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February 16, 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 February 9, 2026**

In continuation to our letter dated February 3, 2026 please find enclosed the transcripts of the Earnings Conference Call held on February 9, 2026.

Date & Time of receipt of this information: February 16, 2026; 07:05 PM (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](http://www.chemplastsanmar.com)

Thanking You,

Yours faithfully,

For CHEMPLAST SANMAR LIMITED

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





Chemplast Sanmar Limited  
*Where integration is the key*

“Chemplast Sanmar Limited  
Q3 FY '26 Earnings Conference Call”  
February 09, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on February 09, 2026, will prevail.”



Chemplast Sanmar Limited  
*Where integration is the key*



**MANAGEMENT: MR. RAMKUMAR SHANKAR – MANAGING DIRECTOR –  
CHEMPLAST SANMAR LIMITED  
MR. N. MURALIDHARAN – CHIEF FINANCIAL OFFICER  
– CHEMPLAST SANMAR LIMITED  
DR. KRISHNA KUMAR RANGACHARI – HEAD, CUSTOM  
MANUFACTURED CHEMICALS DIVISION – CHEMPLAST  
SANMAR LIMITED**



**Moderator:** Ladies and gentlemen, good day, and welcome to the Chemplast Sanmar Limited Q3 FY '26 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 touch-tone phone. Please note that this conference is being recorded.

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 guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I would now like to hand the conference over to Mr. Ramkumar Shankar, Managing Director. Thank you, and over to you, sir.

**Ramkumar Shankar:** Thank you very much, and good afternoon, 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, N. Muralidharan; Dr. Krishna Kumar Rangachari, who heads our Custom Manufactured Chemicals Division; and SGA, our Investor Relations Advisor.

I hope everyone has had an opportunity to go through the financial results and investor presentation, which has been uploaded on the stock exchanges and on our company's website. During the quarter, the company reported consolidated revenues of INR835 crores and a net loss of INR119 crores. This has been the most challenging quarter in the last 3 years with multiple factors impacting our performance.

The Suspension PVC business faced a challenging environment with the seasonal decline in demand, weather-related production disruptions caused by inability of feedstock ships to berth due to unusually rough seas during this year's Northeast monsoon and a sharp fall in import parity prices caused by regulatory uncertainty at the beginning of the quarter.

We have setback on the regulatory side with antidumping duty recommended by the Director General of Trade Remedies not being accepted by the Ministry of Finance. The quality control order on PVC, which was scheduled to be implemented in December, was also rescinded in November, along with the quality control orders on various other polymers.

On the Paste PVC side, we saw continued pricing pressure from imports originating from the European Union. However, we believe that Q3 represents the bottom of the PVC cycle with an uptrend being visible in January continuing into February. Market sentiments are more positive, resulting in higher demand and better prices, boding well for the company in the days and months ahead.

Getting into details. During quarter 3, domestic demand for Paste PVC remained stable, thanks to the footwear and automobile segments. The Cuddalore Paste PVC facility is operating at full capacity utilization, reflecting steady operations and market absorption. Post the end of the quarter, we see an uptick in demand for Paste PVC, which resulted in a significant drawdown of inventory in January. Some price improvements in Paste PVC are also being seen. The



antidumping investigation on Paste PVC imports from the European Union and Japan is ongoing with the final findings expected before the end of Q4 of the current year.

On the Custom Manufactured Chemicals business, as highlighted during the earlier analyst call, the slowdown in agrochemicals impacted our quarterly performance. That said, our new product development and customer diversification initiatives continued in Q3. We now have 17 products commercialized with additional products under development.

On the capacity expansion, work on MPB-3 Phase 3 and MPB-4 continued during the quarter. MPB-3 Phase 3 is expected to be completed in Q4 of the current year with pilot commissioning also targeted for Q4 of this year, following which, production is expected to ramp up gradually. Civil works for MPB-4 are targeted for completion in Q1 of FY '27.

On our refrigerant gas project, the R32 capacity expansion of 14 KTPA is underway, including 2 new R32 plants of 10 KTPA and 2 KTPA capacity, respectively, and conversion of the existing R22 capacity into a swing plant at Mettur. Commercial sales are expected to start post the swing plant commissioning by the end of this quarter.

Moving on to our Value-added Chemicals business. Our business portfolio in this segment, as you may be aware, includes caustic soda, chloromethanes and hydrogen peroxide. During the quarter, prices and margins for caustic soda and chloromethanes remained under pressure globally. Caustic soda's domestic demand remained stable from key consuming sectors, including pulp and paper, soaps and detergents, alumina and textiles.

Sales volumes declined in quarter 3, primarily due to lower production at the Mettur facility. Caustic soda output was impacted by technical issues, which in turn reduced hydrogen peroxide volume as well. We expect the production to normalize by March 2026 in 2 months from now. Prices are expected to remain stable barring any material changes in market conditions.

On the Suspension PVC business, as mentioned earlier, the Suspension PVC business faced a difficult environment in Q3 with the perfect storm of adverse conditions, including weather-related production disruptions, lower import prices following the non-implementation of the long-awaited antidumping duty and softer domestic demand due to both seasonality and uncertainty around regulatory actions.

A key positive development towards the end of the quarter has been the decision by the Chinese government to withdraw the export tax rebate on Suspension PVC effective from April 2026. This rebate, which amounted to 13% of the export price or roughly around \$ 70 to \$ 80 per metric ton, has been a significant factor supporting Chinese exports to India.

Its withdrawal is expected to reduce the price advantage of Chinese exports and indeed has already helped improve market sentiment in the last few weeks. Despite the challenging operating environment, we continue to review our strategic priorities with discipline.

Our Paste PVC expansion has seen precision and execution with the new line reaching 100% utilization in quick time. With key capacity additions in Custom Manufactured Chemicals nearing completion, new products gaining traction and the regulatory and structural



developments supporting improved market sentiment particularly in Suspension PVC, we believe that the company is well placed to emerge stronger from what has been a long trough and deliver sustainable growth going forward.

On a personal note, after 13 years at the helm, I will be stepping down as Managing Director of the company with effect from the 1st of April 2026. I would like to take this opportunity to place on record my sincere appreciation to our shareholders, the analyst community and all other stakeholders for the understanding, trust and support you have extended to the company and to me personally over the years. Subject to requisite approvals, Mr. Ganesh Kumar will be taking over as Managing Director from April, and I'm confident that the company will continue to build on its strong foundations under his leadership.

Now I'd like to invite our CFO, Muralidharan, to walk you through the financial performance of the company.

**N. Muralidharan:**

Thank you, Ramkumar, and a very good afternoon to all the participants on the call. Talking about the performance in Q3 FY '26, the company went through a very difficult quarter. On a consolidated basis, the company recorded revenues of INR835 crores, a 21% drop on a year-on-year basis. The net loss for the quarter stood at INR119 crores.

Now coming to the quarterly segment wise performance. The Specialty Chemicals segment generated revenues of INR336 crores with volume increasing 13% on a year-on-year basis. The Value-added Chemicals revenue stood at INR105 crores for the quarter, down from INR153 crores reported in the same period last year.

Performance was impacted by price volatility and product and related challenges as mentioned by Ramkumar earlier. The Suspension PVC recorded a top line of INR394 crores for the quarter, down from INR525 crores in the respective quarter last year, mainly due to lower volumes on account of weather-related disruptions and adverse pricing dynamics due to unabated dumping, which served as a significant headwind for the quarter.

Looking at the split of revenues for the quarter. Specialty Chemicals contributed 40% of revenues, value-added Chemicals accounted for 13%, while the Suspension PVC segment comprised the remaining 47%. For 9 months FY '26, the company reported revenue of INR 2,968 Crores with EBITDA at INR4 crores, while the net loss for the period was at INR234 crores.

Coming to the segmentwise highlights during the 9-month period. While the Value-added Chemicals and Suspension PVC witnessed a drop due to pricing pressure and lower volumes Specialty Chemicals registered a marginal growth. During the period, the company incurred a onetime impact of INR 2.68 crores due to the implementation of the new labour codes.

As Ramkumar highlighted, we are seeing green shoots emerging more specifically in Suspension PVC space. This, combined with the traction that we are gaining for the new products in the Custom Manufactured Chemicals business, will help improve the profitability of the company in the coming quarters.

With this, we conclude the presentation and open the floor for further discussions.



**Moderator:** Thank you very much. We take the first question from the line of Rohit Nagraj from 360 one Capital. Please go ahead.

**Rohit Nagraj:** First question on R32. So you mentioned that the swing plant will be operational by the end of this quarter. So is it possible for us to operate the plant at its optimal capacity throughout FY '27? And which are the markets that we are targeting for R32? Is it going to be domestic or a mix of domestic plus exports? Thanks.

**Ramkumar Shankar:** Thanks for the question, Rohit. The first swing plant will have a capacity around 2 kt, and that should come in by the end of this quarter. It will have some ramp-up period. It will not operate at 100% from day 1. There will be some ramp up. Obviously, like we always do with all our expansions, we would aim to get to 100% as early as possible as we had done in Paste PVC as well. And that would be our aim, but I would not say that it would run like 100% from day 1. These 2 kt, we should be selling it in the domestic market. But once we have the full 14 kt on-line next year, there would be a mix of domestic and exports.

**Rohit Nagraj:** Sure. The second question. In our highlights, key highlights, you have mentioned that CMCD performance was impacted by agrochemicals slowdown. But our new product development and capexes are on time. Here, in terms of setback, is it going to be still a short-term setback on the agrochemicals, and we expect that FY '28, things should again come back to -- a large part to normalized business? Our earlier guidance of INR1,000 crores for FY '27 has been postponed by a couple of quarters. Is there any possibility of that getting further stretched to maybe second half of FY '28? Just a broader view outlook.

**Krishna Rangachari:** This is Krishna here, Rohit. As we outlined in the last quarter call, the global agchem market remains mixed. The demand is picking back up but there is lot of price pressure due to low cost generics from China. And while this is not impacting us directly in any way, the launch of new molecules by the innovators, the ramp-up is not happening as quickly as they had originally anticipated. And so we see this impacting in the near term but not in the long term.

The long-term projections and the demand for many of the molecules that are commercialized still very healthy and very strong. So from a guidance standpoint, we are still comfortable -- while there is a delay by a few quarters, in terms of our ramp-up to the INR1,000 crores, we don't see any significant issues and realizing that by FY '27-'28

**Moderator:** The next question is from the line of Pujan Shah from Molecule Ventures.

**Pujan Shah:** Am I audible?

**Ramkumar Shankar:** You're audible. Please go ahead.

**Pujan Shah:** Yes. Sir, first question would be the consideration of we have seen PVC price hike of INR7 to INR8, and there is also a discussion on MIP which is going on the industry forward. So first question would be on the MIP, that how much tenure we have been looking in terms of government that they will allow us leeway for MIP? And are you finding any ADD -- refiling ADD ex US. Or we have seen in the deciding mode that we want to file ADD or not?



**Ramkumar Shankar:** Thanks for the question. You're right, there have been a few PVC price increases rolled out from January onwards, which was what I was talking about when I said that the sentiment has changed and we are seeing a positive upswing right now. As far as the MIP is concerned, this is traditionally a short-term measure, which can be up to a year.

And that is -- and this is a measure, it's a bridging measure that will give time to the industry to apply for any other longer-term solutions that they see fit. And the industry is looking at certain other longer-term measures that we have approached the government on. And we are confident that one of those will move ahead in the coming months. We'll be able to give you better details on this maybe in a couple of a few weeks time.

**Pujan Shah:** So any expectation on any timelines for MIP? Or it is just right now industry discussions so you won't be able to justify the timeline?

**Ramkumar Shankar:** MIP, obviously, we would not be able to comment here and give you a timeline on that. But all I can say is that the process started some time back and it is at least half way into the process. And this is not a very long run out process. So I think we should see some traction on that in a couple of months.

**Pujan Shah:** Okay. Got it, sir. On the R32 front, so just wanted to understand the current prices versus the last quarter prices. Is that a firm prices have been stayed along? Or it has been pulled off on a largely basis right now?

**Ramkumar Shankar:** It's stable. There is no major change in R32 side.

**Pujan Shah:** So want to understand a sustainable thing is, that if you look at a breakeven on R32, so understanding that it will take time to take to 14 KTPA. But if we want to understand the breakeven point at which we have been able to sustainably generate at least a flat EBITDA margin, what would be the breakeven price? Or would it be difficult to justify because right now, the temporary scenario has been changing?

**Ramkumar Shankar:** No. We are very confident that this is a very short-term breakeven for this project. We believe that it will not extend beyond a couple of years.

**Pujan Shah:** Okay. And just wanted to understand on the anti- involution front, are we seeing any improvement in PVC on anti-involution front? Or it is just right now on the state of books only?

**Ramkumar Shankar:** That is a very concrete move on that front. In fact, the withdrawal of the export tax rebate that I was talking about that was announced by the Chinese government on multiple products, including Suspension PVC, will take effect from the 1st of April 2026. That is in a couple of months from now. And that is, in a sense, to remove the incentives that were being given for exporting all that capacity that had been set up without real economic justification.

So what we expect this to fuel would be an advancing of the rationalization of some of the carbide PVC capacity. This could accelerate it. That is what we believe. Once this export tax rebate withdrawal is completely -- that withdrawal comes into effect on the 1st of April, we do believe that some of those carbide PVC capacities which are dependent on merchant carbide



purchase, those capacities could be rationalized sooner than we thought. So I think this is one step forward in the anti-involution program of the Chinese government.

**Pujan Shah:**

Got it, sir. And if we look at the prices right now and this export duty incentives been removed, do you feel that in a short term, like let in Feb, March, there would be a dumping effect which can be seen due to low prices start keeping on -- stabilized inventory will be filled by lower pricing and then eventually it will reset to a new pricing? Is it a possibility that would happen right now? Or it is now a far case scenario because shipping time and all these delays will take time to ultimately reset to the new prices?

**Ramkumar Shankar:**

It's a very fair question from your side. And I think that the possibility definitely is there. Since this was announced, we have also been tracking it. Will there be a sudden flood of imports coming in to beat the April deadline, and so, all a lot more comes in right now and then it settles into the higher levels? But actually, what we are seeing is that the prices have only gone up in January and it continues to go up in February. And we hear that even some of the older orders placed on Chinese suppliers have not been shipped out.

So I guess there is some logistic issues as well that the Chinese exports are facing. And therefore, since we are already into mid-February, we have hardly 6 weeks now. So the risk of it coming in after the 31st of March, that is there. So there could still be some increase in quantities coming in, in March, but we believe that it is manageable especially given the fact that the demand has come back strongly.

**Moderator:**

We take the next question from the line of Nikhil Gandhi from Bajaj Life Insurance.

**Nikhil Gandhi:**

Sir, considering the current trajectory, how should we look from the fundraising perspective? Should we expect any kind of fundraising in the form of equity or debt in the next 1 or 2 years kind of a time frame? Because currently, you're facing some losses?

The second question which I just wanted to understand is at what price, since we have seen around INR6 to INR8 kind of price increase in S-PVC. And what price would we expect a breakeven for S-PVC as well as for Paste PVC?

**N. Muralidharan:**

It's Murali. On the fundraising part. Actually, fundraising is an ongoing exercise both projects and also for our short-term requirements. I think those will go as per our plan that we have done all the time. As for equity raising is concerned, we don't have any plans as of now. I can't comment about the next 2 years. But we don't have any plans as of now.

And the first question on the Suspension PVC breakeven. Actually, we look at it both from the contribution. That is the contribution that we get rather than the prices because the prices may move up and down. But what really matters is the margin that we get from the Suspension PVC after all the variable costs. That's what we look at. That generally varies between somewhere around INR11,000 to INR12,000 per ton.

**Nikhil Gandhi:**

And for Paste PVC?



- N. Muralidharan:** Paste PVC is slightly difficult to sort of say because Chemplast is an integrated entity. It has paste, caustic, chloromethanes, CMCD. All that as an integrated operation. So it will be difficult for us to look at the EBITDA of individual products and then factor breakeven.
- Ramkumar Shankar:** But I think in Paste PVC, the price increase has only been -- we've just rolled out one price increase of around INR2,000 very recently. And I think we have some way to go there before we can say we are comfortable. Suspension PVC I think we are in the comfort zone, heading into that comfort.
- N. Muralidharan:** We are talking about the breakeven at the PBT level.
- Nikhil Gandhi:** Okay. Okay. So at the current pricing scenario, should we expect it as a breakeven for Suspension PVC?
- Ramkumar Shankar:** Suspension PVC by February and March, yes. The answer is yes.
- Nikhil Gandhi:** Okay. Okay. So if we expect INR1 to INR2 kind of price hike in the PVC prices, so we will be at a breakeven is kind of what I'm saying?
- Ramkumar Shankar:** I think with the current number, it would already be at the breakeven level in February and March because it's not just the price increases. There are also some discount schemes that we had to give in December, which has been rolled back now.
- Moderator:** We take the next question from the line of Jash from Dalal and Broacha. Please proceed.
- Jash:** Sir, just carry forwarding the last question. You're saying that we are now breaking even in the Suspension PVC at the contribution level. How much more price increases we will require to break even at the EBITDA level?
- Ramkumar Shankar:** Okay. No, when we said the breakeven, we were talking about the PBT level, not contribution level. So that is really what it is. Obviously, given the investment that we have, you would need -- to get a decent return on the investment, you would need to earn more. So this is really at a breakeven level. But this is the first step. That's what I would like to make up on. We still need to ensure that we can't take our eyes off the ball in terms of preventing unfair trade practices. We need to ensure that dumping is stopped. But this is a good first step.
- Jash:** Got it, sir. Sir, one last question. Assuming the Chinese prices move up post April -- rather, post March because of this withdrawal of 13% rebate tax, how much more price increases are possible? I think you spoke about INR7, INR8 already being increased. So does that equal to 13% rollback? Or there is still more room for the prices to go up?
- Ramkumar Shankar:** See, you can't really relate that export tax rebate to the current price increases. It would be difficult to draw a direct correlation between the two. It is a mix of economic conditions and the change in sentiment, the return of demand in India and so on. However, we would not be able to draw that direct correlation. And how much more is possible, that is not something that we can predict with any certainty at this point in time.



- Jash:** Okay, Okay, sir. Just in case that the prices move up by, say, INR8 to INR10, how much the contribution will move up from here, say, 11% to 12%?
- Ramkumar Shankar:** That depends on how the feedstock prices also moved. So it's not that the contribution. It's both the product price and the feedstock price. So we would expect that the feedstock price will also start moving up as the PVC prices move up. But obviously, in a rising market, as we've always said in these calls, in a rising market, we would get the benefit of the time lag between the product price movement increase and feedstock price change. Whereas in a falling market, we would always be hit by that. The last 3 years, unfortunately, have been the latter case. Hopefully, going forward, we will get the benefit of that.
- Moderator:** We take the next question from the line of Bharat Sheth from Quest Investment Managers Pvt. Ltd. Please proceed.
- Bharat Sheth:** Sir, my first question, as you said that PVC price has already moved up by INR7, INR8, and hence, we are at breakeven. Can you give some more color on EDC price, which is a bridge to how much it has increased and how are we seeing the availability and demand scenario over the period?
- Ramkumar Shankar:** All right. EDC prices have been around less than \$200 right now. If you look at the last few months from January onwards, from around \$225 by around April or end of March, prices are right now, by end of January, it's come down to \$194. These are all CFR Asia prices. For us, EDC hasn't fully impacted Paste PVC because we do not use -- and a little -- for our Suspension PVC, we import VCM straightaway. So both EDC and VCM prices have been soft over the last 9 months in keeping with the softness in PVC prices.
- Bharat Sheth:** Post increase in this PVC price, how are we seeing currently ruling in April end March end forward?
- Ramkumar Shankar:** If PVC prices go up, definitely VCM prices will follow because VCM is a one-trick pony, which is used only for making PVC largely. So therefore, it should follow PVC. But like I was explaining to the previous caller as well, there will be a lag in a rising market, which would work to our benefit. EDC dances to a different tune.
- It is equally dependent on power prices. The energy price economics has also caustic realizations. We believe that EDC prices will also slowly move up and ethylene will also play a role in that. But it's not going to move up very sharply unless, of course, there is some major supply side constraint that develops all of a sudden, which we don't see.
- Bharat Sheth:** And can you give some color on the spread between the Paste PVC and VCM price? Can you give some sense on the spread of Paste PVC and VCM?
- Ramkumar Shankar:** Normally, the VCM price, you can say that the spread between VCM and PVC, Suspension PVC right now is around \$200. It usually moves between \$175 to \$200. And Paste PVC is another around \$200 above Suspension.



**Bharat Sheth:** Okay. This is with the post -- as you said that price of Paste PVC, we have seen increased by INR3,000 per ton, correct?

**Ramkumar Shankar:** INR2,000 so far.

**Bharat Sheth:** And how is the demand in Paste PVC in domestic market as well as PVC, if you can give some more color?

**Ramkumar Shankar:** The demand of Suspension PVC until December was actually a little flat, in fact, marginally negative. If you look at April to December '25, the consumption in India is around 3.2 million tons as compared to 3.3 million tons in the same period last year. And this is largely because of this year, there's been a far more extended monsoon and a pretty strong monsoon at that and also a lot of uncertainty on price volatility and the regulatory uncertainty.

So there has been a holdback in demand and destocking happened. But we believe that from January, with a lot more positivity around prices and the return of positive sentiment in the market, we are seeing a good strong demand returning. Therefore, for the year as a whole, I believe that we would make up this very small negative in the first 9 months and we'll end up either at the same level as last year or maybe slightly more than that.

As far as Paste PVC is concerned, actually, the demand has been very strong. There has been an 8% increase in the first 9 months of the year on a year-on-year basis. And we are seeing a very strong pull in January and February as well.

**Bharat Sheth:** Okay. Sir, and on CRM, I mean, Custom Manufacturing, I missed the initial remarks. So we were targeting around INR1,000 crores kind of a top line by end of '26-'27. So where are we in that journey? Or we'll be able to achieve that? Or there will be some quarter lag will be there?

**Krishna Rangachari:** So as indicated last call, that we anticipate a delay for a few quarters and we continue to hold that projection. So there's just a deferment primarily because of the ramp-up of some of the new molecules are not happening as quickly as we anticipated. The pipeline continues to be strong. Our engagement with all our customers in terms of what we are working on, the new projects, continue to be strong as well. But as you are aware, the whole agchem industry has been going through a very difficult cycle for the past couple of years. And each one of them, one by one is coming out of that, which is in impact taking many of their pipeline launches and ramp up.

**Bharat Sheth:** Are we seeing some, I mean, bottoming out of their inventory earlier which was piled up, destocking as well as no new launches is what I read out. And we are seeing an uptick?

**Krishna Rangachari:** Correct. So what we hear is that the demand is starting to take off. So that inventory correction, as you pointed out, it's behind. However, the price pressure continues in terms of some very high capacity of generic manufacturing put up China. So that's impacting at a price level, which in turn is impacting some of the new molecules because the tendency to use the older chemistries and chemicals which are now available at much lower prices. So the incentive to switch from a pharma standpoint, that incentive is not as good as it could have been.



**Bharat Sheth:** Can you give some more color on the R32? How much potential do we have when we start to be manufacturing the same? And does it factor in INR1,000 crores revenue?

**Ramkumar Shankar:** R32, like we mentioned, we are targeting a total capacity of around 14,000 tons. There will be 3 units. We are first converting our R22 plant into a swing plant 2,000 tons. That will get ready by before the end of this -- financial year itself. Then there is another new plant of another 2,000 tons, and that will get ready by the first quarter of next year. And then the last 10,000 tons, we should get ready by the end of the calendar year. So overall, the first full year, I think we target to make around 11,000 tons, and we should have around an annual revenue of INR550 crores.

**N. Muralidharan:** The INR 1,000 crores CMCD target, that's a separate sort of line and it's not part of that INR1,000 crores.

**Moderator:** We take the next question from the line of Kiran Gadge from Knightstone Capital Management LLP.

**Kiran Gadge:** Apart from Westlake Corporation rationalizing some PVC raising capacity, are you observing any more shutdowns?

**Ramkumar Shankar:** That's an interesting question. Actually, we did see some rationalization that has happened in Europe. There was one Netherlands plant at around 230,000 tons that shut down towards the end of last year. And then a few other plants of the same company in different parts of Europe have gone into receivership. So I think there is a lot of stress especially in Europe in terms of the PVC industry there. And there could be some announcements. We do not know if further announcements.

As far as China is concerned, like I mentioned earlier in the call, once this withdrawal of the export tax rebate plays out, that could be an acceleration of a rationalization of the carbide PVC capacity, which was dependent on purchase of calcium carbide. So there could be some rationalization there as well.

**Kiran Gadge:** How much capacity are you expecting for carbide based?

**Ramkumar Shankar:** These are not things that we can put a number on. All I can say is that China has around 20 million tons of carbide PVC capacity, of which around 4 million to 5 million tons depends on purchase of calcium carbide on a merchant basis. How much of that -- and all of this is operating at maybe around 75%, 80% operating rate right now. So how much of that will shut down and what impact it will have is yet to be seen.

**Moderator:** We take the next question from the line of Pranit from Samatva.

**Praneet:** So in terms of the new FTA with the European Union, do we see any green shoots from this? Or do we see any other factors? Can you explain how the company sees it?

**Ramkumar Shankar:** With the European Union, see, the way we would see it is that I'm not sure we will have -- the details are yet to be seen because the detailed schedules are yet to be released. So we would need to figure that out when it is officially released. And anyway, the approvals from the European



Parliament on both sides will also take time. So it is not something that is going to impact us tomorrow or next month.

But if assuming that the automobile imports into India increased from Europe and a lot of the artificial leather that is made from Paste PVC is PVC-based and a lot of our customers are exporting the leather to European car manufacturers, that could result in some positive demand pool in the market. On Suspension PVC, I don't see much. On CMCD, I'm sure there would be some benefits.

**Krishna Rangachari:** We'll have to wait and see what is included and what's captured there. But there should be some advantages because of the CMCD, 100% of our sales or our products are exported eventually. So there should be some benefits there as well.

**Praneet:** Understood. And in terms of the ADD, also could you repeat? I think I missed it. So we are not going to have the ADD for this anymore, right, from the European Union?

**Ramkumar Shankar:** And the ADD on Suspension PVC was not implemented. The ADD on Paste PVC imports from European Union and Japan, that case is still ongoing, and we are expecting the final finding from the DGTR before the end of this quarter. And after that, of course, it will have to go through the Finance Ministry for notification. We'll have to wait and see how that is reviewed.

**Praneet:** Understood. But as China is getting less competitive because they're removing the subsidies, that's a green shoot for us overall to Suspension PVC. Is that the right understanding?

**Ramkumar Shankar:** That is right. On Suspension PVC, the removal of the export tax benefits that they had, the rebate that they had is going to be a definite positive for the Suspension PVC industry here in India because China was the significant exporter to India. It was flooding the Indian market with low price exports.

**Praneet:** So and let's say, in terms of imports broad-based, how much would have been contributed also, EU and Japan?

**Ramkumar Shankar:** EU and Japan is in Paste PVC. China is in Suspension PVC. So I think we should -- EU and Japan are not so much. Japan is the player in suspension as well, EU not so much. On Paste PVC, China is not so much a player because there is already an antidumping duty that is in place.

So let me just tell you the broad numbers for Suspension first. Out of the total import arrivals of around 2 million, 2.1 million tons in April to December -- the 9-month period April to December '25, China accounted for around 52% of the arrivals, Japan accounted for 14%, Taiwan accounted for 9% and Korea accounted for 6%. So these were the 4 large exporters to India as far as the Suspension is concerned.

If you look at Paste PVC, out of the around 62,000 tons of import arrivals in the 9-month period ended December '25, European Union accounted for around 45%, Korea for 22%, and then you had Malaysia for 8% and then Taiwan and Thailand, 7% each. So this is really the import arrival breakup.



- Praneet:** Understood. But in terms of price parity, what would be, let's say, import versus us, the price parity with the cost of production, landed price for them versus cost production for us? What will be the parity between that?
- Ramkumar Shankar:** Okay. That is really the subject of the antidumping duty and the DGTR, that is exactly what they calculate and that is how they work out on the -- work out the injury margin and dumping margin. That's something that we can discuss off-line.
- Moderator:** We take the next question from the line of Nikhil Gandhi from Bajaj Life Insurance.
- Nikhil Gandhi:** Sir, I just wanted to understand R32 and how should we look into at 10,000 kt capacity which we are planning.
- Ramkumar Shankar:** Given the fact that we have resized our ambition and our plans in this product to 14,000 tons and given that we had also a presence in the R22 production in the 2009-'10 period, we are quite confident that we would get the quota for this volume that we are going ahead with.
- Nikhil Gandhi:** Okay, okay. And the second thing is relating to the CMC business. So for the CMC business, though we have highlighted that we will be achieving that target with a delay of 2, 3 quarters, sir, do we expect 20% to 25% kind of initial margin guidance which we have given to be the same?
- N. Muralidharan:** Yes. In the nominal terms, yes. Like we had mentioned in the earlier call as well, when we are sort of pushing through a number of new products, there is a learning curve. So the margin level will be slightly lower in the initial year. But on a steady state basis, we still hold on that. That's what the industry is making. So we believe that we will also be in that range.
- Nikhil Gandhi:** Okay, sir. Sir, any tentative number which we can model in for FY '27 or for FY '28 to something of that sort?
- N. Muralidharan:** No. We would avoid giving any specific guidance. We have already sort of inferred that we'll be somewhere around -- we would look at the target of INR1,000 crores by FY '28. Beyond that, I wouldn't like to sort of give a specific guidance.
- Moderator:** We take the next question from the line of Diya Jain from Sapphire Capital.
- Diya Jain:** Am I audible?
- Ramkumar Shankar:** Yes, please.
- Diya Jain:** Sir, what kind of revenue are we expecting from the R32 plant?
- Ramkumar Shankar:** Can you repeat that, please? I lost that.
- Diya Jain:** What is the revenue that we are expecting from the R32 plant?



**Ramkumar Shankar:** The first full year, we should have around INR550 crores -- INR600 crores, roughly around INR600 crores. I did say INR550 crores earlier. My team just corrected me. It should be around INR600 crores.

**Diya Jain:** And going forward?

**Ramkumar Shankar:** That will be the full year. I'm talking about full year of production, after the ramp-up, et cetera.

**Moderator:** We take the next question from the line of Pujan Shah from Molecule Ventures.

**Pujan Shah:** First question was the caustic soda pricing as we become the net exporter and we see that once the addition of foreign capacity comes up, eventually it also fall off by coming the caustic soda capacity as well. So do you feel that we remain the -- price will remain range-bound over the year on due to the scenario of already having surplus capacity? Or it is difficult right now to comment because of the muted demand? So what's your thought on caustic?

**Ramkumar Shankar:** Caustic soda, you are right. India, from being a net importer for a very long time, turned into a net exporter in the last couple of years. And today, I think we export around 0.5 million tons of caustic soda a year. And prices are range-bound right now. As you said, we are at anywhere between INR30 to INR34 per metric tons. And it is hovering anywhere in that range. In different months, it could be slightly higher, in the higher end of the range. Sometimes it's at the lower end.

The one advantage that maybe we could claim to have is the fact that we are located in the South, whereas most of the capacity is concentrated in the West of the country. And caustic, by nature of the product, is transported -- it is sold at 50% solution. So the transportation cost towards long distances adds significantly to the cost of the product. Therefore, it is largely a regional market. Therefore, we are a little better definitely than the rest of the -- at least producers in the Western region.

New capacity is coming up, especially again in the Western part of the region associated with new PVC capacity would add to the export from India. There is, of course, definitely some demand improvement also happening on the end user side of the caustic soda industry given the fact that caustic is a significant chemical used in the refining of critical minerals that are used in the EV industry, etcetera. So there will be an improvement in demand as well. But yes, to some extent, prices, we expect would remain range-bound. We'll have to wait and see once the new capacity starts coming in.

**Pujan Shah:** And the second question is just to have a broad -- can you just -- I'm new to the industry, so please tell me if I'm asking a new question. I just wanted to know what specifically R32 is when you speak about quota. So what is the specific quota? Is it allocated by the government? How it works, the dynamic, how it works? Is it that it is a protection for the domestic industry? It is about the environmental concern? That's why they have allotted the quota. What is the key metric wherein we look at the specifically quota thing?

**Ramkumar Shankar:** The quota is not for protection. This entire quota is arising out of an international agreement amongst various countries, and this is a quota that will be decided at the national level and



indicated by the government. On the exact details of this, may I suggest that you contact us off-line and one of us can take you through the genesis of the entire quota and the protocol and so on. Please do contact us. We would be more than happy to take you through that.

- Pujan Shah:** Sure, sir. And my last question is can you tell us the Q-o-Q prices of R32 and R22 in percentage terms? If you can help me, just wanted to understand a brief how the price was formed over the last quarter?
- N. Muralidharan:** Actually, R32, like Ramkumar mentioned earlier, we have to commission the plant. So we are not in the market for selling R32 currently. The R22 price for the last quarter was around a 3 lakh approximately.
- Ramkumar Shankar:** R32 price currently are at around \$7.5 per kilo.
- Pujan Shah:** Okay. And it is improved from within 5 years?
- Ramkumar Shankar:** If you look at it 1 year back, it was at \$4 a kilo.
- Moderator:** We take the next question from the line of Rohit Nagraj from 360 one Capital.
- Rohit Nagraj:** Sir, one question on the capex front. So for this year and FY '27, what could be the capex, and probably if you can split in terms of segment and maintenance capex?
- N. Muralidharan:** Apart from maintenance capex, the announced capex is the R32 that we have announced and whatever residual out of the CMCD expansions that we have announced. And the rest is only maintenance capex. So if you want details on the maintenance capex, and those details, we can always take off-line. So broadly, we don't see any large capex at least as of now.
- Rohit Nagraj:** Sure. And second, just theoretically speaking, considering the current raw material or lithium pricing environment, if after April 1, the price goes up in the international market by \$70 to \$80, would that construe to the spreads entirely barring maybe some discounts for domestic production? Would that be the right assumption to work on?
- Ramkumar Shankar:** This will not go down completely into the margin because there would be some increase in the feedstock price as well because the stock prices are to follow the finished product prices. But there will be some improvement we believe, the reason being the feedstock VCM price is largely determined in Asia by the PVC price in China. And it's the quantum of exports out of China all.
- And until such time that the capacity rationalization happens, there could be pressure on the PVC prices within China. And if that happens, then VCM prices could get impacted downwards, which could be favorable to us. So I think it is a little early right now to talk about how much of it would flow down to the bottom line. Let us just wait and see how it rolls out. We believe that there are certain positives there.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraints, we take that as the last question. I would now like to hand the conference over to the management for closing comments.



**Ramkumar Shankar:** Thank you, everyone, for joining us again today on this earnings call and for all your probing questions. We appreciate your interest in the company. And if you have any further queries, please do contact SGA, our Investor Relations Advisor. Thank you, and good day.

**Moderator:** Thank you. On behalf of Chemplast Sanmar Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.