

Sept 19, 2019

JB Chemicals & Pharmaceuticals Ltd

J B Chemicals & Pharmaceuticals is engaged in the business of manufacture and marketing of diverse range of pharmaceutical formulations, herbal remedies and APIs. It has the brands Rantac and Metrogyl and it has presence in Russia and South Africa as well. The company has reported a 5 yrs CAGR of 9.4% in sales and 11.8% in net profit.

During 1QFY19 also the company's sales increased by 16% to ₹1,643cr. EBITDA rose by 36% to ₹305 cr. Apart from the steady operational performance the company has maintained its balance sheet strength with continuous reduction in debt. The debt-equity at the end of FY19 has become virtually nil, which was 0.1 in FY14.

JB Chemicals delivers an ROE of 13.3% and trades at 2x of its book value. The company also pays dividend of an average 15%. Hence, BUY.

BUY

CMP ₹384

Stock Info

Sector	Pharmaceuticals
Market Cap (₹ cr)	3,080
Beta	0.4
52 Week High / Low	411/272
Avg. Daily Volume	4,769
Face Value (₹)	2
BSE Sensex	36,093
Nifty	10,705
Reuters Code	JBCH.BO
Bloomberg Code	JBCP IN

Shareholding Pattern (%)

Promoters	56.0
MF / Banks / Indian FIIs	16.0
FII / NRIs / OCBs	5.1
Indian Public / Others	22.9

Abs. (%)	3m	1yr	3yr
Sensex	(7.7)	(2.8)	26.0
JBCHEPHARM	1.0	21.4	0.2

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Disclosure of Interest Statement

JB Chemicals & Pharma Ltd

1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)