



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 FY23).....

- **API (60%):** 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 (39%):** 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
FY20	558	94	16.85%	48	8.60%	7.75
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

Key Data

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

Market Data (INR) As on 31st March, 2023

Face Value	10.0
CMP	140.0
52 Week H/L	199.7/128.4
MCAP (Mn)	1,722.6
Shares O/S (Mn)	12.3
1 Yr Avg. Vol. ('000)	19.0

Performance As on 31st March, 2023

	3M	6M	12M
Par Drugs	(8.9)%	(10.8)%	(14.1)%
Nifty 50	(4.7)%	1.5%	(0.4)%
Nifty Small Cap 50	(5.8)%	(4.1)%	(14.8)%

Shareholding Pattern As on 31st March, 2023

Promoters	74.21%
Public	25.79%

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.

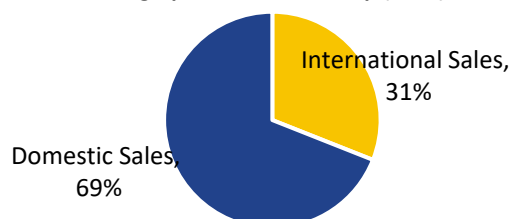
PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....

Company	Op. Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap.
Par Drugs	957	182	19.02%	113	11.81%	1,723
SMS Lifesciences	3,156	288	9.12%	114	3.62%	1,572
Aarti Drugs	27,161	3,056	11.25%	1,664	6.13%	31,280
Bal Pharma	3,042	251	8.25%	26	0.85%	1,050
Vasundhara Rasayans	379	55	14.51%	56	14.78%	397

API (60%)	
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 (39%)
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 (FY23)



INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	FY20	FY21	FY22	FY23
Income from Operations	558	608	751	957
Total Expenses	464	447	588	775
EBITDA	94	161	163	182
EBITDA Margins(%)	16.85%	26.48%	21.70%	19.02%
Finance Cost	8	7	5	1
Depreciation	27	28	33	32
Other Income	1	2	2	2
Profit before Extraordinary Items	60	128	127	151
Extraordinary Items	-	19	-	-
Profit Before Tax	60	147	127	151
Tax	12	31	35	38
Profit after tax	48	116	92	113
PAT Margins(%)	8.60%	19.08%	12.25%	11.81%
Diluted EPS (INR)	7.75	18.87	7.49	9.21

BALANCE SHEET (CONSOLIDATED)

EQUITIES & LIABILITIES (INR Mn)	FY21	FY22	FY23	ASSETS (INR Mn)	FY21	FY22	FY23
Shareholder Funds	522	599	712	Non Current Assets	352	351	394
(A) Equity Share Capital	61	123	123	(A) Fixed Assets			
(B) Reserves & Surplus	461	476	589	(I) Tangible Assets	299	341	385
				(ii) Capital work-in-progress	45	2	2
Non-current Liabilities	82	39	36	(B) Non Current Investments	0	0	0
(A) Long Term borrowings	44	-	-	(C) Long Term Loans & Advances	8	8	7
(B) Deferred Tax Liabilities (net)	34	35	35				
(C) Long term Provisions	4	4	1				
Current Liabilities	160	149	141	Current Assets	412	436	495
(A) Short term borrowings	32	-	-	(A) Inventories	30	47	54
(B) Trade Payables	67	107	81	(B) Trade Receivables	125	185	170
(C) Other Current Liabilities	25	8	20	(C) Cash & cash equivalents	212	163	222
(D) Short term Provisions	36	34	40	(D) Short Term Loans & Advances	0	0	1
				(E) Current Tax Assets	34	32	41
				(F) Other Current Assets	11	9	7
GRAND TOTAL - EQUITIES & LIABILITIES	764	787	889	GRAND TOTAL – ASSETS	764	787	889

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