

PCL:SEC:2023:2062

18.08.2023

BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
MUMBAI-400 001

Scrip Code : 506852

Subject:- Press Release on the Unaudited Financial Results for the quarter ended 30th June, 2023.

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Press Release on the Unaudited Financial Results for the quarter ended 30th June, 2023.

Thanking you,

Yours faithfully,
For Primo Chemicals Limited
(Formerly known as Punjab Alkalies & Chemicals Limited)

SUGANDHA KUKREJA
Company Secretary & Compliance Officer

Encl: as above.

PRIMO CHEMICALS LIMITED

(FORMERLY KNOWN AS PUNJAB ALKALIES & CHEMICALS LIMITED)

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PRIMO CHEMICALS LTD.

(Formerly known as Punjab Alkalies & Chemicals Limited)

Revenues of Rs. 1,099 Mn, EBITDA of Rs. 125 Mn and Profit/(Loss) after tax of Rs. (43) Mn

Chandigarh, August 18, 2023: Primo Chemicals Ltd., is one of the largest producers of Caustic Soda in North India region, has announced the results for quarter ended 30th June 2023.

Q1 FY24 Consolidated Performance Highlights:

- Revenue from Operations of Rs. 1,099 million, compared to Rs. 1,863 million in Q1 FY23.
- EBITDA of Rs. 125 million, compared to 701 million in Q1 FY23.
- Net Profit/(loss) of Rs. (43) million, compared to Rs. 480 million in Q1 FY23.

Commenting on the results, Mr. Naveen Chopra, Managing Director, said:



“During the quarter, global economies staging deflation, destocking of caustic soda inventories coupled with recent capacity addition has caused a sharp drop in realisations resulting into subdued quarterly performance.

Price rationalisation coupled with increase in our key raw materials costs viz. salt and power impacted our operating margins.

Despite these challenges, we remained steadfast in our efforts to navigate past these turbulent times and through expansion plans, process optimisation and cost efficiencies, we strategize for a more resilient performance in coming quarters.

We are optimistic about the launches lined up in the coming quarters and anticipate a gradual improvement in the inventory situation in coming quarters. Our commitment remains steadfast in executing our strategic plans, driving growth, and investing in future growth drivers. I want to extend my gratitude to our stakeholders who supported and believed in our vision. We are committed to creating sustainable growth and value for all our stakeholders.”

Consolidated Financial Performance:

Consolidated (Rs. Mn)	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	Q-o-Q	FY23	FY22	Y-o-Y
Revenue from Operations	1,099	1,863	(41)%	1,478	(26)%	7,074	4,541	56%
Total Income	1,153	1,914	(40)%	1,552	(26)%	7,335	4,692	56%
EBITDA	125	701	(82)%	359	(65)%	2,185	1,018	115%
EBITDA Margin%	11%	37%		23%		30%	22%	
PBT	8	640	(99)%	251	(97)%	1,865	755	147%
<i>PBT Margin%</i>	<i>1%</i>	<i>33%</i>		<i>16%</i>		<i>25%</i>	<i>16%</i>	
PAT	(43)	480	(109)%	176	(124)%	1,374	592	132%
PAT Margin%	(4)%	25%		11%		19%	13%	

Note: All margins are calculated on Total Income

Business highlights

ECU and caustic soda

Following the last quarter, the realisations witness substantial correction (down ~21% QoQ) from ~USD 527/MT to ~USD 416/MT with adverse market conditions in the global demand and oversupply due to addition of new capacities. In line with market situation, ECU Realisations declined by 35.5% YoY and 15.5% QoQ, while caustic soda realisations declined by 36.9% YoY and 16.4% QoQ and sales volumes decreased by 2.0% YoY and 4.3% QoQ.

Status of ongoing projects

- Aluminum Chloride Project and Caustic Flaker unit are developing as planned and shall be operational in Q2FY24.
- We have already received consent from Punjab Pollution Control Board to operate a captive 35 MW Power Plant which will reduce the cost of production. The plant shall be operational by Q3FY24.

Status of future projects

- We have already acquired 49% stake in Flow Tech Chemicals, a manufacturer of Chlorinated Paraffin and Hydrochloric Acid, augmenting the forward integration strategy. We have initiated the process of acquiring the remaining 51% stake, which shall be completed by Q3FY25.
- We have recently increased our installed manufacturing capacity from 300 TPD to 500 TPD during FY23 and our plans to further increase the capacity to 580 TPD are on track which will also help augment sales volume, going ahead.



Manufacturing units:

Location: Ropar, Punjab (India)

Combined Manufacturing capacity of
165,000 TPA of Caustic Soda

About Primo Chemicals Limited (Formerly known as Punjab Alkalies & Chemicals Ltd):

Primo Chemicals Ltd., incorporated as a Public Limited Company on 1st December 1975, is one of the largest producers of Caustic Soda in North India region. The company's main product is Caustic Soda Lye (500 TPD) and by products include Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite and Hydrogen gas. Primo is running two manufacturing units which are based on the state-of-the-art, energy efficient, eco-friendly HOECHST-UHDE membrane cell technology and the present combined plant manufacturing capacity is 165,000 TPA of Caustic Soda.

For further information, please contact

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Safe Harbour

This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects upon Primo Chemicals Ltd. These forward-looking statements involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others: general economic and business conditions in India and overseas, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, change in laws and regulations that apply to the related industries, increasing competition in and the conditions of the related industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither Primo, nor our Directors, or any of our subsidiaries/associates assume any obligation to update any forward-looking statement contained in this release.