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June 2, 2026

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 543336	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Scrip Symbol – CHEMPLASTS
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Dear Sir/Madam,

Sub: Transcripts of the Earnings Conference Call held on May 26, 2026

In continuation to our letter dated May 21, 2026 please find enclosed the transcripts of the Earnings Conference Call held on May 26, 2026.

Date & Time of receipt of this information: June 02, 2026; 10:00 AM (IST)

We request you to take the same on record.

The above information will also be available on the website of the company at www.chemplastsanmar.com

Thanking You,

Yours faithfully,

For CHEMPLAST SANMAR LIMITED

P SRINIVASAN
Company Secretary and Compliance Officer
Memb No. ACS 10129





Chemplast Sanmar Limited
Where integration is the key

“Chemplast Sanmar Limited
Q4 & FY26 Earnings Conference Call”

May 26, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 26, 2026, will prevail.”



Chemplast Sanmar Limited
Where integration is the key



**MANAGEMENT: MR. S. GANESHKUMAR – MANAGING DIRECTOR –
CHEMPLAST SANMAR LIMITED
MR. A. R. BALAJI – CHIEF FINANCIAL OFFICER –
CHEMPLAST SANMAR LIMITED
DR. KRISHNA KUMAR RANGACHARI – CUSTOM
MANUFACTURED CHEMICALS DIVISION – CHEMPLAST
SANMAR LIMITED
MR. N. MURALIDHARAN – EXECUTIVE DIRECTOR
FINANCE – CHEMPLAST SANMAR LIMITED**

**Moderator:**

Ladies and gentlemen, good day, and welcome to the Chemplast Sanmar Limited Q4 and FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference call is being recorded.

Before we proceed, this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. S. Ganeshkumar, Managing Director, Chemplast Sanmar Limited. Thank you, and over to you, sir.

S. Ganeshkumar:

Thank you, Swapnali, and good morning, everybody. On behalf of Chemplast Sanmar Limited, I extend a very warm welcome to everyone joining us on our call today. On this call, we are joined by our CFO, Mr. A. R. Balaji; Dr. Krishna Kumar Rangachari, who heads our Custom Manufactured Chemicals division; Mr. N. Muralidharan, Executive Director of Finance; and SGA, our Investor Relations Advisor. I hope everyone has had an opportunity to go through the financial results and investor presentation, which have been uploaded on the stock exchanges and on our company's website.

The financial year '25-'26 turned out to be a very challenging year. During the year, the company reported consolidated revenue of INR4,224 crores and EBITDA of INR198 crores. The year was marked by persistent price pressures, excess global capacities, geopolitical disruptions, volatile feedstock and energy costs and continued dumping of suspension PVC and paste PVC into India from China, Europe and Japan.

Getting into the details. The Specialty segment recorded one of its strongest -- stronger quarterly sales at INR475 crores, reflecting 13% year-on-year growth. Sales volumes also registered a healthy 17% year-on-year increase, mainly driven by paste PVC.

Now getting into the details of specialty products within the segment. Starting with Paste PVC in quarter 4 FY26, demand conditions remained relatively stable from the footwear segment, while the automotive and upholstery segments continue to see healthy traction.

On the regulatory front, we have received the final findings from DGTR in the ongoing antidumping duty investigation against imports from the European Union and Japan. We await the notification by the Finance Minister. This has already resulted in relatively lower import bookings from Europe, while implementation of the ADD is now expected during first half of FY2026, '27.

The Cuddalore Paste PVC facility operated through the year at 100% of capacity, reflecting a very strong operational performance. The realizations and margins also saw a steady uptick in Q4. Overall, we remain positive on the Paste PVC business given the strong demand, relatively



lower pressure on feedstock side and potential upsides via implementation of ADD on imports from the EU and Japan.

The ongoing war in the Middle East has had both its positives and negatives. While prices and margins have improved, there has been some temporary concerns around demand due to the non-availability of [Wrongly said, please read it as LPG].

Coming to the Custom Manufactured Chemicals business, Q4 saw healthy dispatches despite some sales getting deferred to the current financial year. Performance during the quarter continued to be impacted by the slowdown in global agrochemical market, led by pricing pressure from low-cost generic supplies from China and slower ramp-up of new molecules by innovators.

However, we believe the current weakness is temporary in nature, and we are encouraged by the early signs of recovery, supported by a strong order book for FY27. On the expansion side, progress on MPB 3 Phase III continued as planned during the quarter. The pipeline continues to gain momentum with 45-plus molecules progressing across various stages of development.

Our customer engagement and diversification efforts have started yielding results with ongoing discussions and progress in new product development. We are further accelerating our business development efforts in the markets where we participate. This includes recruiting senior resources in these geographies.

On our refrigerant gas project, we are happy to announce that the commercial production of R32 refrigerant gas at our 2 kt swing plant in Mettur has commenced recently. Further, the commissioning of the new plants is expected to be undertaken in phases over the course of the year.

Moving to our value-added chemicals business. During the quarter, caustic soda and chloromethanes market remained under pressure in the first two months due to weak demand and continued pricing pressure. Caustic soda volumes improved sequentially, supported by better sales and inventory liquidation at the Karaikal facility.

Volumes, however, remained lower year-on-year due to reduced production at the Mettur facility on account of the membrane change activity. There was a temporary spurt in caustic prices immediately after the war, which had started tempering down.

Hydrogen peroxide and chloromethane volumes were impacted by lower hydrogen and chlorine availability linked to reduced caustic soda output. However, demand from key end user industries and pharma customers remained largely stable during the quarter.

Moving on to the suspension PVC business. Quarter 4 FY25-'26 began on a positive note, supported by dealers restocking ahead of the seasonal demand cycle and expectations of improving prices. The Chinese government's announcement to withdraw the export rebates on PVC also helped in pushing PVC prices further up.

However, the commencement of the war in the Middle East led to a chaotic situation on the prices and availability of both PVC and feedstock VCM. The Middle East war situation has had consequential impact on the availability of VCM in Asia, given the acute shortage of naphtha and ethylene.

This led to a sharp spurt in VCM prices. While this increase in VCM prices were matched initially by similar increase in PVC prices, the latter did not last as carbide PVC from China, which was largely immune from the impact of the war in the Middle East, started flooding India at very low prices.

This, therefore, led to a sharp disconnect between PVC and feedstock VCM prices. As a result, the broader industry outlook continues to remain very subdued. The industry had expected relief through antidumping duties, higher customs duty or other import control measures to counter persistent low-priced PVC imports, especially from China.

However, none of these measures has come through. In fact, regulatory support has weakened, including the rescinding of QCOs and the recent reduction in customs duty, though only till June 2026.

While the removal of export rebate in China acted as the slip in the first two months of Q4 FY26, the same has been completely nullified with the volatility seen post the commencement of the Iran war. These developments together created a more structural reset in the earnings outlook, necessitating reassessment of the carrying value under Ind AS 36.

The assessment has resulted in an impairment loss of INR898 crores vis-a-vis the book value of the investments at INR1,556 crores. This is a non-cash adjustment that aligns the book value of the investment with the current economic realities. It does not affect liquidity or the company's ability to operate the business.

Also, CCVL recorded a charge of INR150 crores as an exceptional item for the year ended March 31, 2026, towards provision for onerous contracts and write-down in the carrying value of raw materials in line with the applicable accounting standards.

At this juncture, I would -- I wish to communicate that the Board has constituted a committee of three independent directors to examine the strategic priorities for the company with a view to enhance the long-term value creation for stakeholders. The company may evaluate potential reorganization and M&A opportunities and will table their findings to the Board for review and appropriate decision-making. The committee may engage advisers to support them in this engagement.

As we move into FY2026, '27, the commodity business, including CCVL, is expected to face volatile near-term operating environment, driven by the ongoing geopolitical developments, fluctuations in global raw material and energy prices and continued uncertainty in international supply chains. However, we are positive in our specialty business, where we expect a stronger performance given the better fundamentals and prospects.

Our focus will remain on operational efficiency, cost optimization and improving capacity utilization across our manufacturing facilities. We will also continue to strengthen customer relationships, ensure timely execution of the ongoing expansion projects and enhance our specialty portfolio to drive more stable and value-accretive growth going forward.

Now I would like to invite our CFO, Mr. Balaji, to walk you through the financial performance of the company.

A. R. Balaji:

Thank you, Ganesh, and good morning to all the participants on the call. Coming to our performance in Q4 FY26. On a consolidated basis, the company reported revenues of INR1,256 crores, registering 9% year-on-year growth. EBITDA for the period stood at INR194 crores compared to INR37 crores in the same quarter of the previous year. The net loss for the quarter stood at INR45 crores.

Now coming to the quarterly segment-wise performance. The Specialty Chemicals segment reported revenues of INR475 crores, marking a 13% year-on-year increase and volumes registered a healthy 17% year-on-year growth. The value-added Chemicals segment reported revenues of INR120 crores for the quarter compared to INR169 crores in the corresponding period last year.

The Suspension PVC business housed in CCVL reported revenues of INR661 crores for the quarter, registering an 18% year-on-year growth compared to INR560 crores in the corresponding quarter last year.

In line with the applicable accounting standards, CCVL has recorded a charge of INR150 crores as an exceptional item for the year ended 31st March 2026 towards provision for onerous contracts and write-down in the carrying value of raw materials. This inventory write-down of INR150 crores is expected to be reversed in the current financial year.

Looking at the revenue mix for the quarter, Specialty Chemicals contributed 38% of the total revenue. Value-added chemicals accounted for 9%, while the Suspension PVC segment contributed to the remaining 53%. For FY26, the company reported revenues of INR4,224 crores with EBITDA of INR198 crores, while the net loss for the period was INR280 crores.

As of 31st March 2026, the company's consolidated net debt stood at INR1,419 crores. On the stand-alone front of Chemplast Sanmar for FY26, the company reported revenues of INR2,170 crores with EBITDA standing at INR108 crores, while the net loss for the period stood at INR1,003 crores after the impairment provision.

As Ganesh mentioned, the business environment has been challenging and in the light of significant regulatory and market developments, we carried out a detailed evaluation of the carrying value of the investment in CCVL with the help of an independent valuer.

Based on this assessment, the company has recorded an impairment provision of INR898 crores as an exceptional item for the quarter end and year ending 31st March 2026. This should be viewed as an accounting entry and has no impact on the cash flow of the company. Further, this also has no bearing on the consolidated financials.



With this, we conclude the presentation and open the floor for further discussion. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. We will take the first question from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Yes. Good morning. Thanks for the opportunity. First, on the suspension PVC, how is the...

Moderator: Sorry to interrupt in between. Sanjesh, you are requested to please use the handset mode and speak.

Sanjesh Jain: No, I am on handset, but hopefully you can hear me properly now.

Moderator: Yes, now you are audible. Please proceed.

Sanjesh Jain: Okay. Hi, sir. Good morning. First, on the suspension PVC, can you help us understand now that things are settling down, how is the trend for the spread as we speak in the Q1? Because I think last quarter or probably in the month of March, one can understand the volatility hasn't been in our favor considering that we signed certain onerous contract, which has taken away all the profitability in the suspension PVC. How is it looking now? The spreads are still weak, considering that the carbide export continue to remain unabated. In that scenario, how should we expect the performance of CCVL in FY27?

S. Ganeshkumar: Thank you, Sanjesh. You are right that there are still uncertainties looming around the market and with China bringing in the carbide PVC at lower prices. We are -- as we speak, we are looking at a spread which is at a neutral level on a replacement cost basis given the current VCM prices. But we are also seeing some softening on VCM prices, may not be significant at this stage, too early to talk about it. But at the same time, we may get into a positive side.

But having said that, while we have taken the broad impairment on the onerous contract, what you say, the INR150 crores hit on the balance sheet on the P&L, we still may have some in between -- between today's price and the onerous contract, there are still a couple of other contracts which will hit the production line between May and June.

So there could be uncertainties as we go into this quarter. But we are hopeful that as the geopolitical situation stabilizes and the production comes back, we will be able to move to the spreads that we have been talking about.

Sanjesh Jain: But assuming if crude remains elevated and gas prices remain elevated for a while, Chinese will keep having that advantage of having a much lower cost and it doesn't look like they want to make profit out of that situation. This means that even FY27 can remain a stressful for CCVL?

S. Ganeshkumar: On a very, what you say, pessimistic end of the assumptions, yes, it is possible. But however, from what we also hear is the Chinese producers are also going through the stress. Second is end of June, we hope that the 7.5% duty comes back into the system. So that would add another what you say, \$60, \$70 to the pricing and the realization. And Chinese also, we feel that from what we are hearing is not all of them, but some of them are going through tremendous cost pressures at this price.



Sanjesh Jain: Got it. Got it. Now coming back to Paste PVC, how different the behaviour in Paste PVC versus Suspension PVC?

S. Ganeshkumar: See, Paste PVC, a, the size itself is very small compared to what we are talking about in Suspension. So a 4.3 million Suspension, we are talking of a 200,000 ton -- roughly a 200,000 ton market. Second, the Paste has always traditionally been at a higher price. Further, there is already antidumping on five countries, which is levied, which also puts -- brings in some pressure on how the product is entering the market.

Fourth point is given that the ADD investigations are finalized and the file is with the Ministry of Finance, import, we have seen a slowing down of imports from Europe, especially which is the other alternative. So overall, we expect that at least this time around, we are hopeful that the government will take a fair approach, and we should be able to manage the Paste business effectively.

Sanjesh Jain: Got it. One last question on the ref gas and the speciality. How has been the speciality this year, the growth versus the previous year? And we were expecting INR1,100 crores kind of a revenue in '27, '28. Now considering agrochemical supply chain being a little stressed, how should we think growth in next two years?

And what does this 45 product mean? What is an opportunity size? What is the probability? If you can give some color on that? And number two, on the R32, there's a lot of debate on it, but we have started 2,000 metric ton now. By end of this year, where do we see ourselves in the R32 capacity?

S. Ganeshkumar: So I will first take the R32 and then give it to Dr. Krishna to respond to the specialty chemicals. We have -- as in earlier calls, the quantities have been specified. So we are now on the verge of getting into the expansion. We are already progressing very well. And by the end of the year, as committed earlier, 14 kt capacity, but we are also providing design opportunities to debottleneck it further as required as the opportunity may arise.

Sanjesh Jain: So by this calendar year, we should be having the 14,000 metric ton?

S. Ganeshkumar: Yes.

Sanjesh Jain: Okay, okay. Very clear. Hi, Krishna.

Krishna Rangachari: Hi, Sanjesh. Good morning. So responding to your question, our projections on the custom manufacturing continues to be strong. The 45 molecules that we talk about includes 17 that are commercial. So the balance are what we call, which are at the various stages of development. And for us, we keep monitoring that particular number, the overall basket, which it continues to grow quarter-on-quarter.

And the reason for that is the engagement with all our customers is quite strong. And all of them continue to indicate an intent to diversify their supplier base in India. And when they look for reliable good partners, they continue to consider Sanmar as a very reliable partner. So overall,



the outlook is strong. And as we indicated in the last call, we've had a temporary issue in the near term, primarily driven by the slowdown in the agchem space.

And because of which many of the new molecules that our customers are launching are not ramping up as quickly as they originally anticipated in the near term. But the medium term to long term continues to be -- our projections continue to hold and we are fairly bullish about this.

- Sanjesh Jain:** Got it. Got it. Thanks for all those answers and best of luck for the coming quarters.
- S. Ganeshkumar:** Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Ankur Periwal from Axis Capital. Please go ahead.
- Ankur Periwal:** Yes. Hi, sir. Thanks for the opportunity. Continuing with Krishna sir there on the CDMO side, you -- we have been highlighting on the pricing pressure in the global markets, which had led to some deferment in terms of the innovator demand here. Any updates there in terms of given the current macro, is there any revival given that pricing pressure would have eased a bit? And how is the product pipeline sort of looking like both in the agchem as well as in the other segments across lines?
- Krishna Rangachari:** So our model is innovators, right? And we have not been impacted by what's been going on in the generic space because many of our products do not fall in that category. Most of the products that we supply now as well as the projects that we are working on, many of them are linked to new molecules, new pipeline molecules that the customers are -- have been working on.
- So we have not seen any significant issues related to demand on those. It's just a delay in terms of how those launches have been going on from a customer standpoint, which is why what we're going through is a near-term issue. So again, long term, mid- to -- medium to long term, we continue to be optimistic because the engagement and the pipeline continues to grow.
- In addition, we have also started working on putting in additional resources, both in the markets that we currently participate in as well as to look into new markets beyond Agchem. Again, that's a medium-term to long-term initiative to diversify our exposure or to diversify beyond Agchem.
- So towards that, we have recruited some very senior resource in Europe as well as we are ramping up our engagement in Japan, where there are some significant opportunities, and we have identified resources there to drive some of these initiatives.
- Ankur Periwal:** Sure, sir. And from a ramp-up perspective, any time lines for that INR1,000-odd crores revenue that we were looking at? Or we still sort of keep that number intact?
- Krishna Rangachari:** I mean we still keep that intact. I mean, for the last quarter, we indicated, hopefully, next year, we will be at that number based on what I have in the pipeline and the products we have commercialized, we stand a good chance of getting there.
- Ankur Periwal:** Okay. Sure. Thanks for that. Secondly, on the SPVC side, you did allude towards Chinese import being sort of picking up, which is where the prices or the spreads overall are under pressure. The

7.5% duty that you are talking of, right? So the comeback of that duty, is there any talks with the government on that or how are we looking at that?

S. Ganeshkumar:

Ankur, Ganesh here. We have been representing to the government under the Atmanirbhar, the recent announcements by the Honourable Prime Minister, where he said that we have to manage forex outdoors. We have to add value back in India.

So we have been representing as industry bodies with the government, different sectors in the government about the 7.5% to be brought back, which -- while there is no response to indications to any extension, but which means we are assuming that it should come back at the end of June.

There are other measures, both what you say, trade measures like minimum import price, et cetera, which we are still talking with the government. But ultimately, to provide a level playing field and not being used to be dumped, the antidumping duty is the only long-term solution, which is compliant with the WTO.

Ankur Periwal:

Sure, sir. But where I'm coming from is, earlier also, there have been multiple times hits and misses there on the antidumping duty on SPVC, especially. We are hopeful of that getting implemented on PPVC. But will that be the only way out for the business economics to be stabilized? And till then, we will have to be sort of -- the profitability will have to be slightly under pressure. Will that be a fair way to look at it?

S. Ganeshkumar:

As of today, under the given circumstances, yes. But then there are other measures, non-trade measures like QCOs, which was rescinded, which is now we are representing back again saying that this is a different -- you can't paint all products with the same brush. This is another effort which is being taken with the government.

So thereby idea is to bring in a fair level playing field to the domestic manufacturers. And that should be the approach, which will help us in the short to medium term. Today, as we look at it, it's all there. Tomorrow, if, for example, the supply chain stabilize, the war situation goes away, the VCM PVC spread is back to normal, then things would be different. But as of today, as we see, this is where we are.

N. Muralidharan:

Ankur, just to add to what Ganesh said. In the suspension PVC business, as you know, the last two years have been a struggle primarily because of the excessive dumping from China. And regulatory support there is very critical. One, it could be ADD, it could be QCO. In some form, regulatory support on the suspension PVC side is very critical from the medium to long-term point of view.

Of course, the short term is more driven currently by the war situation that is happening. But if you look at the medium to long term, it's important that the regulatory support, some form or shape comes.

Ankur Periwal:

Sure, sir. That's helpful. Just one last question, if I may. On R32, what is the thought process here, whether we are looking to sell this in the domestic market itself or is there some tie-up or maybe some global sort of tie-up there? Is where this ultimate capacity will go into? Thank you.



- S. Ganeshkumar:** So regarding the go-to-market strategy for R32, domestic, of course, is one of the destinations for the product. But apart from that, we are also looking at serving the global market. And we are exploring with a few partners on how to bring this to the market in the international space.
- Ankur Periwal:** Okay. That's helpful sir. Thank you and all the best.
- S. Ganeshkumar:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Nikhil Gandhi from Bajaj Life Insurance. Please go ahead.
- Nikhil Gandhi:** Hello. Hope I'm audible. Thank you for the opportunity. I just wanted to understand more on the exceptional item of that INR150 crores, which we have taken. And since we are expecting the reversal in FY27, the nature of it?
- And how should we see the extended question to that is the management has also highlighted that there will be a few more consignments in Q1. So how should we see the Q1 moving out from the exceptional item perspective?
- A. R. Balaji:** No. This is the difference between the actual cost and the net realizable value, which we have provided as of 31st March and its getting reversed during the current quarter. What Ganesh told is, maybe 1 or 2 more consignments will come for the current quarter, where there could be some difference in contribution.
- So as Ganesh said earlier, today, it's almost a breakeven kind of thing. So hopefully, if things improve post-30th June war situation improves, it should be better. Till then, it may be kind of a breakeven, as Ganesh told you earlier.
- Nikhil Gandhi:** Okay. Okay, noted. The second thing is mainly on the impairment loss, which we have taken on SPVC business. So since we have estimated the future cash flow for the segment, are we not expecting any meaningful improvement in the SPVC business for '27 and '28, considering this impairment loss of around close to INR900 crores?
- N. Muralidharan:** Nikhil, this is Murali. As you would appreciate, impairment tax is always done based on at a point in time, what is your view. And at the current point in time, with the volatility around and the uncertainty around regulatory support, the best estimate has been used, and that has been used for the evaluation purposes. And as it stands today, the margins today, currently, if you look at the Chinese PVC is coming at \$820 CFR India.
- And the FOB Japan VCM is landing at almost around \$755, \$760. So taking the conversion cost into account, effectively, we are just meeting the cost, the variable cost. That is where we are today. So that is the outlook that we can see as of now given where we are today. And if things improve over a period of time, obviously, this impairment will get reviewed on a periodic basis.
- Nikhil Gandhi:** Okay. Thank you. Thank you so much.



Moderator: Thank you. We will take the next question from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

Rohit Nagraj: Yes. Thanks for the opportunity. First question, again, unfortunately delving on to, SPVC. In terms of a couple of questions under that, one is that, how has been the domestic demand in the wake of the current volatility in prices?

And second, in terms of the sustainability of our operations, given that there have been challenges even from the raw material sourcing, and we are dependent on imported raw material.

And third aspect, from the ADD perspective, have we filed for an application? Because I think after filing the application, there will be a process of 1 year, 3 months before any decision comes in. Thank you.

S. Ganeshkumar: Thanks, Rohit. Regarding the domestic demand side, I think if I look at the full year that has passed by, the demand has been muted, rather probably about 1 percentage point below last year, which is -- which was at 4.3 million tons for SPVC. So we can say that demand is more or less the same as over the last 2 years.

We see that, as of today, there is no indication of it growing significantly, but we are optimistic that it should catch up maybe after the first quarter once the global geopolitical situation settles down, will take 1 or 2 quarters to -- for the demand to bounce back. So that is our estimate given today's environment that we are looking at.

Regarding sustainability of operations, you are right. You're right. We are -- to that extent, VCM is critical for us to run the SPVC business. And we are constantly looking at different ways and means of mitigating this risk.

And I think you may appreciate that to the credit of the team, when one of the suppliers declared that they are going to -- will not be able to supply post the contract period. The team managed to secure the same supply without any disruption before the contract period expires.

So to that extent, the ability of Chemplast to be able to understand the market, get the supplies is very high. Is that a long-term solution? No, it is a short-term solution. For long-term, we are exploring various avenues to see how to secure feedstock on a more sustainable manner, when I say sustainable, both from a qualitative and from a commercial point of view. So we are working on that exercise.

Rohit Nagraj: Yes. And just a clarification on ADD, whether the...

S. Ganeshkumar: Yes. ADD. Sorry, yes, you had a third point. The third point on ADD, we are working on the data to be -- for the ADD to be filed. Have we filed as of now? No. But we will be filing in the near future for the ADD to be re-looked at -- for imports from China.

Rohit Nagraj: Right. And again, sorry to delve again on R32, so we initially plan to have focus on the domestic market. But given that, there will be multiple players who will be also tapping and the demand will be limited at least in the near-term.



What is the strategy that we are looking at from tapping the exports market? Have we already started seeding it? And how are we planning to do over the next 1.5 years, 2 years? I mean till the window is open until December '26? Thank you.

S. Ganeshkumar:

So Rohit, from an R32 perspective, the go-to-market strategy always considered a combination of domestic and export. Because we were looking at the multiple capacities that would be coming up in the country, and it was always on the radar.

We are working with a few partners. We are working with a few of them trying to see in what way can we collaborate in the export market, which is we are pretty sure that we should be able to crack this part of the puzzle.

Rohit Nagraj:

Sure. Just one clarification on the numbers part, was there any inventory gains and forex gains during Q4?

A. R. Balaji:

There is no inventory gain, because we have made the provision for the inventory. Forex, all our imports, we have covered. So on the mark-to-market, we are positive, but it's -- cost already recognized and we have taken forward cover for all our imports.

Rohit Nagraj:

Okay. Yes. Thanks a lot for the answering. Yes.

Moderator:

Thank you. We will take the next question from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi:

Sir, thank you for the opportunity. Sir I wanted to understand regarding the spread, that is actually it seems that currently around \$100 for the variable, the gross spreads. So sir, how do we see the spreads improving with, first, the anti-involution drive and second, with the energy, called the renewable energy, JV that we have done with JSW.

So how should we see at the spreads for Suspension PVC maybe over the next 1 year, if things normalizes and second was with anti-dumping duty, how should we look at the spreads on Paste PVC moving versus what it were? And sir, what were they in FY26?

N. Muralidharan:

Okay. On the JSW power contract and its impact on the Suspension PVC spread, as you appreciate, the Suspension PVC is not power intensive. It's more caustic soda that is power intensive. So that contract will more benefit the VAC business, not the Suspension PVC business. It will not have any significant impact on the spreads of Suspension PVC.

And how we see going forward, actually, the current situation is reasonably sort of volatile. As you know, the -- like I said, currently, the prices are more or less at variable cost levels, we are breaking even. That is where we are.

And the future outlook would depend on how the Iran war situation sort of pans out, and how soon the feedstock availability becomes much more, easier. So it's slightly difficult to predict at this point in time.

Madhur Rathi:

Sir, I'm not trying -- asking you to predict, but sir, can we see the 13% whatever difference delta from anti-involution rise in China and the 7.5% import duty that is expected in India should have



some impact like 10%, 12% impact. Can we expect that is a reasonable expectation from this spread improvement or that is still uncertain right now?

N. Muralidharan: The 13% actually benefit that came through actually improved the profitability in January and February. Post that -- post the war, that's been completely subsumed in the overall market scenario that currently, we are not seeing the impact of that spread at all in our margins.

Madhur Rathi: Got it. And sir, one question on the CMC business, sir, we used to give LOI of the products that were in commercial stages. Sir, so what would be the revenue potential from the LOI or the 17 LOIs that we have currently?

So if you could help us understand on that, like where has the business moved maybe from, I think earlier you used to give like it was INR1,300 crores, INR1,400 crores in FY -- closer to FY24 and FY25, so where it is right now?

Krishna Rangachari: So just to clarify, the LOIs is not on the 17 molecules that are commercial. We announced LOIs on 6 out of those 17, if I recall. So it doesn't cover all the -- doesn't cover the 17. And as I indicated earlier, we are behind by probably 12 months or so in terms of meeting our revenue targets of INR1,000 crores. So we are still comfortable with what I stated earlier that we anticipate getting to that level next financial year.

Madhur Rathi: Sir, so what would be the revenue potential of these 17 LOIs altogether, over the life period or the peak revenue potential you can expect? I don't want the timeline, but this is the intent that the innovator has given us that should be -- like should it be INR2,000 crores, INR2,500 crores. Any number would be helpful?

N. Muralidharan: We wouldn't sort of -- we would refrain from giving guidance on what would come out of the LOI. Like Krishna said, we have signed LOIs for 6 products. Rest of them are sort of commercial products, but not everyone -- everything has an agreement or an LOI. I would sort of refrain from giving a guidance on how the total value of business that is possible for us. Broadly, the trajectory...

Madhur Rathi: Right.

N. Muralidharan: Broadly, the trajectory is positive. Like Krishna said, the trajectory is positive. Of course, the business has gone through some pain because of the agrochemical slowdown, but the trajectory is quite positive.

Madhur Rathi: Right. Sir, thank you so much and all the best.

Moderator: Thank you. We will take the next question from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: Thanks for the opportunity, sir. My first question pertains to the duty which government has removed. So just to understand the given stance, is it possible that if the duty comes back, it also impacts the VCM prices as well because that will also impact the duty or the duty won't be impacted on VCM?



- S. Ganeshkumar:** So if it comes back, maybe it will come back for all the products. That's what we are looking at. But the duty on VCM is about 2.5% versus 7.5% on PVC.
- Pujan Shah:** Okay. Got it, sir. And second question pertains to this caustic soda division. So in earlier remarks, we have stated that the prices will be softening up because -- so I understand in the Jan-to-March, there were some plant shutdowns as well due to which the price has been inch up as well as the global prices have been increasing. But for to look at a year basis, how we are looking at the prices, it will remain firm or it will slow gradually be on a declining mode again?
- S. Ganeshkumar:** See, today, we are seeing the price stabilizing back from the short-term highs, which was a blip during the Jan-March period. We expect it to achieve the normal level, which has been continuing over the last couple of years.
- Pujan Shah:** Got it, sir. And my last question is on the longer-term side, as we see China real estate prices has been a 20-year low, and that's where it has been impacting the PVC demand. And that's why you stated also that the PVC producers are not able to cope up at the prices and they have been keen on dumping. But to frame it along, are we seeing a gradual recovery in China or it will remain elongated over the year or 2?
- S. Ganeshkumar:** China factual situation is always a mystery, whatever we can discuss. But at the end of the day, we will never be able to know the real situation what's happening there. Rather, we should focus on -- our approach is to focus on our government, our regulatory system and make sure that we get the adequate protection or rather protection is not the right word, the adequate support to bring us on a level playing field.
- Pujan Shah:** Got it, sir. Thank you so much. And I will join back again. Thank you, sir.
- Moderator:** Thank you. We will take the next question from the line of Deepak Ajmera from IGE India. Please go ahead.
- Deepak Ajmera:** I want to ask, do we have any quota allotment from the government for, let's say, R32 for Vietnam?
- S. Ganeshkumar:** The government is still working on it. I think the entire country is operating on a belief that we will be getting the quota. The government is still not -- because the period for the quota calculation is not yet over. It will be till end of 2026 for the baseline survey.
- Deepak Ajmera:** But it will be getting clear that we have the quota allotment?
- S. Ganeshkumar:** We hope to -- we strongly believe that we should be getting the quota. We have a right to some volumes that we will be able to play in the market.
- Deepak Ajmera:** Isn't it a very risky strategy to go after that much great size of a plant, without the quota allotment?
- N. Muralidharan:** No. We are reasonably confident that. The reason -- we are reasonably confident of the quota...
- S. Ganeshkumar:** Allocation.



- N. Muralidharan:** Allocation. Like we had said earlier, I think the overall formula is -- we believe is for the country. And we believe the recent circular also sort of highlight notification also highlights that. And I think with the capacities in place, we are reasonably confident of the availability of quota.
- Deepak Ajmera:** Okay. Any timeline by when it will be getting clear to us?
- N. Muralidharan:** By next year -- by 2027, because we will have time till then to put up the capacity.
- Deepak Ajmera:** Okay. Thank you.
- Moderator:** Thank you. We will take the next question from the line of Siddharth Gadekar from Equirus Securities. Please go ahead.
- Siddharth Gadekar:** Hi, sir. Good morning. My first question is on R32 raw material sourcing. So how are we looking at sourcing our HF for the R32 capacity?
- S. Ganeshkumar:** So you're right. This is a good question because R32 hinges around HF. We have tied up with a couple of sources to meet our short-term demand. And as the business progresses and as the business generates profitable contribution, we can even look at setting up our own support systems.
- Siddharth Gadekar:** Yes. But do we have the logistics in place to actually transport that much HF given that you would be setting up 14,000 tons of R32?
- S. Ganeshkumar:** Yes, we still -- for 14,000 tons to be completely up and running, it is going to be a while. By that time, we already have -- we have our existing production, we have logistics in place. The rest of it, we are already in the discussion to keep it ready.
- Siddharth Gadekar:** And sir, on Chloromethanes also, we will have enough capacity for the R32 capacity?
- S. Ganeshkumar:** Pardon?
- Siddharth Gadekar:** For the Chloromethane side?
- A. R. Balaji:** No. Can you repeat the question?
- Siddharth Gadekar:** So on the Chloromethane also we will have enough capacity for consumption for making R32?
- S. Ganeshkumar:** Yes, yes, yes. We will have.
- Siddharth Gadekar:** Okay, sir. That's it. Thank you.
- Moderator:** Thank you. We will take the next question from the line of Chetan Thacker from M3 Investment Private Limited. Please go ahead.
- Chetan Thacker:** Hello. Am I audible?
- Moderator:** Yes, you are audible. Please proceed.



Chetan Thacker: Yes. Sir, just a question on the committee that has been formed. Is there any particular mandate that is in mind which is being provided to the committee, to look into, from a more longer-term perspective? Thank you.

N. Muralidharan: Yes. As you'd appreciate, Chemplast currently has three distinct portfolios. One is that Speciality portfolio and the others are primarily commodity, which is the VAC and the Suspension PVC business.

While the Speciality portfolio, the outlook is quite strong. The VAC is this caustic soda, chloromethane hydrogen peroxide and the Suspension PVC, the market is quite volatile and the outlook is also not that great.

Given that, we thought it is important that we look at the business as a whole and see how best we can reorganize the business going forward and create value -- unlock value for all the stakeholders. That's the broad objective. And that's the mandate. Beyond that, we have not given any mandate to the company.

So it's a clean state. They will look at the businesses and see how efficiently they can reorganize the businesses to create value for all stakeholders. And we've also given the mandate would also include looking at possible M&A opportunities.

All of that has been sort of considered as part of this exercise. We thought it's important that at this stage, we evaluate the business portfolio has about and see how best they can be reorganized to create value. That's the only objective.

Chetan Thacker: Understood. Sir, because the question was coming from the fact that even pre-IPO, we had essentially seen that we had invested in Egypt, and it was a similar situation where it was a commodity business and the reorganization happened, post which there was deleveraging of the balance sheet once we got listed.

And it appears we are again in the same situation looking forward right now as we see it. So hence, just wanted to understand, is there a structural rethought from the management to say that what kind of future businesses or capex we would do so that this does not repeat because commodity cycles can keep repeating. So that is the underlying objective of the question. Thank you

N. Muralidharan: No, just one point to correct, Egypt was never part of Chemplast Sanmar. That investment was never part of Chemplast Sanmar. There was always Chemplast Sanmar and the Suspension PVC business in India together.

So it was never part of it. It was never taken away from Chemplast also through a restructuring. That was not the case. So that's just to highlight that. And what was your second question? I'm sorry.

Chetan Thacker: The second questions was just to understand the future capex is, hence, the committee will be looking at capital employment from that perspective as well to ensure that we go ahead and



invest in businesses which create more long-term value and get a bit away from the cyclical commodity underlying nature of the business...

N. Muralidharan: No. The broad...

Chetan Thacker: And then anything to do with the mandate?

N. Muralidharan: Actually, if you had sort of seen our earnings call earlier guidance as well, our focus has been capital allocation for Speciality is our priority. That is what we've been communicating even earlier. We expanded the Paste PVC capacity last year, and we have invested in the custom manufacturing business.

We are investing in ref gases, which broadly consists of our portfolio of Speciality businesses. That's been our capital allocation priority. I think that will continue to be our capital allocation priority. And as far as the committee is concerned, it's more to holistically look at our business portfolio and to see whether is, there a need for reorganization.

I don't think we can prejudge today that whether this will be done, whether we restructuring will be done. I think it's too premature to prejudge. Basically, the idea is to see whether they -- what are the existing businesses, how are they doing either a way that we can reorganize so that we can create value for all stakeholders. That's the mandate.

Chetan Thacker: Sure sir. Thank you so much. I understand that all the very best. Thank you.

Moderator: Thank you. We will take the next question from the line of Darshita Shah from DSP Asset Manager. Please go ahead.

Darshita Shah: Hi sir. Thank you for the opportunity. I had a question on the PVC market. If you could just touch upon how the PVC demand has been -- I mean, how was it last year in CY '25? How are we expecting it to be for CY '26?

And secondly, if you could touch upon how the demand -- I know you briefly mentioned about the demand, but if you could just give more details as to how do you see the demand for PVC as we move forward, especially in the light of higher diesel cost, which could result in higher transportation. Are we seeing any postponement of demand from the end user side?

S. Ganeshkumar: Okay. So as we said in '25, the market size was around 4.3 million tons and about 1 percentage drop in this FY26. As we go ahead, we are assuming that the demand should be either stable or marginally move up.

The diesel price hike, these are transportation typically as a percentage of the overall cost, whether it is construction, et cetera, will not be significantly impacting it. And construction once started, nobody will put it back.

Second is also the consumption of where does the PVC go. A majority of it goes into the pipes, which is in different applications, whether it is irrigation, whether it is electrical pipes, whether it is different types of applications.

But there, it is -- we don't see a construction of demand as of now, indication is not there because if the GDP is supposed to continue to grow at even at a low 3.5%, 4%, 4.5%, at a very, very pessimistic level. The PVC consumption follows that because infrastructure follows GDP growth.

Darshita Shah: Okay. And because of the increase in PVC...

S. Ganeshkumar: Okay?

Darshita Shah: Sorry, sorry sir yes.

S. Ganeshkumar: Plus coming back to Paste -- sorry, just to complete it. Paste, we have seen a sustained growth. There's still a long way to go because as long as the sectors of automobiles, footwear, et cetera, continues to have a robust demand, PVC will -- Paste PVC will have a role to play. And that's somewhere we see this to continue the long-term average of growth to take place.

Darshita Shah: Got it. And more from a near-term perspective, because of prices going up from historical levels last year, somewhere close to, say, INR60 now trading at about INR80, INR85 odd, are we seeing any demand destruction coming in from the agri side, irrigation side specifically, especially when we have concerns around El Niño, around rainfall, any demand destruction happening on the agri front?

S. Ganeshkumar: See, in fact, the demand gets augmented by the agri side because most of the irrigation project in the agri is actually refinanced under the NABARD scheme, okay? This goes under priority sector lending and whereby most of the subsidy that is offered is based on the landed cost. So there, I don't think the demand destruction will happen.

Second is, logically, with depleting water levels and challenges in agriculture, everyone is moving towards either sprinkler or drip. So the demand for pipe will continue to be robust there. If you look at India's data, we have about 36% irrigated land, out of which 80% of 36% is irrigated through rainfall. So there is still a lot of scope for people to approach this irrigation side in agriculture.

Darshita Shah: Got it. And just lastly, are we seeing -- I mean, we've heard about some capacities coming in from Adani and Reliance, starting with CPVC, but then moving on to PVC as well. Any update on that, anything that you would have heard on when these capacities are expected to come through?

S. Ganeshkumar: We are hearing what you are hearing from the market, okay? So it's better that Reliance and Adani respond to this question.

Darshita Shah: Great. Okay. Sure. Thanks. Thanks a lot.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question. And that concludes the question-and-answer session. I now hand the conference back to the management for the closing comments. Thank you, and over to you, sir.



S. Ganeshkumar: Thank you. Thank you, everyone for joining us today on this earnings call and thank you so much for the questions that you have asked, we really appreciate your interest in Chemplast Sanmar Limited. If you have any further queries, please do contact SGA, our Investor Relations Advisor. Have a good day.

Moderator: Thank you, members of the management. On behalf of Chemplast Sanmar Limited, we conclude this conference. Thank you all for joining us today. And you may now disconnect your lines. Thank you.