



Par Drugs and Chemicals Limited

COMPANY BACKGROUND.....

- Incorporated in 1982, Par Drugs and Chemicals Ltd. (PDCL) is engaged in the development and manufacture of Active Pharma Ingredients (“APIs”) and Fine Chemicals for the domestic market as well as for exports to international markets.
- The company currently produces the entire range of Antacid Molecules and the product portfolio presently comprises 15 APIs and 10 Fine Chemicals.
- The company operates a manufacturing facility at Bhavnagar in Gujarat with 9,700 MT capacity.
- The company supplies products to approximately 16 countries, including both direct and indirect exports.
- The company caters to more than 261 customers worldwide through 13+ agents globally and 40+ dealers in India..

BUSINESS MIX (As on H1-FY24).....

- **API (63%):** The APIs manufactured are purchased by pharmaceutical companies which convert the APIs into various forms of formulations such as tablets and liquid form for final sale, used as an API in Antacid Formulation.
- **Fine Chemicals (36%):** The company offers Fine Chemicals used as an Antacid Raw material in specific antacid formulations, ceramics, suspending agent, thickening agent, Pesticides & detergents, special low moisture grade, free flow salt & anticaking agent for agriculture and paints space etc.

KEY STRENGTHS.....

- Cash Rich Company
- Marquee Clienteles like Pfizer, Cipla, UPL, etc
- Manufactures the entire range of products in the Antacid segment
- Operates both in domestic and export markets
- Management Expertise of more than 30 years. It is led by qualified and experienced Promoters and key managerial personnel
- Research driven with R&D efforts focused on developing processes
- Largest producer of Magnesium Hydroxide, Sucralfate and Magnesium Trisilicate in India.

FINANCIAL HIGHLIGHTS (INR Mn).....

	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY21	608	161	26.48%	116	19.08%	18.87
FY22	751	163	21.70%	92	12.25%	7.49
FY23	957	182	19.02%	113	11.81%	9.21
H1-FY24	488	115	23.57%	74	15.16%	5.98

Key Data

BSE Code	-
NSE Code	PAR
Reuters	-
Bloomberg	PARDC:IN

Market Data (INR) As on 30th September, 2023

Face Value	10.0
CMP	211.20
52 Week H/L	228.40/128.35
MCAP (Mn)	2,598.74
Shares O/S (Mn)	12.3
1 Yr Avg. Vol. ('000)	19.23

Performance As on 30th September, 2023

	3M	6M	12M
Par Drugs	1.0%	45.7%	34.5%
Nifty 50	2.0%	12.7%	14.8%
Nifty Small Cap 50	19.2%	42.7%	37.7%

Shareholding Pattern As on 30th September, 2023

Promoters	74.00%
Public	26.00%

BUSINESS SEGMENTS.....

API'S:

- Antacids are medication that neutralizes stomach acid to cut down on heartburn, sour stomach, acid indigestion, and stomach upset, symptoms of Gastroesophageal Reflux Disease (GERD also called acid reflux), heartburn or indigestion (also called dyspepsia).
- They contain ingredients such as aluminium, calcium, magnesium, or sodium bicarbonate which act as bases (alkalis) to counteract stomach acid and make its pH more neutral.
- Some such products are formulated to minimize such effects through the inclusion of equal concentrations of magnesium hydroxide or magnesium carbonate, which have counterbalancing laxative effects.

Fine Chemicals:

- The company manufactures Fine chemicals that are inorganic molecules produced in kilogram to multi-ton quantities by conventional or chemical processes.
- Applications that involve the use of fine chemicals include catalysts, adhesives, food, and specialty polymers for advanced composites etc. Similarly, fine chemicals are also employed in the agrochemical industry for manufacturing pesticides, fungicides, and herbicides through rigorously controlled contamination prevention protocols.

FUTURE PLANS

- **Expand the product portfolio:** Seek to leverage the R&D capabilities to expand PDCL's Product Portfolio and thus penetrate the different segments of application and value added products. This will ultimately increase the profitability by value addition.
- **Exploring new geographical area:** Intend to grow sales by exploring new geographical area and adding new products to the portfolio. Currently targeting to enter Japan, South Korea and China.
- **Direct Exports:** With the aim to enhance the growth of the company, the company wishes to serve its customers directly and improve relations.
- **Continuous Research and Development using Innovation:** A new fully owned R&D Centre will be set-up to add new API molecules in other therapeutic segment as well like anti-depressants, anti-diabetics and anti-fungal.
- **Expansion:** The Company has completed Brownfield Expansion in March 2021. With the growth in product portfolio, the company plans to do a greenfield expansion in the next two to three years.

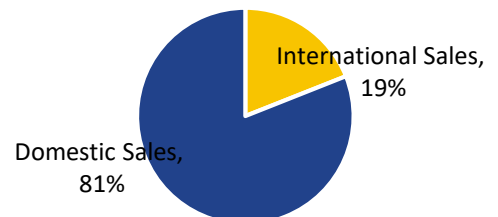
PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....

Company	Op. Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap.
Par Drugs	962	199	20.69%	127	13.20%	2,598
SMS Lifesciences	2,960	221	7.47%	17	0.57%	1,572
Aarti Drugs	27,090	3,246	11.98%	1,807	6.67%	50,021
Bal Pharma	3,220	286	8.88%	42	1.30%	1,498
Vasundhara Rasayans	261	40	15.33%	39	14.94%	607

API (62%)	
Magnesium Hydroxide	Magnesium Oxide USP
Sucralfate	Almagate BP
Dried Aluminium Hydroxide Gel	Light Magnesium Carbonate
Magaldrate	Light Magnesium Carbonate
Magnesium Trisilicate	Colloidal Silicon Dioxide
Aluminium Magnesium Silicate	Magnesium Aluminometasilicate
Magnesium Aluminosilicate-USP	Magnesium Oxide Light
Magnesium Oxide Heavy	Magnesium Aluminium Hydrate
Hydrotalcite	Synthetic Aluminium Silicate

Fine Chemicals (38%)
Precipitated Silica
Sodium Aluminum Silicate
Amorphous Aluminum Hydroxide
PARSIL+HT
PAR ADD OP
MagSil OF
FlowSil
Aluminum Hydroxide Magnesium Carbonate Co-Dried Gel
Magnesium Aluminum Silicate Hydrated (pharma)
Magnesium Aluminum Silicate Hydrated (Agro)

Geographical Sales Breakup (H1-FY24)



INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	FY21	FY22	FY23	H1-FY24
Income from Operations	608	751	957	488
Total Expenses	447	588	775	373
EBITDA	161	163	182	115
EBITDA Margins(%)	26.48%	21.70%	19.02%	23.57%
Finance Cost	7	5	1	0
Depreciation	28	33	32	17
Other Income	2	2	2	0
Profit before Extraordinary Items	128	127	151	98
Extraordinary Items	19	-	-	-
Profit Before Tax	147	127	151	98
Tax	31	35	38	24
Profit after tax	116	92	113	74
PAT Margins(%)	19.08%	12.25%	11.81%	15.16%
Diluted EPS (INR)	18.87	7.49	9.21	5.98

BALANCE SHEET (CONSOLIDATED)

EQUITIES & LIABILITIES (INR Mn)	FY22	FY23	H1-FY24	ASSETS (INR Mn)	FY22	FY23	H1-FY24
Shareholder Funds	599	712	786	Non Current Assets	351	394	416
(A) Equity Share Capital	123	123	123	(A) Fixed Assets			
(B) Reserves & Surplus	476	589	663	(I) Tangible Assets	341	385	400
				(ii) Capital work-in-progress	2	2	10
Non-current Liabilities	39	36	38	(B) Non Current Investments	0	0	0
(A) Long Term borrowings	-	-	-	(C) Other Non Current Assets	8	7	6
(B) Deferred Tax Liabilities (net)	35	35	35				
(C) Long term Provisions	4	1	3				
Current Liabilities	149	141	133	Current Assets	436	495	541
(A) Short term borrowings	-	-	-	(A) Inventories	47	54	42
(B) Trade Payables	107	81	101	(B) Trade Receivables	185	170	171
(C) Other Current Liabilities	8	20	7	(C) Cash & cash equivalents	163	222	299
(D) Short term Provisions	34	40	25	(D) Short Term Loans & Advances	0	1	0
				(E) Current Tax Assets	32	41	23
				(F) Other Current Assets	9	7	6
GRAND TOTAL - EQUITIES & LIABILITIES	787	889	957	GRAND TOTAL – ASSETS	787	889	957

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