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May 16, 2023

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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**Subject: Investor Presentation**

Please find enclosed a copy of Investor Presentation on Performance Highlights Q4 & FY '23.

Copy of Investor Presentation will also be available on the website of the company at [www.chemplastsanmar.com](http://www.chemplastsanmar.com).

Thanking You,  
Yours faithfully,

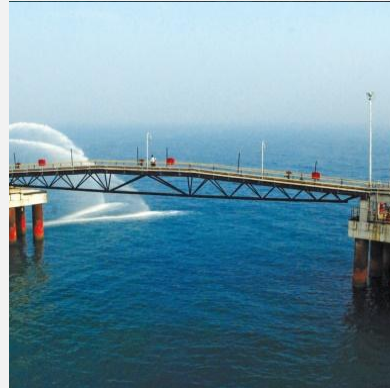
For CHEMPLAST SANMAR LIMITED

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



# Chemplast Sanmar Ltd

*Investor Presentation - Q4 and FY '23*



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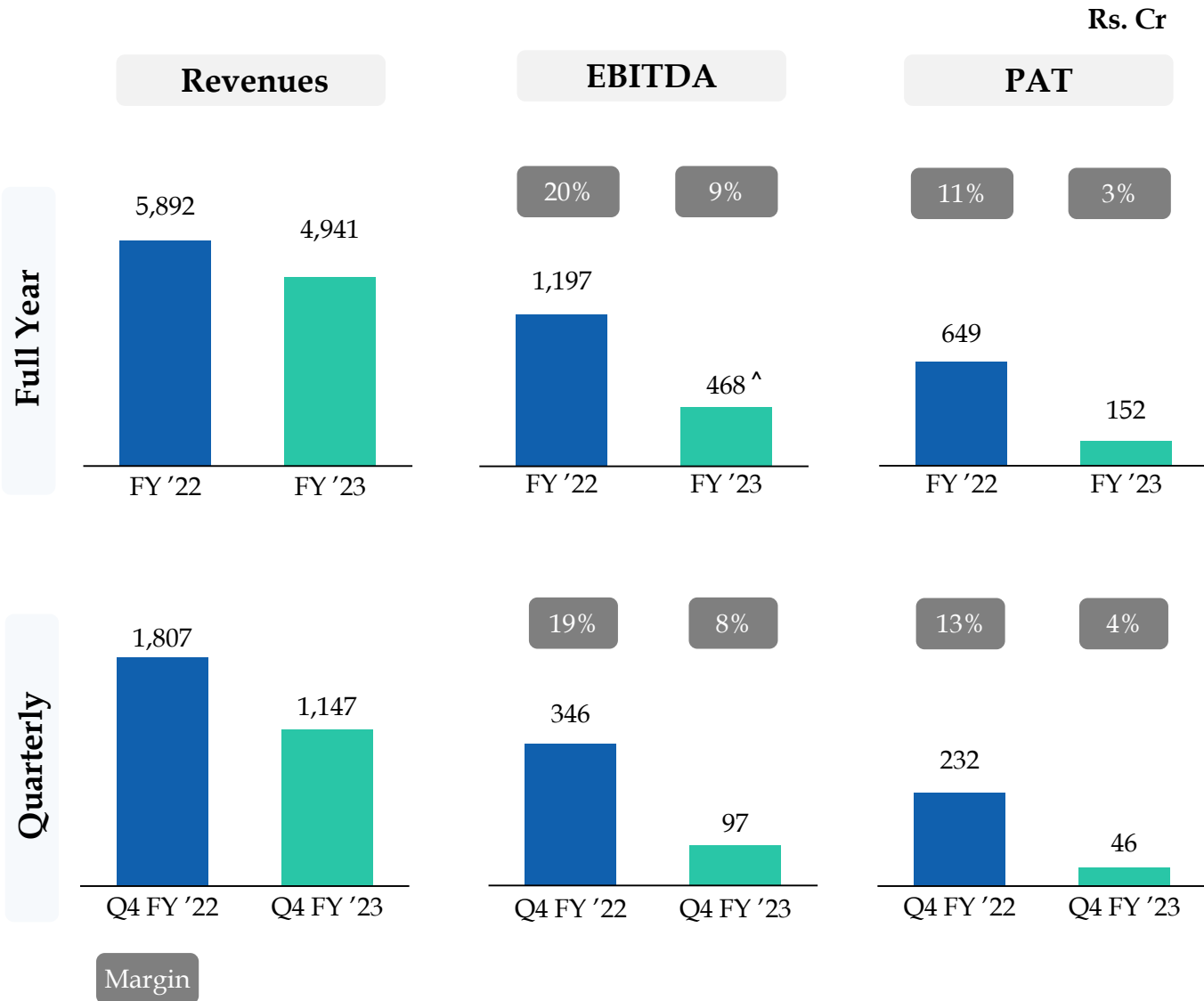
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# Performance Highlights



# Performance Highlights: Q4 & FY '23



- ### Key Highlights
- Continuing the trend from December '22, prices of both Paste PVC and Suspension PVC increased and then remained stable until February. This trend reversed from March onwards with sharp correction due to a sharp surge in imports from China
  - Volumes across most of the products were higher in FY '23 as compared to the previous year
  - Power & fuel cost increased by Rs. 193 Cr and by Rs. 23 Cr as compared to FY '22 and Q4 of FY '22, respectively - mainly due to increase in coal, gas and superior kerosene prices
  - Custom Manufacturing business registered 26% Y-o-Y growth in revenues during FY '23
  - Both the Paste PVC and Custom Manufacturing expansion projects are on track
  - On a consolidated basis, the balance sheet continues to remain healthy with a cash & bank balance of Rs. 1,192 Cr and the company continues to be net cash positive

<sup>^</sup> Excludes negative impact of ~ Rs. 81 Cr in Q1 FY '23 due to write down in the carrying value of stocks of major intermediates and finished products





**Ramkumar Shankar**  
Managing Director

*“Despite a challenging environment this year caused by the run-up in energy prices due to the Russia-Ukraine war, the severe impact on Chinese demand due to their Zero-COVID policy for most part of the year, and rising interest rates across the globe, we closed the year with a decent performance with a top-line of Rs. 4,941 Cr and 9.5% EBITDA margin. For the full year, revenues were lower by 16% as compared to the last year – however, sales volumes of almost all the products were higher on a Y-o-Y basis. Falling prices of finished goods coupled with increase in energy costs have resulted in reduction of EBITDA margin during the year.*

*Indian demand for Paste PVC grew by around 17% in FY '23, while Suspension PVC demand grew by over 30% during the year. However, the slower than anticipated recovery of China's economic activity continues to have an adverse impact on the PVC industry in the form of dumping of large quantities from China into the global market, especially India. This is expected to put pressure on PVC prices and margins in the next few quarters, till the recovery of Chinese demand. However, the medium to long-term prognosis of the PVC demand still remains positive with India, in particular, expected to see a huge gap as demand continues to outpace supply.*

*The Other Chemicals<sup>#</sup> business which completes our integration story, has also been impacted largely due to commissioning of new capacities in India. We expect this business to stabilize over the next few quarters, as the new capacities settle in.*

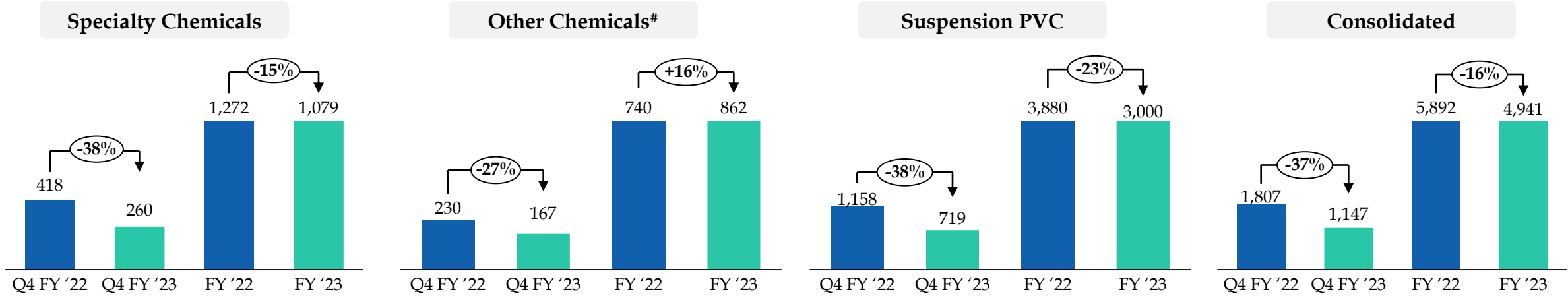
*Our Custom Manufacturing business has been a silver lining amidst the sluggishness witnessed by the other businesses. Growth in this business continues to be strong, with a Y-o-Y revenue growth of 26% in FY '23. We have signed LOIs for two molecules in the last 9 months with a revenue potential of ~Rs. 800 Cr over the next 4 years. Based on these LOIs, and the strong pipeline of products, we have a high level of visibility with respect to steady state capacity utilization of the first phase of expansion that is to be commissioned in H1 FY '24.*

*Both the capex projects (41 ktpa Paste PVC expansion at Cuddalore, and the Multi-purpose blocks at Berigai for the Custom Manufacturing business) are on track. The demand for our products looks very strong and the energy costs have started dropping. While there are immediate-term challenges, we are optimistic about the overall business in the long term, and our capital investments will boost our margins and competitive position even further.”*

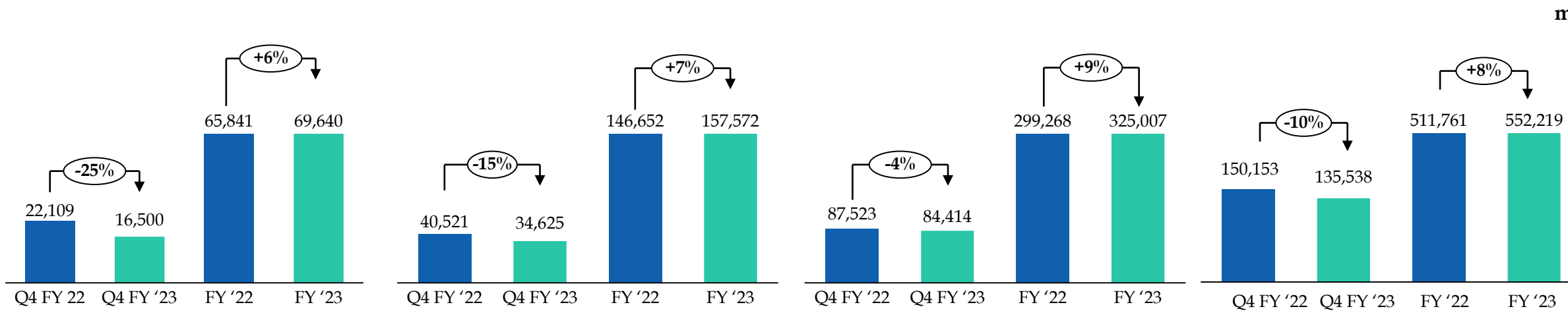
# Segmental Highlights

Rs. Cr

Revenue Breakup



Sales Volume



"mt" stands for metric tons

# - Includes Caustic Soda, Chloromethanes, Hydrogen Peroxide and Refrigerant gases

# Consolidated Profit & Loss Account

Rs. Cr

Particulars	Q4 FY '23	Q4 FY '22	Y-o-Y	FY '23	FY '22	Y-o-Y
<b>Revenue from Operations</b>	<b>1,147</b>	<b>1,807</b>	<b>-37%</b>	<b>4,941</b>	<b>5,892</b>	<b>-16%</b>
Cost of Goods Sold	747	1,206		3,212	3,715	
Employee Cost	39	28		147	120	
Other Expenses	263	226		1,114	860	
<b>EBITDA</b>	<b>97</b>	<b>346</b>	<b>-72%</b>	<b>468</b>	<b>1,197</b>	<b>-61%</b>
<b>EBITDA Margin %</b>	<b>8%</b>	<b>19%</b>		<b>9%</b>	<b>20%</b>	
Other income	31	9		80	57	
Depreciation	33	40		142	137	
<b>EBIT</b>	<b>95</b>	<b>315</b>	<b>-70%</b>	<b>406</b>	<b>1,117</b>	<b>-64%</b>
Finance Cost	38	35		154	322	
<b>Profit Before Tax and exceptional items</b>	<b>56</b>	<b>280</b>	<b>-80%</b>	<b>252</b>	<b>796</b>	<b>-68%</b>
Exceptional Items**	-	-		(81)	-	
<b>Profit Before Tax</b>	<b>56</b>	<b>280</b>	<b>-80%</b>	<b>172</b>	<b>796</b>	<b>-78%</b>
Tax	10	48		19	147	
<b>PAT</b>	<b>46</b>	<b>232</b>	<b>-80%</b>	<b>152</b>	<b>649</b>	<b>-77%</b>
<b>PAT Margin %</b>	<b>4%</b>	<b>13%</b>		<b>3%</b>	<b>11%</b>	
<b>Basic EPS (Rs./share)</b>	<b>2.91</b>	<b>14.65</b>		<b>9.64</b>	<b>43.66</b>	

\*\* Negative impact in Q1 FY '23 due to write down in the carrying value of stocks of major intermediates and finished products



# Consolidated Balance Sheet

Assets	Mar '23	Mar '22
<b>Non-Current Assets</b>		
a) Property, Plant And Equipment	3,124	3,195
b) Capital Work in Progress	402	34
c) Right Of Use Asset	62	64
d) Intangible Assets	-	-
e) Other Financial Assets	28	20
f) Other Non-Current Assets	76	28
<b>Sub-Total - Non-Current Assets</b>	<b>3,691</b>	<b>3,341</b>
<b>Current Assets</b>		
a) Inventories	643	711
b) Financial Assets		
i) Trade Receivables	143	190
ii) Cash And Cash Equivalentents	1,111	1,000
iii) Bank Balances	81	229
iv) Other Financial Assets	102	92
c) Other Current Assets	66	39
d) Derivative assets	-	-
<b>Sub-Total - Current Assets</b>	<b>2,146</b>	<b>2,261</b>
<b>Total - Assets</b>	<b>5,837</b>	<b>5,602</b>

	Rs. Cr	
Equity And Liabilities	Mar '23	Mar '22
<b>Equity</b>		
a) Equity Share Capital	79	79
b) Other Equity	1,745	1,592
c) Instruments entirely equity in nature	34	34
<b>Total Equity</b>	<b>1,858</b>	<b>1,705</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	929	799
ii) Lease Liabilities	8	11
b) Other Non current Liabilities	90	90
c) Deferred Tax Liabilities (Net)	717	741
<b>Sub-Total - Non-Current Liabilities</b>	<b>1,744</b>	<b>1,641</b>
<b>Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowing	79	68
ii) Trade Payables	1,862	1,928
iii) Other Financial Liabilities	197	108
iv) Lease Liabilities	3	3
b) Other Current Liabilities	63	88
c) Derivative liabilities	9	7
Current tax liabilities (net)	21	53
<b>Sub-Total - Current Liabilities</b>	<b>2,234</b>	<b>2,256</b>
<b>Total - Equity And Liabilities</b>	<b>5,837</b>	<b>5,602</b>

# Consolidated Cashflow Statement

Rs. Cr

Particulars	Mar '23	Mar '22
<b>Net Profit Before Tax</b>	<b>172</b>	<b>796</b>
Adjustments for: Non Cash Items / Other Investment or Financial Items	290	420
<b>Operating profit before working capital changes</b>	<b>461</b>	<b>1,216</b>
Changes in working capital	(12)	(138)
<b>Cash generated from Operations</b>	<b>449</b>	<b>1,078</b>
Direct taxes paid (net of refund)	(93)	(177)
<b>Net Cash from Operating Activities</b>	<b>355</b>	<b>901</b>
<b>Net Cash from Investing Activities</b>	<b>(217)*</b>	<b>108</b>
<b>Net Cash from Financing Activities</b>	<b>(27)</b>	<b>(313)</b>
<b>Net Increase in Cash and Cash equivalents</b>	<b>111</b>	<b>696</b>
Add: Cash & Cash equivalents at the beginning of the period	1,000	303
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>1,111</b>	<b>1,000</b>



\* Primarily invested in capacity expansion projects

# Stand-alone Profit & Loss Account

Rs. Cr

Particulars	Q4 FY '23	Q4 FY '22	Y-o-Y	FY '23	FY '22	Y-o-Y
<b>Revenue from Operations</b>	428	649	-34%	2,197	2,012	9%
Cost of Goods Sold	178	278		977	702	
Employee Cost	27	19		100	77	
Other Expenses	191	161		814	606	
<b>EBITDA</b>	<b>31</b>	<b>191</b>	<b>-84%</b>	<b>306</b>	<b>628</b>	<b>-51%</b>
<i>EBITDA Margin</i>	<i>7%</i>	<i>29%</i>		<i>14%</i>	<i>31%</i>	
Other income	7	3		26	33	
Depreciation	23	26		92	91	
<b>EBIT</b>	<b>16</b>	<b>169</b>	<b>-91%</b>	<b>239</b>	<b>569</b>	<b>-58%</b>
Finance Cost	6	2		23	136	
<b>Profit before Tax and Exceptional items</b>	<b>10</b>	<b>167</b>	<b>-94%</b>	<b>216</b>	<b>434</b>	<b>-50%</b>
Exceptional items	-	-		50	0	
<b>Profit before Tax</b>	<b>10</b>	<b>167</b>	<b>-94%</b>	<b>167</b>	<b>434</b>	<b>-62%</b>
Tax	1	19		21	54	
<b>PAT</b>	<b>8</b>	<b>148</b>	<b>-94%</b>	<b>146</b>	<b>379</b>	<b>-62%</b>
<i>PAT Margin %</i>	<i>2%</i>	<i>23%</i>		<i>7%</i>	<i>19%</i>	
Basic EPS (Rs)	0.52	9.37		9.21	25.54	

\*\* Negative impact in Q1 FY '23 due to write down in the carrying value of stocks of major intermediates and finished products

# Stand-alone Balance Sheet

Rs. Cr

Assets	Mar '23	Mar '22
<b>Non-Current Assets</b>		
a) Property, Plant And Equipment	2,187	2,220
b) Capital Work in Progress	388	27
c) Right Of Use Asset	13	12
d) Intangible Assets	1,556	1,556
e) Other Financial Assets	19	16
f) Other Non-Current Assets	51	26
g) Investment in Associate and JV	-	-
<b>Sub-Total - Non-Current Assets</b>	<b>4,214</b>	<b>3,857</b>
<b>Current Assets</b>		
a) Inventories	393	347
b) Financial Assets		
i) Trade Receivables	256	180
ii) Cash And Cash Equivalentents	512	357
iii) Bank Balances	15	113
iv) Other Financial Assets	57	77
c) Other Current Assets	47	22
d) Derivative assets		-
<b>Sub-Total - Current Assets</b>	<b>1,280</b>	<b>1,097</b>
<b>Total - Assets</b>	<b>5,494</b>	<b>4,954</b>

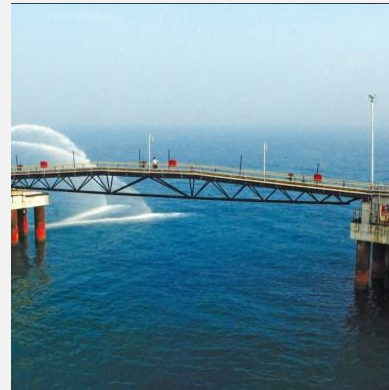
Equity and Liabilities	Mar '23	Mar '22
<b>Equity</b>		
a) Equity Share Capital	79	79
b) Other Equity	3,865	3,718
c) Instruments entirely equity in nature		
<b>Total Equity</b>	<b>3,944</b>	<b>3,797</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	204	-
ii) Lease Liabilities	8	11
b) Other Non current Liabilities	54	64
c) Deferred Tax Liabilities (Net)	521	537
<b>Sub-Total - Non-Current Liabilities</b>	<b>787</b>	<b>612</b>
<b>Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowing	3	-
ii) Trade Payables	568	386
iii) Other Financial Liabilities	139	76
iv) Lease Liabilities	3	3
b) Other Current Liabilities	26	47
c) Derivative liabilities	3	2
Current tax liabilities (net)	21	31
<b>Sub-Total - Current Liabilities</b>	<b>763</b>	<b>544</b>
<b>Total - Equity And Liabilities</b>	<b>5,494</b>	<b>4,954</b>

# Stand-alone Cashflow Statement

Rs. Cr

Particulars	Mar '23	Mar '22
<b>Net Profit Before Tax</b>	167	434
Adjustments for: Non Cash Items / Other Investment or Financial Items	142	194
<b>Operating profit before working capital changes</b>	<b>308</b>	<b>628</b>
Changes in working capital	10	(123)
<b>Cash generated from Operations</b>	<b>318</b>	<b>505</b>
Direct taxes paid (net of refund)	(48)	(75)
<b>Net Cash from Operating Activities</b>	<b>271</b>	<b>430</b>
<b>Net Cash from Investing Activities</b>	<b>(286)</b>	<b>(51)</b>
<b>Net Cash from Financing Activities</b>	<b>171</b>	<b>(96)</b>
<b>Net Increase in Cash and Cash equivalents</b>	<b>155</b>	<b>283</b>
Add: Cash & Cash equivalents at the beginning of the period	357	74
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>512</b>	<b>357</b>

# Company Overview



# Chemplast Sanmar: Leading Chemical Manufacturer in India...



## Consolidated FY '23

**Rs. 4,941 Cr  
Revenue**

**Rs. 468 Cr  
EBITDA**

## Marquee parentage



The Sanmar Group is amongst the oldest and most prominent corporate groups in South India

**FAIRFAX INDIA**

Fairfax, a well-known international investor, has been an investor since 2016 in the SHL Chemicals Group <sup>(2)</sup>

**4**  
Manufacturing sites with a high degree of backward integration <sup>(3)</sup>







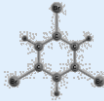



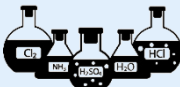










**Experienced management team with deep domain expertise**

Note:

1. S-PVC - Suspension PVC ; Through its wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited ("CCVL")
2. Through FIH Mauritius Investments Limited
3. For significant portion of its operations



# ... with a Diversified Product Portfolio

	Chemplast Sanmar					CCVL (1)
	Specialty Chemicals		Other Chemicals			Suspension PVC
<b>End-user industries</b>	<p><b>Specialty Paste PVC resin</b></p>  Footwear  Auto upholstery  Leather  Mats	<p><b>Custom Manufacturing</b></p>  Pharma  Agrochemicals  API Molecules  Chemicals	<p><b>Caustic Soda</b></p>  Paper  Textile  Chemicals	<p><b>Hydrogen peroxide</b></p>  Paper & Pulp  Textile Park  Effluent treatment at refineries  Disinfectants	<p><b>Chloromethanes</b></p>  Pharma  Agro-Chemicals  Refrigerants (HFOs)	 Irrigation  Urban infra  Real estate
<b>Capacity</b>	66,000 mtpa	1,068 mtpa	119,000 mtpa	34,000 <sup>(2)</sup> mtpa	35,000 mtpa	331,000 mtpa
<b>FY '23 Sales split</b>	22%		17%			61%
<b>FY '23 EBITDA split</b>	65%					35%

Note:

1. Wholly owned subsidiary of Chemplast Sanmar Ltd.
2. The hydrogen peroxide capacity is calculated at 50% concentration level, in line with industry standards. ('mtpa' stands for metric tons per annum)

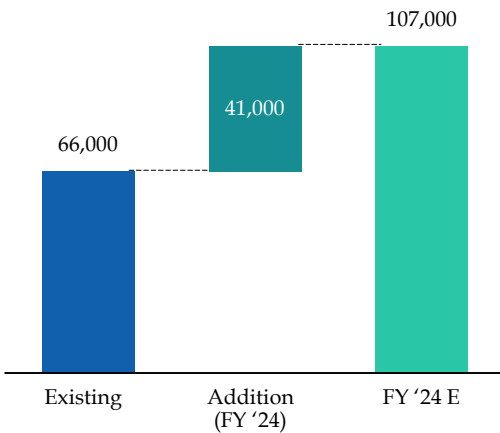


# 1. Paste PVC

## Part of specialty chemical division of Chemplast Sanmar. Largest manufacturer of Specialty Paste PVC resin in India

- Manufactured at Mettur facility since 1968; 41 ktpa expansion coming up at Cuddalore
- Primary raw materials include VCM, EDC, Ethylene and Chlorine
- Manufactures significant portion of EDC and all of VCM requirements in-house. This provides flexibility in operations and reduces dependence on external suppliers
- High repeat business – customer stickiness

### Capacity (in mt)



### Key growth drivers

- Environmental concerns around global capacities - ~40% of global capacity is mercury-based (>80% of China capacity; carbide route)
- Growing demand in end-user industry driven by low per capita consumption
- Import substitution opportunity
  - ~ 53% of Indian demand served through imports
- Lack of substitutes

### The Sanmar Advantage

CSL is the **oldest player and one of the only two companies in India** having the requisite technology

> 60% of Paste PVC capacity (post expansion) is **backward integrated**

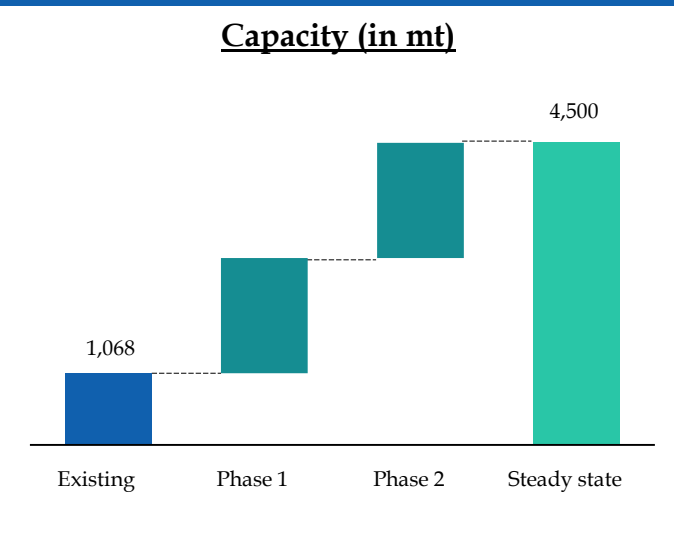
**Leadership position** in Indian market; Post expansion, CSL will have ~83% of domestic production capacity and ~66% market share with the downstream capacities configured to CSL's resin quality

**Longstanding customer relationships**

# 2. Custom Manufactured Chemicals

Part of specialty chemical division of Chemplast Sanmar; growing rapidly on the back of 15 years of longstanding client relationships

- Quality manufacturing at Berigai facility in a safe and sustainable manner
- Custom manufactured starting materials, advanced intermediates and active ingredients for global innovator companies - 'One Product to One Customer' strategy
- Wide range of chemistry capabilities such as cyanation, hydrogenation, liquid purification etc.
- In-house process research, process engineering and large-scale manufacturing capabilities, making it a one-stop shop manufacturing of newly discovered molecules



- Key growth drivers**
- India's share in the global outsourced Agro CMC market increasing at a faster pace of 10%-12%
  - Increasing EU regulatory constraints
  - Availability of skilled labour
  - China +1 strategy - India to be a focus region as companies move away from China for custom manufacturing
  - Higher penetration of API manufacturing in India

The Sanmar Advantage

- Renowned for our **Sustainability, Environmental and Safety stewardship**
- Professional management with **high standards of ethics and integrity**
- Proven track record of execution, with a long history of partnerships with **global originator and innovator companies.**
- Extremely careful with the intellectual property of our customers
- Ability to handle complex chemistries and complex chemicals due to our process technology, process improvement and product development capabilities. **World-class research and development capability** combined with a **broad range of chemical technologies at production scale**
- Highly qualified engineers and chemists**
- Benefit and advantage of having facilities with land available for future expansion
- Proactive investment in **"best in class" hardware** - production blocks, lab and pilot capabilities, process safety labs

# 3. Caustic Soda | Hydrogen Peroxide | Chloromethanes | Ref. Gas

Part of other chemicals division of Chemplast Sanmar; These complete the integration story of the company

Caustic soda	<ul style="list-style-type: none"> <li>Generated as a joint product in the process of manufacture of chlorine</li> <li>Sold at 48-50% concentration to customers</li> </ul>	<p><b>Capacity</b></p> <p>119,000 mtpa</p>
Hydrogen Peroxide	<ul style="list-style-type: none"> <li>Part of downstream integration as a value-added product</li> <li>Plant is designed for a capacity of 34,000 tons per year of 50 percent concentration. Production process adopted is environment-friendly</li> </ul>	<p><b>Capacity</b></p> <p>34,000 mtpa</p>
Chloromethanes	<ul style="list-style-type: none"> <li>Refers to a group of products namely, Methyl Chloride, Methylene Di Chloride, Chloroform and Carbon Tetra Chloride</li> <li>Part of downstream integration as a value-added product</li> </ul>	<p><b>Capacity</b></p> <p>35,000 mtpa</p>
Refrigerant Gas	<ul style="list-style-type: none"> <li>Primarily used as a cooling agent in air-conditioning systems. CSL uses chloromethanes captively to manufacture R-22.</li> </ul>	<p><b>Capacity</b></p> <p>1,700 mtpa</p>

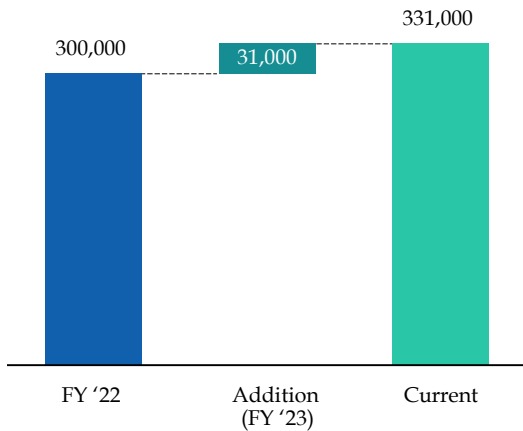
<b>The Sanmar Advantage</b>	<p><b>Fully integrated operations</b> resulting in sufficient control over feedstock</p>
	<p>Entire chlorine consumed in-house; no disposal issues</p>
	<p><b>Diversified product portfolio and customer base</b></p>

# 4. Suspension PVC

Part of CCVL (100% subsidiary); Largest manufacturer of S-PVC in South India and second largest in India

- Manufactured at Cuddalore facility since 2009
- This facility has a captive import terminal facilitating VCM imports for PVC production
- One-step non-integrated manufacturing process

Capacity (in mt)



Key growth drivers

- **Significant gap between demand and supply:** Despite new capacity addition announcements, India will continue to be huge deficit market
- **Import substitution opportunity:** ~ 60% of Indian demand served through imports
- **Growing demand in end-user industry** driven by low per capita consumption

## The Sanmar Advantage

**Strong customer relationships** with a diversified dealer/customer network

**Leadership position in South India**

**Shore-based facility for seamless and safe import of feedstock**

**Asset-light model** with sufficient infrastructure for future expansions

# Well Positioned to Capture Growth



# Well Positioned to Capture Growth



- Five decades track record
- State-of-the-art manufacturing units at strategic locations
- Improving product mix
- High growth industry
- Strong focus on sustainability
- Committed leadership team with eminent board

# 1. Five decades track record

Commencement of manufacturing of PVC resins at Mettur facility

1967

Expansion of production capacity of PVC resins to 60,000 tpa

1997

Marine terminal facility and EDC Plant commissioned at Karaikal

2007

Capacity expansion: Paste PVC to 66,000 tpa at Mettur S-PVC to 300,000 tpa at Cuddalore

2013

CCVL became a wholly owned subsidiary of our Company; Listing on Indian stock exchanges, post IPO

2021

1962

Incorporation of erstwhile Chemicals and Plastics India Ltd

1988

Amalgamation of MCIC with erstwhile Chemicals and Plastics India Ltd

2003

Acquisition of caustic soda facility at Karaikal from Kothari Petrochemicals

2009

Greenfield S-PVC facility commissioned at Cuddalore

2019

Commissioning of Hydrogen Peroxide plant at Mettur  
Demerger of S-PVC Undertaking of the Company at Cuddalore  
Amalgamation of Sanmar Speciality Chemicals Ltd with our Company

2022

S-PVC capacity enhanced to 331,000 tpa by way of debottlenecking

# 2. State-of-the-art Manufacturing Units...

Location

## 01 Mettur, Tamil Nadu

- Paste PVC – 66 ktpa
- Hydrogen Peroxide – 34 ktpa
- Chloromethanes – 35 ktpa
- Refrigerant gas – 1.7 ktpa

- The site consist of 4 plants with high degree of integration
- Zero liquid discharge facility
- Sourcing of power from a captive power plant of 48.5 MW
- Leased salt field to ensure stable supply



## 02 Berigai, Tamil Nadu

- Custom manufacturing - 1,068 mtpa

- Fully equipped, Multi-purpose facility
- Fully automated with distributed control systems and modern technologies
- Capability to support development work in various chemistries at the laboratory scale and pilot scale



## 03 Karaikal, Puducherry

- EDC – 84 ktpa (Captive purpose)

- Zero liquid discharge plant | Desalination plant
- Captive terminal for import of feedstock and sale of product
- Two captive power plants of 8.5 MW and 3.5 MW
- Double walled insulated cryogenic ethylene storage tank with 4 kt capacity
- Access to Chemplast salt fields at Vedaranyam, a key raw material



## 04 Cuddalore, Tamil Nadu

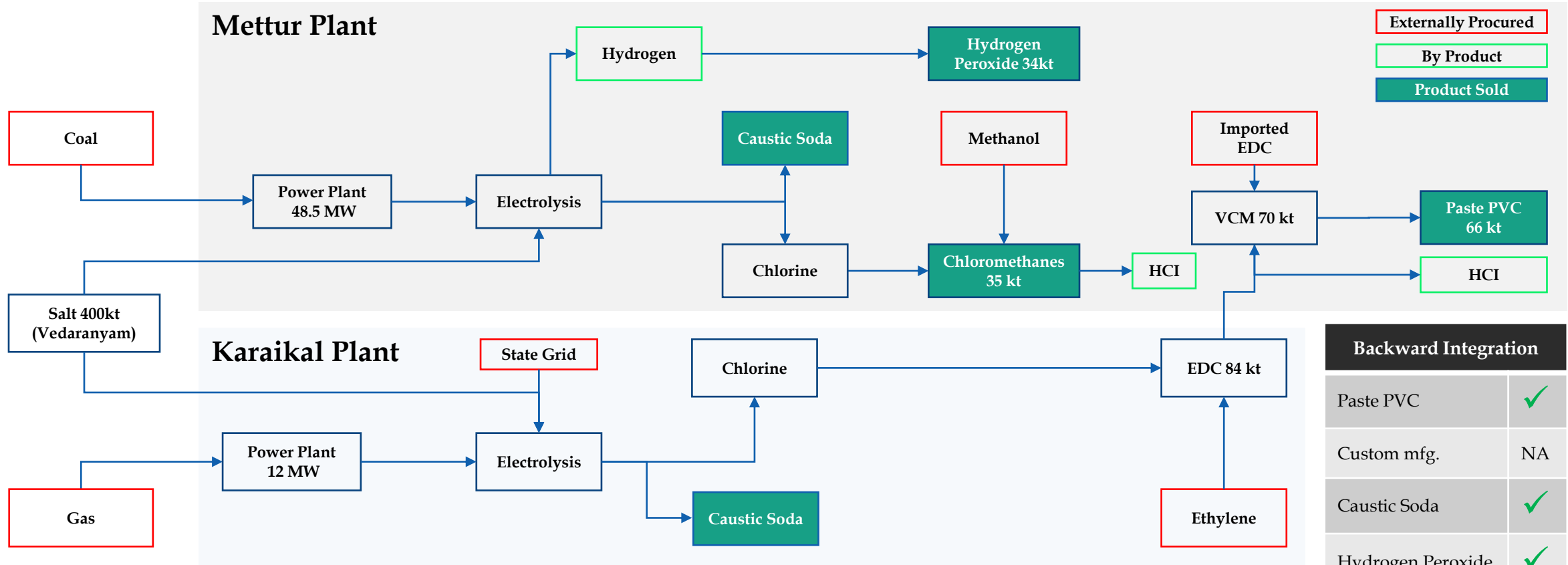
- Suspension PVC - 331 ktpa

- Zero liquid discharge plant
- Desalination plant
- Captive terminal for import of feedstock
- Two refrigerated VCM storage tanks with a capacity of 7,500 mt each
- 31 ktpa added in May '22 via debottlenecking





# ... with a High Degree of Backward Integration



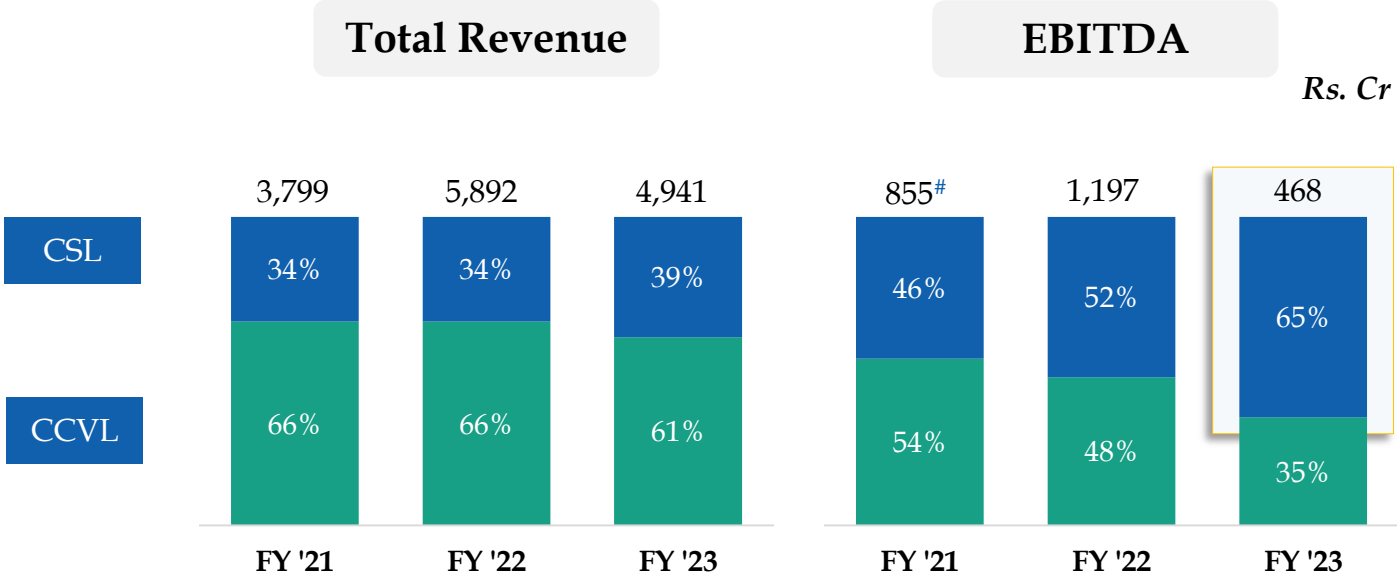
Externally Procured  
By Product  
Product Sold

Backward Integration	
Paste PVC	✓
Custom mfg.	NA
Caustic Soda	✓
Hydrogen Peroxide	✓
Chloromethane	✓
Suspension PVC	✗

Quantity of EDC manufactured at Karaikal plant/EDC imported, depends on the relative pricing vis-à-vis International Markets

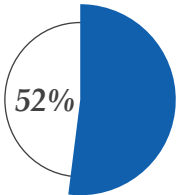
# 3. Improving Product Mix...

Currently, Suspension PVC dominates the sales mix. However, in terms of profitability, share of Specialty vehicle is larger

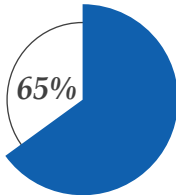


In the long term, once our proposed expansions come on-stream, Specialty vehicle would contribute even larger share of profitability

## Improving Profitability Mix



CSL EBITDA Contribution in FY '22



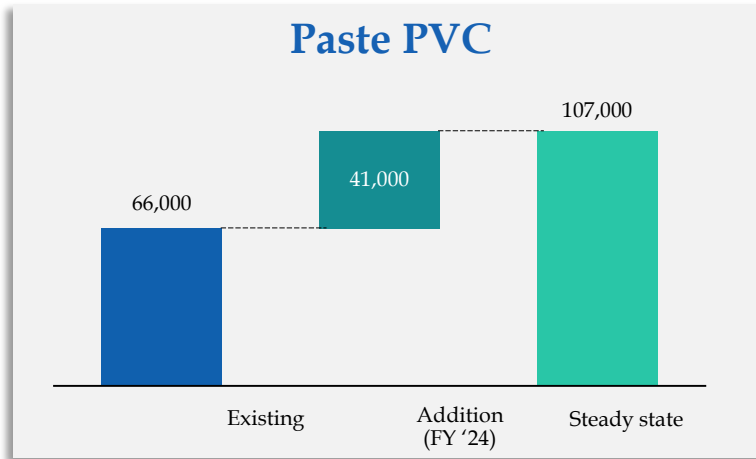
CSL EBITDA Contribution in FY '23

# Excludes positive impact on account of inventory write down of Rs.107 Cr made in FY '20

# .. Supported by Various Expansion Initiatives

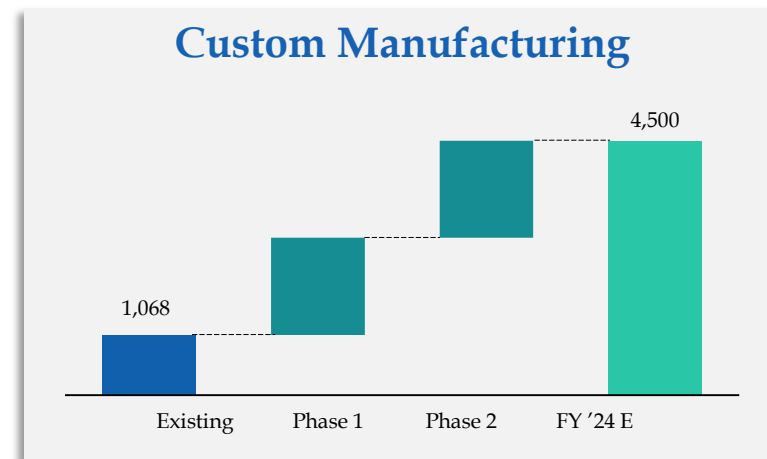
~Capex

Rs. 360 Crores



- Work underway to add 41 kt capacity at Cuddalore
- Approvals received and construction in full swing. Slated to be commissioned in H2 FY '24
- One step process with low capex intensity & faster time to market

Rs. 680 Crores



- Setting up a multi-purpose facility in two phases
- 1<sup>st</sup> phase slated to be commissioned in H1 FY '24
- Phase 2 expansion now kick-started; targeting commissioning by end FY '24

Low cost future expansion leveraging existing land and infrastructure facilities

# 4. High Growth Industry...

Products	Paste PVC	Suspension PVC	Custom Manufacturing
Key Highlights	<ul style="list-style-type: none"> <li>India heavily import dependent</li> <li>Enough headroom to grow – no capacity expansions announced – technology is a barrier</li> <li>Customer “stickiness”</li> </ul>	<ul style="list-style-type: none"> <li>India heavily import dependent</li> <li>Demand growing at a fair clip</li> <li>New capacities not enough to meet growing demand</li> </ul>	<ul style="list-style-type: none"> <li>India set to outpace global Agro-CMC market - AIs and advanced intermediates</li> <li>China + 1 play</li> <li>High margin business</li> </ul>
End user	<ul style="list-style-type: none"> <li>Predominantly leather cloth followed by mats, gloves, etc.</li> <li>Leather cloth caters to footwear, auto upholstery and other upholstery segments</li> </ul>	<ul style="list-style-type: none"> <li>Predominantly for pipes used for water conveyancing, construction etc.</li> <li>Other segments like window profiles, furniture are fast growing</li> </ul>	<ul style="list-style-type: none"> <li>Agri and Pharma innovators</li> </ul>
Addressable Market Size*	<b>163 ktpa</b>	<b>3.7 million mtpa</b>	<b>USD 2 billion</b>
Chemplast Sanmar Position	<ul style="list-style-type: none"> <li>Market leader in India (66 kt) – first to seed the product in India</li> <li>Expansion underway (41 kt) - will help CSL consolidate its position</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> largest in India (331 kt) and largest player in South</li> <li>Dominant presence in South and East markets</li> <li>Feedstock tie-up key to expansion</li> </ul>	<ul style="list-style-type: none"> <li>Top priority for capital allocation - will drive growth for CSL going forward</li> <li>~ Rs. 680 Cr capex committed in MPBs</li> <li>CSL’s track record in customer relationships helping in winning new orders</li> </ul>



\*Management Estimates  
‘mtpa’ stands for metric tons per annum

# ... with CSL's unique position to capitalize on it



### Technology not available on License

Paste PVC manufacturing technology is closely guarded and is not available on license

Long term relationships with feedstock suppliers & customers

### Complex Chemistry

Well renowned in the industry for our chemistry strengths & ability to handle complex chemicals

01

02

03

04

05

06

### Leverage Existing Infra

Owns vacant industrial land and other infrastructure for future leg of expansion

### High Compliance Requirement

High standards of Environmental, Health and Safety compliance, extended customer validation and approvals process, ongoing process innovation and optimisation, high-quality standards and stringent specifications

### Ability to Handle Feedstock

Significant expertise is available within the Chemplast ecosystem in processing and handling complex chemicals such as Chlorine, Ethylene di chloride, Fluorine, Peroxides, Chlorosilanes and Sodium Cyanide

# 5. Strong Focus on Sustainability...

## Environment Friendly Practices

- Zero liquid discharge policy
- Desalination plants at coastal facilities - avoid usage of groundwater
- Rain water harvesting & ground water recharging capacities at Mettur facility



## Health & Safety Measures

- Transport safety - Installation of speed control & safety systems in trucks
- Process safety - PSM, BBS
- Personnel safety - PPE

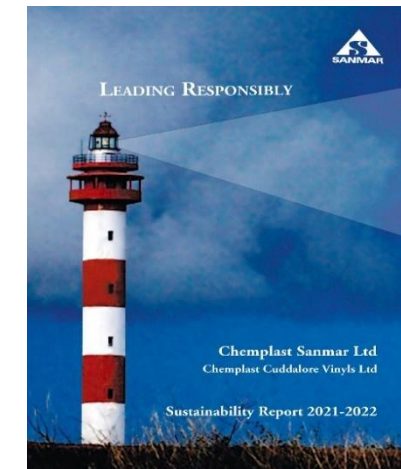
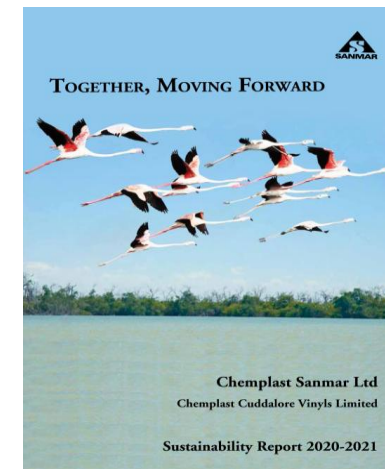
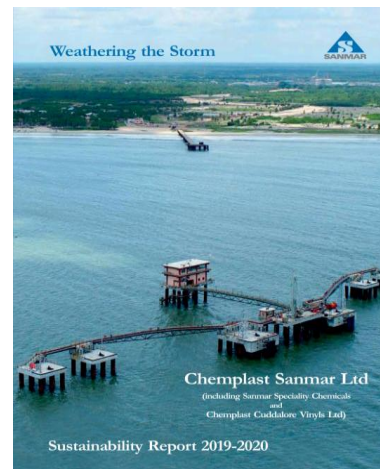


- Harmonious relationship with neighboring communities
- Receive enquiries from potential customers focused on sustainability
- Reduce power and water cost

## Pioneers in Zero Liquid Discharge


- Installed Zero Liquid Discharge (ZLD) facilities at its Mettur plant at an investment of Rs. 27 Cr
- In CCVL, Cuddalore and CSL, Karaikal, ZLD has been the norm right since the inception of the units
- **In Sep'09, Chemplast became the first chemical manufacturer to achieve 100% ZLD in all its plants**

## Annual sustainability reports published for over a decade



# ... with various awards & recognitions

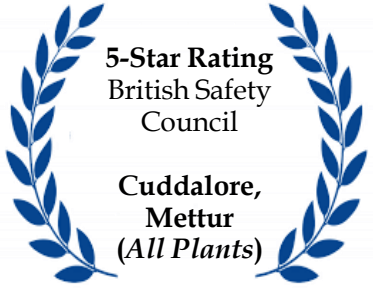
### Accreditations




**Sword of Honor**  
British Safety Council  
2020,  
Cuddalore



**Sword of Honor**  
British Safety Council  
2021,  
Mettur  
Plant 2



**5-Star Rating**  
British Safety Council  
  
Cuddalore,  
Mettur  
(All Plants)



**Responsible Care**<sup>®</sup>  
OUR COMMITMENT TO SUSTAINABILITY



### Key Awards

 <b>ECOVDIS SILVER MEDAL</b>  Safety	 <b>Star Award from National Safety Council</b>  Safety
<b>Sustainability Award for Carbon Reduction from a key Customer - CMC Division 2022</b>  Sustainability	 <b>ICC's Award for Excellence in Management of Environment 2021</b>  CSR
 <b>FICCI Safety system Excellence Award 2019</b>  Safety	 <b>FICCI Sustainability Award Excellence in Safety (Petrochemicals) 2017</b>  Sustainability

# 6. Committed Leadership Team With Eminent Board



**Vijay Sankar**  
*Chairman & Non Executive Director*



**Ramkumar Shankar**  
*Managing Director*



**Dr. Krishna Kumar Rangachari**  
*Deputy Managing Director -  
Custom Manufactured Chemicals Division*



**Chandran Ratnaswami**  
*Non-Executive Director*



**Dr. Lakshmi Vijayakumar**  
*Independent Director*



**N Muralidharan**  
*Chief Financial Officer*



**Aditya Jain**  
*Independent Director*



**Sanjay Bhandarkar**  
*Independent Director*



**M Raman**  
*Company Secretary & Compliance Officer*



**Prasad Menon**  
*Independent Director*



**Vikram Hosangady**  
*Non-Executive &  
Non-Independent Director*



**N Krishnamoorthy**  
*Deputy Managing Director - Commercial*



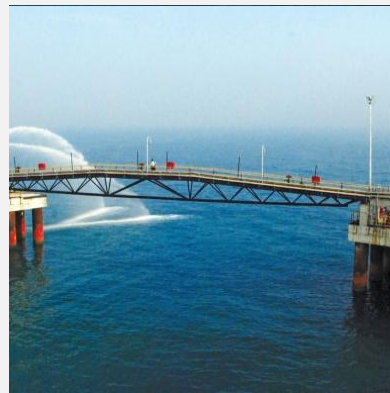
**M N Bhaskaran**  
*Executive Director - Head of Operations*

Distinguished Board of Directors

Experienced Management Team



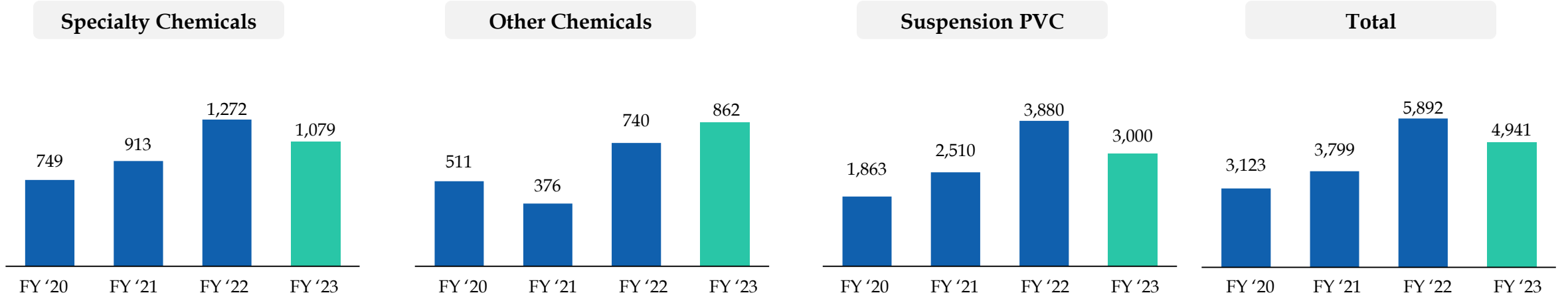
# Historical Financials



# Historical Segmental Highlights

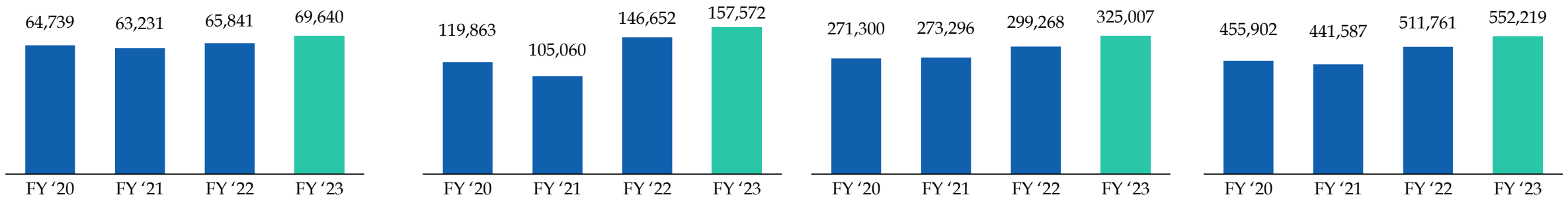
Rs. Cr

Revenue Breakup



mt

Sales Volume



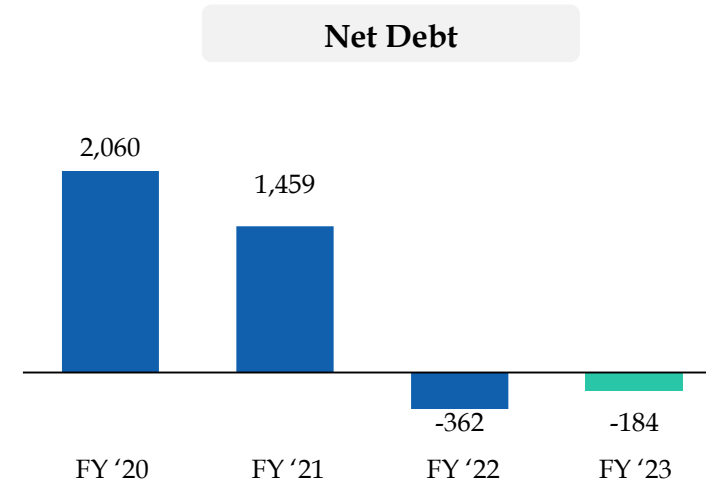
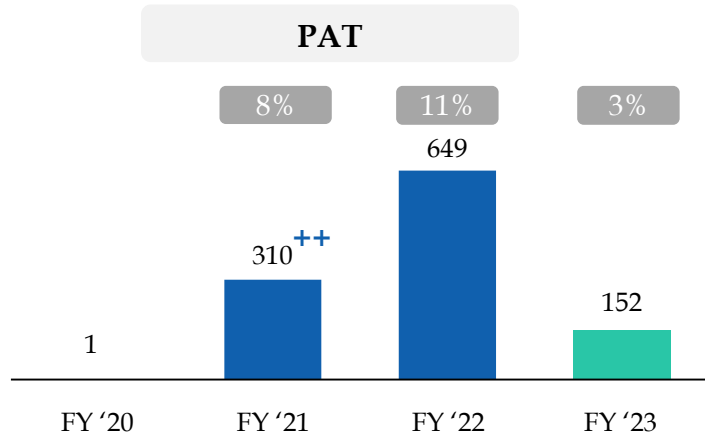
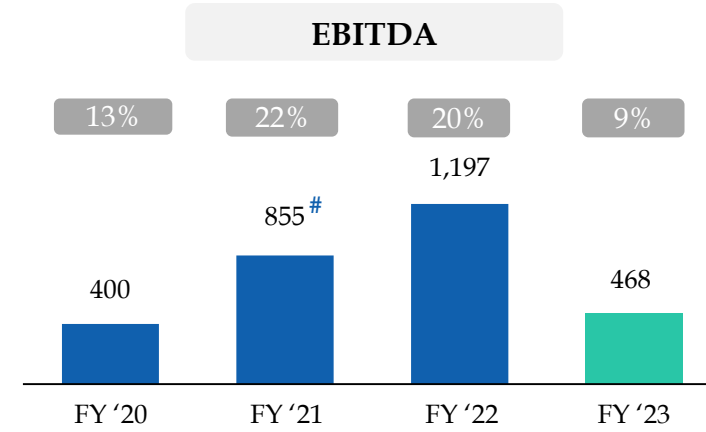
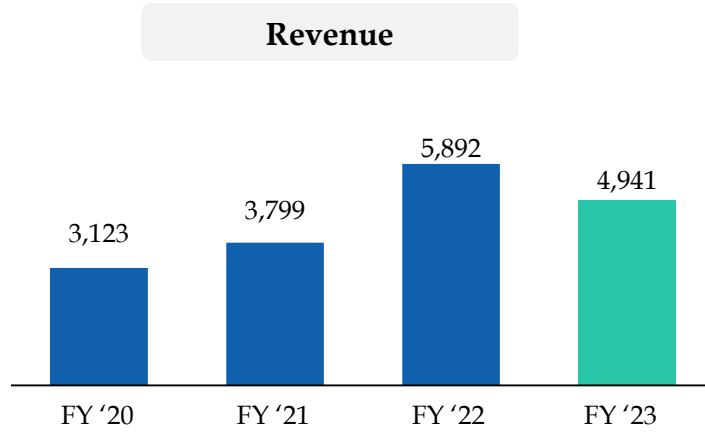
"mt" stands for metric tons

# - Includes Caustic Soda, Chloromethanes, Refrigerant gases and Hydrogen Peroxide

# Performance Trend

Rs. Cr

Margin



All computations are on Consolidated basis

Historical Numbers are restated post CCVL Acquisition in FY '21

# Excludes positive impact on account of inventory write down of Rs.107 Cr made in FY '20

++ Excludes post tax impact of gains/ (loss) from JV & Associates: Rs. 48 Cr loss in FY '20; Rs. 100 Cr gain in FY '21; These investments have been delinked in FY '21.

# Way Forward

Paste PVC

1

The Company expects margins to improve in the short-term and sustain over the medium to long-term driven by the tightness in global demand supply

Caustic soda

4

Realisations are expected to be under pressure in the short-term and stabilize thereafter on the back of growth in demand

Custom Manufacturing

2

Revenue is likely to grow at a healthy pace with the commissioning of the new multi-purpose facility in FY '24 and addition of new products to the portfolio

Chloromethanes

5

As new capacities coming up in India settle into the market, margins are expected to stabilise and then improve, as the downstream demand continues to expand

Suspension PVC

3

The margins are likely to improve in the short-term and sustain over the medium to long term given the global imbalance with demand growth expected to exceed supply growth

Hydrogen peroxide

6

The Company expects to report a higher capacity utilisation in FY '24

**Thank You**



**Company**

**Chemplast Sanmar Ltd.**

CIN- L24230TN1985PLC011637

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**SGA** Strategic Growth Advisors

**Strategic Growth Advisors Pvt. Ltd.**

CIN - U74140MH2010PTC204285

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