25 February 2026

Company Update | Healthcare

Laurus Labs

BSE SENSEX	S&P CNX
82,276	25,483

CMP: INR1,076 TP: INR1,280 (+19%) Buy

Positioned to capitalize on CDMO's commercial ramp-up cycle

- **We analyzed narration versus actual outcomes and financial performance across CDMO peers, highlighting an uneven recovery, with some companies facing guidance resets due to program delays, destocking, and slower commercial conversions.**
- **The analysis indicates that Laurus Labs (LAURUS) delivered stronger execution relative to peers, with ~30% YoY growth and ~26% EBITDA margin in 9MFY26, supported by a scale-up in the CDMO and formulation segments.**
- **The company's superior growth trajectory reflects prior capacity creation and elevated CDMO capex (INR39b FY22–26; ~78% toward CDMO/API), enabling the faster conversion of pipeline opportunities compared to peers.**
- **With a significant capex underway (INR39b over FY22-26; 78% towards CDMO/API) and scaled capabilities, the company appears well-positioned to sustain CDMO growth, benefit from the commercial supply ramp-up, and maintain leadership through the next phase of the CDMO cycle.**
- **After a low of INR1.6b PAT in FY24, we expect LAURUS to end FY26 with INR8.5b PAT and a 16% CAGR over FY26-28, reaching INR11.5b. We value LAURUS at 62x 12M forward earnings to arrive at a TP of INR1,280. Reiterate BUY.**

CDMO divide: Execution leaders vs guidance resetters

- Across the CDMO sector, execution vs guidance has diverged, with LAURUS and Divi's broadly delivering in line with or ahead of expectations, supported by commercial ramp-up and benefits from prior capacity investments.
- In contrast, Syngene, Piramal, and Cohance have experienced guidance resets or softer outcomes, driven by molecule concentration, destocking cycles, and slower conversion of late-stage programs.
- Newly listed platforms such as Anthem and Sai Life are demonstrating strong early growth and healthy margins due to an innovation-led CDMO mix, although they remain early in their scale and visibility cycle.

LAURUS' CDMO strategy building scale and capability depth

- The company is scaling its CDMO platform through sustained investments in technology, infrastructure, and pipeline expansion, with more than 110 active projects, supported by stable ARV cash flows that fund expansion without balance sheet strain.
- Capacity creation across peptides, Vizag expansion, client-specific CMO infrastructure, and emerging modalities, such as ADC, gene technologies, fermentation, and spray drying, is backed by elevated capex, with INR7.4b invested in 9MFY26 and INR39b cumulative over FY22–26, of which ~78% is directed toward API/CDMO.

Stock Info

Bloomberg	LAURUS IN
Equity Shares (m)	540
M.Cap.(INRb)/(USDb)	581.1 / 6.4
52-Week Range (INR)	1141 / 517
1, 6, 12 Rel. Per (%)	4/21/83
12M Avg Val (INR M)	1765
Free float (%)	72.5

Financials Snapshot (INR b)

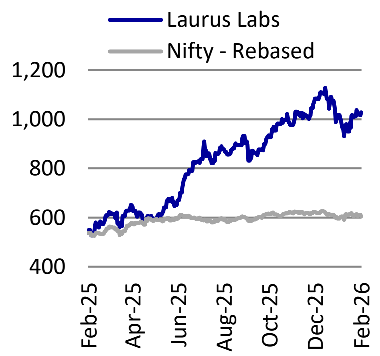
Y/E MARCH	FY26E	FY27E	FY28E
Sales	68.4	77.1	88.3
EBITDA	17.7	20.0	23.2
Adj. PAT	8.6	9.6	11.5
EBIT Margin (%)	18.7	19.0	19.3
Cons. Adj. EPS (INR)	15.9	17.8	21.3
EPS Gr. (%)	174.1	11.9	19.8
BV/Sh. (INR)	98.8	113.8	131.8
Ratios			
Net D:E	0.4	0.4	0.3
RoE (%)	17.3	16.8	17.4
RoCE (%)	12.8	12.9	13.8
Payout (%)	15.6	15.6	15.6
Valuations			
P/E (x)	67.6	60.4	50.4
EV/EBITDA (x)	34.3	30.4	26.1
Div. Yield (%)	0.2	0.2	0.3
FCF Yield (%)	0.4	0.3	0.8
EV/Sales (x)	8.9	7.9	6.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	27.5	27.6	27.6
DII	12.4	11.7	12.7
FII	26.5	26.2	25.6
Others	33.6	34.5	34.1

FII Includes depository receipts

Stock Performance (1-year)



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- The strong CDMO momentum with growth above 50% in 9MFY26 reflects the ramp-up of growth projects and recurring partner business, positioning LAURUS for commercial scale conversion.

CDMO industry opportunity, with LAURUS positioned at the forefront

- The CDMO industry continues to evolve toward strategic partnerships, supported by outsourcing intensity, rising molecule complexity, and China+1 supply chain diversification, even as revenues remain inherently non-linear.
- LAURUS' visible mix shift toward CDMO from roughly 11% to about 27%, alongside a stable ARV base, has supported gross margin expansion from about 56% to around 60% and delivered among the strongest CDMO revenue growth across peers.
- Capability-led investments, a diversified pipeline, and increasing commercial programs position the company to capture the next phase of CDMO growth, supporting a further mix improvement, stronger visibility, and operating leverage.

Exhibit 1: CDMO's valuation snapshot

Company	Reco	MCap	EPS (INR)			EPS Gr. YoY (%)			P/E (x)			EV/EBITDA (x)			ROE (%)		
		(USDb)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Divi's Lab.	Neutral	18.3	91.8	112.5	133.9	13.0	22.6	19.0	68.2	55.6	46.7	47.6	39.4	33.2	15.4	16.8	17.8
Laurus Labs	**Buy**	**6.1**	**15.9**	**17.8**	**21.3**	**174.1**	**11.9**	**19.8**	**67.6**	**60.4**	**50.4**	**34.3**	**30.4**	**26,1**	**17.3**	**16.8**	**17.4**
Piramal Pharma	Buy	2.3	-1.1	1.3	3.3	PL	LP	142.7	NM	118.8	48.9	25.2	19.2	16.0	-1.8	2.2	5.2
Syngene International	NR	1.9	8.4	11.4	15.8	-31.7	35.4	38.6	51.4	38.0	27.4	19.4	15.8	12.6	7.0	8.8	11.0
Cohance Lifesciences	NR	1.3	9.4	11.1	16.3	-11.1	18.5	46.7	33.1	27.9	19.0	22.3	17.3	12.5	12.1	13.9	16.0
Anthem Biosciences	NR	4.4	10.5	12.3	15.0	16.3	17.1	21.9	66.9	57.1	46.8	47.6	39.3	32.2	21.6	20.7	20.6
Sai Life Sciences	NR	2.2	16.5	19.7	24.9	103.3	19.3	26.4	56.1	47.0	37.2	31.3	25.8	21.0	14.6	15.1	16.6

Source: MOFSL, Company

Exhibit 2: Valuation snapshot (other pharma)

Company	Reco	MCap	EPS (INR)			EPS Gr. YoY (%)			P/E (x)			EV/EBITDA (x)			ROE (%)		
		(USDb)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Ajanta Pharma	Buy	4.1	84.5	100.5	113.2	13.0	18.9	12.7	34.9	29.4	26.1	24.9	20.9	19.2	25.3	25.0	23.5
Alembic Pharma	Neutral	1.6	35.1	43.5	52.9	20.4	24.1	21.6	21.4	17.2	14.2	13.2	11.1	9.1	12.6	13.9	14.9
Alkem Lab	Neutral	7.2	207.7	180.8	199.2	14.7	-12.9	10.2	26.5	30.4	27.6	23.0	21.0	18.9	19.3	15.0	15.0
Aurobindo Pharma	Buy	7.5	62.2	76.5	88.8	2.0	22.9	16.0	18.7	15.2	13.1	9.5	7.9	6.7	10.5	11.6	12.1
Biocon	Buy	5.7	2.8	6.8	8.9	89.6	139.0	30.8	137.2	57.4	43.9	19.7	15.8	13.6	2.1	4.9	6.0
Cipla	Neutral	11.8	54.0	53.6	61.6	-14.0	-0.7	14.9	24.6	24.7	21.5	16.9	16.3	13.7	12.4	11.1	11.5
Dr Reddy's Labs	Neutral	11.9	66.2	66.1	68.5	-1.7	-0.1	3.7	19.6	19.7	19.0	12.5	10.8	9.8	15.2	13.4	12.3
ERIS Lifescience	Neutral	2.1	34.0	47.4	57.5	32.8	39.2	21.3	40.7	29.2	24.1	18.5	15.4	13.0	15.4	18.5	19.0
Gland Pharma	Buy	3.3	57.5	71.4	83.3	35.7	24.1	16.6	31.3	25.2	21.6	17.9	14.7	12.3	9.9	11.0	11.5
Glenmark Pharma.	Buy	6.4	20.2	75.9	87.1	-57.7	276	14.8	102.1	27.2	23.7	39.8	16.5	14.3	6.3	20.7	19.6
Glaxosmit Pharma	Neutral	4.9	62.6	70.8	80.4	16.2	13.0	13.6	41.8	37.0	32.6	31.1	27.0	23.1	41.7	36.6	32.7
Granules India	Buy	1.6	23.9	32.0	39.0	23.8	34.2	21.7	25.1	18.7	15.4	13.5	10.9	9.1	14.8	17.1	17.6
Ipca Labs.	Buy	4.2	45.5	52.0	61.6	26.4	14.3	18.5	33.5	29.3	24.7	20.1	17.1	14.2	15.5	15.6	16.1
Lupin	Neutral	11.3	109.1	103.1	108.4	51.6	-5.5	5.2	20.6	21.8	20.8	13.0	13.3	11.9	24.8	18.8	16.6
Mankind Pharma	Buy	9.3	46.1	64.1	74.0	-1.0	39.3	15.4	44.6	32.0	27.7	24.7	20.6	17.3	12.6	15.9	16.3
Rubicon Research	Buy	1.4	14.4	19.0	25.3	76.3	32	33.4	53.8	40.8	30.6	32.7	26.2	20.4	26.9	23.0	24.8
Sun Pharma	Buy	45.7	48.4	56.1	65.1	2.8	15.9	16.1	35.7	30.8	26.6	23.6	20.3	17.4	15.2	15.6	16.0
Torrent Pharma.	Neutral	16.4	59.6	67.0	97.3	3.2	12.4	45.2	73.8	65.6	45.2	34.5	23.7	19.7	14.3	10.2	13.8
Zydus Lifesciences	Neutral	10.0	44.0	44.6	49.0	-4.5	1.4	9.9	20.6	20.3	18.5	13.1	12.0	10.7	16.9	14.7	14.1

Source: MOFSL, Company

Execution vs narration highlights LAURUS' execution advantage

- FY24 and FY25 were challenging years for the CDMO sector, with several companies missing guidance due to project delays, product concentration, and destocking effects.
- Even where margins remained resilient, revenue visibility weakened as late-stage programs took longer to convert into commercial supplies. FY26 represents an early recovery phase, but execution across peers remains uneven.

Exhibit 3: Guidance vs outcome highlights uneven recovery

		Laurus Labs		Divis Laboratories		Syngene		Piramal Pharma		Cohance	
		Revenue YoY Gr.	EBITDA Margin	Revenue YoY Gr.	EBITDA Margin	Revenue YoY Gr.	EBITDA Margin	Revenue YoY Gr.	EBITDA Margin	Revenue YoY Gr.	EBITDA Margin
FY24	Initial Guidance	Stable YoY	20-21%	Double Digit	Normalise	High Teens	Around 30	Improvement	Improvement	Muted	Stable
	Outcome	-17%	16%	-14%	31% (down 200bp)	9%	31%	15%	17% (+500bp)	-22%	41% (down 300bp)
FY25	Initial Guidance	Gradual Improve-ment	20%	Double Digit	NA	High Single/ Low Double Digit	Stable/ High 20	Low-Teens	Low-Teens (Absolute)	Stable	Stable
	Outcome	10%	20%	1%	35%	4%	30%	12%	15% (Absolute)	9%	31% (down 60bp)
FY26	Initial Guidance	Significant Growth	22-24%	Double Digit	NA	Mid-Single Digit	Mid-20	Mid-Single Digit	Mid-Teens	Double-Digit (Teens)	Low-30
	Outcome (9MFY26)	0.3	0.261	0.14	0.35	0.03	0.24	-0.04	0.1	-0.07	0.2
	Rev Guidance (3QFY26)	Healthy Growth	22-24%	Double Digit	Stable	Decline 3-5%	22-23%	Muted	Moderate/Low Teens	Low/ Mid Double Digit	30%+
Remarks		FY26 upgraded Growth and margins ahead of initial guidance on superior execution		FY26 stable Delivered performance in line with guidance, with steady custom synthesis		FY26 reset Guidance cut, with revenue decline driven by single-product headwind		FY26 muted Destocking and funding slowdown pushed recovery to FY27		FY26 softened Revenue trimmed on slower conversions, margins intact	

Source: MOFSL, Company

- Against this backdrop, LAURUS demonstrated stronger delivery vs expectations, reporting ~30% YoY growth and ~26% EBITDA margin in 9MFY26 on an overall basis, ahead of its initial guidance. While the CDMO segment witnessed 50% YoY growth in revenue for 9MFY26, the formulation segment also grew 48% YoY, strengthening the company's overall financial performance.
- Over the cycle, LAURUS and Divi's have broadly maintained alignment between guidance and outcomes, albeit through different drivers—Divi's through consistency and LAURUS' through scale-up in its CDMO and formulation segments.
- In contrast, peers such as Syngene, Piramal, and Cohance experienced periodic guidance resets, driven by molecule-specific headwinds, funding slowdowns, and timing delays.
- Newly listed platforms (e.g. Anthem and Sai) have shown strong early execution but are still in the early stages of their scale curves.

Exhibit 4: Newly listed CDMO platforms with healthy growth

		Anthem		Sai Life	
		Revenue YoY Growth	**EBITDA Margin**	**Revenue YoY Growth**	**EBITDA Margin**
FY26	Initial Guidance	20-22%	High-30	15-20%	28-30%
	Outcome (9MFY26)	0.11	42%	43%	30%
	Rev Guidance (3QFY26)	15-16%	40%	15-20%	28-30%
Remarks		**FY26 rebalanced** Revenue timing delayed; margins guidance upgraded due to a favorable mix		**FY26 breakout** Faster scale-up has transitioned the company from the investment to the growth phase	

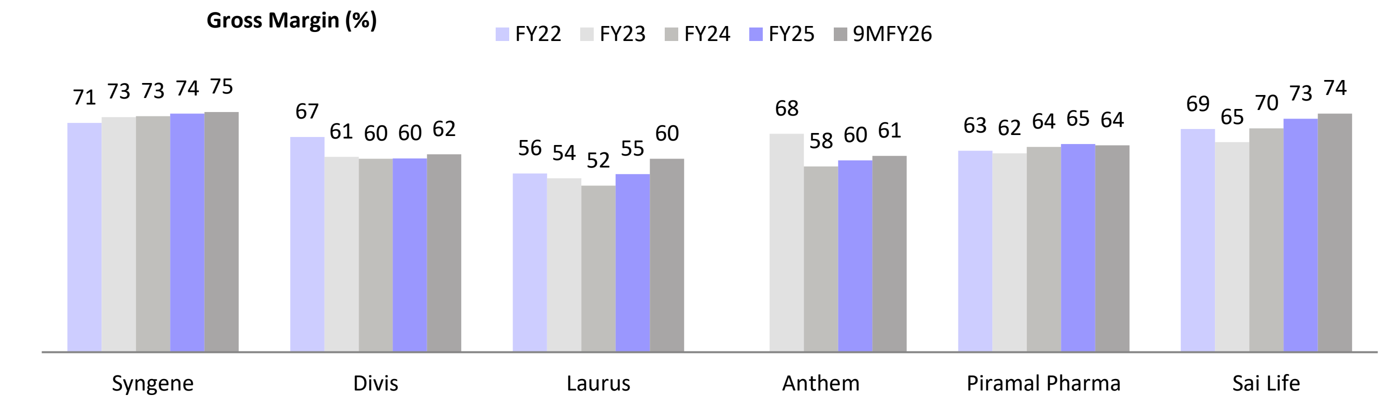
Source: MOFSL, Company

- LAURUS' ability to execute through a volatile CDMO environment highlights the benefits of diversified pipeline exposure, prior capacity creation, and stronger customer relationships, which collectively improve resilience vs peers.

LAURUS leads revenue growth over peers in the CDMO segment

- LAURUS' financial profile increasingly reflects its CDMO scale-up. Gross margins have structurally improved from ~56% in FY22 to ~60% in 9MFY26, driven by operating leverage, better product mix, increasing contribution from complex CDMO programs, and partly benefited by favorable currency.
- Historically, LAURUS operated at lower margins than diversified CDMO peers due to higher ARV exposure.
- As the CDMO share increases, the margin gap is narrowing, bringing the company closer to peers that benefit from an innovation-led outsourcing mix. The trajectory suggests further margin expansion potential as commercial programs scale and utilization improves.

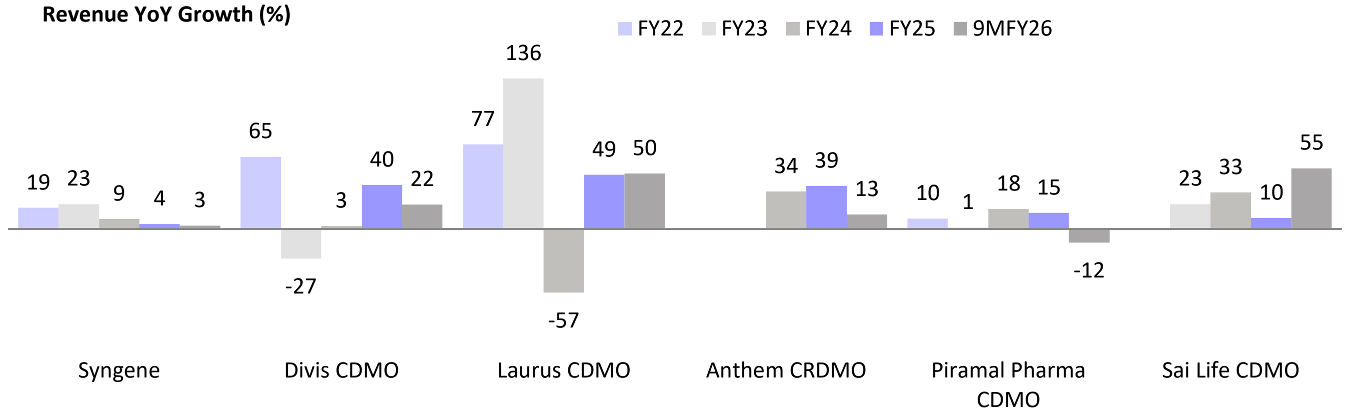
Exhibit 5: LAURUS' gross margin expands ~400bp, driven by the CDMO mix shift



Source: MOFSL, Company

- On the growth front, LAURUS has delivered one of the strongest CDMO revenue expansions across the cycle, with outsized growth in FY22–FY23 and continued strong momentum in FY25 and FY26.
- While FY23 included a one-off large order that created base volatility, underlying multi-year growth remains robust, indicating faster commercial ramp-up relative to many peers.

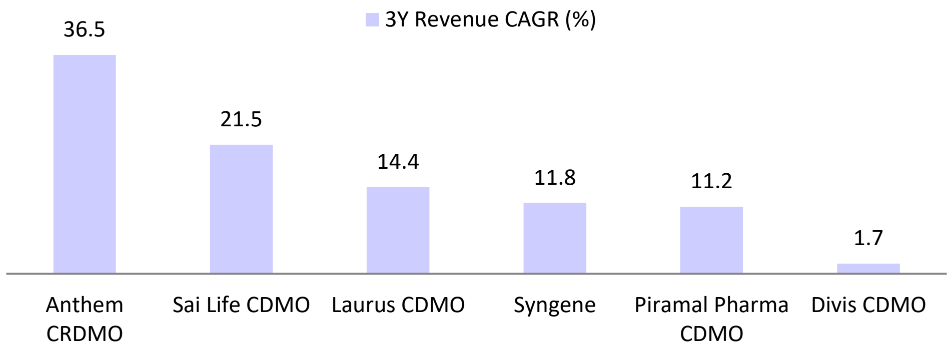
Exhibit 6: LAURUS delivers the highest CDMO revenue growth for FY25 and 9MFY26



Source: MOFSL, Company

- The combination of strong revenue growth and expanding margins highlights LAURUS' increasing operating leverage and reinforces its position as one of the faster-scaling CDMO platforms among peers.

Exhibit 7: Newly listed CDMOs outshine peers over FY22-25

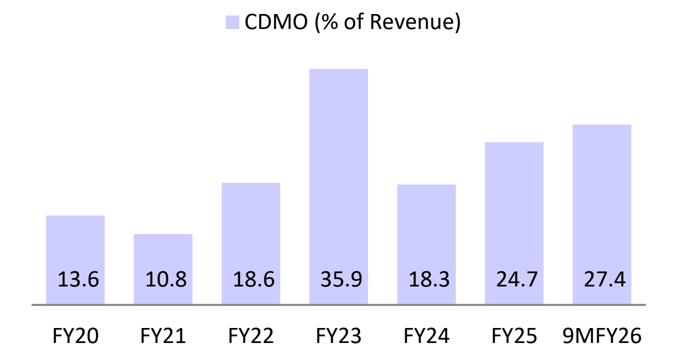


Note: 2Y CAGR for Anthem; Source: MOFSL, Company

Product mix transitions toward CDMO

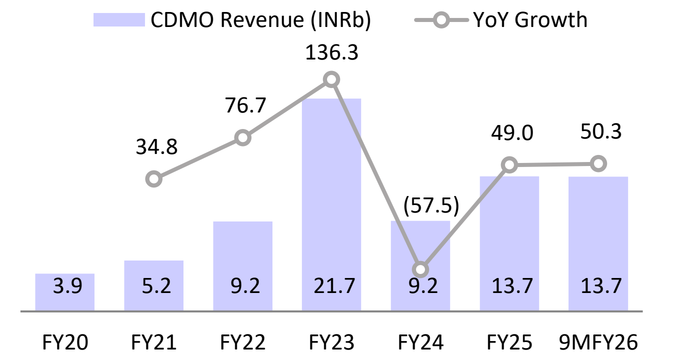
- LAURUS' sustained focus on CDMO expansion has already translated into a clear shift in the product mix, with the CDMO share increasing meaningfully from ~11% in FY21 to ~27% in 9MFY26, alongside a corresponding decline in ARV contribution from ~69% to ~43%. This reflects an ongoing diversification of the revenue base as incremental growth is increasingly driven by CDMO scale-up.
- Importantly, this reflects the CDMO scale-up rather than an ARV decline, with ARV revenues broadly stable at ~INR25-26b in FY24/25 and ~INR21b in 9MFY26, annualizing near similar levels.
- The CDMO growth trajectory has shown timing volatility, including a one-off large order in FY23 (~INR14b) that created a high base and muted reported FY24 growth; adjusting for this, underlying FY24 CDMO growth remained healthy (~24%). The pace of scale-up is evident, with 9MFY26 CDMO revenue (~INR13.7b) already matching FY25 full-year levels.
- As more programs transition into commercial manufacturing and recurring supplies increase, CDMO's contribution to overall revenue continues to expand, reducing reliance on a single segment.

Exhibit 8: CDMO mix expanding as a core growth driver



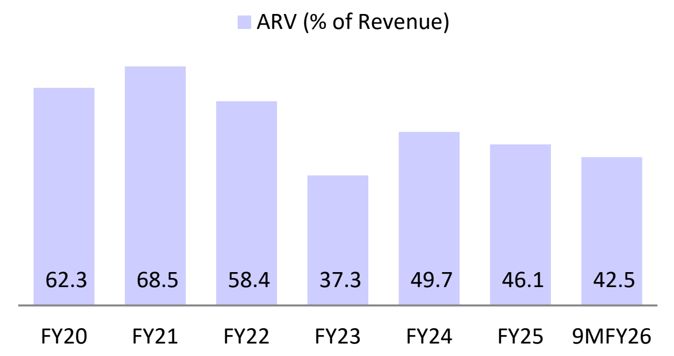
Source: MOFSL, Company

Exhibit 9: CDMO revenue scaling rapidly on commercial ramp-up



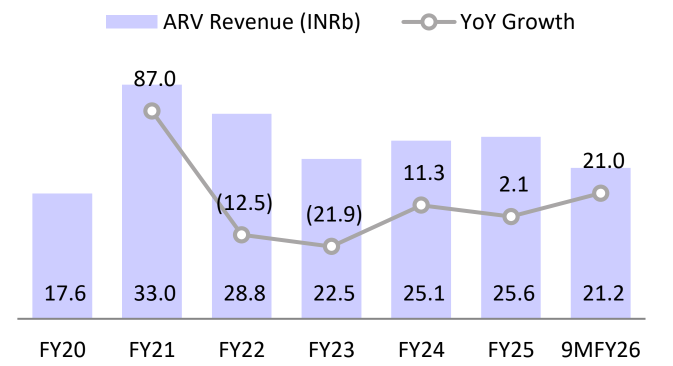
Source: MOFSL, Company

Exhibit 10: ARV share moderates as portfolio diversifies



Source: MOFSL, Company

Exhibit 11: Stable ARV revenue supporting transition



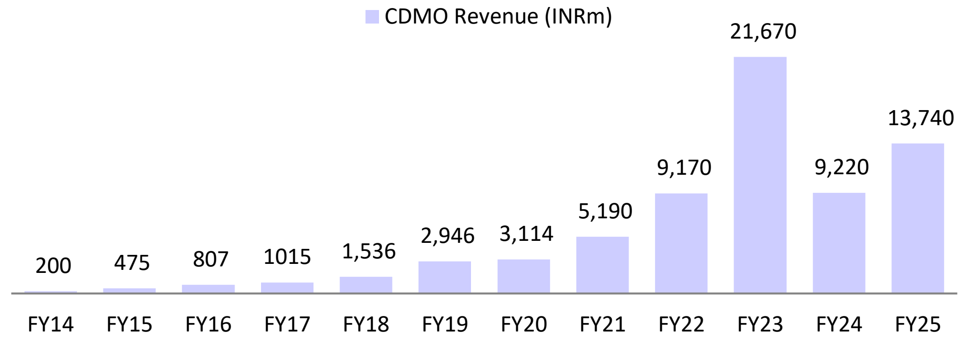
Source: MOFSL, Company

- This visible mix evolution is important because CDMO carries higher value addition, stronger customer stickiness, and better margin potential.
- The next phase of growth is expected to be increasingly driven by commercial CDMO supplies as pipeline programs mature, which should further strengthen the CDMO mix, improve revenue visibility, and sustain margin expansion over time.

Multiple initiatives to build scale in the CDMO segment

- LAURUS is advancing its CDMO platform through a deliberate, investment-led strategy focused on expanding technology capabilities, scaling infrastructure, and deepening its program pipeline.
- A key enabler of this strategy is the company's stable ARV franchise, which continues to generate predictable cash flows and allows LAURUS to fund growth capex and new modality investments without compromising balance sheet discipline. This funding structure reduces execution risk and supports sustained investment through CDMO cycles.
- CDMO revenue has scaled multifold over the decade from ~INR200m in FY14 to ~INR13.7b in FY25, reflecting the structural build-out of the platform; growth (>50% in 9MFY26) reflects the ramp-up of growth projects and recurring revenues from established partnerships, while muted quarterly movement highlights the campaign-driven nature of the business rather than demand weakness.

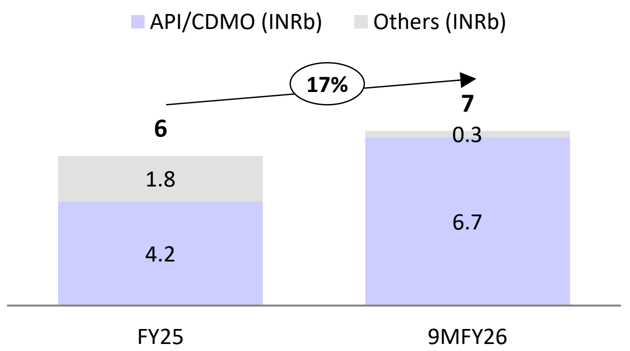
Exhibit 12: ~69x CDMO revenue growth over the last decade



Source: MOFSL, Company

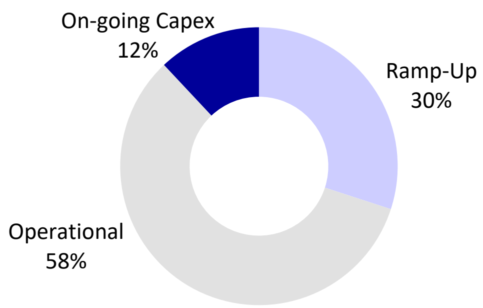
- The pipeline remains a key strength with >110 active CDMO projects spanning early development to commercial manufacturing, improving long-term visibility.
- LAURUS is investing in commercial peptide manufacturing capabilities, expanding large-scale capacity at Vizag, and operationalizing client-specific CMO oral dosage infrastructure.
- Parallel investments across emerging areas, including ADC, gene technologies, microbial fermentation, and commercial spray-drying, broaden the technology platform and increase participation in higher-value programs, particularly as innovators outsource more complex manufacturing.
- Capital allocation supports CDMO prioritization. Between FY22 and FY26, ~78% of INR39b cumulative capex is directed toward API/CDMO, with ~85% of current investments classified as growth capex.
- FY26 capex (INR7.4b in 9MFY26; ~15% of revenue) remains elevated as LAURUS continues to invest ahead of demand, positioning itself to capture commercial program conversions over the next cycle.

Exhibit 13: INR39b capex over FY22–26



Source: MOFSL, Company

Exhibit 14: 30% spent on the ramp-up phase in 9MFY26



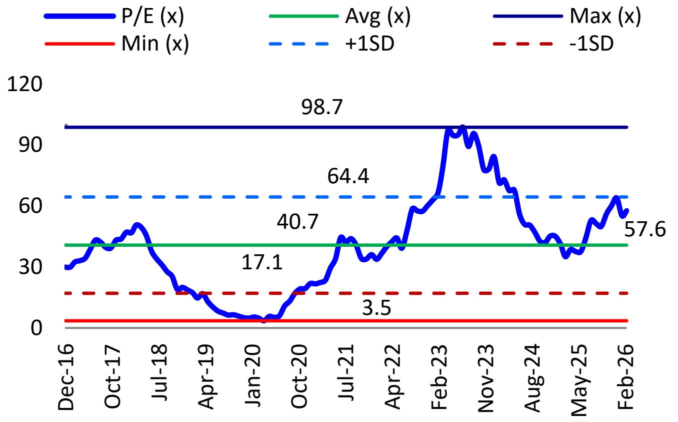
Source: MOFSL, Company

- Overall, Laurus' CDMO initiatives reflect a capability-led scale strategy supported by stable ARV cash flows, enabling sustained expansion across technologies and modalities.

CDMO's evolution toward a strategic partnership model

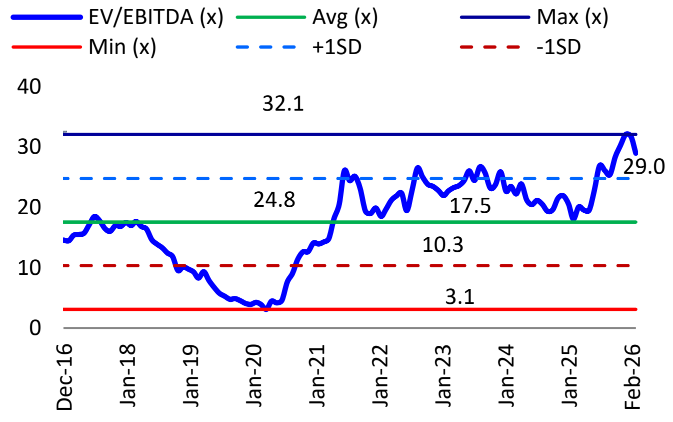
- The CDMO industry is structurally evolving from project-based tactical sourcing to long-term strategic partnerships with innovators. Revenue visibility remains inherently non-linear because performance depends on the molecule lifecycle.
- The sector experienced volatility in FY23-25, driven by biotech funding cycles, inventory adjustments, and slower conversion of late-stage pipelines into commercial manufacturing.
- Underlying outsourcing demand remains intact, supported by increasing molecule complexity, cost pressures on innovators, and the need for specialized manufacturing capabilities.
- Policy and geopolitical dynamics further reinforce the opportunity. Supply chain security, China+1 diversification, and regulatory focus on geographic resilience are encouraging innovators to expand outsourcing footprints beyond concentrated regions.
- However, program conversion remains gradual due to qualification timelines, technology transfer requirements, and multi-year contract structures, meaning industry growth plays out over a medium-term horizon.
- As a result, differentiation within CDMO increasingly depends on capability breadth, technology depth, pipeline diversification, and strength of customer relationships.
- Companies with integrated platforms and established client partnerships are better positioned to manage revenue volatility and capture a larger share of commercial manufacturing.

Exhibit 15: P/E chart



Source: MOFSL, Company, Bloomberg

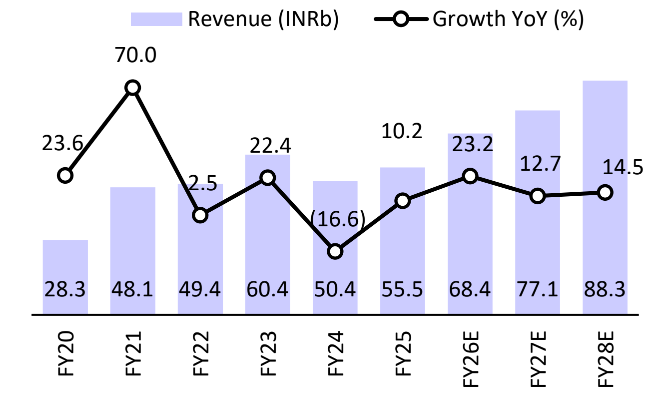
Exhibit 16: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

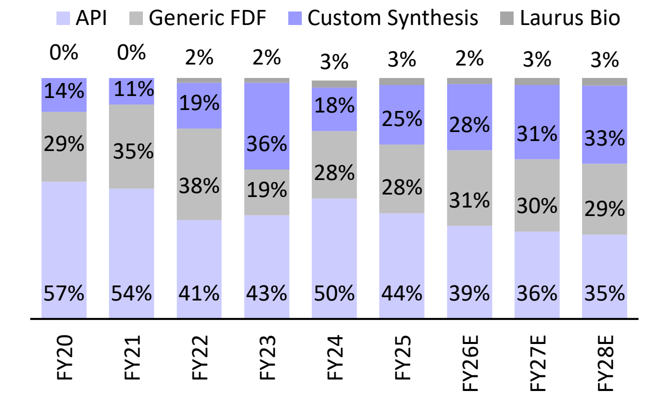
Story in charts

Exhibit 17: Expect a sales CAGR of 17% over FY25-28



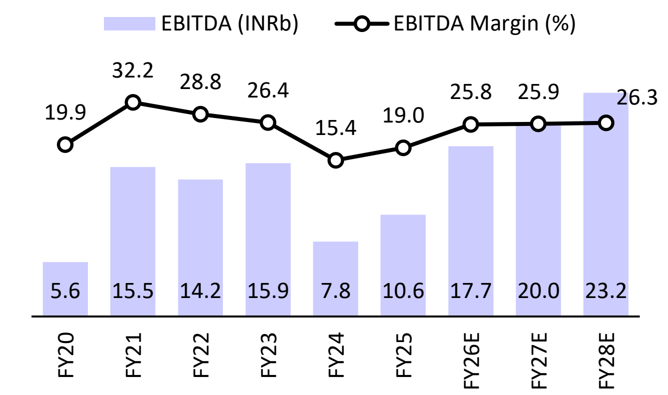
Source: MOFSL, Company

Exhibit 18: Synthesis contribution to increase



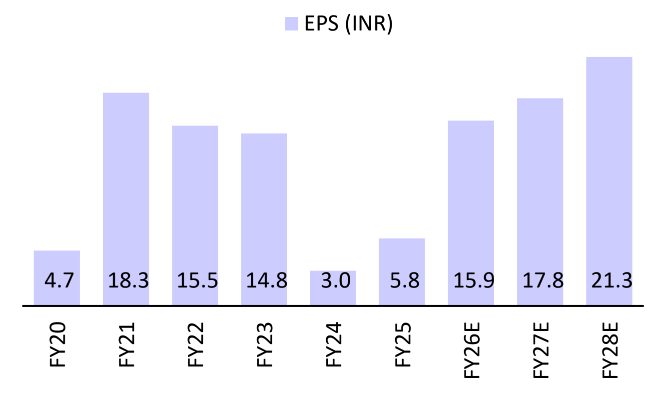
Source: MOFSL, Company

Exhibit 19: EBITDA CAGR to be 38% over FY25-28E



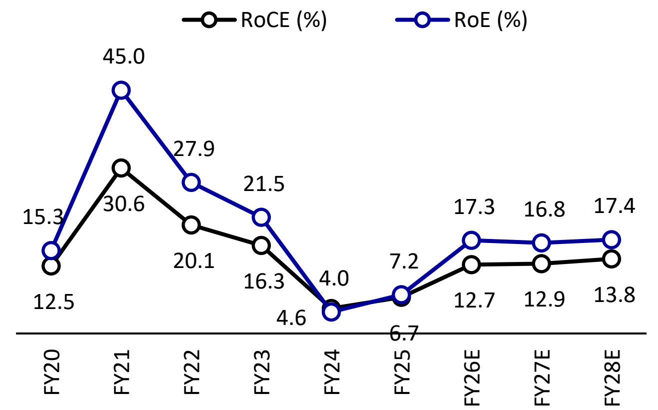
Source: MOFSL, Company

Exhibit 20: Expect a strong EPS trajectory over FY25-28



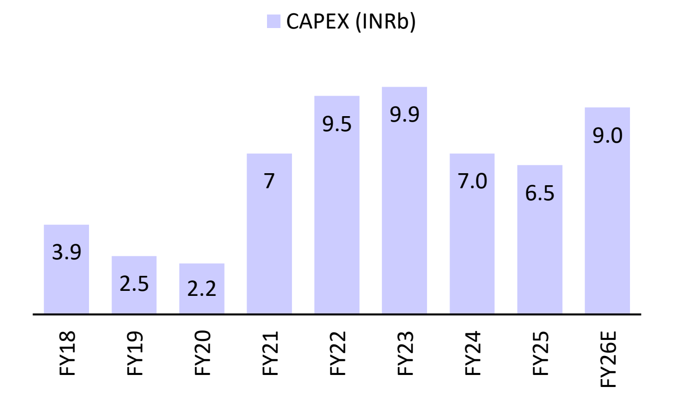
Source: MOFSL, Company

Exhibit 21: Return ratios to spurt over FY25-28E



Source: MOFSL, Company

Exhibit 22: Capex intensity to be superior in FY26



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

Y/E March (INRm)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**49,356**	**60,406**	**50,408**	**55,540**	**68,407**	**77,072**	**88,262**
Change (%)	2.5	22.4	-16.6	10.2	23.2	12.7	14.5
Total Expenditure	**35,131**	**44,483**	**42,633**	**44,987**	**50,738**	**57,076**	**65,059**
% of Sales	71.2	73.6	84.6	81.0	74.2	74.1	73.7
EBITDA	**14,224**	**15,923**	**7,775**	**10,553**	**17,669**	**19,995**	**23,203**
Margin (%)	28.8	26.4	15.4	19.0	25.8	25.9	26.3
Depreciation	2,515	3,241	3,846	4,301	4,850	5,378	6,159
EBIT	**11,709**	**12,682**	**3,929**	**6,252**	**12,818**	**14,617**	**17,044**
Int. and Finance Charges	1,024	1,652	1,829	2,160	1,720	1,807	1,775
Other Income	153	60	263	163	485	270	353
PBT bef. EO Exp.	**10,839**	**11,090**	**2,364**	**4,254**	**11,583**	**13,079**	**15,622**
EO Items	0	0	0	589	-83	0	0
PBT after EO Exp.	**10,839**	**11,090**	**2,364**	**4,843**	**11,500**	**13,079**	**15,622**
Total Tax	2,514	3,123	684	1,299	2,966	3,420	4,054
Tax Rate (%)	23.2	28.2	28.9	26.8	25.8	26.2	26.0
Minority Interest	2	32	55	-23	31	69	76
Reported PAT	**8,322**	**7,965**	**1,625**	**3,567**	**8,504**	**9,590**	**11,492**
Adjusted PAT	**8,322**	**7,965**	**1,625**	**3,126**	**8,568**	**9,590**	**11,492**
Change (%)	-15.4	-4.3	-79.6	92.4	174.1	11.9	19.8
Margin (%)	16.9	13.2	3.2	5.6	12.5	12.4	13.0

Consolidated - Balance Sheet

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	1,075	1,077	1,077	1,077	1,077	1,077	1,077
Total Reserves	32,437	39,298	40,032	43,647	50,823	58,915	68,612
minority interest	79	111	46	1,300	1,300	1,300	1,300
Net Worth	**33,591**	**40,487**	**41,155**	**46,024**	**53,200**	**61,292**	**70,989**
Minority Interest	0	0	0	0	0	0	0
Total Loans	17,320	21,006	26,115	27,553	28,053	27,553	27,053
Deferred Tax Liabilities	691	825	570	319	319	319	319
Capital Employed	**51,602**	**62,317**	**67,842**	**73,895**	**81,571**	**89,163**	**98,361**
Gross Block	35,283	46,085	54,745	61,378	69,895	79,508	89,431
Less: Accum. Deprn.	11,221	14,462	18,308	22,609	27,459	32,837	38,997
Net Fixed Assets	**24,062**	**31,623**	**36,437**	**38,769**	**42,436**	**46,671**	**50,434**
Goodwill on Consolidation	2,463	2,463	2,463	2,463	2,463	2,463	2,463
Capital WIP	8,132	5,508	4,228	4,584	5,767	6,153	6,231
Total Investments	**308**	**993**	**1,714**	**2,819**	**2,819**	**2,819**	**2,819**
Curr. Assets, Loans&Adv.	**34,715**	**36,017**	**39,028**	**44,721**	**52,204**	**57,896**	**67,079**
Inventory	17,603	16,848	18,454	19,365	22,241	25,645	29,410
Account Receivables	13,542	15,804	16,629	20,072	23,427	26,817	30,952
Cash and Bank Balance	759	485	1,417	1,442	1,804	103	612
Loans and Advances	2,811	2,880	2,528	3,842	4,732	5,331	6,105
Curr. Liability & Prov.	**18,079**	**14,287**	**16,029**	**19,459**	**24,117**	**26,838**	**30,664**
Account Payables	8,764	7,107	10,512	9,585	11,955	13,135	14,972
Other Current Liabilities	7,753	6,165	4,334	8,520	10,494	11,823	13,540
Provisions	1,562	1,016	1,183	1,354	1,668	1,879	2,152
Net Current Assets	**16,637**	**21,730**	**22,999**	**25,262**	**28,087**	**31,058**	**36,415**
Appl. of Funds	**51,602**	**62,317**	**67,842**	**73,896**	**81,571**	**89,163**	**98,361**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)							
EPS	**15.5**	**14.8**	**3.0**	**5.8**	**15.9**	**17.8**	**21.3**
Cash EPS	20.1	20.8	10.2	13.8	24.9	27.8	32.8
Valuation (x)							
P/E	69.6	72.8	356.7	185.4	67.6	60.4	50.4
EV/Sales	12.1	9.9	12.0	10.9	8.9	7.9	6.9
EV/EBITDA	41.9	37.7	77.7	57.4	34.3	30.4	26.1
Return Ratios (%)							
RoE	27.9	21.5	4.0	7.2	17.3	16.8	17.4
RoCE	20.1	16.3	4.6	6.7	12.8	12.9	13.8
RoIC	23.0	18.6	4.8	7.3	14.0	14.3	15.0
Working Capital Ratios							
Inventory (Days)	130	102	134	127	119	121	122
Debtor (Days)	100	95	120	132	125	127	128
Creditor (Days)	65	43	76	63	64	62	62
Leverage Ratio (x)							
Current Ratio	1.9	2.5	2.4	2.3	2.2	2.2	2.2
Interest Cover Ratio	11.4	7.7	2.1	2.9	7.5	8.1	9.6
Net Debt/Equity	0.5	0.5	0.6	0.5	0.4	0.4	0.3

Consolidated - Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	10,839	11,089	2,364	4,843	11,583	13,079	15,622
CF from Operations	**8,977**	**9,778**	**6,581**	**7,055**	**12,156**	**11,903**	**14,301**
(Inc)/Dec in FA	-8,767	-9,875	-7,476	-5,411	-9,700	-10,000	-10,000
Free Cash Flow	**344**	**64**	**-862**	**1,538**	**2,456**	**1,903**	**4,301**
(Pur)/Sale of Investments	-393	-223	-800	-1,054	0	0	0
CF from Investments	**-9,143**	**-9,961**	**-8,224**	**-6,817**	**-9,215**	**-9,730**	**-9,647**
Issue of Shares	43	74	26	102	0	0	0
Inc/(Dec) in Debt	1,968	2,138	5,078	1,561	500	-500	-500
Interest Paid	-850	-1,404	-1,743	-2,092	-1,720	-1,807	-1,775
CF from Fin. Activity	**307**	**-253**	**2,541**	**-107**	**-2,581**	**-3,876**	**-4,147**
Inc/Dec of Cash	**275**	**-275**	**932**	**25**	**360**	**-1,703**	**507**
Opening Balance	**483**	**757**	**482**	**1,415**	**1,442**	**1,804**	**103**
Closing balance	**757**	**482**	**1,415**	**1,442**	**1,804**	**103**	**612**
Total Cash and Cash equivalent	**759**	**485**	**1,417**	**1,442**	**1,804**	**103**	**612**

N O T E S

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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