



Punjab Alkalies & Chemicals Limited

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PACL:SEC:2022: 1699

09.05.2022

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 Audited Financial Results for the quarter and year ended
March, 2022.**

Dear Sir,

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Press Release on the Audited Financial Results for the quarter and year ended March, 2022.

Thanking you,

Yours faithfully,
For PUNJAB ALKALIES & CHEMICALS LIMITED

SUGANDHA KUKREJA
Company Secretary & Compliance Officer

Encl: as above.



Punjab Alkalies & Chemicals Limited

Exceptional performance in Q4 FY22, with Revenue of Rs. 161 Cr, up by 113%

EBITDA of Rs. 59 Cr, up by 169% with margins of 36.8%

Nine-fold increase in Net Profit to Rs. 42 Cr

Chandigarh, May 9, 2022: Punjab Alkalies & Chemicals Ltd. ([BSE: 506852](#)) is one of the largest producers of Caustic Soda in North India region. The Company has announced the results for quarter ending 31st March 2022.

Q4 FY22 Consolidated Performance Highlights:

Revenue from Operations of Rs. 1,611 million, growth of 113 % y-o-y from Rs. 756 million in Q4 FY21

- Revenue growth was primarily driven by improvement in caustic soda price realization which was led by higher demand and increase in market-wide commodity prices in line with the global markets. Caustic soda contributes 94% to the Q4 FY22 sales
- Caustic soda lye sales volumes grew by 7.6% to 30.5 thousand MT from 28.3 thousand MT in Q4 FY21, supported by pent up demand from major end-user industries including pulp and paper, detergent and other chemicals

EBITDA of Rs. 593 million, up 169% y-o-y from Rs. 221 million in Q4 FY21

- EBITDA margins significantly improved to 36.8% from 29.2% in Q4 FY21
- Margins improvement was driven by increased revenue and streamlining of expenses such as employee cost and other operating expenses during the first post-divestment quarter
- PACL delivers one of the highest operating margins in the industry

Net Profit of Rs. 422 million, a nine-fold increase compared to Rs. 46 million in Q4 FY21

- Net Profit margins were 25.4% as compared to 4.0% in Q4 FY21

Net Debt of Rs. 356 million with Cash and Cash equivalent of Rs. 252 million as on 31st March 2022

- Manufacturing capacity expanded from 300 TPD to 500 TPD
- Incremental production capacity to meet the growing market demand of caustic soda
- New products to be launched such as caustic flakes, stable bleaching powder and aluminium chloride

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

“I am pleased to report that the company has delivered an exceptional performance in Q4 FY22 and closed the year on a strong note. The quarter performance reflects the underlying strength of our business operations especially after completion of divestment by the Punjab State Industrial Development Corporation Ltd. The company has now become a non-government entity and our experienced senior management team is committed to implement the outlined strategic growth plan and deliver accelerated growth in the coming years.

In Q4 FY22, PACL delivered consolidated Revenue from Operations of Rs. 1,611 million, an increase of 113 % Y-o-Y. The growth was supported by favourable and improving demand environment across end-user industries and improved price realizations due to increase in commodity prices globally.

EBITDA for the period was Rs. 593 million, an increase of 169% y-o-y. Operating margins stood at 36.8% and are one of the highest in the industry. We believe that current operating profitability is sustainable in the near future. Net Profit was Rs. 422 million, a nine-fold increase compared to Rs. 46 million in Q4 FY21 with margins of 25.4%.

During the quarter, we have expanded our manufacturing capacity from 300 TPD to 500 TPD which will help in increasing production volumes of caustic soda by ~ 40% and the consequent incremental revenue is expected from Q1 FY23 onwards. The growth momentum is anticipated to continue in the coming quarters driven by strong demand scenario and prices are expected to stabilize at current levels amidst the ongoing rising global energy price environment.

In the year ahead, PACL will embark on a step-up phase of growth with several initiatives planned:

- A power plant with 35 mw capacity will be commissioned which will not only act as a captive energy source but also reduce the cost of production across our operations, once the coal prices and supply stabilizes
- PACL is commissioning a SBP (Stable Bleaching Powder) Plant which is expected to operationalize by Q2 FY23. We are also awaiting regulatory approvals for Aluminium Chloride project which should operationalize by Q3 FY23. These projects will consume chlorine as a key raw material thereby increasing the production of caustic soda and will drive company topline and profitability. The total cost of these projects is estimated at ~ Rs. 100 crore
- PACL has applied for environmental clearance for a paracetamol API manufacturing project (where benzene and chlorine are the key raw materials). The manufacturing unit will be backward integrated through the consumption of PACL's products such as chlorine, hydrochloric acid, hydrogen gas and caustic soda. This is a milestone project with investment commitment of Rs. 170 crore and will be funded through a combination of internal accruals and debt

Looking ahead, we remain optimistic of maintaining our growth momentum as markets have started stabilizing. With a clear expansion plans and strategic direction, PACL is well positioned to deliver incremental profitable growth in the coming year and create wealth for all stakeholders.”

Consolidated Financial Performance:

(Rs. Million)	Q4		Y-o-Y	Full Year		Y-o-Y
	FY2022	FY2021	Growth(%)	FY2022	FY2021	Growth(%)
Revenue from Operations	1,611	756	113%	4,541	2,263	101%
Other Income	49	400	(88)%	152	551	(72)%
Total Income	1,659	1,156	44%	4,692	2,814	67%
EBITDA	593	221	169%	1,018	427	138%
Margin	36.8%	29.2%		22.4%	18.9%	
EBIT	548	179	206%	844	254	232%
Margin	33.0%	15.5%		18.0%	9.0%	
Net Profit	422	46	822%	567	82	589%
Margin	25.4%	4.0%		12.1%	2.9%	
Basic EPS (Rs.)	9.21	1.54	498%	13.07	2.97	340%

Notes:

1. EBITDA and EBIT Margins are calculated on Revenue from Operations
2. Net Profit Margin is calculated on Total Income

About Punjab Alkalies & Chemicals Ltd:

Punjab Alkalies & 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. PACL 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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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 Punjab Alkalies & Chemicals Ltd. ("PACL"). 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 PACL, nor our Directors, or any of our subsidiaries/associates assume any obligation to update any forward-looking statement contained in this release.