



May 17, 2007

Current Price : Rs81.90
Target Price : Rs104
Upside : 27%

52 Week H/L : Rs122/Rs75
Avg. Daily Vol. : 61118
Market Cap. : Rs6.88bn
BSE Code : 506943
NSE Symbol : JBCHEPHARM

Shareholding pattern

Share holder	Mar 2007
Promoters	55.35%
FII/MF	3.56%
FII	7.97%
Public & Others	33.12%

Company Profile

J. B. Chemicals & Pharmaceuticals Ltd. (JBCPL) is professionally managed, global pharmaceutical companies manufacturing a wide range of innovative specialty medicines for domestic and international markets. Its product portfolio consists of pharmaceutical specialties in various dosage forms, herbal remedies, diagnostics, generic drugs, active pharmaceutical ingredients (APIs). Some of the products within these categories enjoy leadership positions in the Indian and foreign markets. With a strong base of 11 state-of-the-art manufacturing units (including three US FDA approved Tablet & API plants) and two DSTC approved R&D centers, the company is expanding into newer and faster growing therapeutic segments such as anti-diabetics, CNS and Respiratory.

In FY06, JBCPL's sales grew by 29% to Rs.4.55bn and net profit grew by 20% to Rs.709mn. During Q3 FY07, sales grew 4% Y-O-Y to Rs.1.35bn and net profit grew by 2% to Rs.195mn.

Key Triggers

- **SEZ Foray:** JBCPL intends to set up a pharmaceutical special economic zone (SEZ) in Gujarat at a total investment of Rs8bn. The proposed SEZ will be dedicated to the manufacturing of pharmaceutical finished formulations, APIs and their intermediates and to service activities related to research and development and contract manufacturing. Setting up of the infrastructure will require an investment of about Rs1.15bn and the SEZ would be completed during 2009.
- **Near Key Support:** JBCPL is currently at its 200WEMA which has traditionally been a strong support area for the stock.



rbs.research@in.abnamro.com

This report is for Retail Clients only

Source : Reuters

ABN AMRO Retail Brokerage Services



Disclaimer

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or re-distributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of ABN AMRO Asia Equities (India) Limited (AAAEIL). It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation or needs of individual clients. We have reviewed the report and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither AAAEIL nor any person connected with it accepts any liability arising from the use of this document. The information contained in the said report should be construed as non-discretionary in nature and the recipient of this material should rely on their own investigations and take their own professional advice. Price and value of investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions – including those involving futures and options and other derivatives as well as non-investment grade securities – involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock's price movement and trading volumes, as opposed to focusing on a company's fundamentals, and as such, may not match with a report on fundamentals. Opinions expressed are our current opinions as of the date appearing on this material only. Clients should not await such reports at regular intervals / frequency and should not hold AAAEIL responsible for failure to send such reports. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance or other reasons that prevent us from doing so. Prospective investors are cautioned that any forward looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. AAAEIL has two independent equity research groups : Institutional Equities (IE) and Retail Broking Services (RBS). This report has been prepared by RBS and is being distributed to only to RBS clients. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, target price of the IE research of AAAEIL. We and our affiliates, officer, directors and employees worldwide may (a) from time to time have long or short positions in and buy or sell securities thereof, of company(ies) mentioned therein or (b) be engaged in any other transactions involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities and no part of his or her compensation was, is or will be directly related to specific recommendations and related information and opinions. No part of this material may be duplicated in any form and / or re-distributed without AAAEIL's prior written consent.

Analyst holding in stock : Nil