

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	23767	23300	24205	23850	24799	23488-23991	Buy only above 24000. Targets at 24205/24602. Aggressive targets at 25000-25200. Stop at 23477
BANK NIFTY	56694	54200	58200	56293	57413	54700-58000	Buy only above 57500. Targets 59000/59700. Aggressive targets at 62000. Stop at 54000.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
THYROCARE TECHNOLOGIES	564	421	751	524	451	Positive	Established in 1996, Thyrocare Technologies is one of India's leading diagnostic healthcare companies, specialising in: Pathology and preventive diagnostics, Clinical chemistry, Speciality and genomic testing, Nuclear imaging and radiology, Home-based sample collection and Corporate and institutional wellness programmes. Thyrocare's underlying business momentum remains impressive, with healthy volume expansion, improving margins and strong franchise growth. It is emerging as a scalable, high-return diagnostics platform rather than merely a low-cost thyroid-testing company. Buy THYROCARE TECHNOLOGIES (564). Buy at CMP. Stop at 421. Targets 600/653. Aggressive targets at 700-751 zone. Holding Period: 12-15 Months. Rationale: Signalling a massive breakout from a higher consolidation zone on the daily/weekly charts. Key interweek support 501 and then intermonth support at 425. Major hurdles only at 600 mark. 200-DMA at 451.

THYROCARE TECHNOLOGIES	BUY
CMP	564
Target Price	751
Stop	421
52 Week H/L	598/343
P/E	49.7
EPS (TTM)	10.24
Promoter Holding/FIIs/DIIs/FIIs/Public	60.92%/5.43%/20.92%/12.71%
Book Value	36.8
Market Cap (INR)	8981

with the stock close to its lifetime high, fresh investors should avoid aggressive chasing. A staggered accumulation strategy during market-led corrections would offer a more favourable risk-reward proposition.

The underlying business momentum remains healthy. However, the stock is trading close to its 52-week high and commands a premium valuation of approximately 50 times trailing earnings. Therefore, the preferred strategy would be to accumulate gradually on meaningful declines instead of chasing sharp rallies.

Company Overview

Established in 1996, Thyrocare Technologies is one of India's leading diagnostic healthcare companies, specialising in:

Pathology and preventive diagnostics

Clinical chemistry | Speciality and genomic testing | Nuclear imaging and radiology | Home-based sample collection | Corporate and institutional wellness programmes

The company operates an asset-efficient, technology-driven hub-and-spoke model, allowing samples collected across India to be processed through central, zonal, regional and satellite laboratories.

Operational Strength

44 laboratories, including one international laboratory in Tanzania | 1,375-plus diagnostic tests | 11,730 active franchisees | More than 100 pathologists

Approximately 97% of samples processed at NABL-accredited laboratories | Average laboratory turnaround time of approximately 3.37 hours | Approximately 99% on-time phlebotomist arrival | Only 3.1 complaints per million tests

Thyrocare's principal competitive advantage is its ability to process large volumes at affordable prices while maintaining standardisation and relatively strong margins. Thyrocare Q1 FY27 presentation

Q1 FY27 Financial Performance

Particulars	Q1 FY27	Q1 FY26	YoY Growth
Consolidated Revenue	₹240.02 crore	₹193.03 crore	24.3%
Gross Profit	₹177.86 crore	₹137.40 crore	29.4%
EBITDA	₹77.27 crore	₹57.77 crore	33.8%
EBITDA Margin	32.2%	29.9%	+226 bps
Profit Before Tax	₹67.58 crore	₹50.23 crore	34.5%
Profit After Tax	₹51.33 crore	₹38.29 crore	34.1%
PAT Margin	21.4%	19.8%	+155 bps
EPS	₹3.23	₹2.41	34.0%

Pathology Metric	Q1 FY27	YoY Growth
Revenue	₹225.66 crore	26.1%
EBITDA	₹75.60 crore	33.8%
EBITDA margin	33.5%	+191 bps
PAT	₹50.17 crore	39.2%
PAT margin	22.2%	+210 bps

Operational Performance

Operating Metric	Q1 FY27	YoY Growth
Patients served	5.4 million	17%
Tests performed	55.2 million	28%
Revenue per patient	₹404	7%
Tests per patient	10.2	9%
Active franchisees	11,730	23%
Pathology vials	8.59 million	22%

The sharp expansion of the collection network strengthens Thyrocare's operating moat because higher sample density:

Improves utilisation of laboratory infrastructure | Reduces per-test processing costs | Supports faster turnaround | Makes affordable pricing more sustainable | Creates operating leverage as volumes scale

Growth Catalysts

1. Franchise-Network Expansion: Thyrocare continues to deepen its presence across Tier-II, Tier-III and underserved markets. Its affordable B2B model allows local collection centres, nursing homes and smaller laboratories to access centralised testing capabilities.

2. Rising Preventive Healthcare Demand : Increasing awareness of diabetes, thyroid disorders, cardiovascular risk and lifestyle diseases should support structural demand for routine and preventive testing.

3. Speciality Diagnostics : The company is expanding beyond routine pathology into:

Genomics

Advanced pathology | Biomarker-based diagnostics | Gut microbiome testing | Whole-exome sequencing

These services could improve revenue per patient and reduce dependence on highly competitive routine tests.

4. Institutional Partnerships : Partnerships with health-technology platforms, insurers, corporate employers and government entities can generate high sample volumes without requiring heavy expenditure on customer acquisition.

5. Laboratory Expansion : During Q1 FY27, Thyrocare launched: A regional processing laboratory in Muzaffarpur | Hybrid laboratories in Prayagraj and Kurnool | These additions should improve turnaround times and strengthen regional coverage.

6. Margin Expansion : High utilisation, automation and greater sample density could help the company maintain EBITDA margins above 30%, although continued network investments may create quarterly fluctuations.

Financial Quality

Thyrocare has several characteristics of a financially strong diagnostic business: Asset-efficient hub-and-spoke structure | Strong operating margins | High return ratios | Low finance costs | Healthy cash-generation potential | Limited balance-sheet leverage

Scalable laboratory infrastructure

Key Risks

1. Expensive Valuation : At approximately 50 times trailing earnings, the stock is pricing in sustained double-digit growth and stable margins. Any earnings disappointment could trigger a sharp valuation correction.

2. Intense Competition : The diagnostic market faces competition from: Dr Lal PathLabs | Metropolis Healthcare | Vijaya Diagnostic Centre | Apollo Diagnostics | Hospital-backed laboratories | Digital health platforms | Regional and unorganised laboratories

Aggressive discounting could pressure revenue per test and margins.

3. Dependence on B2B Channels : Franchisees and institutional partners contribute approximately 95% of pathology revenue. Loss of major partners or deterioration in franchise economics could affect volumes.

4. Execution Risk : Rapid expansion requires consistent: Sample logistics | Laboratory quality | Turnaround time | Franchisee servicing | Technology integration | Regulatory compliance | Any deterioration in quality could affect brand trust.

5. Acquisition and Integration Risk : Acquired laboratories and radiology centres must be integrated without diluting margins or increasing management complexity.

6. Promoter-Level Concerns : The promoter's stake reduction during FY26 and reported encumbrance over promoter holdings warrant monitoring. This does not directly imply weakness in Thyrocare's operating business, but investors should track future shareholding disclosures and any changes in promoter pledging.

The company deserves a premium valuation because of its: Strong brand | Asset-efficient operating model | High return ratios | Expanding margins | Double-digit volume growth | Long runway for organised diagnostics

However, a large portion of the near-term earnings optimism appears reflected in the current price.

Investment View : Fundamental Rating: Positive | Valuation Comfort: Moderate to Low **Preferred Strategy:** Accumulate on meaningful declines | Investment Horizon: 12–18 months

Long Story Short | Thyrocare remains fundamentally strong, backed by accelerating pathology volumes, expanding margins and a record franchise network. The business deserves attention—but at the prevailing premium valuation, the Gyan Mantra is to buy on declines rather than chase the rally.

Preferred Strategy: Buy THYROCARE TECHNOLOGIES (564). Buy at CMP. Stop at 421. Targets 600/653. Aggressive targets at 700-751 zone. Holding Period: 12-15 Months. Rationale: Signalling a massive breakout from a higher consolidation zone on the daily/weekly charts. Key interweek support 501 and then intermonth support at 425. Major hurdles only at 600 mark. 200-DMA at 451.

THYROCARE TECHNOLOGIES: Technically Massive Breakout Play on Cards. Fundamentally Positive; Accumulate on Declines

Investment Summary

Thyrocare's underlying business momentum remains impressive, with healthy volume expansion, improving margins and strong franchise growth. It is emerging as a scalable, high-return diagnostics platform rather than merely a low-cost thyroid-testing company.

However, after the recent rally and with the stock close to its lifetime high, fresh investors should avoid aggressive chasing. A staggered accumulation strategy during market-led corrections would offer a more favourable risk-reward proposition.

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Daily Chart of THYROCARE :

