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CIN L24230TN1985PLC011637

January 29, 2022

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 543336	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Scrip Symbol - CHEMPLASTS
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**Subject: Press Release**

Please find enclosed the press release titled “Healthy performance in Q3FY22”.

This is for your information and records.

The above information will also be available on the website of the company at [www.chemplastsanmar.com](http://www.chemplastsanmar.com).

Thanking You,  
Yours faithfully,

For CHEMPLAST SANMAR LIMITED

M RAMAN  
Company Secretary and Compliance Officer  
Memb No. ACS 6248

### Healthy performance in Q3FY22

**Chennai, January 29th, 2022:** Chemplast Sanmar Limited (NSE: CHEMPLASTS | BSE : 543336), a specialty chemicals company, which is India's dominant producer of Specialty Paste PVC, having significant presence in the custom manufacturing business and through its wholly-owned subsidiary, the 2<sup>nd</sup> largest producer of Suspension PVC in India, announced its un-audited financial results for the quarter and nine months ended on 31<sup>st</sup> December 2021.

#### Performance Highlights : Consolidated

Revenues	EBITDA	PAT
Rs. 1,452 cr   33% ↑ YoY	Rs. 353 cr   25% ↑ YoY	Rs. 237 cr   48% ↑ YoY
	24.3% Margin	16.3% Margin

In Rs. Cr

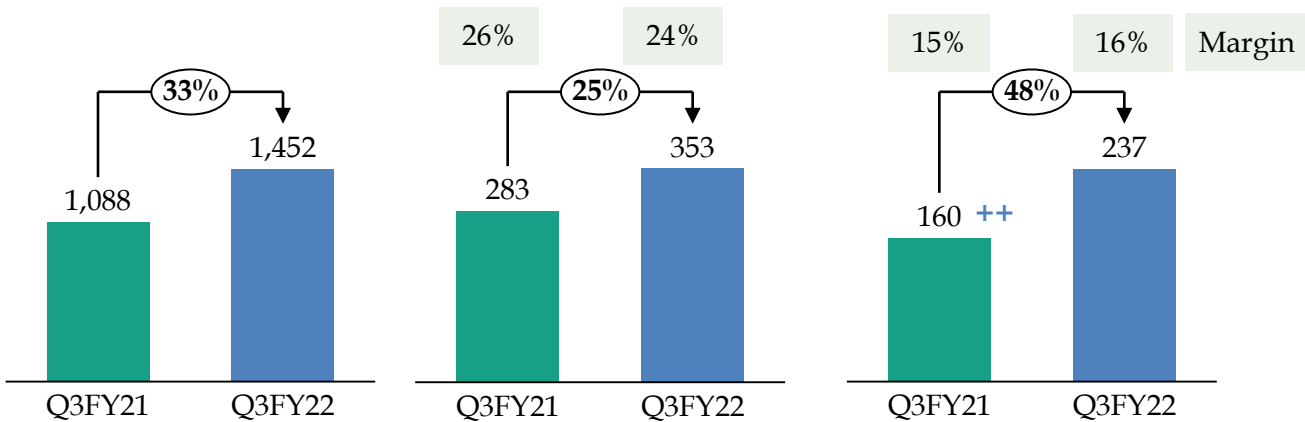
#### Total Revenues

#### EBITDA

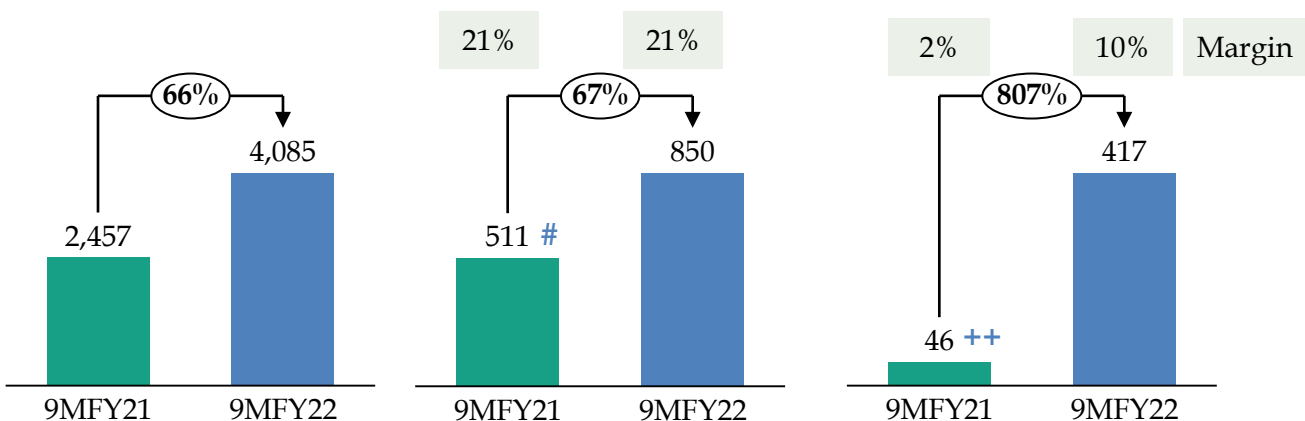
#### PAT

Margin

Q3 FY22



9M FY22



- All computations are on Consolidated basis
- Historical Numbers are restated post CCVL Acquisition in FY '21

# Excludes positive impact on account of inventory write down of Rs.107 crore made in previous year

++ Includes impact of gains/ (loss) from JV & Associates: Rs.111 Cr gain in Q3FY21 & Rs 108 cr loss in 9MFY21. These investments have been delinked in Mar '21.

### Key highlights for the quarter

- Revenues registered a strong growth on account of higher realizations per tonne for our key products - Specialty Paste PVC resin, Suspension PVC, Chloromethanes and Caustic Soda.
- On the volume front, while the Caustic Soda volume for the quarter was higher, Specialty Paste PVC and Suspension PVC volumes were lower on a YoY basis, primarily due to restrictions around operation of downstream units in the NCR Region due to poor air quality and the extended monsoons during Q3'FY22, respectively. The demand for both Specialty Paste PVC and Suspension PVC has picked up strongly and the built-up inventory is expected to get diluted in near term.
- Started dispatches of the two newly commercialized products of Custom Manufactured Chemicals business. The product pipeline is strong with a number of projects at various stages of commercialization.
- Received the environmental clearance for our proposed Specialty Paste PVC expansion. We have received clearance for 70ktpa, but as of now, we are going ahead with 35 ktpa expansion as Phase 1.
- Debottlenecking of Suspension PVC capacity by 10% is expected to come fully online by Q1'FY23. This is a phased debottlenecking, part of which is already completed.
- The Company continues to be debt free on a standalone basis and on a consolidated basis the net debt is negligible.

**Commenting on the results, Mr. Ramkumar Shankar, Managing Director** said, *“The demand outlook, for both Paste PVC and Suspension PVC, is quite strong due to significant deficit and high import dependence in the domestic market. Increasing tight supply at the global level for both these products, augurs well for domestic manufacturers like us.. With our dominant position in the Indian market and expansion plans to cater to the growing demand, we believe that we are well-placed to benefit from uptick in PVC market. Custom manufacturing business is expected to benefit significantly due to China plus one strategy of global innovators.*

*Q3 has been a very strong quarter financially with revenues registering a 33% growth year on year, and net profit growing 48% year on year.*

*Our specialty chemicals business continued to be strong in the quarter with Paste PVC registering a higher realization, resulting in healthy margins. After reaching all-time highs in October, Paste PVC prices corrected a bit and now trading close to \$1,700 – 1,750/ton - in the near to medium term horizon, we expect prices to be range bound. We commercialized two new products on the custom manufacturing side and started dispatches for these products.*

*With respect to Non-Specialty Chemicals, Caustic Soda prices peaked during the quarter and still continue to be on the higher side. Currently, prices are at a level of \$600 – 650/ton. The price of chloromethanes in India reached record highs due to limited availability on account of reduced import arrivals. However, with the addition of new capacity in India, there has been some correction in prices (though even after correction, the prices are still higher than pre-pandemic levels). Once the market absorbs incremental volume, we expect the prices to strengthen again.*

*Suspension PVC prices reached a record high in the month of October largely on account of supply side tightness. Thereafter, prices have softened but continue to remain at healthy levels. We expect prices to continue to remain strong as no significant capacity addition is on the anvil in the near term. It is noteworthy that feedstock VCM prices have dropped even more than PVC has – however, the benefit of the drop in VCM prices would kick in after a lag of 30 to 45 days, while the impact of the drop in PVC prices would have an immediate impact. Therefore, we expect margins on suspension PVC to improve in a few months as the benefit of the VCM price drops start to register.*

*Looking ahead, we are rigorously working on our expansion projects which were mentioned at the time of IPO. ”*

### About Chemplast Sanmar Limited

Chemplast Sanmar Limited is part of the SHL Chemicals Group, which in turn is a constituent of The Sanmar Group, one among the oldest and most prominent corporate groups in South India. It is a major manufacturer of Specialty Chemicals such as Specialty Paste PVC resin and Custom Manufactured Chemicals for agro-chemical, pharmaceutical and fine chemicals sector. The company also produces other chemicals such as Caustic Soda, Chloromethane products, Hydrogen Peroxide and Refrigerant gas. Chemplast is one of the most integrated chemical plants in the country with a closed manufacturing loop.

Chemplast also manufactures Suspension PVC through its wholly owned subsidiary Chemplast Cuddalore Vinyls Limited. Chemplast is the largest manufacturer of Specialty Paste PVC Resin in the country and is the second largest producer of Suspension PVC in India.

Chemplast has played a pioneering role in the field through its ingenious choice of feedstock and manufacturing processes, and efficient, eco-friendly practices. Chemplast is one of the industry leaders in sustainability practices and has been a recipient of numerous awards and recognitions on this front.

### Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact



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