

PCL:SEC:2023:2097

06.11.2023

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 and Half year ended 30th September, 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 and half year ended 30th September, 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)

REGD. OFFICE S.C.O. 125-127, SECTOR 17-B, CHANDIGARH-160017 CORPORATE OFFICE : PLOT NO. 46-50, SECTOR 31-A, CHANDIGARH-160030
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WORKS : NANGAL-UNA ROAD, NAYA NANGAL-140126 DISTT. ROPAR, PUNJAB, INDIA



(Formerly known as Punjab Alkalies & Chemicals Limited)

Resilience through turbulent times

Total Income of Rs. 980 Mn, EBITDA of Rs. 5 Mn and

Profit/(Loss) after tax of Rs. (129) Mn

Cash Flow from Operations of Rs. 280 Mn (for H1FY24)

Chandigarh, November 4, 2023: Primo Chemicals Ltd., the leading producer of Caustic Soda in North India region, has announced the results for quarter and half year ended 30th September 2023.

Q2 FY24 Consolidated Performance Highlights:

- Revenue from Operations of Rs. 932 million, compared to Rs. 1,857 million in Q2 FY23
- EBITDA of Rs. 5 million, compared to 614 million in Q2 FY23
- Net Profit/(loss) of Rs. (129) million, compared to Rs. 418 million in Q2 FY23

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



“The subdued performance during the reported quarter was due to lowest ECU realisations in last eight quarters. The turbulent global economic conditions led to fall in aggregate demand and caustic soda overcapacity, particularly in India, contributed to lower caustic soda prices. The prices are likely to be range-bound in coming quarter till the domestic demand commensurate with the supply situation attributed by domestic growth narrative. Despite above factors, we remain confident in our team ability to take the situation as an opportunity to further optimize our processes, focus on cost efficiencies and progress with planned integration initiatives.

In order to mitigate the volatility in caustic soda market, we are progressing with addition of downstream chlor-alkali products like Aluminium Chloride and Caustic Soda Flakes. Thus, as part of our efforts, we have commenced production of Aluminium Chloride at our Naya Nangal facility in Punjab, with an installed capacity of 16,500 tonnes per annum, during the quarter, and Stable Bleaching Powder was commenced previous year. While, the Caustic Flaker Unit and 35 MW Captive Power Plant are expected to commence in the coming quarter.

Looking ahead over the coming quarters, we anticipate the situation to gradually improve enabling us to stay dedicated to our strategic plans and invest in future growth drivers. We want to express our gratitude to our stakeholders who have supported and believed in our vision. Our commitment remains firm in creating sustainable growth and value for all stakeholders.

Consolidated Financial Performance:

Consolidated (Rs. Mn)	Q2FY24	Q2FY23	Y-o-Y	Q1FY24	Q-o-Q	1HFY24	1HFY23	Y-o-Y	FY23
Revenue from Operations	932	1,857	-50%	1,099	-15%	2,031	3,719	-45%	7,074
Total Income	980	1,946	-50%	1,153	-15%	2,134	3,860	-45%	7,335
EBITDA	5	614	-99%	125	-96%	130	1,315	-90%	2,185
EBITDA Margin%	0%	32%		11%		6%	34%		30%
PBT	-123	570	<i>n.m.</i>	8	<i>n.m.</i>	-121	1,211	<i>n.m.</i>	1,865
<i>PBT Margin%</i>	<i>-13%</i>	<i>29%</i>		<i>1%</i>		<i>-6%</i>	<i>31%</i>		<i>25%</i>
PAT	-129	418	n.m.	-43	n.m.	-172	897	n.m.	1,374
PAT Margin%	-13%	21%		-4%		-8%	23%		19%

Note: All margins are calculated on Total Income, n.m.: non-measurable

Business highlights**ECU and caustic soda**

The realisations declined over 40% in last six months and year-on-year as compared to Q2FY24, seems to have stabilized as of now. They peaked at ~USD 760/MT in May'22 and dropped to ~USD 380/MT in Jul'23, have now steadied during the quarter. The adverse market conditions in the global demand and oversupply situation in India impacted our ECU realisations to decline by ~36% YoY and ~7% QoQ. Due to domestic supply-demand mismatch, our caustic soda sales volumes declined by 18% YoY and 10% QoQ.

Progress Update on Ongoing Projects:

- The development of the Caustic Flaker unit is proceeding as per schedule and is expected to become operational in Q3FY24.
- We have secured the necessary consent from the Punjab Pollution Control Board to operate a captive 35 MW Power Plant. The Power Plant is slated to be operational by Q3FY24.

Status of Upcoming Projects:

- We have successfully acquired a 49% stake in Flow Tech Chemicals, a manufacturer specializing in Chlorinated Paraffin and Hydrochloric Acid. This strategic move aligns with our forward integration strategy and the process of acquiring the remaining 51% stake shall be completed by Q3FY25.
- During the fiscal year 2023, we increased our manufacturing capacity from 300 TPD to 500 TPD and our plans to further de-bottlenecking the capacities are on track, which will not only boost our production volume but also contribute to increased sales in the near future.



Manufacturing units: Location: Ropar, Punjab (India)

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 the North India region. The company's main product is Caustic Soda Lye (500 TPD) and other products include Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite, Hydrogen gas and Stable Bleaching Powder. The Caustic Soda plant is based on the state-of-the-art, energy-efficient, eco-friendly HOECHST-UHDE membrane cell technology with a combined manufacturing capacity of 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.