	Sushrut has done Masters in Pharmacy from Mumbai University	Sushrut Kulkarni has over 26 years of experience in the pharmaceutical industry, with a focus on Product Research and Development across multiple dosage forms, including oral solids, dermatological formulations, injectables, respiratory, and transdermal products. At Dr. Reddy's, he is responsible for end-to-end product development, regulatory approvals, technical support for commercial launches, and life cycle management across global markets. He has led technical, regulatory, and project management teams to ensure products reach patients worldwide. Prior to joining Dr. Reddy's, he worked with global pharmaceutical companies including Glenmark, Zydus, Torrent, Sandoz, and Rhone Poulenc.

Profile	Education	Career
Milan Kalawadia (CEO of North American Business)	Milan has done B.Sc then he went on to pursue MBA from Carnegie Mellon University.	Milan Kalawadia is the Chief Executive Officer, North America at Dr. Reddy's Laboratories, based in Princeton, New Jersey, and a member of the Board of Dr. Reddy's Laboratories, Inc. He has been with Dr. Reddy's for over 18 years, holding various leadership roles. Before becoming CEO, he served as Chief Commercial Officer, managing customer-facing and commercialization operations across retail Rx, hospital/institutional injectables, and private-label OTC segments. He played a key role in growing North America revenue past $1 billion, and contributed to the early strategies for biosimilars, self-care & wellness, acquisitions of OTC brands, and development of the company's e-commerce presence.

Independent Directors Analysis

Profile	Career
Leo Puri	Mr. Leo Puri has over three decades of experience in asset management, private equity, consulting, and financial services. He served as Managing Director of UTI Asset Management Co. Limited from 2013 to 2018 and, since early 2021, has been Chairman of JP Morgan Chase for South & South East Asia. Earlier, he worked with McKinsey & Company as Director, advising leading financial institutions, conglomerates, and regulators on strategy and operations. He later served as Managing Director at Warburg Pincus, where he led investments in India and contributed to global financial services investments. His professional experience spans the UK, USA, and Asia, with a primary focus on India since 1994. Mr. Puri currently holds directorships in Hindustan Unilever Limited and Tata Sons Private Limited. He holds a Master's degree in Philosophy, Politics, and Economics (PPE) from Oxford University, and a Master's degree in Law from Cambridge University, UK. Mr. Puri is currently independent director of DRL and Fortis Healthcare Limited.
Shikha Sharma	Shikha Sharma is the former Managing Director and CEO of Axis Bank, where she served from 2009 to 2018. Under her leadership, the bank transitioned from being primarily a corporate lender to a retail-focused institution with a more balanced lending book. She has over three decades of experience in the financial sector, beginning her career at ICICI Bank in 1980. At ICICI, she played a key role in setting up ICICI Securities and later led ICICI Prudential Life Insurance as Managing Director and CEO, building it into India's leading private life insurer. Beyond her executive roles, Sharma has contributed to policy and industry forums as a member of various RBI committees on financial inclusion, small business services, and banking reforms, and also chaired the CII National Committee on Banking between 2015 and 2017. She currently serves as an independent director on the boards of Mahindra & Mahindra, Tech Mahindra, and Tata Consumer Products, as well as a non-executive director at Piramal Enterprises. Additionally, she is a member of the Board of Governors

Profile	Career
	at IIM Lucknow and an advisor to several Indian companies. She holds an MBA from the Indian Institute of Management, Ahmedabad, a BA (Hons.) in Economics, and a Postgraduate Diploma in Software Technology from the National Centre for Software Technology in Mumbai. Ms. Shikha Sharma holds directorship in 5 other companies out of Pharmaceutical Industry.
Dr. K.P Krishnan	Dr. K. P. Krishnan served in the Indian Administrative Service (IAS) for nearly 37 years before retiring on December 31, 2019. Over his career, he held senior roles in the Government of India, the Government of Karnataka, and at the World Bank. His key positions included Secretary, Ministry of Skill Development and Entrepreneurship; Additional Secretary, Department of Economic Affairs, Ministry of Finance; Secretary, Prime Minister's Economic Advisory Council; and Special/Additional Secretary, Department of Land Resources. He also served as District Collector, Mangalore, and held leadership roles in agriculture, urban development, taxation, and finance departments in Karnataka. Alongside his government career, Dr. Krishnan pursued academics, teaching at IIM Bangalore, ISB, and Ashoka University. He was Bok Visiting Professor of Regulation at the University of Pennsylvania Law School and later served as IEPF Chair Professor of Economics at NCAER, New Delhi. Currently, he serves as an Independent Director on the Boards of Tata Consumer Products Limited, Shriram Capital Limited, and Helios Trustee Private Limited, and is a Director at the Indian Institute of Human Settlements. He is also on the Advisory Board of Razorpay, Inc. Dr. Krishnan studied Economics at St. Stephen's College and Law at the University of Delhi. He later earned his Ph.D. in Economics from IIM Bangalore in 2003. Mr. Krishnan has directorships in multiples companies outside Pharmaceutical industry.
Penny Wan	Penny Wan has been an Independent Director at Dr. Reddy's since January 2022 with a five-year term. She has over two decades of experience in the pharmaceutical industry, largely in Asia-Pacific markets. Her past roles include Vice President for Japan & Asia Pacific at Amgen, General Manager at Roche Pharma China, and earlier commercial positions at Wyeth. She is known for expertise in market expansion, commercial strategy, and regulatory engagement rather than R&D. She has also held positions in industry bodies such as DPAC and the Shanghai Association of Enterprises with Foreign Investments and received the White Magnolia Award in Shanghai for her contributions. She holds a B.Sc. in Biochemistry and Pharmacology from Monash University and a Graduate Diploma in Business Administration from Monash and CUHK. Apart from her directorship she is also a Co-founder and Chairwoman of Heranova Lifescience.
Arun M. Kumar	Arun M. Kumar has been an Independent Director on the Board of Dr. Reddy's Laboratories since August 2022, appointed for a five-year term. In July 2023, he took over as Chairperson of the Audit Committee. His background spans both corporate and public service roles. He was previously Chairman and CEO of KPMG in India (2017–2022), and before that served in the U.S. Department of Commerce as Assistant Secretary for Global Markets and Director General of the U.S. & Foreign Commercial

Profile	Career
	Service under President Obama, where he managed trade promotion across 78 countries. Prior to his government role, he was a partner at KPMG LLP in the U.S. and earlier co-founded and led three technology companies in Silicon Valley. He holds a physics degree from the University of Kerala and a master's in management from MIT Sloan. Apart from Dr. Reddy's, Kumar holds several other active positions. He is the Executive Chairman of Strides Pharma Science, a Board Member at Solara Active Pharma Sciences, and Managing Partner at Celesta Global Capital Managers (Celesta Capital). He also serves as Director of KPMG Georgia LLC and KPMG International Services Ltd., as well as a board member of Dr. Reddy's Laboratories, Inc. (U.S.). Outside of corporate boards, he is a Director at Indiaspora, a Corporate Officer at the Council on Foreign Relations, and Chairman of the Wadhwani Institute of Technology & Policy. In addition, he is a Nominee Director at Agnikul Cosmos Pvt. Ltd. and a designated partner in Celesta India AIF LLP and Celesta India AIF Managers LLP.
Dr. Claudio Albrecht	Dr. Claudio Albrecht has been an Independent Director at Dr. Reddy's Laboratories since May 2023, with a five-year term through 2028. He also chairs the Science, Technology & Operations Committee of the board. He has over three decades in the pharmaceutical industry, mainly in generics. He previously served as CEO of ratiopharm GmbH, Actavis Group, and STADA AG. At Actavis, he led the company until its $6 billion sale to Watson. He co-founded the consulting firm Albrecht, Prock & Partners. His background is focused on turnarounds and expansion strategies in generics and biosimilars. He holds a Ph.D. in law. Outside Dr. Reddy's, he is a Director at Orifarm Group A/S, Independent Director at Munir Sukhtian Pharmaceuticals, Non-Executive Director at INO Holdco SARL, and since 2025, an Independent Director at OneSource Specialty Pharma Ltd.
Dr. Alpna Seth	Dr. Alpna Seth has been an Independent Director at Dr. Reddy's Laboratories since October 2021, with a five-year term through 2026. She has over 25 years of experience in the biotech and pharmaceutical industry. She is currently the CEO of Viridian Therapeutics Inc., a US-based biotech firm. Earlier, she was Chief Operating Officer of Vir Biotechnology and spent more than 20 years at Biogen Inc., where she held leadership roles across R&D, drug development, commercialization, and international operations, including heading the biosimilars business unit. She holds a Ph.D. in Biochemistry and Molecular Biology from the University of Massachusetts Medical School and a Master's in Biotechnology from Panjab University. Apart from Dr. Reddy's, her active directorships include being on the board of Viridian Therapeutics Inc.
Sanjiv Mehta	Sanjiv Mehta is an Independent Director at Dr. Reddy's Laboratories, appointed in 2023. He has more than four decades of experience in business leadership across consumer goods and industry bodies. He spent nearly 30 years at Unilever, where he served as CEO and Managing Director of Hindustan Unilever (HUL) and later as President of Unilever South Asia, overseeing India, Pakistan, Bangladesh, Sri Lanka, and Nepal. He also served as Chairman of Hindustan Unilever until his retirement in June 2023. Beyond corporate leadership, he has chaired and held key roles

in industry bodies such as FICCI, CII National Committee on MNCs, and the Advertising Standards Council of India. Apart from directorship at DRL he holds directorship in several non-pharmaceutical companies.

Management and Director Summary

The management of Dr. Reddy's Laboratories is largely promoter-driven, with Satish Reddy and GV Prasad continuing to steer the company. Their long tenure brings stability, a deep understanding of the business, and credibility with regulators and stakeholders. At the same time, decision-making is concentrated within a small circle, which can limit fresh perspectives. The senior leadership team below them is experienced and has been effective in navigating compliance-heavy markets like the US while maintaining growth in India and emerging markets. In recent years, management has pushed towards innovation and complex generics, but execution timelines remain a challenge.

The Board of Directors at Dr. Reddy's combines promoter presence with a group of experienced independent professionals from diverse industries. This mix provides strategic guidance, governance oversight, and a global outlook. While the board adds credibility and ensures regulatory checks, the dominance of promoters limits full independence. Additionally, several directors hold multiple external roles, which can restrict the depth of their engagement. Overall, the board is strong on compliance and oversight but less likely to drive bold strategic shifts, functioning more as a stabilizing and guiding body.

Erez Israeli, the CEO of Dr. Reddy's, brings decades of pharmaceutical industry experience, having worked with multiple global companies before joining DRL. He has played a role in driving cost optimization, digital adoption, and global expansion and leading company for double-digit growth. Erez became CEO in 2018 and since then revenue has more than doubled.

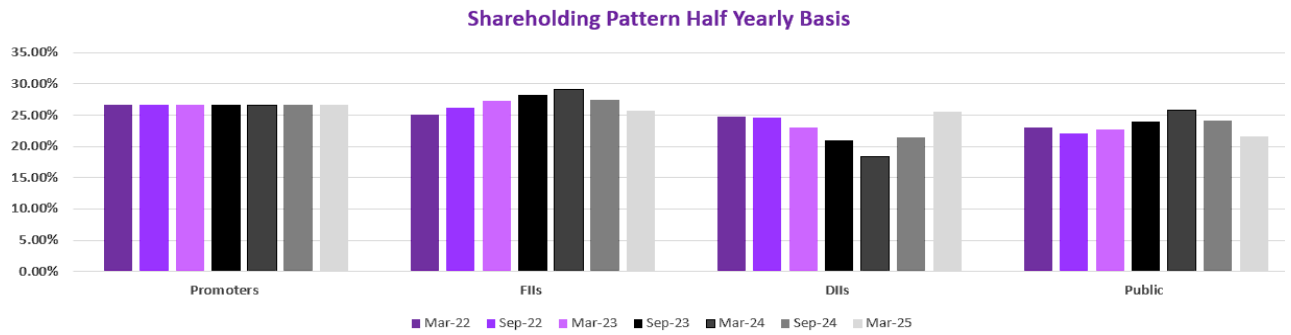
Shareholding Pattern and Commentary

Dr. Reddy's shareholding shows stability at the promoter level with 26.64%, and no pledges. The main shift has been FIIs reducing their stake to 25.3%, while DIIs have increased theirs to 26.7%, balancing the outflow. Public shareholding has come down to about 21% with HNI selling more, though the number of retail investors has nearly doubled, reflecting wider but smaller ticket participation.

Shareholding Pattern

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Promoters	26.72%	26.71%	26.71%	26.69%	26.69%	26.69%	26.66%	26.65%	26.65%	26.65%	26.64%	26.64%	26.64%	26.64%
FIIs	25.16%	25.87%	26.26%	27.29%	27.25%	26.99%	28.19%	28.62%	29.13%	27.68%	27.53%	26.85%	25.75%	25.33%
DIIs	24.78%	25.18%	24.69%	23.38%	23.05%	21.99%	21.04%	18.65%	18.31%	20.72%	21.48%	22.89%	25.63%	26.73%
Public	23.07%	21.96%	22.06%	22.36%	22.78%	24.11%	23.93%	25.89%	25.73%	24.78%	24.20%	23.46%	21.69%	21.04%
Others	0.28%	0.28%	0.27%	0.25%	0.22%	0.21%	0.18%	0.18%	0.17%	0.17%	0.16%	0.16%	0.29%	0.26%
No. of Shareholders	2,63,803	2,55,300	2,59,271	2,46,788	2,32,715	2,46,769	2,43,445	2,57,794	2,55,500	2,67,694	3,10,403	4,03,669	4,59,605	4,51,929

Source : Screener



Dr. Reddy's Laboratories Ltd

Top Shareholders of Dr. Reddy's Laboratories as of August 2025

Source : Equity Master

Shareholder's name	Total Shares Held	Shareholding	Quarter Ending
G V PRASAD	96095920	11.51%	45809
J P Morgan Chase Bank NA	92119269	11.04%	45809
SATISH REDDY KALLAM	85738125	10.27%	45809
LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	69278310	8.30%	45809
ICICI PRUDENTIAL VALUE DISCOVERY FUND	34593842	4.15%	45809
KALLAM SATISH REDDY HUF	27618385	3.31%	45809
NPS TRUST-A/C SBI PENSION FUND SCHEME TAX SAVER-TIER 2	18754185	2.25%	45809
NIPPON LIFE INDIA TRUSTEE LTD-A/C-NIPPON INDIA NIFTY 50 VALUE 20 INDEX FUND	16033208	1.92%	45809
GUNUPATI VENKATESWARA PRASAD HUF	12717090	1.52%	45809
SBI NIFTY INDEX FUND	11950618	1.43%	45809

Remuneration Data

Name	Designation	Ratio of remuneration of each Director to the median remuneration of employees	% increase/ decrease in remuneration during FY2025
Mr. Satish Reddy	Chairman	179.14	1.78
Mr. G V Prasad	Co-Chairman and Managing Director	285.36	1.11
Mr. Leo Puri	Independent Director	30.52	17.8
Ms. Shikha Sharma	Independent Director	22.51	11.32
Dr. K P Krishnan	Independent Director	23.8	10.81
Ms. Penny Wan	Independent Director	28.35	9.42
Mr. Arun M Kumar	Independent Director	28.99	1.95
Dr. Claudio Albrecht	Independent Director	27.7	NA
Dr. Alpna Seth	Independent Director	27.05	NA
Mr. Sanjiv Mehta	Independent Director	23.59	NA
Ms. Kalpana Morparia	Independent Director	NA	NA
Mr. Erez Israeli	Chief Executive Officer	NA	4.7
Mr. Parag Agarwal	Chief Financial Officer	NA	NA
Mr. M V Narasimham	Chief Financial Officer	NA	NA
Mr. K Randhir Singh	Company Secretary, Compliance Officer and Head-CSR	NA	12

Remuneration for G.V Prasad and Satish Reddy remained significantly high with G.V Prasad and Satish Reddy earning 285x and 179x the median employee pay. Knowing the structure of company's management it is expected.

Director Attendence at AGM and Board Meetings during FY25

Source : Annual Report

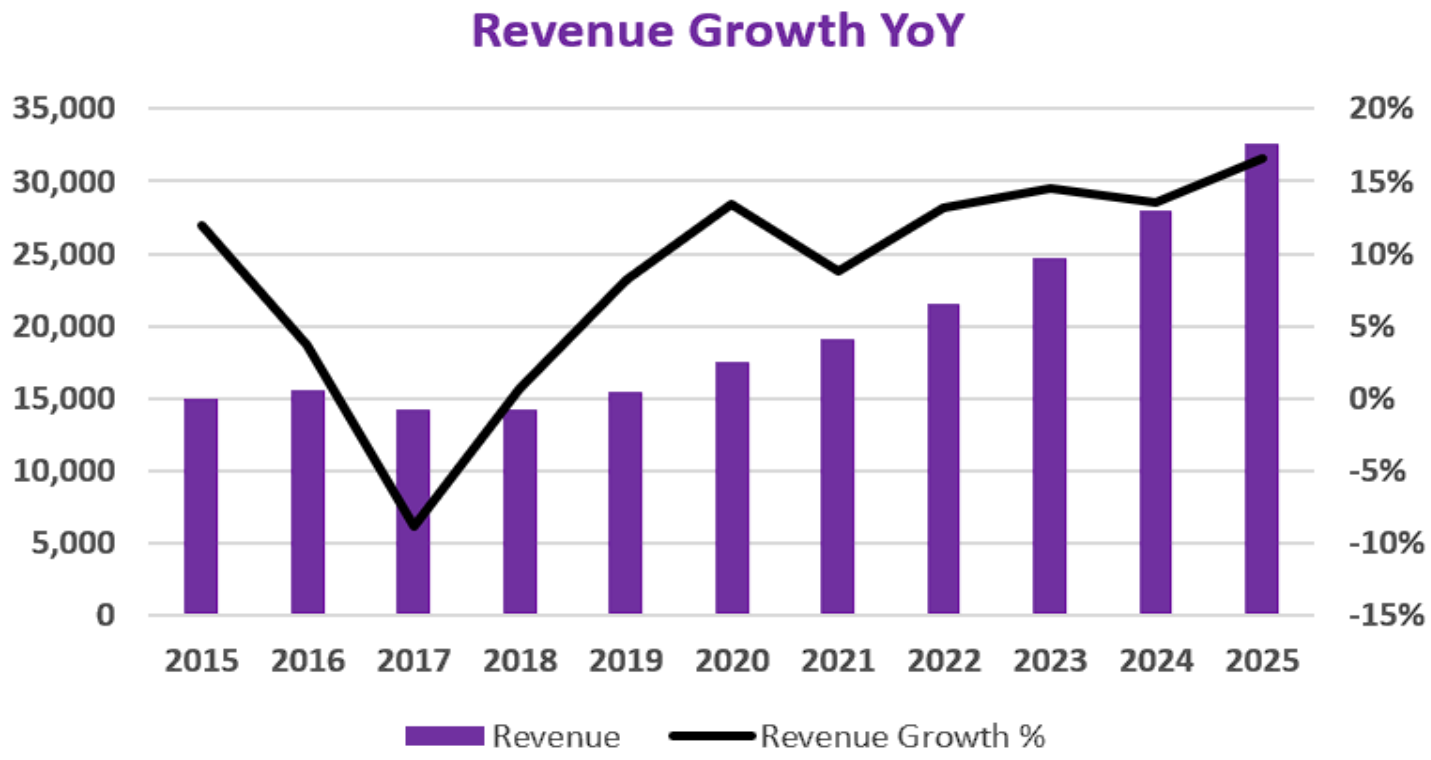
Name of the Directors	AGM on July 29, 2024	Board Meeting dates 1 25 April 2024	2 07 May 2024	3 19 May 2024	4 27 July 2024	5 05 Nov 2024	6 23 Jan 2025	7 10 Feb 2025	8 26 Mar 2025	Held during tenure	Attended	% of attendance
Mr. K Satish Reddy	P	V	P	V	P	P	P	V	P	8	8	100
Mr. G V Prasad	P	V	P	V	P	P	P	V	P	8	8	100
Ms. Kalpana Morparia[1]	V	V	P	V	P	NA	NA	NA	NA	4	4	100
Mr. Leo Puri	V	V	P	V	P	P	P	V	V	8	8	100
Ms. Shikha Sharma	V	V	P	V	P	P	V	V	V	8	8	100
Dr. K P Krishnan	V	V	P	V	P	P	P	V	V	8	8	100
Ms. Penny Wan	V	V	P	V	P	P	P	V	P	8	8	100
Mr. Arun M Kumar	V	V	V	V	P	P	P	V	P	8	8	100
Dr. Claudio Albrecht	V	V	P	V	P	P	P	V	V	8	8	100
Dr. Alpna Seth	V	V	P	V	P	P	P	V	V	8	8	100
Mr. Sanjiv Mehta	V	V	P	V	P	P	V	V	V	8	8	100
% attendance	100	100	100	100	100	100	100	100	100			

Note: V attended through video conferencing. P attended physically. NA not applicable. .

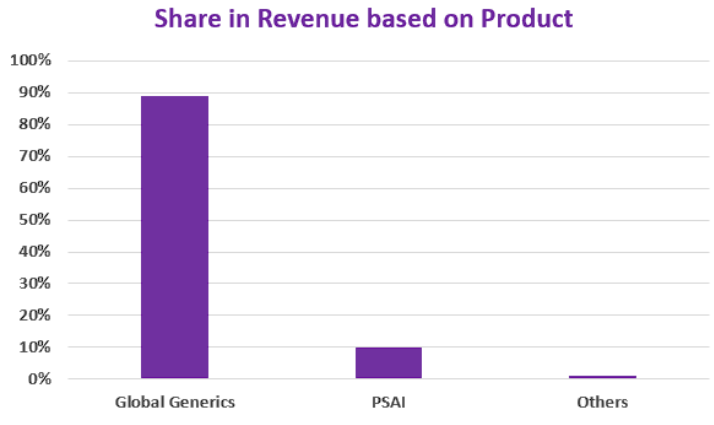
Dr. Reddy's Laboratories Ltd

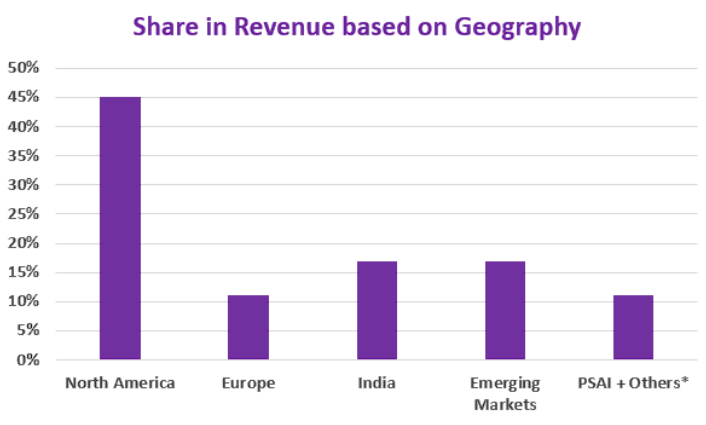
Revenue Analysis

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11833	13415	15023	15568	14196	14281	15448	17517	19048	21545	24670	28011	32,644
Revenue Growth %		13%	12%	4%	-9%	1%	8%	13%	9%	13%	15%	14%	17%



Dr. Reddy's closed FY25 with revenues of ₹27,370 crore, reflecting healthy growth across its key businesses. The momentum carried into Q1FY26, where revenues touched ₹7,254 crore, up about 12% year-on-year. This growth was driven by the strong performance of the North America generics portfolio, aided by new product launches and steady demand for the base portfolio. Profitability also saw an uptick, supported by cost discipline and an improved product mix. The Global Generics business remained the backbone, contributing over 80% of the topline in FY25 and continuing its strong run in Q1FY26. Within this, North America was a major contributor, supported by product ramp-ups and launches in complex generics and injectables. The India business maintained steady double-digit growth, led by chronic therapies. The PSAI (Active Pharmaceutical Ingredients) segment added about 11–12% of overall revenues, driven by demand from both internal and external customers. Proprietary products, while still small, remained an area of focus for long-term pipeline building. In terms of geography, North America contributed nearly 44–45% of revenues in FY25 and continued to lead in Q1FY26. India followed at ~20%, supported by a robust branded generics presence. Russia and the CIS region accounted for 11–12%, showing resilience despite macroeconomic pressures. Other emerging markets and Europe provided additional balance, helping mitigate the impact of global pricing challenges. The company's ability to sustain growth across both developed and emerging markets underlines its diversified positioning. Dr. Reddy's launched new products in the U.S. and India, expanded injectables and biosimilars, and kept tight cost controls. It's also investing in R&D and digital outreach to drive long-term growth in complex generics and specialty medicines.

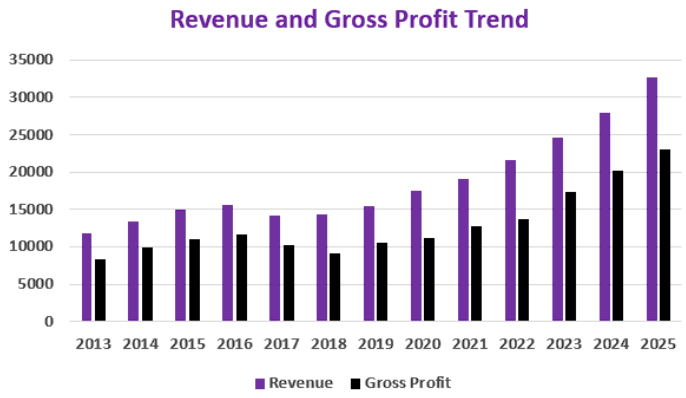




Dr. Reddy's Laboratories Ltd

Gross Margins Analysis

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11833	13415	15023	15568	14196	14281	15448	17517	19048	21545	24670	28011	32,644
Total COGS	3438	3492	3958	3927	4030	5110	4972	6281	6351	7785	7284	7764	9675
COGS%Revenue	29.1%	26.0%	26.3%	25.2%	28.4%	35.8%	32.2%	35.9%	33.3%	36.1%	29.5%	27.7%	29.6%
Gross Margin	**70.9%**	**74.0%**	**73.7%**	**74.8%**	**71.6%**	**64.2%**	**67.8%**	**64.1%**	**66.7%**	**63.9%**	**70.5%**	**72.3%**	**70.4%**
Gross Profit	8395	9923	11065	11641	10166	9171	10476	11236	12697	13760	17386	20247	22969



Over the last five years, Dr. Reddy's gross margins have reflected both pricing headwinds and product-driven recovery. Margins stood at 66.7% in 2021 but dropped to 63.9% in 2022, as US generics faced steep price erosion and cost of goods rose to over a third of revenues. The turning point came in 2023, when margins improved to 70.5%, supported by the launch of high-value products such as lenalidomide (gRevlimid) in the US and a stronger generics mix. This momentum continued into 2024, with margins reaching 72.3%, helped by scale benefits, better utilization of manufacturing plants, and efficiency measures. By 2025, margins normalized slightly to 70.4%, reflecting ongoing pricing pressure in the US but still benefiting from complex generic launches and cost optimization. Overall, the recent five-year trend shows that while pricing pressure remains a structural challenge, new product launches, portfolio mix, and operating leverage have been key in restoring and sustaining gross margin strength.

Research & development, SG&A and EBITDA Analysis

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11,833	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644
Total COGS	3438	3492	3958	3927	4030	5110	4972	6281	6351	7785	7284	7764	9675
Gross Profit	**8,395**	**9,923**	**11,065**	**11,641**	**10,166**	**9,171**	**10,476**	**11,236**	**12,697**	**13,760**	**17,386**	**20,247**	**22,969**
Research and Development Expenses	767	1240	1745	1783	1955	1827	1561	1541	1654	1748	1938	2287	2738
SG&A Expenses	3427	3878	4259	4570	4633	4691	4889	5013	5465	6208	6803	7720	9387
Employee Cost	1498	1881	2263	2405	2572	2690	2672	2912	2898	3216	3436	3616	4130
EBITDA	**2,702**	**2,923**	**2,799**	**2,883**	**1,006**	**-36**	**1,354**	**1,771**	**2,679**	**2,588**	**5,210**	**6,623**	**6,714**
EBITDA Margin	**23%**	**22%**	**19%**	**19%**	**7%**	**0%**	**9%**	**10%**	**14%**	**12%**	**21%**	**24%**	**21%**

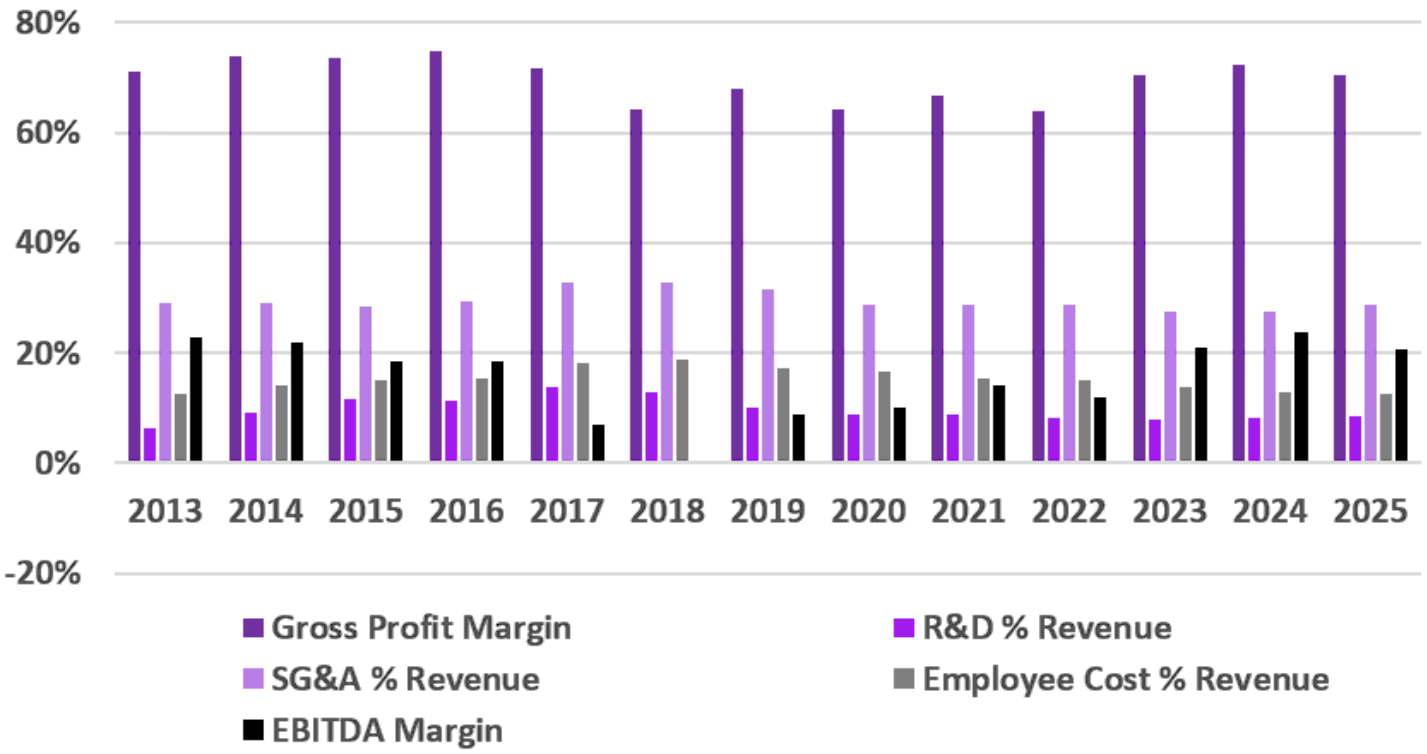
Dr. Reddy's Laboratories has maintained a stable EBITDA over the past decade, supported by consistent revenue growth and operational efficiency. Revenue grew from ₹11,833 crore in 2013 to ₹32,644 crore in FY25, reflecting a CAGR of approximately 10–11%. Gross margins have ranged between 64–72%, ending at 70.4% in FY25, indicating control over cost of goods sold despite inflationary pressures.

R&D expenditure increased significantly to ₹2,740 crore in FY25 (8.4% of revenue), up nearly 20% from FY24. Quarterly spending remained high: Q4 at ₹726 crore (8.5% of sales) and Q1 FY26 at ₹624 crore (7.3%). These investments focus on complex generics, biosimilars, GLP-1 programs, oncology research, and injectables. The higher R&D intensity temporarily reduces margins but is expected to normalize to 7–7.5% of sales in FY26.

SG&A expenses rose to ₹9,387 crore in FY25 (28.8% of revenue), from 27.7% in FY24, driven by increased sales and marketing investments, wage inflation, new hiring, and higher logistics costs. These expenses put near-term pressure on operating margins.
Overall, EBITDA has remained resilient, with margins in the high-20s percentage range despite higher R&D and SG&A spending. The company's diversified portfolio, geographic presence, cost management, and product pipeline mitigate US pricing pressures and competition. However, short-term profitability may remain volatile, and sustaining EBITDA growth will depend on operational efficiency.

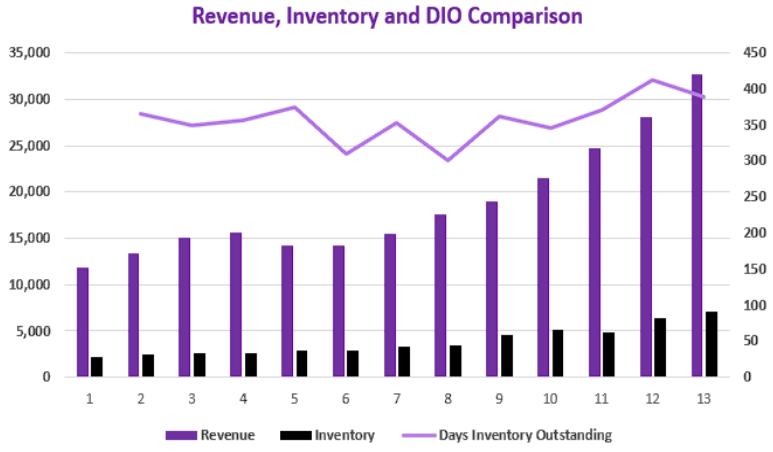
Dr. Reddy's Laboratories Ltd

Common Size Chart



Inventory Analysis

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
Revenue	11,833	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644	**17,546**	**15,508**
Revenue Growth %		13%	12%	4%	-9%	1%	8%	13%	9%	13%	15%	14%	17%	**8%**	**12%**
Inventory	2,171	2,419	2,570	2,558	2,853	2,909	3,358	3,507	4,541	5,088	4,867	6,355	7,108	**3600**	**3134**
Inventory Growth %		11%	6%	0%	12%	2%	15%	4%	29%	12%	-4%	31%	12%	**11%**	**11%**
Average Inventory		3504.5	3779.5	3843	4132	4335.5	4812.5	5186	6294.5	7358.5	7411	8788.5	10285.5	**5404.14**	**4812.50**
Average Inventory Growth %			8%	2%	8%	5%	11%	8%	21%	17%	1%	19%	17%	**10%**	**8%**
COGS	3438	3492	3958	3927	4030	5110	4972	6281	6351	7785	7284	7764	9675	**5366**	**5041**
COGS Growth %		2%	13%	-1%	3%	27%	-3%	26%	1%	23%	-6%	7%	25%	**10%**	**5%**
Inventory Turnover Ratio		**1.00x**	**1.05x**	**1.02x**	**0.98x**	**1.18x**	**1.03x**	**1.21x**	**1.01x**	**1.06x**	**0.98x**	**0.88x**	**0.94x**	**1.03x**	**1.02x**
Days Inventory Outstanding		**366**	**349**	**357**	**374**	**310**	**353**	**301**	**362**	**345**	**371**	**413**	**388**	**355**	**357**
365															



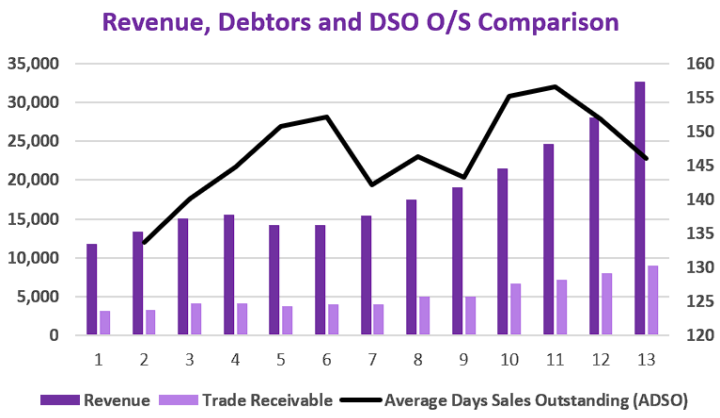
Inventory has been growing faster than both COGS and revenue, reflecting a consistent buildup over recent years. As a result, turnover has slipped to around 1x, and Days Inventory Outstanding (DIO) has steadily increased, indicating that stock is now taking longer to convert into sales. A key driver is supply-chain hedging — after COVID-related API shortages, Dr. Reddy's has deliberately maintained higher raw material buffers to ensure production continuity and avoid disruptions. In addition, the company's strategic shift toward complex generics, injectables, and biosimilars inherently involves longer manufacturing and testing cycles, which naturally extends holding periods and slows down inventory turnover. Regulatory checks and approvals can also add delays before products are released to market. Further, large product launches, particularly in the US and emerging markets, require advance stocking at multiple distribution points to meet immediate demand at launch, which adds to inventory levels. While these factors highlight a deliberate and partly strategic buildup, they also align with industry practice.

Dr. Reddy's Laboratories Ltd

Debtor Analysis

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
Revenue	11,833	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644	18,708	15,508
Revenue Growth %		13.37%	11.99%	3.63%	-8.81%	0.60%	8.17%	13.39%	8.74%	13.11%	14.50%	13.54%	16.54%	8.38%	11.99%
Trade Receivable	3,180	3,325	4,101	4,125	3,799	4,053	3,987	5,028	4,964	6,676	7,248	8,030	9,042	5,197	4,113
Trade Receivable Growth %		4.56%	23.34%	0.59%	-7.90%	6.69%	-1.63%	26.11%	-1.27%	34.49%	8.57%	10.79%	12.60%	9.48%	6.69%
Average Trade Receivable		4915	5763.5	6175.5	5861.5	5952.5	6013.5	7021.5	7478	9158	10586	11654	13057	7325.36	6175.5
Average Trade Receivable Gtowth %			17.26%	7.15%	-5.08%	1.55%	1.02%	16.76%	6.50%	22.47%	15.59%	10.09%	12.04%	9.33%	8.62%
Average Trade Receivable Turnover Ratio		**2.73x**	**2.61x**	**2.52x**	**2.42x**	**2.40x**	**2.57x**	**2.49x**	**2.55x**	**2.35x**	**2.33x**	**2.40x**	**2.50x**	**2.49x**	**2.49x**
Average Days Sales Outstanding (ADSO)		**134**	**140**	**145**	**151**	**152**	**142**	**146**	**143**	**155**	**157**	**152**	**146**	**147**	**146**
365															

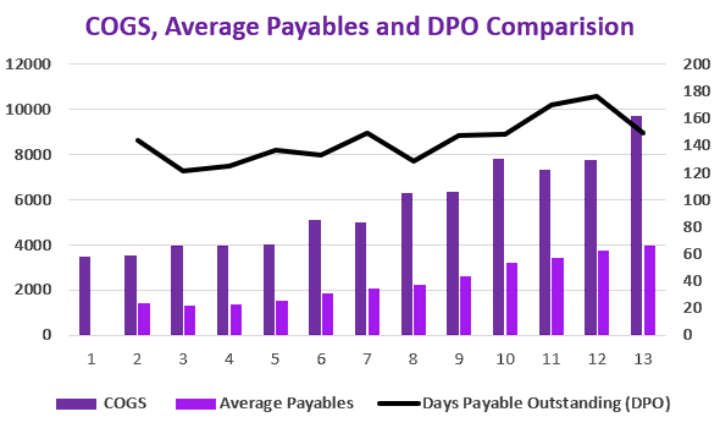
Trade Receivables had spiked since 2020, which has slowly normalised. There are multiple reasons for these situations which include Higher exposure to US and Emerging markets, these markets run on longer credit cycle pushing DRL towards receiving balloon payments. DRL often does a lot of front loading as well delaying the revenues even more. These practices are fueled by COVID-19 induced liquidity crunches contributing towards built up Trade Receivables. Given the current normalisation, Situation remains stable however, Receivable growth needs to be tracked religiously.



Payable Analysis (COGS based)

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
COGS	3438	3492	3958	3927	4030	5110	4972	6281	6351	7785	7284	7764	9675	**5697**	**5110**
Growth %		2%	13%	-1%	3%	27%	-3%	26%	1%	23%	-6%	7%	25%	**10%**	**7%**
Trade Payables	966	893	867	907	1,057	1,334	1,367	1,525	1,811	2,266	2,268	2,614	2,648	**1,490**	**1,351**
Growth %		-8%	-3%	5%	17%	26%	2%	12%	19%	25%	0%	15%	1%	**9%**	**9%**
Average Payables		1376	1314	1341	1511	1863	2034	2209	2574	3172	3401	3748	3955	**2375**	**2121**
Growth %			-5%	2%	13%	23%	9%	9%	17%	23%	7%	10%	6%	**10%**	**10%**
Average Payable Turnover		2.54x	3.01x	2.93x	2.67x	2.74x	2.44x	2.84x	2.47x	2.45x	2.14x	2.07x	2.45x	**2.56x**	**2.50x**
Days Payable Outstanding (DPO)		144	121	125	137	133	149	128	148	149	170	176	149	**144**	**146**
365															

Dr. Reddy's has scaled payables in line with COGS, keeping turnover stable at ~2.6x and DPO around 144 days. A temporary peak to 176 days in 2023 normalized to 149 days in 2025, highlighting steady payment discipline. Overall, the company balances growth with efficient working capital and strong supplier trust.



Cash Conversion Cycle (Data Adjusted for Screener)

Particulars	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mean
Debtor Days	90	100	97	98	104	94	105	95	113	107	105	101	**101**
Inventory Days	271	248	248	282	263	273	230	273	250	232	283	260	**259**
Days Payable	100	84	88	104	121	111	100	109	111	108	116	97	**104**
Cash Conversion Cycle	261	264	257	276	246	256	235	259	252	231	272	264	**256**

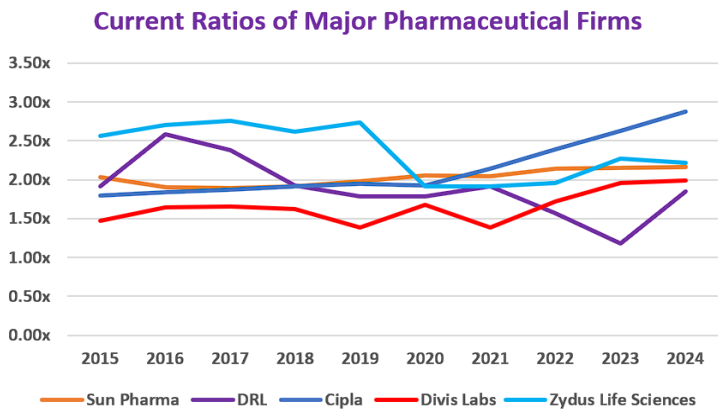
Peer Cash Coversion Cycle	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mean
Sun Pharmaceuticals	286	197	251	193	212	285	274	310	255	261	229	228	**248**
Divis Labs	416	368	322	284	313	336	312	300	344	347	370	330	**337**
Cipla	239	267	230	196	204	220	211	195	180	181	182	188	**208**
Torrent Pharmaceuticals	-28	-71	-130	21	59	42	93	174	188	147	89	154	**62**
Dr. Reddy's Labs	261	264	257	275	246	256	235	259	252	231	271	264	**256**
Mankind Pharmaceuticals							63	125	121	86	120	146	**110**
Zydus Lifesciences	119	118	71	116	142	169	149	158	185	168	175	158	**144**

DRL's Cash Conversion Cycle remains consistent with minor variations. The CCC remains on higher side compared to everyone except Divis Labs because of early payment to suppliers. In other's cases DPO stays generally on higher side. Reason for these practices include prioritizing relationships with suppliers for better supply stability. DRL also has Early Payment Program which ensures discounts from suppliers for inventory bought on credit.

Current Ratio Analysis

Particulars	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sun Pharmaceuticals	2.03x	1.90x	1.89x	1.91x	1.98x	2.05x	2.04x	2.14x	2.15x	2.16x
Dr. Reddy's Labs	1.92x	2.58x	2.38x	1.93x	1.78x	1.79x	1.93x	1.57x	1.18x	1.85x
Cipla	1.80x	1.84x	1.87x	1.91x	1.95x	1.93x	2.14x	2.39x	2.63x	2.88x
Divis Labs	1.47x	1.64x	1.66x	1.62x	1.39x	1.68x	1.39x	1.72x	1.96x	1.99x
Zydus Life	2.56x	2.70x	2.76x	2.62x	2.74x	1.91x	1.92x	1.96x	2.27x	2.22x

Source : Screener



Dr. Reddy's current ratio has shown significant fluctuation over the past decade. It remained strong above 2× during 2015–2017, before gradually declining to the 1.7–1.9× range through 2018–2021. The ratio fell further to 1.57× in 2022 and reached a low of 1.18× in 2023, indicating stretched liquidity. In 2024, it recovered to 1.85×, reflecting improved working-capital management. While still below some peers like Sun Pharmaceuticals, Cipla and Zydus Life Sciences, the rebound highlights a more stable liquidity position.

Fixed Asset Analysis

Fixed Assets

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Land	365	380	375	391	395	430	423	415	427	428	438	439	430
Building	1,229	1,448	1,666	1,889	2,110	2,224	2,300	2,492	2,747	2,837	2,965	3,295	3459
Plant Machinery	2,550	3,065	3,560	5,366	6,176	6,653	7,043	7,439	7,812	8,715	9,809	10,709	11502
Equipments	756	539	635	0	0	0	0	0	0	0	0	0	0
Furniture n fittings	283	714	867	442	507	546	574	597	626	682	766	837	824
Vehicles	60	52	60	76	74	77	81	121	126	145	198	226	286
Intangible Assets	4,698	5,448	4,668	5,354	5,141	3,748	466	491	560	3,858	4,066	4,085	4,928
Other fixed assets	150	272	743	1,502	1,531	3,760	4,112	4,553	6,259	6,432	7,324	8,470	15330
Gross Block	**10,091**	**11,918**	**12,574**	**15,020**	**15,934**	**17,438**	**14,999**	**16,108**	**18,557**	**23,097**	**25,566**	**28,061**	**36,759**
Growth in Gross Block		18%	6%	19%	6%	9%	-14%	7%	15%	24%	11%	10%	31%
Change in Gross Block		1,827	656	2,446	914	1,504	-2,439	1,109	2,449	4,540	2,469	2,495	8,698

Dr. Reddy's Laboratories Ltd

Common Size Statement - Gross Block	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Land	3.6%	3.2%	3.0%	2.6%	2.5%	2.5%	2.8%	2.6%	2.3%	1.9%	1.7%	1.6%	1.2%
Building	12.2%	12.1%	13.2%	12.6%	13.2%	12.8%	15.3%	15.5%	14.8%	12.3%	11.6%	11.7%	9.4%
Plant Machinery	25.3%	25.7%	28.3%	35.7%	38.8%	38.2%	47.0%	46.2%	42.1%	37.7%	38.4%	38.2%	31.3%
Equipments	7.5%	4.5%	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Furniture n fittings	2.8%	6.0%	6.9%	2.9%	3.2%	3.1%	3.8%	3.7%	3.4%	3.0%	3.0%	3.0%	2.2%
Vehicles	0.6%	0.4%	0.5%	0.5%	0.5%	0.4%	0.5%	0.8%	0.7%	0.6%	0.8%	0.8%	0.8%
Intangible Assets	46.6%	45.7%	37.1%	35.6%	32.3%	21.5%	3.1%	3.0%	3.0%	16.7%	15.9%	14.6%	13.4%
Other fixed assets	1.5%	2.3%	5.9%	10.0%	9.6%	21.6%	27.4%	28.3%	33.7%	27.8%	28.6%	30.2%	41.7%
Gross Block	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Net Fixed Asset

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gross Block	10,091	11,918	12,574	15,020	15,934	17,438	14,999	16,108	18,557	23,097	25,566	28,061	36,759
Less: Accumulated Depreciation	6,039	7,277	7,197	8,457	9,002	10,468	7,808	9,258	10,350	14,975	16,348	17,637	18533
Net Fixed Assets	**4,052**	**4,641**	**5,377**	**6,563**	**6,932**	**6,970**	**7,191**	**6,850**	**8,207**	**8,122**	**9,218**	**10,424**	**18,226**
Growth in Net Fixed Assets		15%	16%	22%	6%	1%	3%	-5%	20%	-1%	13%	13%	75%
Change in Net Fixed Assets		589	736	1,186	369	38	221	-341	1,357	-85	1,096	1,206	7,802

Particulars	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11,833	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644
Growth %		13.4%	12.0%	3.6%	-8.8%	0.6%	8.2%	13.4%	8.7%	13.1%	14.5%	13.5%	16.5%
Net Fixed Assets	4,052	4,641	5,377	6,563	6,932	6,970	7,191	6,850	8,207	8,122	9,218	10,424	18,226
Growth %		15%	16%	22%	6%	1%	3%	-5%	20%	-1%	13%	13%	75%
Fixed Asset Turnover Ratio	**2.92x**	**2.89x**	**2.79x**	**2.37x**	**2.05x**	**2.05x**	**2.15x**	**2.56x**	**2.32x**	**2.65x**	**2.68x**	**2.69x**	**1.79x**

Dr. Reddy's is focusing on higher-capacity manufacturing to capitalize on the demand for high-value molecules and to support upcoming product launches globally. The bulk of this recent capex has gone into manufacturing infrastructure upgrades, expansion of R&D capabilities, and building facilities for new launches, especially in biosimilars, injectables, and peptide APIs. This CAPEX has caused a sharp decline to 1.79x in Fixed Asset Turnover Ratio which is expected to stabilize in future as revenues from those investments will start coming in.

Depreciation analysis

Particulars	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mean	Median
Revenue	11833	13415	15023	15568	14196	14281	15448	17517	19048	21545	24670	28011	32644	**18708**	**15568**
Growth %		13.4%	12.0%	3.6%	-8.8%	0.6%	8.2%	13.4%	8.7%	13.1%	14.5%	13.5%	13.5%	**8.8%**	**12.5%**
Fixed Assets	4051	4641	5377	6563	6931	6968	7191	6850	8206	8122	9219	10426	18226	**7905**	**6968**
Growth %		14.6%	15.9%	22.1%	5.6%	0.5%	3.2%	-4.7%	19.8%	-1.0%	13.5%	13.1%	13.1%	**9.6%**	**13.1%**
Depreciation	550	648	760	939	1027	1077	1135	1163	1229	1165	1250	1470	1704	**1086**	**1135**
Growth %		17.8%	17.3%	23.6%	9.4%	4.9%	5.4%	2.5%	5.7%	-5.2%	7.3%	17.6%	17.6%	**10.3%**	**8.3%**
Depreciation % Revenue	**4.6%**	**4.8%**	**5.1%**	**6.0%**	**7.2%**	**7.5%**	**7.3%**	**6.6%**	**6.5%**	**5.4%**	**5.1%**	**5.2%**	**5.2%**	**5.9%**	**5.4%**
Depreciation % Fixed Assets	**13.6%**	**14.0%**	**14.1%**	**14.3%**	**14.8%**	**15.5%**	**15.8%**	**17.0%**	**15.0%**	**14.3%**	**13.6%**	**14.1%**	**14.1%**	**14.6%**	**14.3%**

Particulars	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mean	Median
Gross Block	10089	11918	12574	15020	15932	17436	14999	16108	18556	23096	25567	28062	36760	**18932**	**16108**
Accumulated Depreciation	6039	7277	7197	8457	9002	10468	7808	9258	10350	14975	16348	17637	18533	**11027**	**9258**
Net Block	**4050**	**4641**	**5377**	**6563**	**6930**	**6968**	**7191**	**6850**	**8206**	**8121**	**9219**	**10425**	**18227**	**7905**	**6968**
Depreciation for the year	550	648	760	939	1027	1077	1135	1163	1229	1165	1250	1470	1704	**1086**	**1135**
Asset Life (Average)	18.3	18.4	16.5	16.0	15.5	16.2	13.2	13.9	15.1	19.8	20.5	19.1	21.6	**17.2**	**16.5**
Asset Age (Average)	11.0	11.2	9.5	9.0	8.8	9.7	6.9	8.0	8.4	12.9	13.1	12.0	10.9	**10.1**	**9.7**
% of Asset Consumed	67.1%	63.8%	74.7%	77.6%	77.0%	66.6%	92.1%	74.0%	79.3%	54.2%	56.4%	59.1%	98.3%	**72.3%**	**74.0%**
Asset Turnover Ratio	**2.9**	**2.9**	**2.8**	**2.4**	**2.0**	**2.0**	**2.1**	**2.6**	**2.3**	**2.7**	**2.7**	**2.7**	**1.8**	**2.5**	**2.6**

Dr. Reddy's Laboratories follows a straight-line method of depreciation on property, plant, and equipment, with land excluded and leasehold improvements amortized over the shorter of lease term or useful life, while reviewing asset for impairment annually to keep expenses aligned with actual usage. Recent growth in depreciation is caused by CAPEX done by DRL for building capacities and expanding into new lines. It is worth tracking the outcome of CAPEX with revenue inflows in coming quarters. Revenue as at 2025 continues to stay in double digit mark.

Dr. Reddy's Laboratories Ltd

CFO comparison with Earning Metrics (Screener adjusted Data)

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
Revenue	**13,415**	**15,023**	**15,568**	**14,196**	**14,281**	**15,448**	**17,517**	**19,048**	**21,545**	**24,670**	**28,011**	**32,644**	**19,281**	**16,543**
Growth %		12%	4%	-9%	1%	8%	13%	9%	13%	15%	14%	17%	**9%**	**12%**
EBIT	2,773	3,008	2,941	1,617	1,429	2,424	1,984	2,980	3,158	6,191	7,372	7,962	**3,653**	**2,961**
Growth %		8%	-2%	-45%	-12%	70%	-18%	50%	6%	96%	19%	8%	**16%**	**8%**
Depreciation	648	760	939	1,027	1,077	1,135	1,163	1,229	1,165	1,250	1,470	1,704	**1,131**	**1,149**
EBITDA	3,421	3,768	3,880	2,644	2,506	3,559	3,147	4,209	4,323	7,441	8,842	9,666	**4,784**	**3,824**
Net Profit	1,963	2,336	2,131	1,292	947	1,950	2,026	1,952	2,182	4,507	5,578	5,725	**2,716**	**2,079**

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
CFO	1,970	2,524	3,263	2,144	1,803	2,870	2,984	3,570	2,811	5,888	4,543	4,643	**3,251**	**2,927**
Growth %		28%	29%	-34%	-16%	59%	4%	20%	-21%	109%	-23%	2%	**14%**	**4%**
CFI	1,604	2,370	1,610	1,890	1,483	769	495	2,255	2,565	4,109	4,034	5,785	**2,414**	**2,073**
CFF	24	433	1,700	369	444	2,133	2,516	30	242	2,686	376	1,891	**1,070**	**439**
Net Cash Flow	**342**	**-279**	**-47**	**-115**	**-124**	**-32**	**-27**	**1,285**	**4**	**-907**	**133**	**-3,033**	**-233**	**-40**

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
CFO/Sales	**15%**	**17%**	**21%**	**15%**	**13%**	**19%**	**17%**	**19%**	**13%**	**24%**	**16%**	**14%**	**17%**	**17%**
CFO/EBITDA	**58%**	**67%**	**84%**	**81%**	**72%**	**81%**	**95%**	**85%**	**65%**	**79%**	**51%**	**48%**	**72%**	**76%**
CFO/Net Profit	**100%**	**108%**	**153%**	**166%**	**190%**	**147%**	**147%**	**183%**	**129%**	**131%**	**81%**	**81%**	**135%**	**139%**

Dr. Reddy's consistently generates strong operating cash flows that exceed reported profits, showing healthy earnings quality. Cash conversion from EBITDA to CFO remains solid, reflecting efficient working capital management. Occasional negative free cash flow is mainly due to high reinvestment rather than weak operations. Overall, the company demonstrates reliable cash generation with prudent capital allocation. CFO/Net Profit is >100% in some cases because Net Profit contains a lot of non-cash charges which reflect conservative earning.

DuPont Analysis (Screener adjusted Data)

Return on Equity

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
Net Profit	1,963	2,336	2,131	1,292	947	1,950	2,026	1,952	2,182	4,507	5,578	5,725	**2,716**	**2,079**
Equity Capital	85	85	85	83	83	83	83	83	83	83	83	83	**84**	**83**
Reserves	7,780	9,768	12,484	12,179	12,489	13,941	15,516	17,558	19,129	23,203	28,171	33,466	**17,140**	**14,729**
Shareholder's Equity	7,865	9,853	12,569	12,262	12,572	14,024	15,599	17,641	19,212	23,286	28,254	33,549	**17,224**	**14,812**
Average Shareholder's Equity		13,786	17,496	18,547	18,703	20,310	22,611	25,441	28,033	32,892	39,897	47,676	**25,945**	**22,611**
Return on Equity		**17%**	**12%**	**7%**	**5%**	**10%**	**9%**	**8%**	**8%**	**14%**	**14%**	**12%**	**10%**	**10%**

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
Net Profit	1,963	2,336	2,131	1,292	947	1,950	2,026	1,952	2,182	4,507	5,578	5,725	**2,716**	**2,079**
Revenue	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644	**19,281**	**16,543**
Net Profit Margin	**15%**	**16%**	**14%**	**9%**	**7%**	**13%**	**12%**	**10%**	**10%**	**18%**	**20%**	**18%**	**13%**	**13%**
Revenue	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644	19,281	16,543
Total Assets	15,906	18,457	20,330	21,654	22,349	22,418	23,223	26,588	29,746	32,209	38,780	48,023	26,640	22,821
Average Total Assets		26,410	29,559	31,819	33,176	33,593	34,432	38,200	43,040	47,082	54,885	67,413	39,964	34,432
Asset Turnover Ratio		**57%**	**53%**	**45%**	**43%**	**46%**	**51%**	**50%**	**50%**	**52%**	**51%**	**48%**	**50%**	**50%**
Average Total Assets		26410	29559	31819	33176	33593	34432	38200	43040	47082	54885	67413	39964	34432
Average Shareholder's Equity		13,786	17,496	18,547	18,703	20,310	22,611	25,441	28,033	32,892	39,897	47,676	**25,945**	**22,611**
Equity Multiplier		**1.92x**	**1.69x**	**1.72x**	**1.77x**	**1.65x**	**1.52x**	**1.50x**	**1.54x**	**1.43x**	**1.38x**	**1.41x**	**1.54x**	**1.52x**
Return on Equity (DuPont Analysis)		**17%**	**12%**	**7%**	**5%**	**10%**	**9%**	**8%**	**8%**	**14%**	**14%**	**12%**	**10%**	**10%**

Dr. Reddy's Laboratories Ltd

Return on Asset

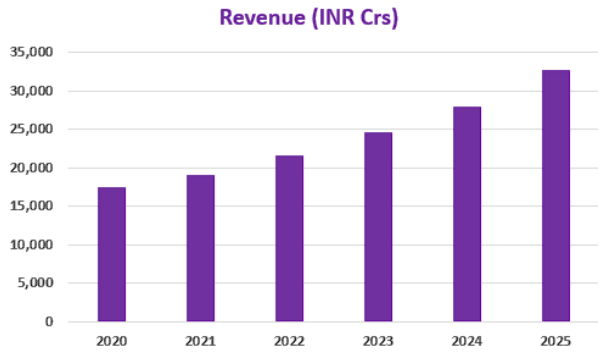
Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
Net Profit	1,963	2,336	2,131	1,292	947	1,950	2,026	1,952	2,182	4,507	5,578	5,725	**2,716**	**2,079**
Average Total Assets		26410	29559	31819	33176	33593	34432	38200	43040	47082	54885	67413	**39,964**	**34,432**
Return on Asset		**9%**	**7%**	**4%**	**3%**	**6%**	**6%**	**5%**	**5%**	**10%**	**10%**	**8%**	7%	6%

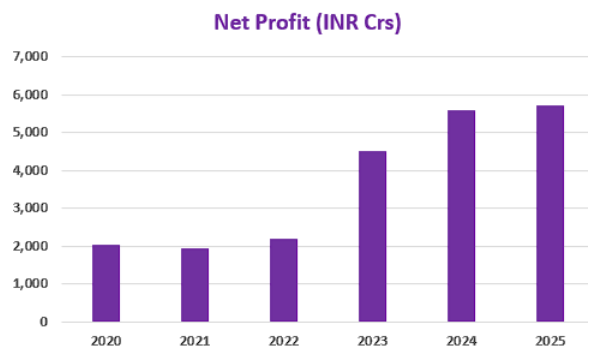
Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Mean	Median
Net Profit	1,963	2,336	2,131	1,292	947	1,950	2,026	1,952	2,182	4,507	5,578	5,725	**2,716**	**2,079**
Revenue	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644	**19,281**	**16,543**
Net Profit Margin	**15%**	**16%**	**14%**	**9%**	**7%**	**13%**	**12%**	**10%**	**10%**	**18%**	**20%**	**18%**	**13%**	**13%**
Revenue	13,415	15,023	15,568	14,196	14,281	15,448	17,517	19,048	21,545	24,670	28,011	32,644	19,281	16,543
Total Assets	15,906	18,457	20,330	21,654	22,349	22,418	23,223	26,588	29,746	32,209	38,780	48,023	26,640	22,821
Average Total Assets		26,410	29,559	31,819	33,176	33,593	34,432	38,200	43,040	47,082	54,885	67,413	39,964	34,432
Asset Turnover Ratio		**0.57x**	**0.53x**	**0.45x**	**0.43x**	**0.46x**	**0.51x**	**0.50x**	**0.50x**	**0.52x**	**0.51x**	**0.48x**	**0.50x**	**0.50x**
ROA (DuPont Equation)		**9%**	**7%**	**4%**	**3%**	**6%**	**6%**	**5%**	**5%**	**10%**	**10%**	**8%**	7%	6%

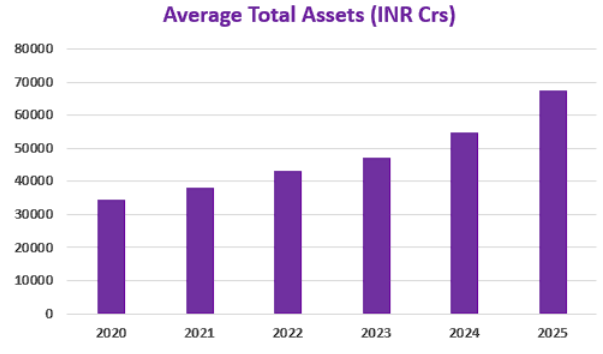
Dr. Reddy's return profile has shifted as steady asset expansion and deleveraging reduced efficiency and leverage, while profitability became the primary driver. ROE, once 17% in 2014, declined to 5–7% by 2017–18 as margins fell and asset turnover weakened, but recovered to 10–12% with margin improvement post-2019. ROA has averaged only 6–7% as assets grew faster than revenues, reflecting weaker utilization. The decline in leverage further limited return amplification, though it reduced financial risk. Overall, DRL's returns are now margin-driven, with efficiency and leverage offering little support, making sustained profitability and better asset use key for future improvement.

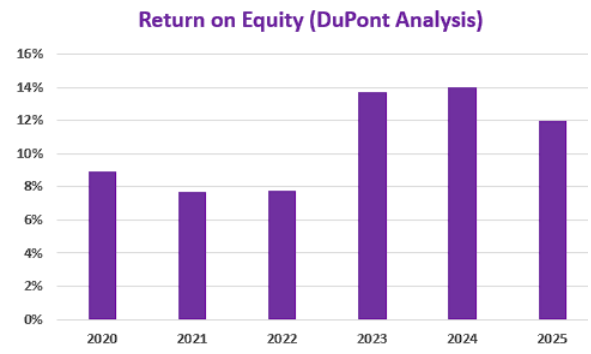
Financial Data Summary

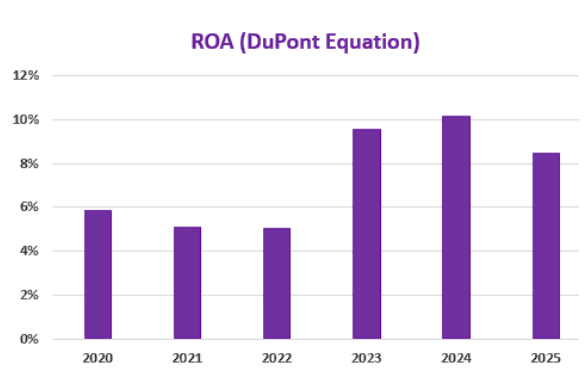
Source : Screener Data

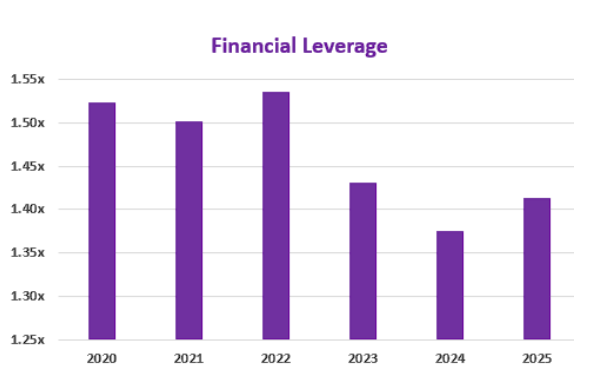












Dr. Reddy's Laboratories Ltd

Discounted Cash Flow Valuation

Weighted Average Cost of Capital Calculations

WACC Calculation - Dr. Reddy		
Particulars		**Source**
RFR	6.30%	10 Year Government Bond Yield - Investing.com
ERP	10.86%	Rm - Rf - 3 years period
Beta (3Y - Daily)	0.464	Regression based Beta
Cost of Equity	**11.34%**	CAPM approach
Corporate Credit Rating	AA+	Latest ICRA Credit Rating
Corporate Default Spread	4.83%	Excess over RFR
Cost of Debt (Pre-Tax)	**11.13%**	RFR + Spread
Marginal Tax Rate	25.17%	Notified Tax Rate in Finance Bill 2025
Cost of Debt (Post - Tax)	13.93%	Cost of Debt Post Tax Shield
Debt to Equity Ratio	0.140	Latest Financials
Debt to Capital Ratio	0.123	Latest Financials
WACC	**11.66%**	

Free Cash Flow Calculations

DCF Valuation of Dr. Reddy's Laboratories										
	Historical					Explicit Growth Period				
Particulars	**2021A**	**2022A**	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Total Sales	19048	21545	24670	28011	32644	38520	44683	51386	58066	65034
Sales Growth		13%	15%	14%	17%	18%	16%	15%	13%	12%
EBIT Margin	10.42%	13.83%	12.80%	22.10%	22.58%	21%	18%	16%	14%	12%
EBIT	**1,984**	**2,980**	**3,158**	**6,191**	**7,372**	**8920**	**10526**	**12210**	**13919**	**15590**
Less: Tax Payments	923	888	1512	1656	2070	2588	3235	4044	5054	6318
NOPAT	**1061**	**2092**	**1646**	**4535**	**5302**	**6332**	**7291**	**8166**	**8865**	**9272**
Less: Capex	1248	1573	1879	2636	3316	300	1500	1500	1500	1500
Less: Change in WC		1430	-888	614	429	-1987	-42	-46	-51	-56
Add: Depreciation	1229	1165	1250	1470	1704	300	1363.6	1363.6	1363.6	1363.6
FCFF	**1042**	**254**	**1905**	**2755**	**3260**	**8320**	**7197**	**8076**	**8779**	**9191**
Cost of Capital	11.66%									
Discounting Periods (Years)						1	2	3	4	5
Present Value Factor						0.896	0.802	0.718	0.643	0.576
Discounted/PV FCFF						**7451**	**5772**	**5801**	**5647**	**5295**

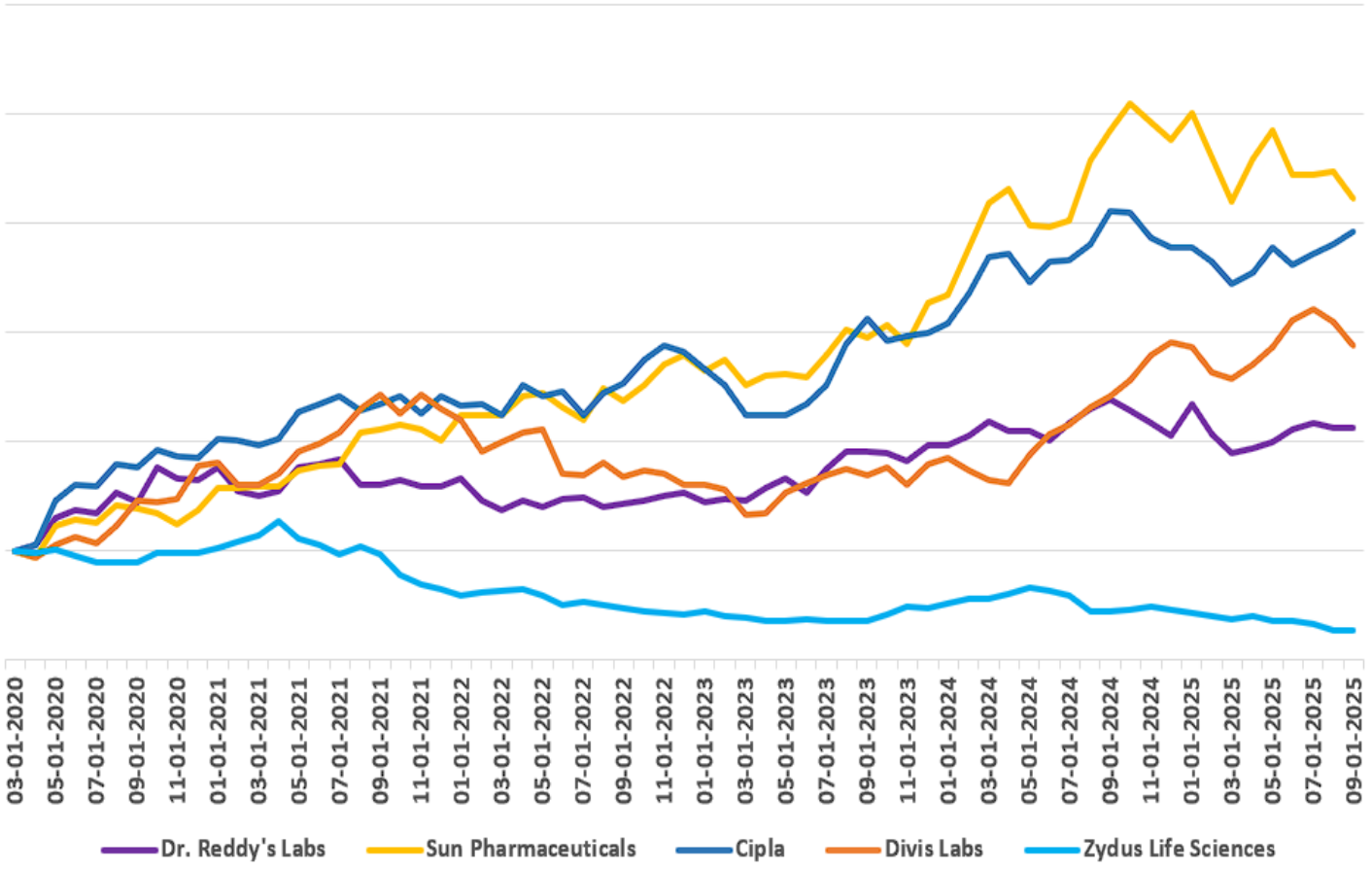
Stock Valuation

DCF Valuation of Dr. Reddy Laboratories	
Terminal Year FCFF	5295
Terminal Year Rate (GDP Growth Rate)	8.20%
Value of Terminal CF at 5th Year	165412
Discounted Terminal Value CF	95283
Discounted Forcasted CF	29965
Total Value of FCFFs (Enterprise Value)	**125248**
Less: Value of Debt	4677
Add: Cash and Non-operating investments	7129
Less: Value of Stock options and Warrants	71.6
Equity Value	**127629**
No. of Shares	83.5
Equity Value Per Share	**1528**
Market Price Per Share	**1258**
Verdict	**Undervalued**

Dr. Reddy's Laboratories Ltd

Source : Investing.com

Indexed Stock Performance Amongst Peers (5 Years)



S. No	Name	Market Price	Market Capitalization (Cr)	P/E	PEG	Debt to equity	Interest Coverage Ratio	EBITDA Margin	ROCE	ROE	CFO/EBITDA	EV/EBITDA
1	Sun Pharmaceuticals	1581	3,79,407	33.1	1.64	0.03	62.3	29.01%	20.20%	16.90%	0.93	20.7
2	Divis Labs	6137	1,62,925	70.6	-7.38	0	610	31.70%	20.40%	15.40%	0.56	45.9
3	Cipla	1579	1,27,512	23.6	0.91	0.01	121	25.90%	22.70%	17.80%	0.7	0.01
4	**Dr. Reddy's Labs**	**1256**	**1,04,824**	**18.4**	**0.48**	**0.14**	**26.2**	**28.30%**	**22.70%**	**18%**	**0.54**	**10.9**
5	Zydus Life Sciences	1009	1,01,524	21.8	11.5	0.13	29.7	30.40%	24.30%	21.20%	0.96	13.7

Analyst Coverage Universe

Date	Source / Broker	Rating	Target (₹)	Upside vs ₹1,253	Highlights
Jul-25	Nomura	Buy	1,660	32.50%	Highest target in current coverage
Jul-17	HSBC	Buy	1,400	11.70%	Maintained Buy despite moderate cut
Jul-24	Goldman Sachs	Hold	1,200	–4.2%	Raised target, but remained neutral
Jul-24	ICICI Securities	Hold	1,200	–4.2%	Rating reiterated
Jul-14	Morgan Stanley	Hold	1,298	3.60%	Coverage initiated
Jul-08	Macquarie	Hold (Downgraded)	1,190	–5.0%	Downgraded from earlier stance
Jun-27	Citi	Sell	990	–21.0%	Most bearish target
Jan-17	Bank of America Securities	Buy	1,620	29.30%	Strong bullish call
May-14	JM Financial	Buy	1,418	13.30%	Target cut from 1,723 but retained buy
Jul-25	Nuvama	Buy	1,486	18.60%	Bullish stance

Disclaimer