|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **OPM** | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Aarti Drugs | 15.6% | 13.6% | 13.1% | 12.1% | 15.0% | 15.4% | 15.8% | 16.3% | 16.4% | 16.2% |
| IOL chemicals | 10.9% | 11.1% | 17.5% | 14.6% | 18.5% | 17.0% | 2.9% | 8.9% | 14.4% | 12.7% |
| Smruthi Organic | 12.9% | 12.1% | 13.7% | 12.5% | 10.5% | 1.7% | 6.0% | 14.4% | 12.5% | 3.3% |
| Auro Laboratories | 3.6% | 6.3% | 8.4% | 8.3% | 7.4% | 8.2% | 9.0% | 10.0% | 12.5% | 15.6% |

If you compare OPM **trend** of IOL chemicals and Smruthi Organic both are very fluctuating, on the other hand Aarti Drugs and Auro Lab maintained OPM in last 10 years. If we further compare growth in OPM, pace of growth in Auro Lab is more than Aarti Drugs.

2. Main portion of Operating expense is Raw material (Ranging between 61 to 79 percent). In the following table we compare Raw material to sales ratio of last 10 years. From 2014 Auro labs continuously decreasing raw material cost which resulted in to higher OPM, same is the case with Smruthi Organic.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Raw Material to sales** | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Aarti Drugs | 66% | 68% | 67% | 67% | 66% | 67% | 67% | 65% | 63% | 61% |
| IOL chemicals | 70% | 69% | 62% | 64% | 62% | 66% | 73% | 71% | 67% | 71% |
| Smruthi Organic | 69% | 72% | 73% | 75% | 73% | 71% | 69% | 58% | 62% | 62% |
| Auro Laboratories | 74% | 68% | 75% | 75% | 79% | 73% | 70% | 65% | 63% | 61% |

3. Further we compare Auro Laboratories Limited with its comparable peers based on Sales growth , PAT growth etc.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 10 yrs Avg. Inventory Turnover | 10 yrs Avg. Receivable Turnover Ratio | 10 yrs. Sales Growth | 10 yrs. PAT growth | D/E | PE |
| Aarti Drugs | 6.22 | 85.18 | 13% | 19% | 1.20 | 17.80 |
| IOL chemicals | 3.26 | 30.27 | 14% | 9% | 2 | 7 |
| Smruthi Organic | 4.00 | 71.53 | 3% | -209% | 1.1 | 63 |
| Auro Laboratories | 7.07 | 61.49 | 17% | 52% | 0.7 | 7 |

In overall comparison Auro Laboratories Limited is micro cap company which is growing in terms of sales and profit faster than their peers.