

CORPORATE OFFICE :
1st floor, 137 Hubtown Solaris,
N.S. Phadke Road, Opp. Teli Gali,
Near Andheri East West Flyover Bridge.
Andheri East. Mumbai - 400069 (INDIA).
CIN No. L24232MP1989PLC005390
Tel. : 91-22-6863 4200 / 6863 4206
Fax : (91) 022-2206 3929
E-mail : poltd@panchsheelorganics.in
Website : http://www.panchsheelorganics.com



**Panchsheel
Organics
Limited**
MFGRS. OF: BULK DRUGS
& FORMULATIONS

19th April, 2022

To,
BSE Limited
25th Floor, P J Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 531726

Dear Sir/Madam,

Sub: Outcome of Meeting with analyst/institutional investor

Pursuant to Regulation 30 and other respective regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we hereby provide the details of the Institutional Investor/Analyst Meeting of the Company held on 18th April, 2022 through Video Conferencing with Sharath Capital.

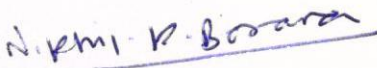
The attached presentation was made to Investor.

This is for your information and record.

Thanking you,

Yours faithfully,

For Panchsheel Organics Limited


Nikhil Borana
Company Secretary and Compliance Officer
Place: Mumbai
Date: 19th April, 2022





PANCHSHEEL ORGANICS LTD

“HEALTHY WORLD THROUGH MEDICINES”

Investor Presentation



Disclaimer

This document has been prepared for information purposes only and is not an offer or invitation or recommendation to buy or sell any securities of Panchsheel Organics Ltd (“POL”, "Company"), nor shall part, or all, of this document form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities of the Company.

This document is strictly confidential and may not be copied, published, distributed or transmitted to any person, in whole or in part, by any medium or in any form for any purpose. The information in this document is being provided by the Company and is subject to change without notice. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

This document contains statements about future events and expectations that are forward-looking statements. These statements typically contain words such as “Est.” or “estimated” and "expects/ed" and "anticipates/ed" and words of similar import. Any statement in this document that is not a statement of historical fact is a forward looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

Index

1. About Us

- Introduction
- Company Profile
- Vision & Mission
- Founder; BoD; Our Team
- Our Journey
- Key Highlights

2. Business Overview

- Competitive Strengths
- Product Profile
- Top 10 Products
- Top 5 Products Revenue Share
- Key Clientele
- SWOT analysis

3. Manufacturing facilities

- Manufacturing Facilities
- Biotechnology Laboratory
- Bio Specialty Division
 - Fermentation Process
 - Key Steps & Requirements
 - About the Fermentation Plant

4. Industry Overview

- Overview of Pharmaceutical Industry
- Market Size & Opportunity
- Industry Structure & Growth
- SMEs in the Pharma Industry

5. Performance Highlights

- Quarter Financial Performance
- Annual Income Statement
- Annual Balance Sheet
- Key Charts:
 - Profit & Loss
 - Return Ratios & Working Capital
 - Earnings Ratios

6. Way Forward

- Increase Capacity Utilisation
- New Manufacturing Facility
- Fermentation Facility Goes Live
- Expand Existing Capacity

About Us



Introduction

- Panchsheel an ISO CERTIFIED, GMP approved, maintaining WHO Standards, public listed company (listed on BSE) are manufacturers and exporters of Active Pharma Ingredients(APIs), Intermediates & Finished Formulations (both Human & Veterinary) having a wide experience of more than three decades in the healthcare field.
- The company was promoted in 1990 by the Turakhia Bros Group, having 35 years of rich experience, expertise and a proven track-record in the field of Pharma Export-Import trading, dealing in a wide range of globally sourced, as well as indigenously manufactured, best-in-their-class life-saving medicines covering APIs, Intermediates, Specialty Chemicals, Hormones, Steroids etc.
- Panchsheel is a technology based and market driven company backed by a strong R & D setup aims at innovative production and thus creating a niche market for our products.





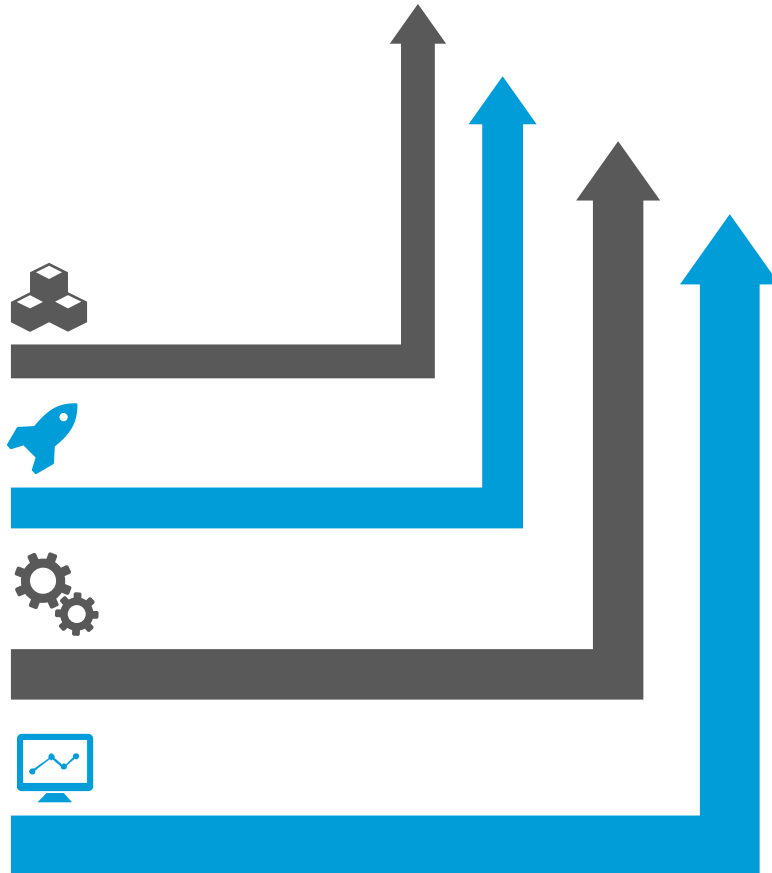
Company Profile

- Our multipurpose manufacturing unit is situated at **Madhya Pradesh** in the central province of India at Indore and Pithampur.
- It is very well equipped with most modern production facilities and latest equipments capable of undertaking large orders and complex reactions.
- The current manufacturing facility is on 7500 sq mt land of which the current 4 manufacturing blocks are spread over an area of 5,000 sq. mt.
- We have sufficient Government permissions and maintain all different types of licences for safety, pollution etc and also have been allotted sufficient power supply .
- We undertake custom synthesis and contract manufacturing activities for APIs, Drug Intermediates and Finished Formulations as per client's requirement.
- Panchsheel has infrastructure and an experienced team in its quality department who have been ensuring strict control for maintenance of quality standard for more than 3 decades. Thanks to its quality team, Panchsheel has been given preference by customers for consistency in quality parameters & standards.
- Panchsheel has built systems, infrastructure supported by a team of experienced professionals for building us its strength in regulatory affairs.
- **The company is coming up with a Fermentation unit at Pithampur for manufacturing API, Probiotics and Enzymes, all of which has tremendous scope for export.**



Vision & Mission

Our Motto: "To manufacture and market Active Pharmaceutical Ingredients of International Standards"



1. GOAL

Customer Satisfaction is our ultimate goal. With the available multipurpose plant, good strength of qualified and experienced staff and well equipped quality controlled laboratory Panchsheel Organics Ltd is confident of achieving its goals successfully.

2. STRATEGY

The company is continuously trying to build a large overseas business and revenue from export business accounts for a sizeable component of company's turnover. The company is tapping potentially new markets and exporting a wide range of products.

3. OBJECTIVE

The company has a wide range of pharmaceutical products in its portfolio. The company tries and taps every lawful opportunity coming it's way and follows a focused approach and increases marketing effort.

4. SUCCESS

The company is global in its outlook and benchmarks its quality standards to the best in the world and this has resulted in increased growth of the company in the recent years. In the coming years it shall strive hard to build a strong reputation for themselves and carve a niche for our products.

Founders & Key Management Team



**Chairman
& MD**

Mr. Mahendra Turakhia

Mr. Mahendra Turakhia holds a Bachelor's degree in Science and has wide experience in manufacturing & production of API and pharmaceutical products. He has full command over product development and has excellent management skills.

His key strengths are people management, strategic development of the organisation & strong execution initiatives to deliver business plans consistently in changing market cycles.

He has vast and varied experience of over 45 years in the pharmaceutical industry and over the years, has made a wide network of contacts in India and abroad.

Mr. Kishor Turakhia

Mr. Kishor Turakhia, an Executive Director of the Company, holds a Bachelor's degree in Commerce and has more than 40 years of rich experience in the pharmaceutical industry as well as in finance. He oversees business development and contributes in evolving new growth strategies.



**Executive
Director**

Mr. Rajesh Turakhia

Mr. Rajesh Turakhia, an Executive Director of the Company holds a Bachelor's degree in Commerce and has been associated with the Company for more than 35 years. He has thorough understanding of market developments, marketing strategies and practices.

Besides that, his key strengths are people management, strategic development of the organisation and strong execution initiatives to deliver business plans consistently in changing market cycles. His rich experience and expertise is helpful for the organic and inorganic growth of the business.



**Executive
Director**

Board of Directors



Mr. Diwakar Mani Tripathi
Non-Executive Independent Director

Mr. Tripathi, Non-executive Independent Director of the Company, has done M.Sc in chemistry and Organic Chemistry. He has over 40 years of work experience.

He has worked with Chemopharma as a Chemist, has been the lab in-charge for Hexa Analytical Laboratories and Manager for Invochem Laboratories.

He possesses the required expertise as a Non-executive Independent Director. His experience is of immense benefit to the Company.



Dr. Shambhunath Chakravarti
Non-Executive Independent Director

Dr. Chakravarti has done Ph.D. in Science, M.Sc in Chemistry, F.I.C and is a Chartered Chemist. He has over 35 years of experience in Production, R&D and Quality Assurance in Chemical industry and several years of experience in Research on Synthetic Chemistry.

His experience includes working with Organon (India) Limited which is the pioneer in manufacturing of hormones and steroids, Aclima Pharmaceuticals Private Limited and Govind Laboratories Private Limited. He is associated with Panchsheel since 2014.



Mrs. Darshana Vishal Shah
Non-Executive Independent Director

Mrs. Darshana Shah, Non-executive Independent Director of the Company holds a Bachelor's degree in Commerce and has been associated with the Company for more than 7 years.

She has worked for several companies like Cap Gemini India Pvt. Ltd, HITACHI, HSBC Bank, MaFoi Management Consultants Ltd as a part of the Admin team.

Our Team

Chandrakant Shah

Chief Financial Officer

BCom graduate and registered with Income Tax Authority as a Tax Consultant.

He has over 43 years of professional experience and has previously worked with various organizations across multiple sectors like garments, engineering products, coal, luggage, Active Pharma Ingredients manufacturing units, etc.

Dr. Rajesh Bharti

Head of Research & Development

Ph.D. and M.Sc. In Chemistry (silver and bronze medalist). He has written 14 international publications in various papers of printing houses and 23 abstracts have been published online.

Before Panchsheel, he worked as HOD/Scientist in Research and Development Department at Apex Healthcare Limited in Ankleshwar.

Nikhil K. Borana

Company Secretary

A Professional CS with the Institute of Company Secretaries of India.

Nikhil is a young professional having worked with financial services companies handling their Company Secretarial roles. He has independently handled work related to Incorporation of companies, secretarial activities related to Directors / Partners, conversion of company from LLP to Private and vice versa and other activities related to his core role.

Key Highlights



Total Capacity

120 TPA

The company has an installed capacity of 120 TPA at its plant at Indore to manufacture Active Pharmaceutical Ingredients (APIs)



Top Products

58-65%

Top 5 Products by volume contributed to 58% of Sales until Feb'2022 while Top 10 Products contributed to 68% of Sales Volume until Feb'2022.



Total Reserves & Surplus

31 Cr

The total reserves and surplus with the company is INR 31 Cr. Panchsheel is also a completely debt free company. Promoter holding stands at 68.22% while 31.78% is free float.

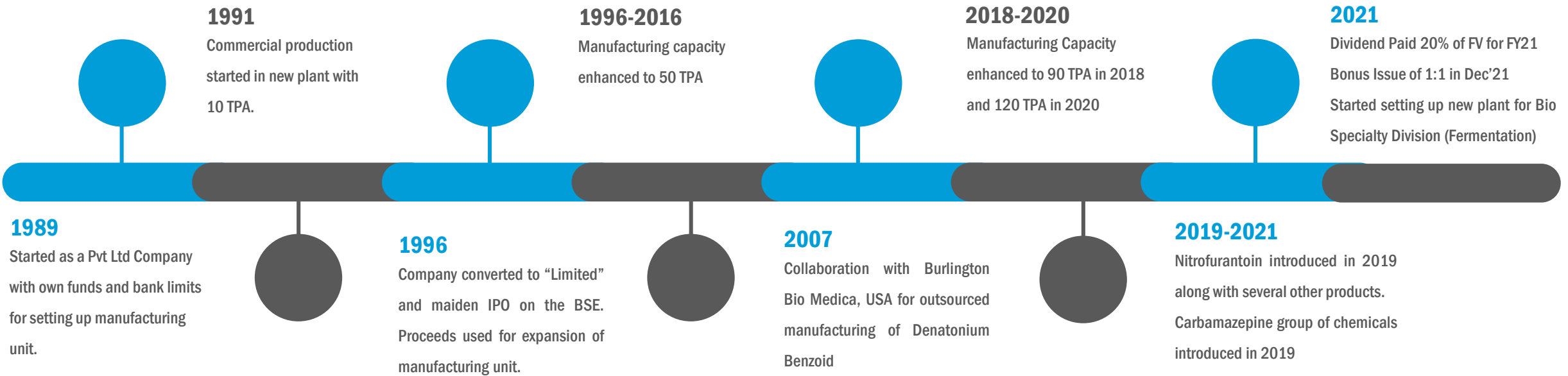


Regular Dividend Paying

20%

The company has paid regular dividends from 2012 (except for FY20 being a covid year). In FY21, company has declared total Rs 2 (20% of FV) as dividend, equalling ~20% Dividend Payout

Our Journey



Business Overview



Competitive Strengths

Clinically Tested

We at Panchsheel provide clinically tested products which will have no side effects and which will improve your health.

High Bandwidth for orders

At Panchsheel we always have a high amount of bandwidth of orders and we make sure that we work with perfection and cater each and every order with care.

Ultimate Perfection

We have a perfect and easy to use setup for our online store so that users who are not that tech savvy can also avail the benefit of our services.

Optimum Inventory

We always understand the needs of our customers and hence, always have the inventory in place so that our customers in need can take the benefit of our product.

Strict Deadline

We always take our deadlines very seriously and guarantee delivery within the stipulated time frame.

Reputed Company

Panchsheel Group has been present in the market for near about 3 Decades now. The business is driven by focusing on customer service, quality products and timely supplies of key materials to clients.

Product Profile

Active Pharmaceutical Ingredient



We hold expertise in offering a comprehensive range of active pharmaceutical ingredients, which are widely used in the manufacturing of various pharmaceutical drugs. These active pharmaceutical ingredients are valued amidst our clients for their reliable quality and precise composition.

OTC Products



Panchsheel has a dedicated hard core Formulations Division marketing Finished Dosage Forms (FDFs) in the Over-the-Counter (OTC) Product category covering many exciting innovative Healthcare & FMCG products. A comprehensive product basket and products with technology-based differentiation are highlights.

Veterinary Division / Animal Health Division



Panchsheel's Animal Health Division offers a wide range of products our product category includes the following:
APIs for animal health
Feed supplements,
Vet Formulations: Antibiotics, dewormers, oral paste, injectables and many more.

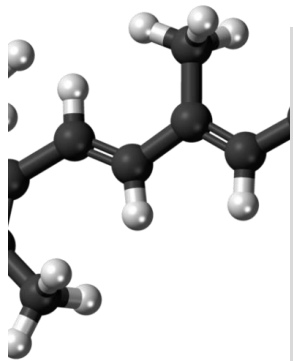
Micro Pellets & Direct Compression



Panchsheel Organics Limited is the one of select few Companies in India producing high quality Sustained and Modified Release Pellets, DC Granules & Taste Masked Granules using Innovative Drug Delivery Technologies Utilizing some of best and latest processing machineries to achieve consistent release characteristics.

Product Profile

Steroids & Hormones



Steroid & hormones are crucial substances for the proper function of the body and are synthesized and secreted into the bloodstream. Our innovative, value-added products improve the quality of life of people around the world and help them enjoy longer, healthier and more productive lives.

Fitness & Healthcare Products



Healthcare and fitness are closely related, as you already know, no doubt. There is also a consensus among organizations like the ACSM and the medical profession that exercise is essential to human health, also that technology changes the way we deliver care.

Product Development & Testing Laboratory



At Panchsheel, we understand the value of continuous innovation. The company invests generously on its Research & Development facilities and has established state of the art laboratories to foster the development of products that would further enhance good health and well being.

Nutraceuticals



Panchsheel organics Ltd. Is known for manufacturing of high quality nutraceutical raw materials. Our Nutraceutical Division offers products like: Green Tea Extract Tablets, Cranberry Extract Tablets, Garcinia Cambogia Veg Capsules, and more.

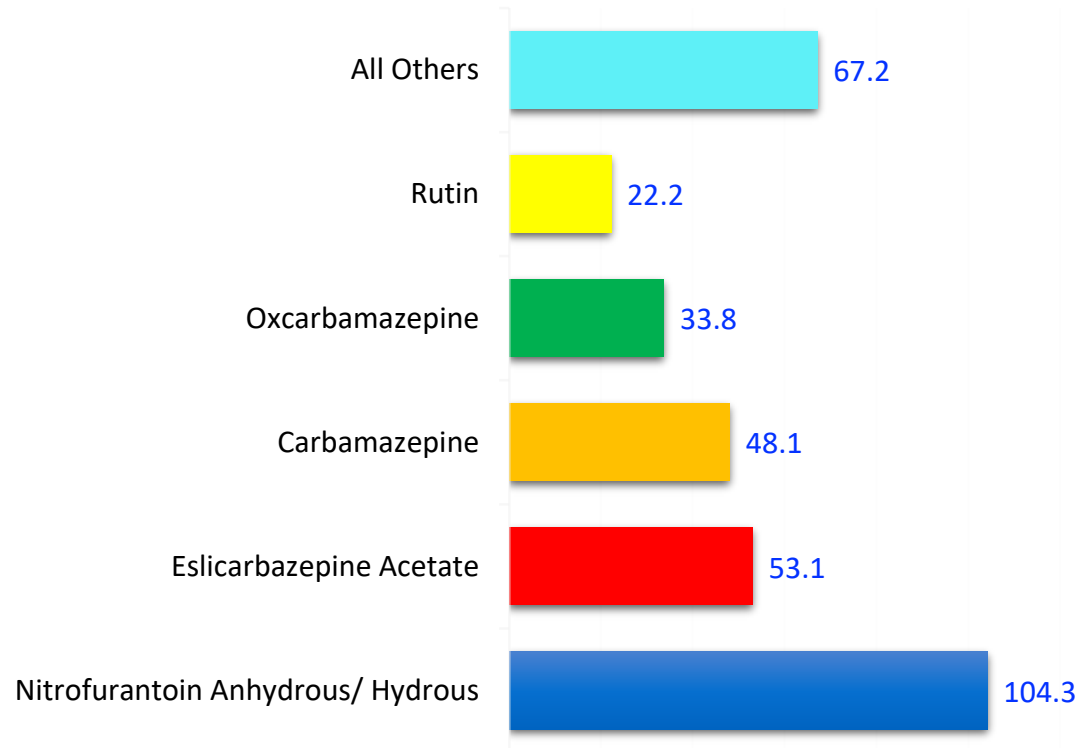
Top 10 products

- ❑ **Eslicarbazepine acetate** : Anticonvulsant medication.
- ❑ **Oxcarbazepine** : anticonvulsant. It works by decreasing nerve impulses that cause seizures and pain
- ❑ **Carbamazepine** : anticonvulsant medication, epilepsy and neuropathic pain, bipolar disorder.
- ❑ **Carbocisteine** : Mucoactive agents, chronic obstructive pulmonary disorder (COPD) and bronchiectasis.
- ❑ **Nitrofurantoin** : Antibacterial medication used to treat bladder infections.
- ❑ **Irbesartan** : Used to treat high blood pressure, heart failure, and diabetic kidney disease.
- ❑ **Promethazine theoclate** : helps relieve anxiety, tension, and restlessness, short-term treatment of nausea, vomiting, epigastric pain and peptic ulcer disease.
- ❑ **Dobutamine hydrochloride** : Cardiogenic shock, heart failure, cardiac stress tests.
- ❑ **Rutin** : used for autism, aging skin, airway infections.
- ❑ **Dutasteride** : used to treat the symptoms of an enlarged prostate

Top 5 products Revenue share

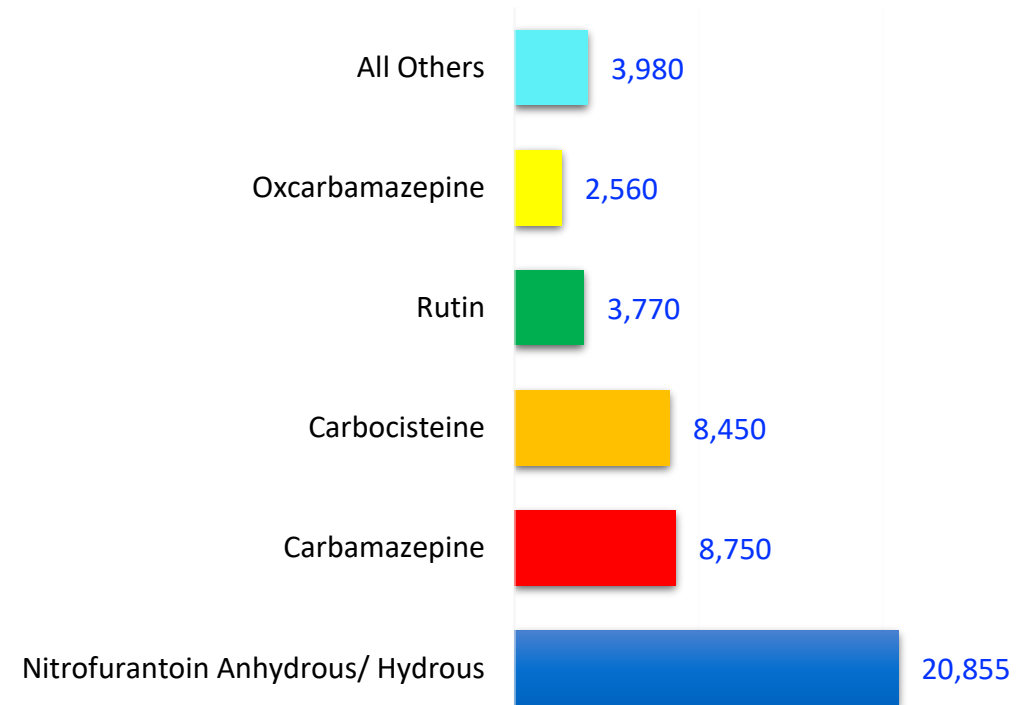
Top 5 products share to Revenue (Rs mn)

Annual Sales (Rs Mn)



Top 5 products by volume (kgs per annum)

Sales Volume (Kgs p.a.)



Key Clientele



SWOT Analysis

Strengths

- Extensive experience in specialty chemicals and pharmaceutical intermediates.
- Stronger sustainability and compliance framework with thrusts to continuously improving and adding on to it.
- Export sales in more than 15 countries.
- Sound manufacturing capability of APIs.
- Strategic location of manufacturing units with easy access to raw materials and utilities.

Weakness

- Products are highly dependent on the availability of raw materials;
- Macro factors may expose various risks impacting the growth
- Global nature of operations like unfavourable currency movements, etc, expose the business to losses.
- The prices of many API's and intermediates have risen significantly due to restriction in production by various Chinese manufacturers. Other factors contributing to such price hike are rise in price of petroleum-based products, frequent shortages and general inflationary conditions. All these adversely affect the production schedules and overall margins of our Company's products.

SWOT Analysis

Opportunities

Domestic Markets:

- The Company has a wide range of pharmaceutical products in its portfolio. The Company tries and taps every lawful opportunity coming its way and follows a focused approach and increases marketing efforts. All these have resulted in increased growth of the Company in the recent years. In the coming years, it shall strive hard to build a strong reputation for themselves and carve a niche for our products.

International Markets:

- The Company is continuously trying to build a large overseas business and revenue from export business accounts for a sizeable component of Company's total turnover. The Company is continuously tapping potentially new markets and exporting a wide range of products to these countries.

Threats

- Due to emergence of corona virus, API production has been hampered in China, which has impacted the Company's supply chain. Other low-cost countries such as China and Israel are affecting outsourcing demand for Indian pharmaceutical products.
- Entry of foreign players (well-equipped technology-based products) into the Indian market.
- Drug Pricing: The domestic pharmaceutical industry is very much dependent on the government's Drug Pricing Policy. It is important for the Government to introduce free and fair competition rather than arbitrary drug control measures to decide prices of essential drugs.
- Rising Costs and Availability of Materials.

Manufacturing Facilities



Manufacturing Facilities

The multipurpose manufacturing unit of the Company is situated at Madhya Pradesh, in the central province of India at Indore, in B6/ B7, Sector 'C', Sanwer Road Industrial Estate, Indore – 452 015. It is very well equipped with most modern production facilities and latest equipments capable of undertaking large orders and complex reactions very comfortably with plenty of available land, of which 5,000 sq.mts is constructed covering 4 manufacturing blocks. The Company has sufficient Government permission and has maintained all types of licenses for safety and pollution. The Company has also maintained an approved effluent treatment plant.

Every unit has a built-in testing facility which is well-equipped with most modern equipments and testing apparatus like HPLC, GC, IR, UV etc to ensure complete compliance to the set quality standards. They offer a wide range of products under different categories like Cardiovascular, Neuropsychiatry, Anti-fungal, Fluoroquinolones, Antiallergic, Anti-Inflammatory, Gastrointestinal, Osteoporosis, Hormones and Steroids manufacturing facility and many more.



Manufacturing Facilities



Effluent Treatment Plant



(Reverse Osmosis Plant) R.O. Plant



Glass Lined Reactor



(De-mineralised Water Plant)

Biotechnology Laboratory

EQUIPMENTS REQUIRED FOR BIOTECHNOLOGY LABORATORY

- Lab fermenter (2 – 1 of 5 liters and 1 of 30 liters)
- Microscope
- Orbital incubator shaker
- BOD incubator (2 no.)
- High speed cooling centrifuge
- PCR system
- DNA sequencer
- Gel electrophoresis system
- Bacterial incubator
- Lab centrifuge small
- Rotary vacuum evaporator
- Autoclave 2 nos.



Bio Speciality Division



Fermentation – the Process

Meaning of Fermentation

- Fermentation is a metabolic process that converts sugar to acids, gases or alcohol.
- It occurs in yeast and bacteria, but also in oxygen starved muscle cells, as in the case of lactic acid fermentation.
- fermentation is also used more broadly to refer to the bulk growth of microorganisms on a growth medium, often with the goal of producing a specific chemical product.
- The science of fermentation is known as zymology.

Range of Fermentation Process

- To Produce Microbial Cells or Biomass
- To Produce Microbial Enzymes
- To Produce Microbial Metabolites
- To Produce recombinant Products
- To modify a compound which is added to the fermentation (Transformation)

The division would utilize exceptional reliable, high quality and advanced manufacturing operations/techniques for Upstream and Downstream fermentation production.

Upstream Processing Activities

- To be operated by skilled and experienced professionals, these automated production plants will implement complex fermentation and bio conversion projects including subsequent recovery processes.
- Our fermentation production capabilities will cover a broad range of technologies and products starting from antibiotics and immunosuppressant compounds to other highly complex molecules.

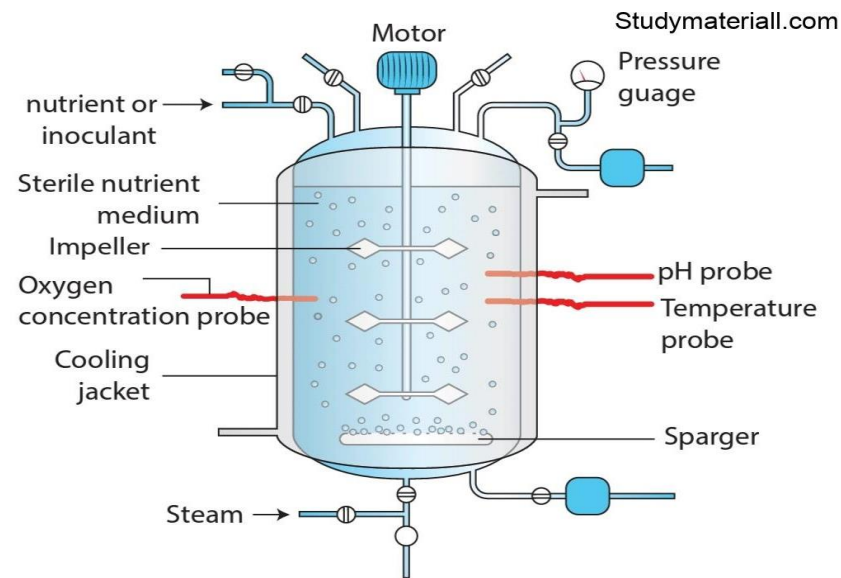
Downstream Processing Activities

- Our downstream processing activities will cover diverse operations including whole broth extraction, Cross flow filtration, membrane filtration, vaporization, adsorption resin chromatography, crystallization, filtration, and drying.

Key Steps and Requirements

Steps to carry out Fermentation

- The formulation of media to be used in culturing the process organism during the development of the inoculums and in the production fermenter
- The Sterilization of the medium, fermenters and ancillary equipment.
- The growth of the organism in the production fermenter under optimum condition for product and its formation.
- The extraction of the product and its purification.
- The disposal of effluents produced by the process



Requirements for Fermentation

1. Inoculum lab microbiology:

- A small amount of material containing bacteria, viruses, or other microorganisms that is used to start a culture.
- A high yielding strain (Bacteria) is a prerequisite for antibiotic production.
- The Inoculum is prepared usually in the form of a spore suspension, which is transferred into the fermenter.

Microbiology Lab

- Clean room facility- 4000 Sq ft
- Microbiological Equipments
- Clean room- class C
- MCB & WCB Storage area

2. R&D microbiology:

- To carry out batch experiment on small level for fermentation optimization.
- Testing of cultures, raw materials and batch parameters.
- Development of new product, cultures and process.

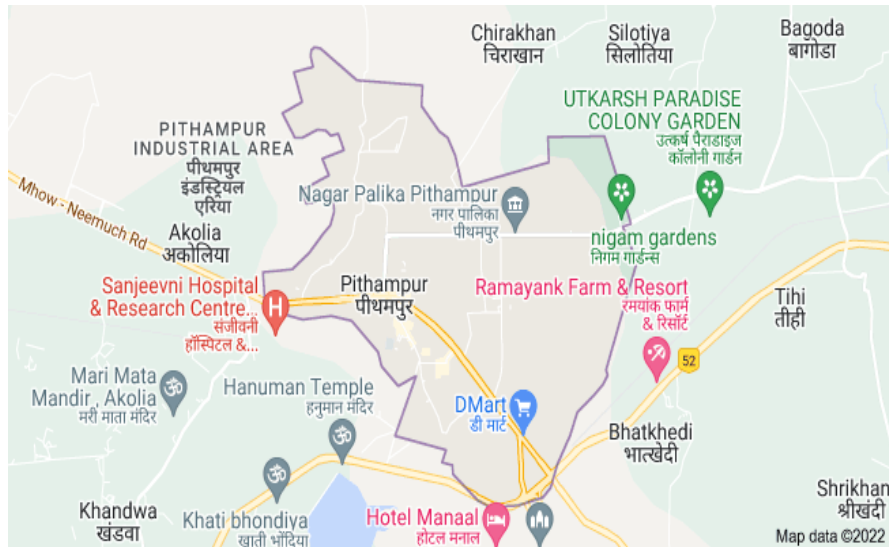
QC and Analytical Lab

- HPLC- 4
- LCMS-1
- GC-2
- SOR apparatus
- ETC
- Area - 4000-5000 Sq ft

Panchsheel Bio Speciality Division (Fermentation)

- Bio Speciality division of Panchsheel Organics Limited will be located at Pithampur, Industrial City, Dhar District, Madhya Pradesh State. Land has already been procured for PANCHSHEEL BIO SPECIALITY DIVISION and a Bio-fermentation plant is being made. The plant will occupy a total area of 75,000 sq. feet.
- The division would have highly skilled team of Microbiologists, Biotechnologists, Engineers and Technocrats in the TEAM, who would be focused on the continuous improvement of product quality, in a systematic, scalable & safe manner.
- Capabilities, technologies, and process development services are designed to meet the highest industry standards.

Manufacturing site of the Fermentation Unit



Products to be manufactured

No.	Product	Category	No.	Product	Category
1	Mupirocin	Antibiotic	14	Tacrolimus	Immunosuppressant
2	Mupirocin Calcium		15	Tacrolimuspremix	
3	Daptomycin		16	Cyclosporine	
4	Fidaxomycin		17	Mycophenolic Acid	
5	Vancomycin		18	Mycophenolate Mofetil	
6	Oritavancin		19	Sirolimus	
7	Polymyxin-8		20	Everolimus	
8	Penicillin G		21	Ascomycin	
9	Erythromycin		22	Pimacrolimus	
10	Azithromycin		23	Azathioprine	
11	Micafunginsodium	Antifungal	24	Donorubicin	Anticancer
12	Anidulafungin		25	Doxorubicin	
13	Caspofungin Acetate		26	Mitomycin	
			27	Midostaurin	

Industry Overview

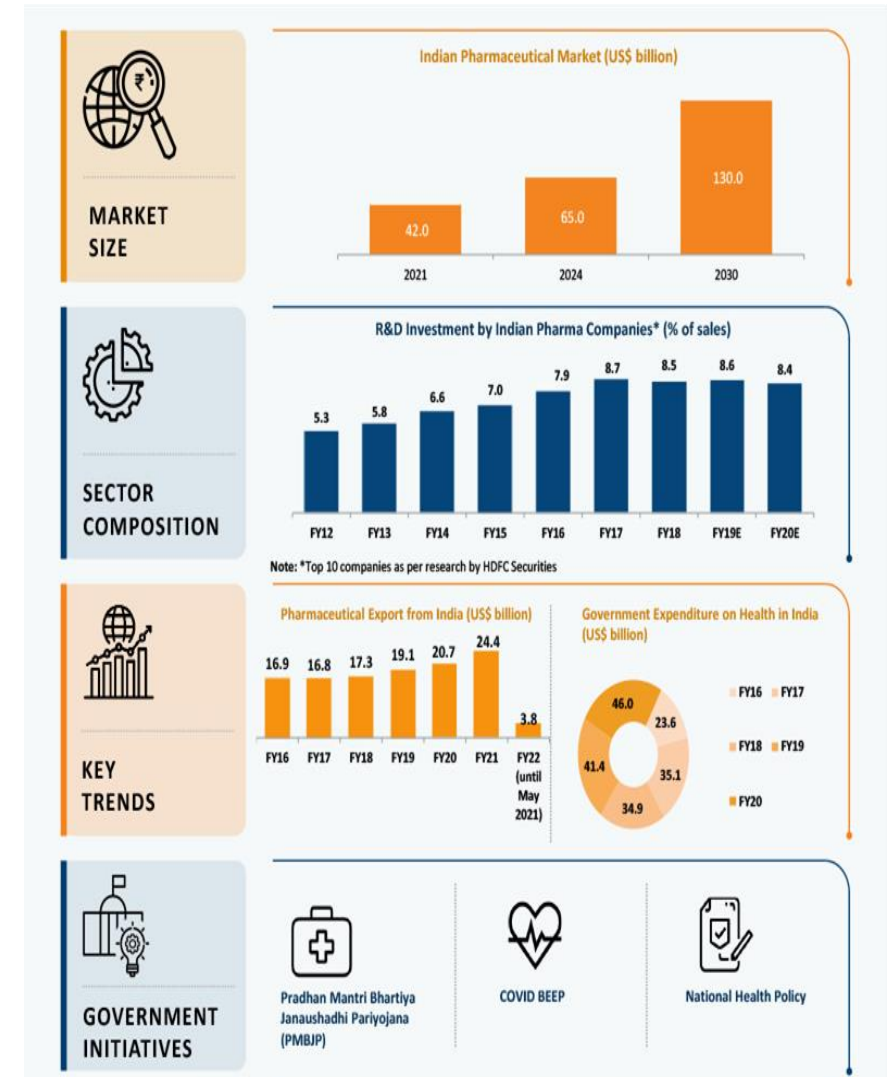


Overview of Pharmaceutical Industry

- The pharmaceutical industry plays a unique role in improving the lives of the patients. It is also one of the world's fastest growing industries and amongst the biggest contributors to the world economy.
- CMS estimates retail spending on prescription drugs at 9.2% of NHE in 2018 and projects that this share will fall to 9.0% by 2028.
- It is estimated that non - retail drug spending accounted for an additional 4.5% of NHE in 2018, growing to 4.9% by 2028.
- India is the largest provider of generic drugs globally.
- Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK.
- Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units.
- India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.
- In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand.
- According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade.

Market Size & Opportunity

- India's domestic pharmaceutical market is estimated at US\$ 42 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030.
- In August 2021, the Indian pharmaceutical market increased at 17.7% annually, up from 13.7% in July 2020. According to India Ratings & Research, the Indian pharmaceutical market revenue is expected to be over 12% Y-o-Y in FY22.
- India is the 12th largest exporter of medical goods in the world. The country's pharmaceutical sector contributes 6.6% to the total merchandise exports.
- As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of 11% over the next two years, to reach more than US\$ 60 billion in value.
- Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years.



Source: IBEF.org

Industry Structure & Growth

- The active pharmaceutical ingredients market size is slated to grow by \$ 60.56 billion between 2020-2024.
- Asia was the largest market for API in 2019, and the region will continue to offer maximum growth opportunities to market vendors during 2020-2024. The growing partnerships between Asian API manufacturers and global vendors, along with policy revamp in the region, preferring intellectual properties, will significantly encourage the API market growth in Asia.
- Almost 66% of the market's growth will originate from Asia. Japan, China, and India are the key markets for active pharmaceutical ingredients in Asia.
- The increased healthcare expenditure by the urban population and rapid surge in the aged population are influencing the APIs market growth, which has led to an increase in the number of DMF filings for APIs.

SMEs in the Pharma Industry

- The MSME sector is one of the major generators of employment and is also a significant contributor to the overall growth of the country's economy.
- The MSME sector contributes Rs. 20 lacs crores to Goods & Services, contributing to 40 per cent of GDP of India. Similarly, in Indian Pharma industry, about 60 per cent of the manufacturing is contributed by MSMEs within an annual turnover of approximately Rs. 60,000 crores or \$9 billion which is an integral part of predominantly formulations and to an extent API industry more so for intermediates.
- The industry is extremely fragmented with approximately 24,000 units in the MSME sector accounting for 70% of production by volume and 50 per cent by value on ex-factory basis. SMEs contribute to almost 90% to domestic formulation and about 50% to exports.

Performance Highlights



Quarter Financial Performance

Particulars (INR Mn)	Q3FY22	Q2FY22	Q3FY21	YoY%	QoQ%	9MFY22	9MFY21	YoY%
Revenue from Operations	156.0	149.9	120.3	29.7%	4.1%	461.2	374.9	23.0%
Total Expenditure	124.6	123.9	98.5	26.5%	0.6%	376.5	309.7	21.6%
EBITDA	31.5	26.0	21.8	44.0%	20.8%	84.8	65.2	30.0%
EBITDA Margin (%)	20.2%	17.4%	18.2%	201 bps	278 bps	18.4%	17.4%	99 bps
Other Income	0.1	0.2	1.4	-95.3%	-68.6%	0.4	1.8	-77.6%
Depreciation	2.8	2.9	2.2	25.1%	-5.4%	8.8	7.2	21.9%
PBIT	28.7	23.3	21.0	37.0%	23.3%	76.4	59.7	27.8%
Interest	0.6	0.8	0.7	-18.9%	-32.7%	2.1	3.0	-29.9%
PBT	28.2	22.5	20.3	38.9%	25.4%	74.2	56.7	30.9%
Tax	7.9	6.3	5.6	39.6%	25.0%	20.8	15.8	31.8%
PAT	20.3	16.2	14.6	38.7%	25.5%	53.4	40.9	30.6%
PAT Margin (%)	13.0%	10.8%	12.2%	84 bps	222 bps	11.6%	10.9%	67 bps
EPS (Rs)	2.02	1.61	1.46	38.4%	25.5%	5.42	4.08	32.8%

Revenue
Growth



29.7% YoY
4.1% QoQ

EBITDA
Growth



44.0% YoY
20.8% QoQ

PAT
Growth



38.7% YoY
25.5% QoQ

EBITDA
Margin



20.2%
201 bps YoY

PAT
Margin



13.0%
84 bps YoY

Annual Income Statement

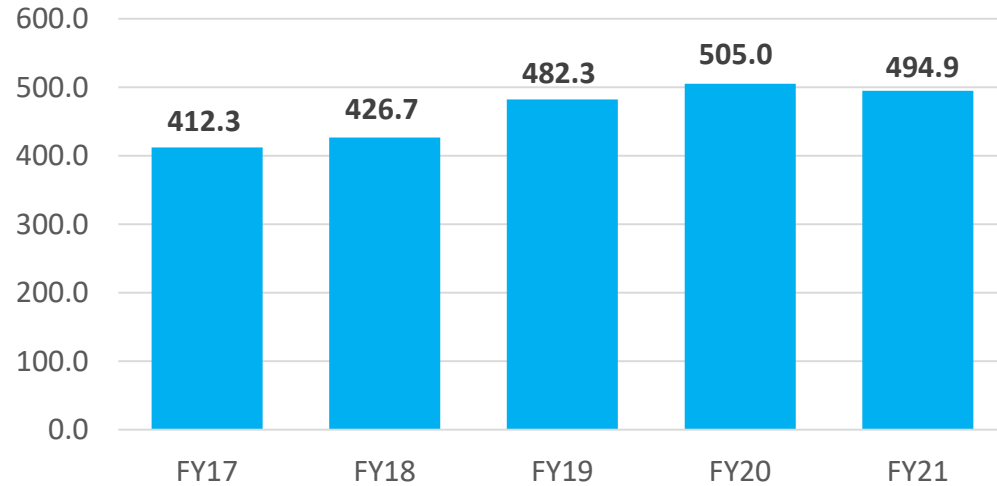
Particulars (INR Mn)	FY17	FY18	FY19	FY20	FY21
Revenue from Operations	412.3	426.7	482.3	505.0	494.9
Total Expenditure	345.6	358.0	413.0	419.6	408.4
EBITDA	66.7	68.7	69.3	85.4	86.6
EBITDA M (%)	16.2%	16.1%	14.4%	16.9%	17.5%
Other Income	0.6	0.7	2.8	1.9	1.8
Depreciation	12.1	12.2	11.6	11.1	11.1
PBIT	55.2	57.2	60.5	76.2	77.2
Interest	5.0	5.4	3.9	3.1	4.3
PBT	50.2	51.9	56.6	73.1	72.9
Tax	18.1	15.1	16.2	20.2	22.9
PAT	32.1	36.7	40.4	52.9	50.1
PAT M (%)	7.8%	8.6%	8.4%	10.5%	10.1%
EPS (Rs)	6.40	7.32	8.05	10.55	9.98

Annual Balance Sheet

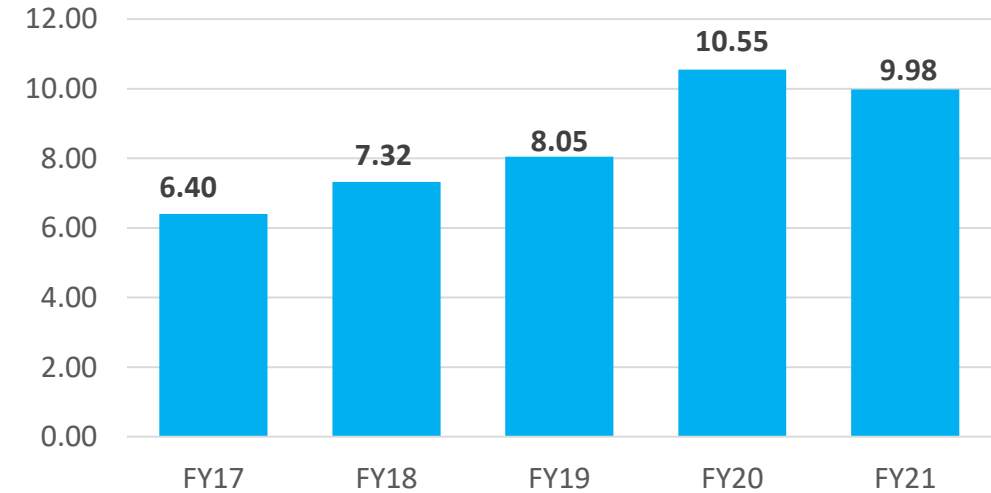
Particulars (INR Mn)	FY17	FY18	FY19	FY20	FY21
SOURCES OF FUNDS :					
Share Capital	50.2	50.2	50.2	50.2	50.2
Reserves	184.3	219.6	254.7	302.9	346.7
Total Shareholders Funds	234.4	269.7	304.9	353.1	396.8
Non-Current Liabilities	18.7	12.0	6.4	19.6	26.8
Long term borrowings	10.0	5.6	0.7	0.4	10.3
Long-term provisions	8.8	6.4	5.8	19.2	16.5
Current Liabilities & Provisions	138.0	163.0	130.2	145.7	155.0
Trade payables	55.3	91.8	64.4	92.6	117.8
Other current liabilities	58.4	58.8	52.6	48.1	32.2
Short term provisions	24.3	12.4	13.2	5.0	5.0
Total Equity & Liabilities	391.2	444.8	441.5	518.4	578.6
APPLICATION OF FUNDS :					
Non Current Assets	98.3	100.4	97.8	113.9	148.7
Fixed Assets	77.0	70.5	68.7	62.1	68.8
Capital work in progress	16.4	16.4	16.4	16.8	16.8
Noncurrent investment	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.6	2.2	4.0	4.8	2.9
Long term loans and advances	-	0.6	-	-	-
Other non-current assets	4.3	10.8	8.7	30.2	60.1
Current Assets	292.9	344.3	343.7	404.6	430.0
Inventories	125.7	137.3	145.2	154.7	187.9
Sundry debtors	150.6	196.7	180.8	225.2	189.8
Cash and bank	9.3	3.7	6.0	16.5	44.5
Others current assets	7.3	6.5	11.7	8.2	7.8
Total Assets	391.2	444.7	441.5	518.4	578.6
Net working capital	145.6	177.6	207.5	242.4	230.5
Total Gross Debt	10.0	5.6	0.7	0.4	10.3
Total Net debt	0.6	1.9	-5.3	-16.1	-34.2
Total capital employed	253.2	281.7	311.3	372.7	423.6

Profit & Loss (Annual)

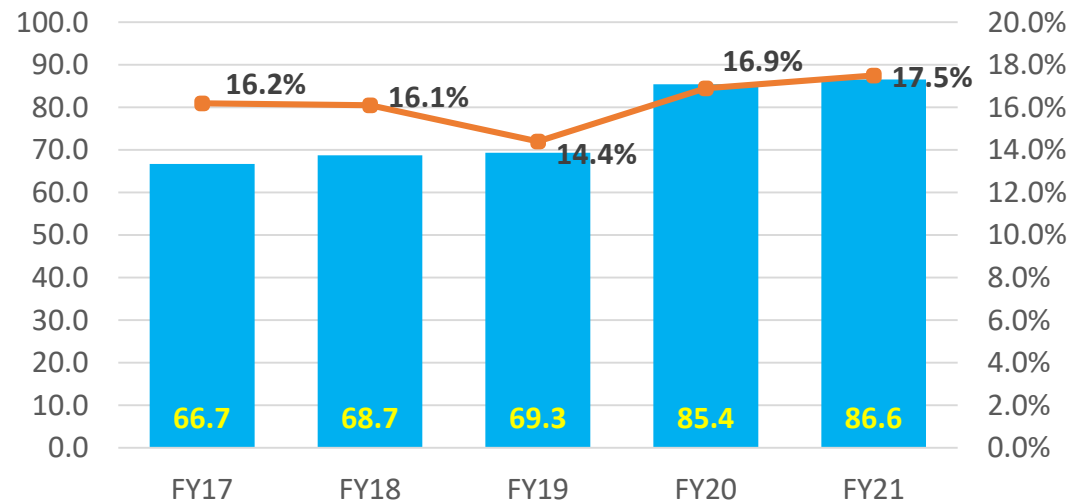
Revenue from Operations



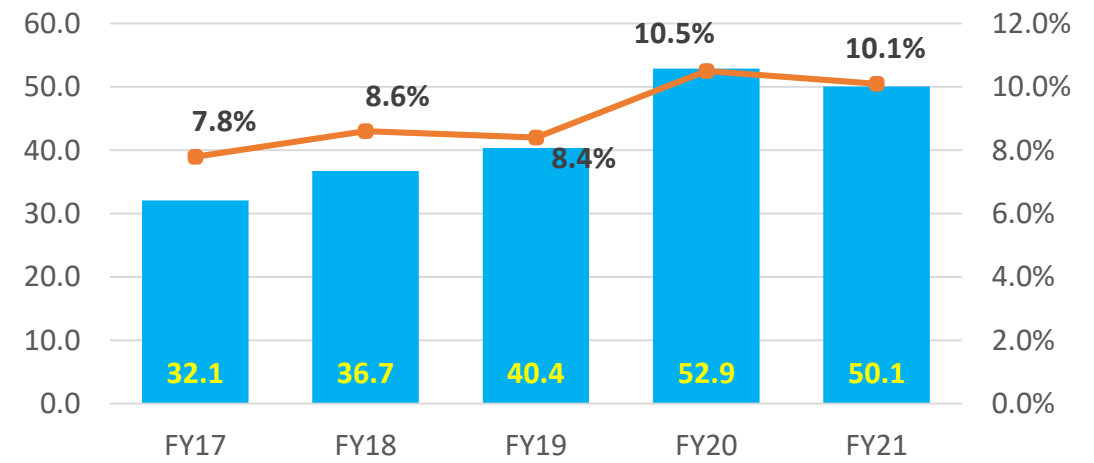
EPS (Rs)



EBIDTA (Rs Mn) & EBIDTA Margin (%)

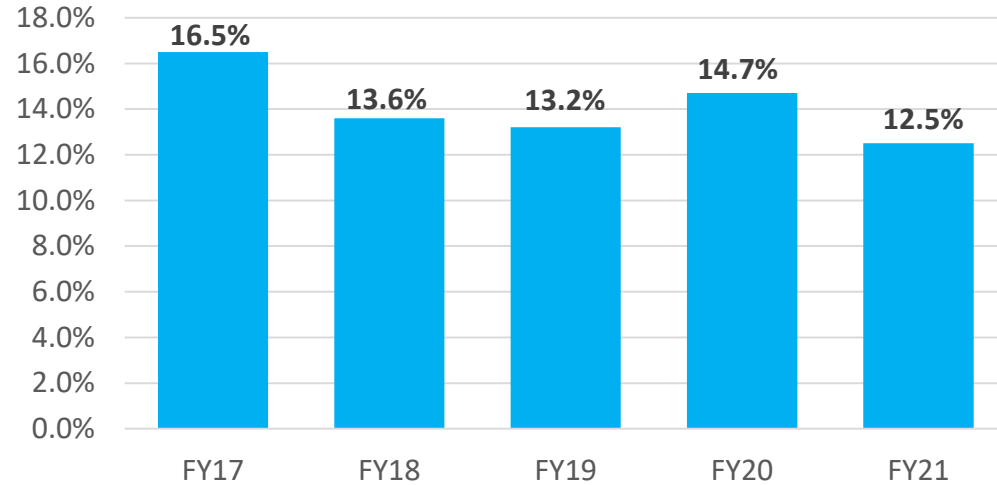


PAT (INR Mn) & PAT Margin (%)

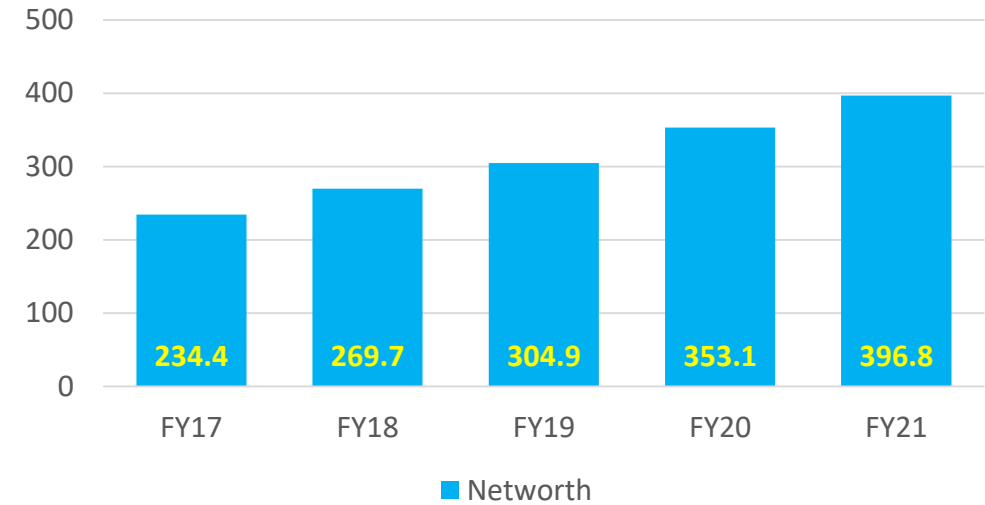


Return ratios & W.Cap (Annual)

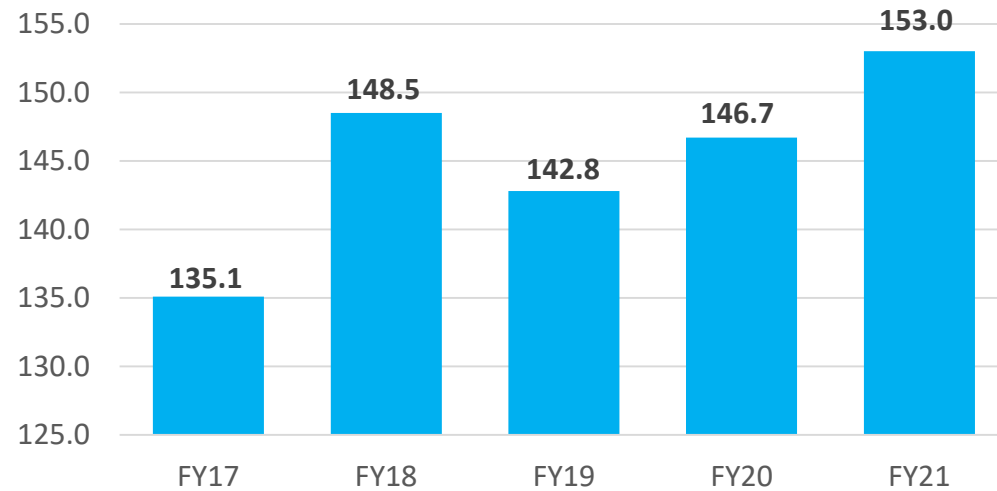
ROE (%)



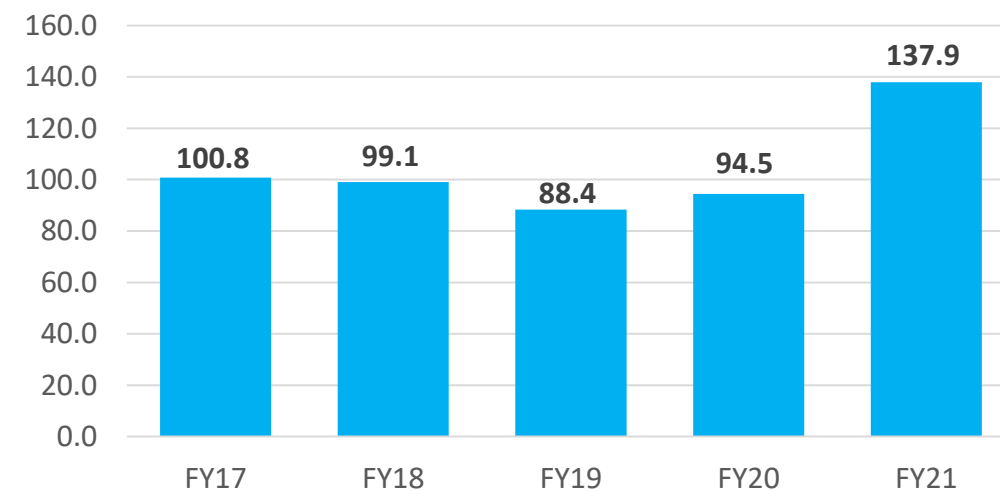
Net worth (INR Mn)



Debtors Velocity (Days)

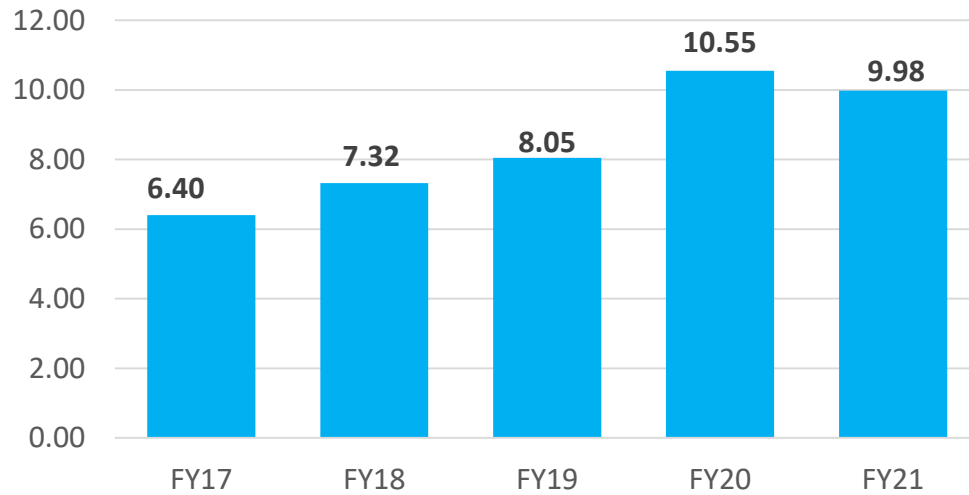


Creditors Velocity (Days)

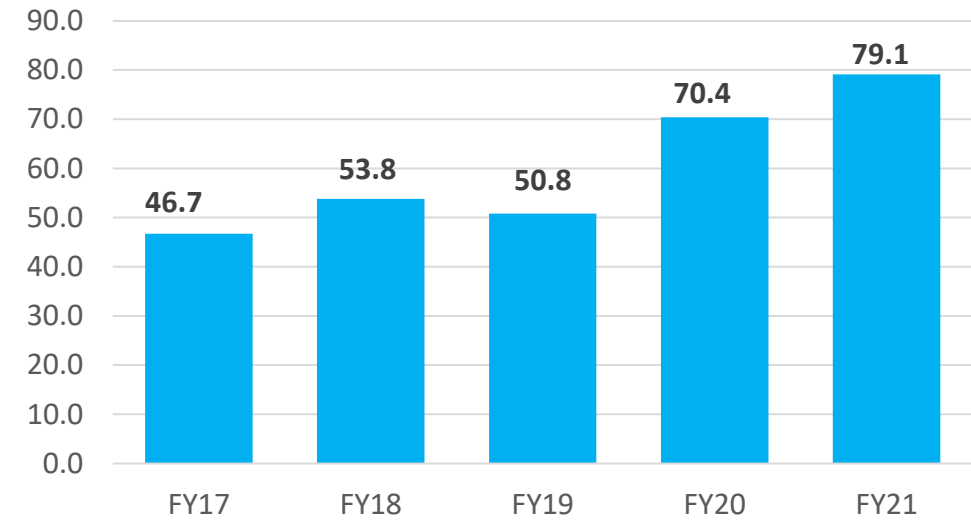


Earnings Ratios (Annual)

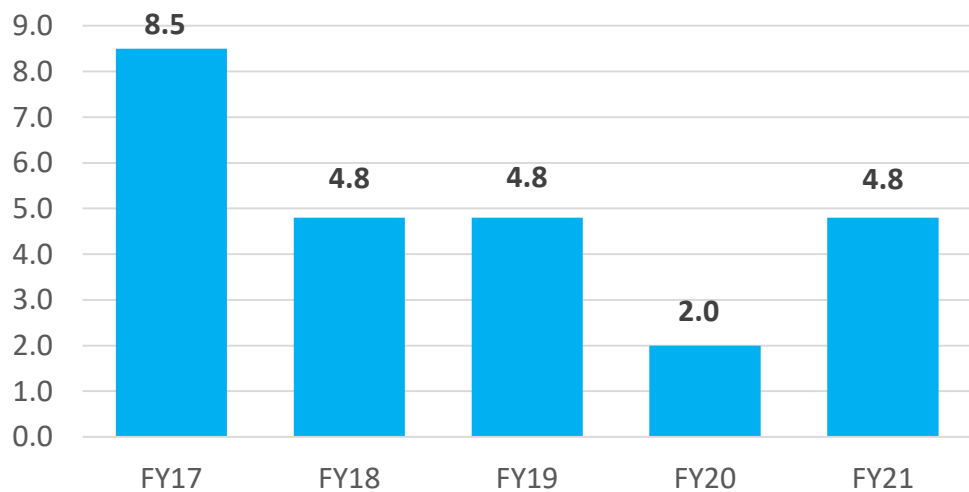
EPS (Rs)



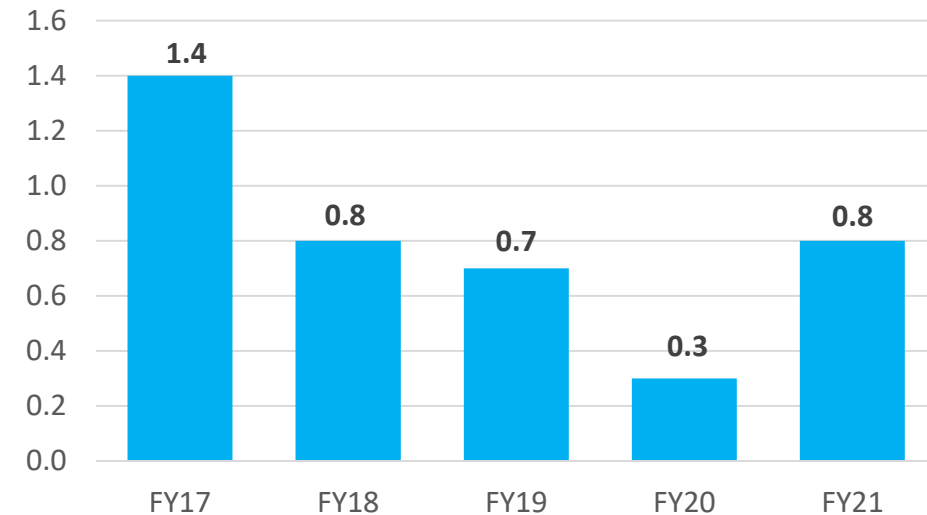
Book Value Per Share (Rs)



EV / EBIDTA (x)



EV / Sales (x)



Way Forward



Way Forward

3. Fermentation facility goes live

The new fermentation manufacturing for 70-75 TPA to go live in FY24.
Existing plant to achieve production of 105-110 TPA by FY24.

4. Revenue & Earnings CAGR

We are aiming to grow at +30% Revenue and Earnings CAGR for next 3-5 years (base year: FY22)



1.

2.

1. Increase Capacity Utilisation

Existing Capacity 120 TPA

FY21 production: 75 TPA

FY22 targeted utilisation: 80-85 TPA

FY23 targeted utilisation: 95-100 TPA

2. New Manufacturing facility

The company is setting up a new manufacturing facility at Indore for Fermentation at an estimated capex of Rs 70-80 crore over the next 15-18 months

3.

4.



Get In Touch With Us

Panchsheel Organics Ltd

Mr. Mahendra Turakhia, Managing Director

Tel: +91-22-6863 4240 | Email: compliance@panchsheelorganics.com

www.panchsheelorganics.com

KAPTIFY® CONSULTING

Strategy & Investor Relations Advisory | Consulting

Tel: +91-845 288 6099 | Email: contact@kaptify.in

www.kaptify.in