DALALBYTES RESEARCH

Jenburkt

Pharmaceuticals: A Debt Free Cash Machine at a 52 Week Low

Branded formulations at 11.5x earnings
a 19% return on equity, no debt,
and a margin question to answer

NSE: JENBURPH · BSE: 524731

October 30, 2026

Reference: Rs 853.60, NSE close of October 30, 2026.
Market cap about Rs 377 cr; 52-week range Rs 845 to Rs 1,074.
Business, financials, competition, management,
valuation vs peers, risks, and FY2029 scenarios.

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VERDICT

65 / 100 : Selective Positive

Jenburkt Pharmaceuticals is a small, old, unusually profitable branded formulations business. It sells mature prescription brands in India through its own field force, makes them at one plant in Sihor, Gujarat, carries almost no debt, and has lifted profit after tax from Rs 22.30 cr in FY22 to Rs 34.74 cr in FY26 while raising the dividend every single year, from Rs 12.00 to Rs 20.70 a share. Returns are the kind large pharma would envy: ROE of 18.84% and ROCE of about 25% in FY26, on a net worth of Rs 197 cr and borrowings of just Rs 2.49 cr.

The catch is pace, and one bad quarter. Sales have compounded at only about 8% over four years, the promoters hold 46.62%, below half, with the stake creeping down by about a percentage point over three and a half years. Then Q1 FY27 landed soft: sales were flat at Rs 35.51 cr, operating margin compressed to 17.0% from 25.2% a year earlier, and PAT fell 24.4% to Rs 5.89 cr. The company holds no earnings calls and publishes no investor presentations, so there is no management explanation on record for the margin drop. Q2 FY27 results are due on November 3, 2026, and they matter more than usual.

Set against that is a price that already assumes very little. At Rs 853.60 the stock sits at its 52 week low, down about a third in a year on the BSE line, at 11.5x trailing earnings, 10.8x FY26 earnings, 1.91x book value, and a 2.43% dividend yield. A debt free business earning 19% on equity, with Rs 53 cr of cash, a Rs 46.12 cr expansion sitting in capital work in progress, and a five year record of rising dividends, does not need heroic growth to justify more than 11x earnings. It needs one normal quarter. Selective Positive, because the quality and the price are proven and the margin question is not yet answered.

What would change the score: a Q2 FY27 print with operating margin back above 23% would push the score up, while a second straight quarter below 18% would cut it.

Reference price: Rs 853.60 (NSE close, October 30, 2026). Market cap about Rs 377 cr. 52 week range on NSE Rs 845 to Rs 1,074. Latest reported quarter is Q1 FY27 (June 2026), reported August 6, 2026. Q2 FY27 results are scheduled for November 3, 2026.

FY2029 targets: Bear Rs 710 / Base Rs 1,320 / Bull Rs 1,820. See Section 14 for assumptions.

1. SNAPSHOT

Item	Detail
Company	Jenburkt Pharmaceuticals Ltd, HQ Mumbai, Maharashtra
Incorporated	June 10, 1985, by the Bhuta family as a diversification into healthcare

Item	Detail
Core business	Branded pharmaceutical formulations for the Indian market, own field force of about 700 medical representatives (CRISIL, FY24)
Plant	Sihor, Bhavnagar district, Gujarat; WHO-GMP certified facilities on company material
Therapy areas	Anti-diabetic, cardiovascular, neuropsychiatry, pain, gastrointestinal, anti-infective, gynaecology, respiratory, dermatology, nutritional
FY26 standalone	Sales Rs 168.74 cr (+11.2%); operating profit Rs 44 cr (OPM 26%); PAT Rs 34.74 cr (+8.3%); EPS Rs 78.71
Q1 FY27	Sales Rs 35.51 cr (flat year on year); operating profit Rs 6.03 cr (OPM 17.0%); PAT Rs 5.89 cr (-24.4%)
Balance sheet	Net worth Rs 197.04 cr (March 2026); borrowings Rs 2.49 cr; cash Rs 53.11 cr; CWIP Rs 46.12 cr
Promoters	46.62% (September 2026), Bhuta family; pledging 0.00%
Dividend	Rs 20.70 a share for FY26, the fifth straight annual rise; payout about 26%; yield 2.43%
Listing note	Long listed on BSE; shares admitted to trade on NSE under Permitted to Trade from August 17, 2026

2. FOUNDING STORY: A TRADING FAMILY BUYS A SECOND ENGINE

A diversification that outlasted the original businesses. Jenburkt was incorporated on June 10, 1985. The Bhuta family, whose interests ran to chemicals and textiles trading, promoted the company as a joint venture style diversification into pharmaceutical formulations. Four decades later the diversification is the story: a formulations business that has compounded quietly while the family kept control through named holders and Bhuta Holdings Private Limited.

The model was set early and never really changed. Make branded formulations, sell them through your own medical representatives to doctors across India, and add a small export book on the side. There was no API bet, no US generics gamble, no contract manufacturing pivot, and no acquisition spree. In an industry where small companies routinely destroy capital chasing the US market, Jenburkt's refusal to leave its pond is a fact about its temperament as much as its strategy.

Scale came slowly, profitability came first. Sales were Rs 124 cr in FY22 and Rs 169 cr in FY26, a pace no growth investor would frame. But PAT margin has held near 20% through the period, the balance sheet never took on real debt, and the dividend has risen for at least five straight years. The story section of this report returns to that trade, because it is the whole investment question in miniature: a slow compounder at a price that finally pays you to wait.

The newest chapter is a plant, not a product. Capital work in progress jumped from about Rs 1.24 cr at March 2024 to Rs 46.12 cr at March 2026, roughly a quarter of the net worth, funded from internal accruals and the investment book. The company has given shareholders almost no detail on what the expansion is for or when it commissions. It is the largest capital decision in the recent record, and the least explained.

3. WHAT THE BUSINESS ACTUALLY DOES

Branded formulations, explained plainly. Jenburkt buys active ingredients and excipients, formulates them into tablets, capsules, liquids and other dosage forms at Sihor, and sells them under its own brand names through medical representatives who call on doctors. The doctor writes the brand, the chemist stocks it, and the patient refills it, often for years in chronic therapy. Revenue is therefore prescription led, repeat heavy, and working capital light compared with tender or hospital led models.

The therapy mix leans chronic. The catalogue spans anti-diabetic and cardiovascular brands, where therapy is lifelong and adherence drives refills, alongside neuropsychiatry, pain management, gastrointestinal, anti-infective, gynaecological, respiratory and dermatological lines. Company and pharmacy listings carry long running Jenburkt brands such as Nervijen in neuropathic pain, Powergesic in pain management, Cartisafe Forte in joint care and Triben in skin care. IQVIA rankings cited in the FY26 management discussion place several of its brands first to third in their niches. Chronic skew is the quiet reason margins and cash conversion hold up better than the company's size would suggest.

One plant, certified, and now expanding. Manufacturing sits at Sihor in Bhavnagar district, Gujarat, in facilities the company describes as WHO-GMP and ISO certified, with quality control and R and D support on site and in Mumbai. A single plant is a concentration risk and a cost advantage at once: overheads stay thin, and so does redundancy. The Rs 46.12 cr of CWIP at March 2026 says a second phase of capacity is being built before the first one becomes a bottleneck.

Exports stopped being a sideline in FY26. CRISIL put exports at 5 to 6% of operating income in FY24. By FY26 exports had risen to 15.5% of sales, FOB value of Rs 26.1 cr on Equitymaster data, across 13 countries in Asia and Africa, through distributors and product registrations rather than own subsidiaries. That is a real second leg, and it brings emerging market currency and distributor credit risk with it.

4. WHERE THE REVENUE COMES FROM

Line	FY24	FY26 / latest	Note
Domestic formulations	About 94 to 95% of operating income in FY24	About 84.5% of sales in FY26, implied by the export share	Own field force of about 700 representatives (CRISIL, FY24)
Exports	5 to 6% of operating income (CRISIL, FY24)	15.5% of sales in FY26, FOB Rs 26.1 cr (Equitymaster)	Distributor led, 13 countries in Asia and Africa

Line	FY24	FY26 / latest	Note
Other income	Rs 4.66 cr in the FY24 total revenue bridge	Rs 10.31 cr in FY26	Treasury income on cash and investments; 22% of FY26 PBT
Total sales	Rs 141.97 cr	Rs 168.74 cr	Standalone; the company has no subsidiaries and reports no segments

Jenburkt reports a single formulations business with no segment split. The FY24 shares are CRISIL estimates and the FY26 export share is Equitymaster data from the annual report foreign exchange disclosures, each labelled as such; the company does not publish a geographic split in its quarterly results.

The other income line deserves its own paragraph. Other income of Rs 10.31 cr in FY26 is not a footnote: it is about a fifth of profit before tax, earned on a large cash and investment book built up over decades. That is a strength when rates are kind and a quality deduction when grading the core: formulation operations alone earned an operating profit of Rs 44 cr, and the treasury added the rest. Q4 FY26 also carried a Rs 3.95 cr exceptional item, which is why reported PBT of Rs 46.52 cr sits below the Rs 50.47 cr pre-exceptional figure in the audited arithmetic.

5. FINANCIALS: SLOW SALES, RICH MARGINS, ONE SOFT QUARTER

Year	Sales (Rs cr)	YoY	Operating profit (Rs cr)	OPM	PAT (Rs cr)	EPS (Rs)
FY22	124	n.a.	27	22%	22.30	48.58
FY23	137	+10%	30	22%	24.61	55.76
FY24	142	+4%	33	23%	25.98	58.86
FY25	152	+7%	40	27%	32.06	72.65
FY26	169	+11%	44	26%	34.74	78.71

Standalone, Screener basis with operating profit rounded as Screener presents it. Sales are Rs 123.98 cr, Rs 136.75 cr, Rs 141.97 cr, Rs 151.69 cr and Rs 168.74 cr in full. PAT margin held between 18% and 21% across the five years.

Read the five years as a margin story, not a growth story. Sales compounded at about 8% a year. PAT compounded at about 12%, because operating margin widened from 22% to 26% and the treasury book grew. ROE eased from about 20.7% to 18.84% over the period, not because profits fell, but because the equity base compounded faster than earnings, a company retaining most of what it earns into a low return cash pile. That arithmetic is the bear case in one line, and the reason the expansion in CWIP matters.

Q1 FY27 broke the pattern, and nobody has explained why. Sales of Rs 35.51 cr were flat against Rs 35.53 cr a year earlier. Operating profit fell to Rs 6.03 cr, a 17.0% margin against 25.2% in Q1 FY26. A low 13% tax rate cushioned PAT, which still fell 24.4% to Rs 5.89 cr. The company holds no concalls and issues

no presentations, so whether the margin drop is mix, price, cost or a one off sits unanswered until the Q2 FY27 print on November 3, 2026. This report treats that print as the near term verdict event.

6. BALANCE SHEET AND CASH FLOW: THE FORTRESS IS THE STORY

Item (Rs cr)	FY24	FY25	FY26
Net worth	145	172	197
Borrowings	0.00	3.90	2.49
Cash and equivalents	n.a.	n.a.	53.11
CWIP	1.24	n.a.	46.12
Operating cash flow	8.12	27.91	26.52
Free cash flow (approx)	6	8	13
Dividend per share (Rs)	15.30	18.00	20.70

Standalone compilations: Screener and Finology. Free cash flow is as Screener presents it, rounded, and is after the expansion capex now sitting in CWIP. Total assets at March 2026 were Rs 226.01 cr against net worth of Rs 197.04 cr.

There is effectively no debt to discuss. Borrowings of Rs 2.49 cr on a Rs 197 cr net worth is a rounding error, interest cost runs at about Rs 0.5 cr a year, and the current ratio is about 4.1. CRISIL rates the bank facilities BBB+ Stable on the long term scale and A2 short term. Promoter pledging is zero and has been zero since March 2024, after a small pledged sliver earlier in the decade.

Working capital stretched in FY26, and it belongs on the watch list. Inventory days rose to 154 in FY26 and the cash conversion cycle to 115 days on Screener ratios, a sharp build that may reflect stocking for the export push and the new capacity, and may equally reflect slowing movement. The Q2 FY27 balance sheet detail will help separate the two.

Cash conversion is good, not perfect, and capex is eating the surplus on purpose. Operating cash flow totalled Rs 88.87 cr across FY22 to FY26 against PAT of Rs 139.69 cr, with FY24 the soft year at Rs 8.12 cr. Free cash flow after the current expansion runs at roughly Rs 8 to 13 cr a year. The dividend, Rs 9.13 cr in FY26 at Rs 20.70 a share, is covered by free cash flow in recent years, but not by a wide margin while the plant is being built. That sequencing, build first and keep raising the dividend anyway, is a capital allocation choice this report grades in Section 9.

7. EXPANSION AND DEALS: ONE BIG INTERNAL PROJECT, NO DEAL HABIT

Move	Size	Terms and status
Capacity expansion in CWIP	Rs 46.12 cr at March 2026, from Rs 1.24 cr at March 2024	Internally funded; company has disclosed little on scope, product lines or commissioning date in reviewed material
NSE admission	Listing access, no capital raised	Shares admitted to trade on NSE under Permitted to Trade from August 17, 2026; intimated to BSE on September 22, 2026
Acquisitions	None in the recent record	No subsidiaries, no recent M and A, no brand purchases disclosed in reviewed filings
Dividend programme	Rs 20.70 a share for FY26	Fifth straight annual increase; payout about 26% of PAT

The absence of deals is itself the deal record. Jenburkt has grown without buying brands, without entering the US, and without taking a partner. The one large cheque in the current record is its own plant. Investors who want a roll up or a USFDA optionality story should look elsewhere; investors who want to know exactly what they own will find the file unusually short.

8. ROADMAP AUDIT: WHAT WAS PROMISED, WHAT ARRIVED

Jenburkt publishes no guidance, no investor day targets and no presentations, so this audit grades the implied promises a shareholder is actually given: the dividend record, the debt free stance, the margin, and the expansion.

Commitment	Promised	Delivered	Score
Progressive dividend	A rising payout as profits allow	Rs 12.00, Rs 14.40, Rs 15.30, Rs 18.00, Rs 20.70 across FY22 to FY26	Met
Debt free balance sheet	Conservative funding as a stated habit	Borrowings Rs 2.49 cr at March 2026; pledging zero since March 2024	Met
Margin defence	Operating margin in the low to mid 20s	22% to 27% across FY22 to FY26, then 17.0% in Q1 FY27	Met, now at risk
Capacity expansion	Build ahead of demand	CWIP of Rs 46.12 cr by March 2026; scope and timeline undisclosed	Pending
Export scale up	Exports as a growth leg, discussed for years	15.5% of sales in FY26 (FOB Rs 26.1 cr), up from 5 to 6% of operating income in FY24	Met
NSE trading access	Wider market access for a BSE only name	Admitted to NSE Permitted to Trade from August 17, 2026	Met

Commitment	Promised	Delivered	Score
Disclosure	Nothing promised, little given	No concalls, no presentations, minimal commentary with results	Missed (by omission)

The audit is a study in kept small promises. Everything Jenburkt has explicitly committed to, dividends, low debt, steady margins, it has broadly delivered for five years. The clearest failure is explanation: when a quarter finally went wrong, shareholders got numbers with no narrative. Ambition is a fairer split than it first looked, because exports did scale, from 5 to 6% of income to 15.5% of sales in two years, even as domestic growth stayed slow. A company this quiet earns trust slowly and can lose the benefit of the doubt in a single unexplained print.

9. MANAGEMENT AND GOVERNANCE

A family firm, run by the second generation of Bhutas. Ashish U Bhuta is Chairman and Managing Director, the largest individual promoter holder at 18.07%. Dilip H Bhuta is Whole Time Director and Chief Financial Officer. Bhuta Holdings Private Limited holds 13.96% and Kalindi Hemendra Bhuta 9.06%, within a total promoter holding of 46.62%. The board is family led with independent directors alongside, in the standard small cap pattern.

The promoter trend needs a clear eye, not alarm. The holding has eased from 47.56% in March 2023 to 46.62% in September 2026, about a percentage point over three and a half years, in small steps. There has been no large sale, no pledge since March 2024, and no equity dilution: share capital has been flat at 44.13 lakh shares. A sub 50% promoter stake in a company with almost no institutional register (DII 0.03%, FII nil, September 2026) does leave the register unusually open, with the public holding 53.34% across about 7,351 shareholders. One name is worth watching in that float: a SAST disclosure in October 2026 showed Counter Cyclical crossing a 5.01% stake, the first holder of that size outside the family in the recent record.

Capital allocation is disciplined to a fault, with one live question. The record is: retain most earnings, hold them in cash and investments, raise the dividend steadily, borrow almost nothing, buy back stock when it is cheap (1,76,078 shares, 3.84% of capital, for Rs 11.42 cr at up to Rs 702 in the December 2022 to March 2023 buyback that cut the share count to 44,13,300), and now commit Rs 46 cr to a plant. The fault line is return on the retained pile: ROE has drifted down from about 20.7% to 18.84% as cash accumulated, and the treasury now supplies about a fifth of PBT. If the new capacity earns the operating returns the old plant does, the drift reverses. If it commissions slowly or into the same 8% sales growth, the cash drag simply moves from the bank into concrete.

10. COMPETITION: A MINNOW AMONG BRANDED FORMULATION SHARKS

Competitor	Position	Quantified comparison (October 30, 2026)
Jenburkt	Branded formulations microcap, domestic led	Price Rs 853.60; P/E 11.5x TTM; market cap Rs 377 cr; FY26 sales Rs 169 cr, PAT Rs 34.74 cr, ROE 18.84%
Lincoln Pharmaceuticals	Closest listed peer by model: domestic branded formulations with an export leg	Price Rs 499.30; P/E about 10.4x; market cap about Rs 1,000 cr; TTM sales about Rs 694 cr; ROE 12.30%
FDC	Larger branded formulations house (Zifi, Electral and other household brands)	P/E about 18.9x TTM; a multiple of Jenburkt's scale
Caplin Point	Formulations exporter to Latin America and Africa	Price Rs 2,324.85; P/E about 26.9x; market cap about Rs 17,896 cr
Sector context	Sun Pharma and Divi's set the sector's quality multiples	Sun Pharma P/E 37.2x; Divi's Laboratories P/E 101.1x (ET Money peer table)

The competitive set explains both the discount and the defence. Every doctor's prescription pad Jenburkt fights for is also called on by Sun, Torrent, Cipla, Mankind and a hundred regional houses with deeper pockets and larger field forces. Jenburkt's defence is not scale; it is tenure in specific therapy niches, brands that have been prescribed for years, and a cost base so thin that Rs 169 cr of sales still drops Rs 35 cr to the bottom line. Lincoln, the closest peer, is four times the sales at a similar P/E but a far lower ROE, which is the cleanest single comparison in this section: the market pays for size and export mix, not for return on equity, in this corner of pharma.

11. STRENGTHS

What to watch

Q2 FY27 results on November 3, 2026: operating margin back above 23% would confirm Q1 as a stumble, while a second quarter below 18% would cut the score. Commissioning news on the Rs 46.12 cr expansion is the second watch item.

- 1. A fortress balance sheet: net worth of Rs 197.04 cr, borrowings of Rs 2.49 cr, cash of Rs 53.11 cr, a current ratio near 4.1, and zero promoter pledging.
- 2. Rich and durable economics: operating margin of 22% to 27% across FY22 to FY26, PAT margin near 20%, ROE of 18.84% and ROCE of about 25% in FY26.
- 3. A dividend that has risen five straight years, Rs 12.00 to Rs 20.70, at a payout of only about 26%, yielding 2.43% at the reference price.
- 4. Chronic therapy skew: anti-diabetic, cardiovascular and neuropsychiatry brands with refill driven demand, sold by an own field force of about 700 representatives.

- 5. A funded growth option already in the ground: Rs 46.12 cr of CWIP at March 2026, paid for internally, against a single plant model that has never needed debt.
- 6. Valuation that pays for the wait: 11.5x trailing earnings and 1.91x book for a debt free 19% ROE business, at a fresh 52 week low after a fall of about a third in a year.

12. WEAKNESSES AND RISKS

The first risk is the unexplained quarter. Q1 FY27 delivered flat sales and a margin of 17.0%, eight points below a year earlier, and the company's no concall, no presentation culture means there is no management account of it on record. If Q2 FY27 repeats it, the FY22 to FY26 margin record stops being the right base for valuation, and this report's base case goes with it.

The second risk is pace at home, and fragility abroad. Domestic sales compounded slowly in a market that rewards field force expansion and brand launches, both of which cost money Jenburkt is historically reluctant to spend. Exports, now 15.5% of sales after the FY26 jump, run into small Asian and African markets where currency crises, distributor payment delays and freight disruption have hit the company before, Sri Lanka being the named example in past disclosures. A business can be excellent and still be slowly outgrown by its home market, and at some point the multiple stops being cheap and starts being fair.

The third risk is concentration in plain clothes. One plant at Sihor makes the range. The promoter family holds 46.62% and supplies the chairman, the managing director function and the CFO, with succession beyond the current generation not discussed publicly. Treasury income supplies about a fifth of PBT, so a fall in rates or a mark to market swing moves reported profit without a single prescription changing hands.

The fourth risk is the register and the tape. Institutions hold almost nothing, traded value on NSE was about Rs 0.13 cr on October 30, 2026, and the stock made a fresh 52 week low that day in its fifth straight falling session. In a name this thin, price can stay wrong in either direction for a long time, and exiting a position of any size is itself a market event.

13. VALUATION VS PEERS

At Rs 853.60 (October 30, 2026): P/E 11.5x on TTM EPS of Rs 74.39, 10.8x on FY26 EPS of Rs 78.71, P/B 1.91x on book value of Rs 446.47, dividend yield 2.43%. Shares outstanding 44.13 lakh. Market cap about Rs 377 cr.

Company	Price (Rs)	P/E (x)	Market cap (Rs cr)	Note
Jenburkt Pharmaceuticals	853.60	11.5 TTM, 10.8 on FY26	377	Debt free, ROE 18.84%, yield 2.43%
Lincoln Pharmaceuticals	499.30	about 10.4	1,000	Closest peer; TTM sales about Rs 694 cr, ROE 12.30%

Company	Price (Rs)	P/E (x)	Market cap (Rs cr)	Note
FDC	n.a.	about 18.9 TTM	Several thousand	Larger branded formulations house
Caplin Point	2,324.85	about 26.9	17,896	Export led formulations
Sun Pharmaceutical	n.a.	37.2	4,26,530	Sector quality benchmark (ET Money)

How to read the discount. Jenburkt trades in line with Lincoln on earnings despite a ROE roughly six points higher, a cleaner balance sheet and a better dividend, and at less than half the multiple of Caplin Point and a third of Sun Pharma. Some discount is earned: it is a tenth of Lincoln's liquidity, a fraction of its sales, and it just printed a bad quarter with no explanation. But the starting point matters. At 10.8x the earnings of a debt free business that has never cut its dividend in the record reviewed, the market is pricing Jenburkt as if the Q1 FY27 margin is the new normal and the Rs 46 cr plant earns nothing. Both may prove true. Neither is proven yet. That asymmetry, proven quality against unproven deterioration, is what Selective Positive means here.

14. FY2029 SCENARIOS (INR)

Built off FY26 sales of Rs 168.74 cr and PAT of Rs 34.74 cr; 44.13 lakh shares; assumptions explicit. DalalBytes estimates, not guidance, and the company offers no guidance of its own.

Scenario	Sales CAGR FY26-29	FY29 sales (Rs cr)	PAT margin	FY29 PAT (Rs cr)	EPS (Rs)	Exit P/E	Target (Rs)
Bear	3%	184	17%	31	71	10.0x	710
Base	9%	219	20.5%	45	102	13.0x	1,320
Bull	13%	244	22%	54	121	15.0x	1,820

Bear Rs 710: the Q1 FY27 margin proves structural, price and mix pressure holds operating margin in the high teens, sales growth slows to 3%, and the new capacity ramps into a soft market. PAT is flat against FY26 despite three years of work, the stock stays at 10x, and the dividend is the only real return. Book value near Rs 447 a share and the cash pile are the floor arguments, and they are why the bear case is a fifth below the price, not half of it.

Base Rs 1,320: margins normalise to the low 20s from Q3 FY27 as the Q1 drop proves temporary, sales compound at 9% on field force productivity and a first contribution from the expanded capacity late in the period, and PAT margin holds near the FY26 level at 20.5%. A 13x exit multiple keeps a clear discount to FDC and to the sector, and roughly matches what the market already pays Lincoln for lower returns.

Bull Rs 1,820: the Sihor expansion commissions on time and earns operating returns in line with the existing plant, exports build from 15.5% toward a fifth of sales, margins return to 25% plus, and PAT compounds into the mid 50s of crores. Even then the 15x exit multiple is well under half of Sun Pharma's current multiple, which is the right humility for a Rs 170 cr formulations house with a thin register.

15. WHAT WOULD CHANGE THE VERDICT

Upgrade triggers: Q2 FY27 operating margin back above 23% with sales growth in double digits; the CWIP project commissioned with disclosed capacity and product plans; sustained double digit sales growth for two straight quarters; promoter buying in the open market; a first institutional holding above 1%.

Downgrade triggers: a second straight quarter with operating margin below 18%; FY27 PAT below Rs 28 cr; any promoter pledging, or promoter holding below 45%; CWIP rising well beyond Rs 46 cr with no commissioning update; a dividend cut, which would break the one promise this management has never broken.

16. WHY IT MATTERS

Jenburkt is a reminder that the Indian market still leaves genuinely good small businesses on the shelf when they refuse to perform for it. No concalls, no presentations, no guidance, no deals, and until August 2026 not even an NSE trading line: in return, a debt free balance sheet, 19% returns on equity, a dividend that rises every year, and a plant expansion paid for in cash. The stock's fall to a 52 week low, on a soft quarter the company has not explained, is the market pricing the silence as much as the numbers. At 65/100 Selective Positive, the verdict is that the numbers deserve the benefit of exactly one doubt: the November 3 results will either confirm that Q1 was a stumble in a five year record of quiet delivery, or start a new record that this score will have to follow down.

SOURCES

- Company filings and reports: Annual Report FY26 reporting (sales Rs 168.74 cr, PAT Rs 34.74 cr, net worth Rs 197.04 cr, CWIP Rs 46.12 cr, cash Rs 53.11 cr), Q1 FY27 results (August 6, 2026: sales Rs 35.51 cr, operating profit Rs 6.03 cr, PAT Rs 5.89 cr), BSE intimations (board meeting November 3, 2026 for Q2 and H1 FY27 results; NSE Permitted to Trade admission from August 17, 2026, intimated September 22, 2026), shareholding pattern for September 2026 (promoters 46.62%, no pledging)

- Market and financial data: Screener standalone (financial history FY22 to FY26, ratios, cash flow, shareholding trend, pledging history), Finology Ticker (quarterly results, cash flows, ratios: current ratio 4.11, book value, dividend Rs 20.70, yield 2.44%), ET Money (October 30, 2026: NSE close Rs 853.60, market cap Rs 377 cr, P/E 11.47, ROE 18.84%, ROCE 27.47%, peer table), Finnhub (BSE one year return about -32.5%, average traded value)

- Promoter holders: ET Money (Ashish Uttam Bhuta 18.07%, Bhuta Holdings Private Limited 13.96%, Kalindi Hemendra Bhuta 9.06%)

- Credit and business profile: CRISIL rating rationale (BBB+ Stable long term, A2 short term; exports 5 to 6% of operating income in FY24; field force of about 700 medical representatives; Sihor plant and therapy profile)

- Competition: Finnhub and Kotak and ET Money peer data for October 30, 2026 (Lincoln Pharmaceuticals Rs 499.30, market cap about Rs 1,000 cr, P/E about 10.4x, ROE 12.30%; Caplin Point Rs 2,324.85, P/E about 26.9x; FDC P/E about 18.9x TTM)

- Price action: MarketsMojo (fifth straight falling session and fresh 52 week low on October 30, 2026), BlinkX (NSE traded value about Rs 0.13 cr on October 30, 2026)