



N Sankar (left), Chairman, Sanmar Group, and Vijay Sankar, Deputy Chairman, at a press conference in Chennai on Monday. The company has entered its 50th year of operations. BIJOY GHOSH

Chemplast Sanmar to invest ₹425 crore for expansion

Will set up a unit for production of chlorinated PVC with a French company

OUR BUREAU

Chennai, March 6

Chemplast Sanmar Ltd, the flagship of the Chennai-based diversified Sanmar Group, has announced a ₹425-crore expansion-cum-diversification plan.

The company, which is entering its 50th year of operations, has taken up two new projects. It plans to diversify into manufacture of hydrogen peroxide. It will also set up a unit for production of chlorinated PVC (CPVC) through a joint venture with a French company.

Both the projects have been conceived based on the concept of value addition and will be funded through internal accruals and some borrowings, said Group Chairman N Sankar, who also unveiled a new logo of the company in connection with its Golden Jubilee year.

The CPVC project will be set up through a 50:50 joint venture with France-based Kem One, one of the four global firms that have the expertise in the area of CPVC, at an investment of ₹325 crore.

The plant will come up at Karaikal in Puducherry and will have a capacity to produce 20,000 tonnes per annum of CPVC resins, said Vijay Sankar, Deputy Chairman, Chemplast Sanmar Group.

The unit is expected to go on stream in two years and

Chemplast will be the second manufacturer of CPVC in India after Reliance. There is a growing demand for CPVC in packing applications in India.

"The Hydrogen peroxide project is a local market specific one. We had an opportunity to acquire the assets of one of the existing producers. However, it is a forward integration project. We generate hydrogen already. This ₹100 crore project will come up in Mettur as most of the customers, the textile units, are located in nearby districts," said Vijay Sankar.

The capacity will be about 18,000 tonnes a year and the market size for this product is about 100,000 tonnes a year.

"Both the projects will have the potential to add ₹450-500 crore to the topline," said Ramkumar Shankar, Managing Director, Chemplast Sanmar Ltd.

The ₹2,500-crore company is looking at trebling its suspension PVC capacity to one million tonnes in 5-10 years as the market outlook is bright. As part of this, it plans to double the Cuddalore unit's capacity of three lakh tonnes in the near-medium term.

"We have not finalised the plans. It may entail an investment of about ₹600 crore for this expansion," said Vijay Sankar.

Suspension PVC is a three-million tonne market in India. Close to 50 per cent of the demand is met through imports due to challenges in setting up factories in India.

The company is also in the process of doubling its capacity in



Chemplast Sanmar to set up new projects

PVC, hydrogen peroxide units planned

K.T. JAGANNATHAN
CHENNAI

Chemplast Sanmar Ltd., the flagship of the \$1.5-billion Sanmar Group, has lined up a slew of projects with a sizeable investment commitment.

As part of its growth plans, the company is setting up a facility to make hydrogen peroxide and also planning an equal joint venture to put up a chlorinated PVC (CPVC) project. The company also intends to treble its suspension PVC capacity to one million tonnes in stages.

"CPVC is a specialised pipe and could handle high-pressure applications. It is an import-intensive product," Vijay Sankar,

deputy chairman, The Sanmar Group, told the media.

On funding for the projects, N. Sankar, group chairman, said it would be done through a combination of internal generation and borrowings.

The hydrogen peroxide plant will be a diversification exercise for the company and involve an investment outlay of ₹100 crore. The project will come up at Mettur and have a capacity of 17,500 tonnes.

The CPVC project will be a 50:50 joint venture with Kem One SAS, a leading European chloro-vinyl company.

The project will come up at Karaikkal and have a capacity of 20,000 tonnes.

Chemplast Sanmar group to expand further

DC CORRESPONDENT
CHENNAI, MARCH 6

The Chemplast Sanmar group, a leading manufacturer of polyvinyl chloride (PVC) in India, has formed a joint venture with Kem One SAS, a leading European PVC manufacturing firm, to set up a manufacturing unit for chlorinated PVC in Puducherry at an estimated cost of ₹325 crore. Apart from the Puducherry unit, the group plans to invest ₹100 crore in a hydrogen peroxide plant.

According to the chairman of the group, N. Sankar, the approvals for the new unit are in the process of being obtained and it will come up at Karaikal.

"It will have a capacity of 22,000 tons per annum



Vijay Sankar, the deputy chairman of the Sanmar Group addresses the media on Monday. Also seen is N. Sankar, chairman of the Sanmar group.

(TPA) of CPVC resins. It will also manufacture CPVC compounds," he added.

Besides these projects, the company also has plans of trebling its Suspension PVC capacity to 1 million tons in stages to help the country to meet its huge demand for Suspension PVC that goes into the irrigation and construction sectors.

CPVC is used as a raw material to produce pipes and fittings for supplying water. Most of India's local demands are met through imports, and he added that the objective of investing in the Karaikal plant is to produce enough for the country's needs.

Kem One is the second largest producer of PVC in Europe with an annual turnover of \$800 million.

- DC

Chemplast Sanmar to set up two plants

TIMES NEWS NETWORK

Chennai: Privately held chemicals and plastics maker Chemplast Sanmar on Monday said that it will set up two factories, one for making hydrogen peroxide and another for making chlorinated PVC.

The investment in the hydrogen peroxide plant, to come up in Mettur in western Tamil Nadu will be Rs 100 crore while that of CPVC will be Rs 325 crore. "The CPVC plant will come up in Karaikal (part of Puducherry)," said Vijay Sankar, vice chairman of the group. The funding will be through internal accruals and debt.

The CPVC project will be executed in joint venture with Kem One SAS, a European Chloro-Vinyl company. Each partner will hold 50%.

The hydrogen peroxide plant was acquired from a seller in Andhra Pradesh and it will now be assembled at Mettur. The plant will have a capacity of 17,000 tonnes a year capacity, which will be a forward integration of hydrogen it receives from Mettur, said Ramkumar Shankar, managing director, Chemplast Sanmar.

Besides these two committed projects, Chemplast also has plans to more than treble its suspension PVC capacity to one million tonnes in stages. Another group company of Sanmar, TCI Sanmar which has its operations in Port Said in Egypt is also on an expansion drive, armed with fund infusion from Prem Watsa owned Fairfax. The NRI investor pumped in \$300 million last year into the company for a 30% stake last year.

Business Standard

Sanmar Group plans investments worth ₹2,500 crore



T E NARASIMHAN
Chennai, 6 March

The \$1.5-billion industrial conglomerate Sanmar Group has lined up investments of ₹2,500 crore in India and Egypt. Portion of this investments will be backed by Fairfax, which invested around \$300 million in the Group last year.

Vijay Sankar, vice-chairman of the group said the company is planning to increase the capacity of PVC manufacturing at Egypt to 400,000 tonnes from the current 200,000 tonnes. This would call for about ₹1800-₹2000 crore investments.

The project is expected to be completed by April next year.

A portion of the Fairfax investment will be used to fund the Egypt expansion, said N Sankar, chairman of the Group. Fairfax took 30 per cent stake in Sanmar Chemicals Group for its investment.

Other investments include Chemplast Sanmar, the flagship company of the group, for a proposed ₹100 crore Hydrogen Peroxide plant and a ₹325 crore

investment in a CPVC project.

The CPVC project will come up at Karaikal, near Chennai, and it will be implemented by a

50:50 Joint Venture with Kem One SAS, a leading European Chloro-Vinyl company. The plant will have a capacity of 20,000 tonnes and it will go on stream in the next two years. Chemplast Sanmar will be the second company to manufacture this product in India for which technology is closely guarded by the multinationals.

The Hydrogen Peroxide plant is acquired from Andhra Pradesh and

it will be assembled at Mettur. The plant will have a capacity of 17,000 tonnes and it will be ready by next year, said Ramkumar Shankar, managing director, Chemplast Sanmar.

He added, both these projects alone would add around ₹400-450 crore of revenue to the Group every year once it goes on stream.

Besides, the company also plans to triple its Suspension PVC capacity to one million tonnes in different stages. This

would cost around ₹600 crore for the company. Sankar said all these investments will be funded through internal accruals and borrowings.

The privately-held Group expects that in the next six to eight years its revenue will increase to around ₹8,000-9,000 crore once all the projects goes on stream. Group's current revenue estimated to be around ₹5,000-6,000 crore.



A portion of the Fairfax investment will be used to fund the Egypt expansion, said N Sankar (pictured), the chairman of Sanmar Group

FINANCIAL

Chronicle

Chemplast Sanmar to invest ₹425 crore

D GOVARDAN
Chennai

Chemplast Sanmar Ltd, the flagship of the Chennai-based diversified \$1.5 billion Sanmar Group, on Monday announced that it will investing around Rs 425 crore in two ambitious projects - for manufacture of hydrogen peroxide and for production of Chlorinated PVC (CPVC) shortly.

While the hydrogen peroxide plant will be part of its forward integration plan, the CPVC plant will be established as a 50:50 JV with the French company, Kem One, which possesses the right technology. The CPVC plant will require an investment of Rs 325 crore and the hydrogen peroxide plant will come up with an investment of Rs 100 crore, the company said.

Both the projects will help the company focus on chemicals and specialty chemicals, to bring out value added products for the Indian market. The projects will be funded through internal accruals

and commercial borrowings, said N Sankar, chairman of the Sanmar Group.

The CPVC plant will come up at Karaikal, part of Puducherry and will have the capacity of 20,000 tpa (tonnes per annum) of CPVC resins, said Vijay Sankar, deputy chairman, Sanmar Group. This plant is expected to begin operations in about two years and will make Chemplast the second manufacturer of CPVC in India, after Reliance. There is growing demand for CPVC in packing applications in India.

"Hydrogen peroxide project will address the needs of the domestic market. This will be a forward integration move for us, since we already product hydrogen. Towards that end, we had an opportunity to acquire the assets of one of the existing producers and this project will come up in Mettur in Tamil Nadu, since a large number of customers - the textile mills - are located in nearby districts," Vijay Sankar added.

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THE FINANCIAL EXPRESS

Chemplast forms JV with French company

Chemplast Sanmar Limited, part of the diversified Sanmar group and one of the largest PVC maker in India, will set up a Chlorinated PVC (CPVC) plant through a 50:50 joint venture with France-based Kem One SAS, one of the world's leading chloro-vinyl manufacturer, at Karaikkal near Puducherry. The 20,000 tonne capacity plant, to come up in next 2 years, will have an estimated investment of ₹350 crore.



தினமணி

1300-வந்தாண்டு

கெம்பிளாஸ்ட் சன்மார் பொன்விழா: ரூ.1,050 கோடி முதலீடு செய்ய திட்டம்

சென்னை, மார்ச் 6: 'சல்பென்ஷன் பிவிசி பிசின்' தயாரிப்பில் முன்னணியில் உள்ள கெம்பிளாஸ்ட் சன்மார் நிறுவனம் பொன்விழாவை முன்னிட்டு குளோரினேட் செய்யப்பட்ட பிவிசி உற்பத்தி திட்டம் உள்பட விரிவாக்க திட்டங்களுக்காக ரூ.1,050 கோடியை முதலீடு செய்ய உள்ளதாக திங்கள்கிழமை அறிவித்தது.

இது குறித்து சென்னையில் நடைபெற்ற நிகழ்ச்சியில் நிறுவனத்தின் 50 ஆண்டு செயல்பாட்டை நினைவுகூறும் வகையில் புதிய இலட்சினையை அறிமுகப்படுத்தி சன்மார் குழுமத்தின் தலைவர் என். சங்கர், துணைத் தலைவர் விஜய் சங்கர் ஆகியோர் செய்தியாளர்களுடம் கூறியது:

மேட்டூரில் கடந்த 1967-ஆம் ஆண்டில் தொடங்கப்பட்ட கெம்பிளாஸ்ட் நிறுவனத்தில் ஆண்டுக்கு 6,000 டன் பிவிசி பிசின் உற்பத்தி செய்யப்பட்டது. வாடிக்கையாளர்களின் திருப்தி, புதிய உத்திகளைக் கையாளுவது, ஊழியர்களின் கடும உழைப்பு காரணமாக தற்போது ஆண்டுக்கு 3 லட்சம் டன் பிவிசி பிசின் உற்பத்தி செய்து நாட்டிலேயே 2-ஆவது பெரிய நிறுவனம் என்ற நிலையை எட்டியுள்ளோம்.

நமது நாட்டில் ஆண்டுக்கு 30 லட்சம் டன் பிவிசி பிசின் தேவைப்படும் நிலையில் அனைத்து நிறுவனங்களும் சேர்ந்து 15 லட்சம் டன் அளவுக்கே பிவிசி பிசின் உற்பத்தி செய்து வருகின்றன. உள்நாட்டி



கெம்பிளாஸ்ட் சன்மார் நிறுவனத்தின் பொன்விழாவை முன்னிட்டு புதிய இலட்சினையை அறிமுகப்படுத்தும் அந்நிறுவனத்தின் தலைவர் என். சங்கர், துணைத் தலைவர் விஜய் சங்கர்.

லேயே தேவை அதிகமிருப்பதால் பிவிசி பிசின் நாங்கள் ஏற்றுமதி செய்வதில்லை. கட்டுமானம், நீர்ப்பாசனத் துறையில் அதிகரித்து வரும் தேவைக்கேற்ப உற்பத்தியை அதிகரித்து வருகிறோம்.

மே 4-இல் பொன்விழா கொண்டாட்டம் கெம்பிளாஸ்ட் சன்மார் நிறுவனத்தின் பொன்விழா வரும் மே 4-ஆம் தேதி கொண்டாடப்படவுள்ளது. இதை முன்னிட்டு மேட்டூரில் உள்ள ஆலையில் ரூ.100 கோடி முதலீட்டில் ஹைட்ரஜன் பெராக்ஸைடு திட்டமும், காரைக்காலில் உள்ள ஆலையில் ரூ.325 கோடி முதலீட்டில் குளோரினேட் செய்யப்பட்ட பிவிசி உற்பத்தி திட்டமும் செயல்படுத்தப்படவுள்ளது. காரைக்கால், கடலூர், மேட்டூர்

ஆகிய இடங்களில் உள்ள ஆலைகளின் விரிவாக்கப் பணிகளுக்காக ரூ.600 கோடி உள்பட, மேலும் சில திட்டங்களை செயல்படுத்த மொத்தம் ரூ. 1,050 கோடி முதலீடு செய்யவுள்ளோம்.

இந்த திட்டங்களுடன் சன்மார் குழுமத்தின் சல்பென்ஷன் பிவிசி உற்பத்தித் திறனை 10 லட்சம் டன்னாக உயர்த்துவதை இலக்காக கொண்டு அதற்கான நடவடிக்கைகளை மேற்கொண்டு வருகிறோம். தற்போது சல்பென்ஷன் பிவிசி பயன்படுத்தி தானியங்களைப் பாதுகாப்புடன் சேமித்து வைப்பதற்கான நவீன கிடங்குகளை தயாரிக்கவுள்ளோம். இதனால் பிவிசிக்கான தேவை மேலும் அதிகரிக்கும் என்று அவர்கள் தெரிவித்தனர்.

dt DAILY THANTHI NEXT

Sanmar to pump in Rs 2,825 cr to expand

CHENNAI: The \$1.5 bn Sanmar Group completed 50 years in business, with its flagship company Chemplast Sanmar choosing to stay "wedded" to TN, where its Rs 2,000 cr investment makes it the largest one in the chemical industry.

It has now chalked out around Rs 2,825 crore fresh investments plans. In 1967, the first PVC resin unit with a capacity of 6,000 tons was set up at Mettur.

Since then, Chemplast Sanmar has turned into a integrated chemical manufacturer leading to its expansion into Cuddalore and Karaikal also. It has become the largest manufacturer of speciality paste PVC resin in the country (66,000 tons per annum - TPA) and the second largest manufacturer of commodity suspension (3,00,000 TPA).

It also expanded into chlorochemicals after an acquisition in the mid-eighties. The company has grown organically by de-bottlenecking at its existing sites and inorganically through acquisitions, notes Ramkumar Shankar, MD, Chemplast Sanmar, who highlighted the milestones reached over the five decades.

Sharing the company's futuristic vision, he said it will triple the capacity of its suspension PVC to 1 million TPA and retain its leadership in the paste PVC segment by constantly adding capacities. There is a plan to set up a chlorinated PVC plant through a 50:50 joint venture with the French company Kem One. "This plant at Karaikal will go on-stream in two years," Shankar said, adding it had also embarked on a diversification strategy to manufacture hydrogen peroxide.

Vijay Sankar, Deputy Chairman of the Group, said the CPVC plant envisages an investment of Rs 350 cr, which will be serviced through internal accruals and borrowings. "This is a fast-growing import-intensive product and we will work towards filling up the gap," he said, adding the unit's capacity would be 20,000 TPA.

Seeing an opportunity to acquire the assets of a company in Andhra Pradesh has been the basis that would drive integration for hydrogen in the existing market. The 18,000 TPA plant would service the markets of Mettur, Tirupur and Erode. The revenue would be Rs 450 cr to Rs 500 cr between the two projects.

NEWS TODAY

Sanmar's super plans

□ Two new projects to come up at Rs 425 crore, as Chemplast turns 50

NT Bureau

Chennai, Mar 7:

Revealing ambitious expansion, Sanmar Group chairman N Sankar has said they will soon set up two projects, at a combined cost of Rs 425 crore.

Speaking to reporters here at an event to launch Chemplast Sanmar's Golden Jubilee celebrations, he said, 'We have taken on hand two projects, one for manufacture of Hydrogen Peroxide and another for production of Chlorinated PVC (CPVC). The investment in the Hydrogen Peroxide plant will be around Rs 100 crore. The CPVC project, at an investment of Rs 325 crore, will come up as a JV with Kem One SAS. Besides the above committed projects, we also have plans of more than trebling our Suspension PVC capacity to 1 million tons,' said Sankar.

Unveiling the company's new logo, he said, 'Chemplast Sanmar is a highly integrated chemical manufac-



Sanmar Group chairman N Sankar and deputy chairman Vijay Sankar unveiling Chemplast Sanmar's golden jubilee celebration logo in Chennai yesterday.

turer, with facilities located at Mettur, Cuddalore and Karaikal. We are now the largest manufacturer of specialty paste PVG resin in the country with a capacity of 66,000 tonnes per annum and the second largest manufacturer of commodity Suspension PVC with a capacity of 3,00,000 tons per annum.

We have also expanded into Chlorochemicals through the acquisition of The Mettur Chemical and Industrial Corp Ltd in the mid-80s,' he added.

Revealing some of the innovations of the brand, deputy chairman, Sanmar Group, Vijay Sankar, said, 'We are the first to use industrial alcohol

as a renewable resource to produce Ethylene, import a bulk intermediate chemical, Ethylene Dichloride (EDC). We are the only company in South India to have two dedicated marine terminals, both capable of handling refrigerated cargo, establish desalination plants, at its coastal locations.'

'Some of our CSR initiatives include building a new railway station at Mettur Dam for the use of the local community, operating schools there for the benefit of local children, providing drinking water to many villages around our plants and vocational training to womenfolk of the neighbouring communities,' he added.

Chemplast Sanmar is the flagship company of the Sanmar Group, a US\$1.5 billion industrial conglomerate, involved in chemicals, specialty chemicals, engineering, steel castings and shipping. The Golden Jubilee celebrations will be conducted on 4 May 2017.