

Chemplast Sanmar to be delisted

Corporate Bureau / CHENNAI, February 8, 2012

Chemplast Sanmar, manufacturer of PVC resins, chlorochemicals and piping systems, is planning to delist its shares from stock exchanges. The rationale for delisting, according to the statement, is that Chemplast Sanmar was going through one of the most difficult times with its operations severely affected by wide fluctuations in petrochemical prices compounded by delay in accruing revenues from its large projects due to delays in their commissioning. The net worth had been significantly eroded and the debt to equity ratio now stands at 6:1.

It has been stated that the company needs capital infusion to correct the gearing and liquidity issues, which the promoters are willing to support.

However, with promoters holding 75 per cent and capital markets regulations prohibiting promoters holding over 75 per cent in listed companies, it has been decided to delist the shares. The notice further said, “the promoters believe that the delisting option is in the best interests of the public shareholders as it comes with an opportunity to exit at a fair price”.