



Annual Report 2003

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CHEMPLAST SANMAR LIMITED

**CHEMPLAST SANMAR LIMITED**

Regd Office: 9 Cathedral Road Chennai 600 086 India

POSTAL BALLOT FORM

Sl.No.

1. Name(s) of Shareholder(s) :
(in block letters)
(including joint holders, if any)
2. Registered address of the sole/ :
first named Shareholder
3. Registered Folio No./ :
DP ID No. and Client ID No.*
(*applicable to investors holding
shares in dematerialised form)
4. Number of shares held :
5. I/ We hereby exercise my/ our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated 25th July 2003 by sending my/ our assent or dissent to the said resolution, by placing the tick (✓) mark at the appropriate box below:

Item No.	Brief particulars of the item	No. of Shares	I/ We assent to the resolution	I/ We dissent to the resolution
9.	Special Resolution under Section 372A of the Companies Act, 1956 to make loans and provide guarantees on behalf of Chemplast Chlorochemicals Limited.			

Place :

Date :

Signature of the Shareholder

NOTE: PLEASE READ CAREFULLY THE INSTRUCTIONS PRINTED OVERLEAF BEFORE EXERCISING THE VOTE.

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot form and send it to the Scrutinizer in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier/ registered post at the expense of the Registered Shareholder will also be accepted.
2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
4. Unsigned Postal Ballot form will be rejected.
5. **Duly completed Postal Ballot form should reach the Company, not later than the close of working hours (17.30 hrs.) on Monday, the 8th September 2003. Postal Ballot form(s) received after this date will be strictly treated as if the reply from the member has not been received.**
6. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot form should be accompanied by a certified true copy of the Board Resolution/ Authority.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the shareholders on the date of despatch of the notice.
8. Shareholders are requested not to send any other paper along with the Postal Ballot form in the enclosed self-addressed postal prepaid envelope inasmuch as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.



Chemplast Sanmar Limited

Regd Office:
9 Cathedral Road
Chennai 600 086 India
Tel + 91 44 2811 8500
Fax + 91 44 2811 1902
www.sanmargroup.com

NOTICE

To

The Members of
Chemplast Sanmar Limited

Dear Sir/Madam:

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, for the consent of the members for the following item which is sought to be obtained by means of Postal Ballot.

Item No. 9 **To make loans and provide guarantees on behalf of Chemplast Chlorochemicals Limited**

You are requested to carefully read the instructions printed in the Postal Ballot form and return the form duly completed in the attached self addressed, postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours (17.30 Hrs.) on **Monday, the 8th September 2003**. Please note that any Postal Ballot form(s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted. The Scrutinizer will submit his report to the Chairman of the Company after the completion of the scrutiny of the Postal Ballots. The results thereof will be announced by the Chairman or any other Director of the Company at the Annual General Meeting of the Company to be held on Wednesday, the 10th September 2003 at Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314 TTK Road, Chennai 600 018.

The resolution under item No.9 being a Special Resolution shall be declared as duly passed if votes cast in favour of the resolution are not less than three times the number of votes, if any, cast against the resolution.

The Board of Directors has appointed Mr P H Arvinth Pandian, Advocate, as the Scrutinizer for conducting this Postal Ballot voting process.

By Order of the Board
For CHEMPLAST SANMAR LIMITED
R SUKUMARAN
Secretary

Chennai
25th July 2003

Encls: 1. Draft Resolution for item No.9 with Explanatory Statement.
2. Postal Ballot form & Self addressed postage pre-paid envelope.



Chemplast Sanmar Limited

Notice of Annual General Meeting

The Nineteenth Annual General Meeting of Chemplast Sanmar Limited will be held on Wednesday, the 10th September 2003 at 10.00 a.m. at Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314 TTK Road, Chennai 600 018 to transact the following :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the audited Balance Sheet as at 31st March 2003, the Profit and Loss Account for the year ended 31st March 2003 and the Auditors' Report thereon.
2. To declare Preference Dividend.
3. To declare Equity Dividend.
4. To appoint a Director in the place of Mr C H Mahadevan who retires at this meeting and is eligible for reappointment.
5. To appoint a Director in the place of Mr M K Kumar who retires at this meeting and is eligible for reappointment.
6. To appoint a Director in the place of Mr V Narayanan who retires at this meeting and is eligible for reappointment.
7. To appoint Auditors and fix their remuneration.

Price Waterhouse & Co., Chartered Accountants, Chennai are the retiring auditors and are eligible for reappointment.

SPECIAL BUSINESS

8. To consider and if thought fit, to pass the following resolution as a Special Resolution with or without modification:

"RESOLVED that pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of other appropriate authorities being obtained in that behalf, the Company hereby authorises the Board of Directors to make investments in the shares of Chemplast Chlorochemicals Limited, from time to time upto a limit of Rs.100 Crores and further that the aggregate of all investments in, loans to and guarantees on behalf of Chemplast Chlorochemicals Limited do not exceed Rs.200 Crores at any point of time and further the Board of Directors of the Company be and are hereby authorised to determine the actual sum to be invested, and to do all or any of the matters arising out of such investments."

9. To consider and if thought fit, to pass the following resolution as a Special Resolution by means of the Postal Ballot:

"RESOLVED that pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of other appropriate authorities being obtained in that behalf, the Company hereby authorises the Board of Directors to make loans to and extend guarantees/ provide securities on behalf of Chemplast Chlorochemicals Limited, from time to time provided that the aggregate of such loans, guarantees and securities do not exceed Rs.200 Crores and further that the aggregate of all investments in, loans to and guarantees on behalf of Chemplast Chlorochemicals Limited do not exceed Rs.200 Crores at any point of time and further the Board of Directors of the Company be and are hereby authorised to determine the actual amount of loan to be given, and amount of guarantee/ securities to be provided and to do all or any of the matters arising out of such loans and advances."

Chemplast Sanmar Limited

10. To consider and if thought fit, to pass the following resolution as a Special Resolution with or without modification:

“RESOLVED that in terms of SEBI (Delisting of Securities) Guidelines 2003 and also Guidelines/ Notifications issued/ to be issued by SEBI from time to time and subject to the provisions of Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the company, consent be and is hereby accorded to delist the company's equity shares from The Delhi Stock Exchange Association Limited (DSE), The Calcutta Stock Exchange Association Limited (CSE) and Vadodara Stock Exchange Limited (VSE).”

Notes:

- a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Items No.8 to 10 is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE AFORESAID MEETING.
- c) The resolution as set out at Item No.9 is proposed to be passed by way of Postal Ballot as per Section 192A of the Companies Act, 1956.
- d) The Register of Members of the Company will remain closed from Saturday, 6th September 2003 to Wednesday, 10th September 2003, both days inclusive.
- e) The Company has appointed Integrated Enterprises (India) Limited as Registrar and Share Transfer Agent. Shareholders are requested to send all requests for transfer of shares, dematerialisation of shares, change in address, etc to the Company's Registrar and Transfer Agent at the following address:

Integrated Enterprises (India) Limited
 Second Floor, Kences Towers
 1 Ramakrishna Street, North Usman Road
 T Nagar, Chennai 600 017
 Phone No.28140801-03 ; Fax No.28142479
 E-mail: sureshbabu@iepindia.com

Registered Office:
 9 Cathedral Road
 Chennai 600 086
 July 25, 2003

(By order of the Board)
 R. SUKUMARAN
 Secretary



Annexure to Notice

Explanatory Statement annexed to the Notice of the Nineteenth Annual General Meeting of the Company as required under Section 173(2) of the Companies Act, 1956.

Items No.8 and 9

The company is facing a threat in terms of availability of its feedstock Ethylene Dichloride (EDC) at appropriate prices, which would adversely affect its PVC production. The threat is as a result of the Government introducing the sale of Gasohol (Ethanol doped with petrol) from 2003 as a result of which the availability of alcohol (raw material to manufacture EDC) is going to be very tight apart from the prices of such alcohol being becoming uneconomical. In addition prices of imported EDC fluctuate violently and remain for longer periods at levels too high to be economical for the manufacture of PVC.

The Board has approved of the company and/ or its subsidiary company, setting up an EDC Project at Karaikal at an estimated cost of Rs.187 crores. The EDC Project will comprise of the Caustic Soda manufacturing facility being acquired from Kothari Petrochemicals Limited, Marine Terminal Facility, Captive Power, Ethylene Storage and an EDC Plant.

In the event the project is to be implemented, in whole or in part, through a subsidiary, Chemplast Chlorochemicals Limited (CCL) will implement it as a subsidiary of Chemplast Sanmar Limited (Chemplast). In that event, Chemplast will extend support to CCL by way of investments, loans and guarantees. The aggregate of such investments, loans and guarantees by Chemplast is not expected to exceed Rs.200 Crores. The investments/ advances will be made by the company out of the internal accruals and resources to be raised in the current financial year.

As per Section 372A of the Companies Act, 1956, Chemplast is to obtain the approval of its shareholders for making these intercorporate investments/ loans and guarantees as the aggregate of Chemplast's present investments, loans and guarantees is in excess of the limits prescribed under Section 372A of the Companies Act, 1956.

As per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, approval under Section 372A for making loans and providing guarantees is to be obtained by way of Postal Ballot. Accordingly, the approval for the special resolution under Item No.9 of the Notice is sought by way of Postal Ballot.

Your Directors recommend the resolution set out under Item No.8 for approval at the general meeting and the resolution as set out under Item No.9 of the Notice by way of Postal Ballot for your approval.

Mr P S Jayaraman, Managing Director is a Director of Chemplast Chlorochemicals Limited. No other Directors is directly or indirectly concerned or interested in the said resolutions.

Item 10

The company's equity shares are listed on the following stock exchanges:

1. Madras Stock Exchange Ltd (MSE).
2. The Stock Exchange, Mumbai (BSE).
3. National Stock Exchange of India Ltd (NSE).
4. The Delhi Stock Exchange Association Ltd (DSE).
5. The Calcutta Stock Exchange Association Ltd (CSE).
6. Vadodara Stock Exchange Ltd (VSE).

Chemplast Sanmar Limited

Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 on voluntary delisting provide that the company can delist from stock exchanges where its securities are listed, without providing an exit option to the shareholders, provided its securities continue to be listed on a stock exchange having nation wide terminals, and after the approval of shareholders by a special resolution passed at its general meeting is obtained.

The Stock Exchanges that have nation wide terminals are BSE and NSE.

The company's shares were listed on DSE, CSE and VSE in 1993. Since inception, there has been no trading in DSE and VSE; and in CSE there has been only one trade.

The proposed voluntary delisting of the company's equity shares from the said three stock exchanges will not affect any investor including members located in the regions where the said three stock exchanges are situated. The company's share will continue to be listed on MSE, BSE and NSE.

Pursuant to the guidelines issued by SEBI, it is now proposed to seek the approval of the members by way of Special Resolution for voluntary delisting of the company's equity shares from the said three stock exchanges as set out in the resolution under item No.10 of the Notice.

The Board of Directors recommend the resolution for approval by the shareholders.

None of the Directors of the company is in any way concerned or interested in the said resolution.

Registered Office:
9 Cathedral Road
Chennai 600 086
July 25, 2003

(By order of the Board)
R. SUKUMARAN
Secretary



Chemplast Sanmar Limited

Registered Office : 9, Cathedral Road, Chennai 600 086

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

- | | |
|---|---|
| 1. Name of the attending Member | (In Block Letters) |
| 2. Register Folio No./Client ID No. : | D.P. ID No.: |
| 3. Name of Proxy (In Block Letters) | (To be filled if the Proxy attends instead of the member) |

No. of Shares held

I hereby record my presence at the Nineteenth Annual General Meeting at Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314, T.T.K. Road, Chennai - 600 018 on Wednesday, the 10th September 2003 at 10.00 a.m.

.....
Member's/Proxy's Signature



Chemplast Sanmar Limited

Registered Office : 9, Cathedral Road, Chennai 600 086

PROXY FORM

I/We.....of.....
being a member/members of CHEMPLAST SANMAR LIMITED do hereby appoint
.....of.....(or failing him
.....of.....) as
my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday,
the 10th September 2003 at 10.00 a.m. and at any adjournment thereof.

Signed thisday of 2003

Signature

Affix 30 P. Revenue Stamp

Folio Number/Client ID No.:

D.P. ID No.:

Note : The proxy form duly completed must be returned so as to reach the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.



Chemplast Sanmar Limited

CHAIRMAN - EMERITUS

K.S. Narayanan

BOARD OF DIRECTORS

N. Sankar, Chairman
 N. Kumar, Vice Chairman
 P.S. Jayaraman, Managing Director
 Adit Jain
 P.N. Kapadia
 M.K. Kumar
 C.H. Mahadevan
 V. Narayanan
 Vijay Sankar
 N. Srinivasan

REGISTERED OFFICE

9, Cathedral Road,
 Chennai 600 086

MANUFACTURING LOCATIONS

Mettur Dam

PVC

Chlorochemicals:

Caustic Soda, Chlorine,
 Chlorinated Solvents,
 Refrigerant Gases and
 Silicon Wafers

Krishnagiri & Panruti

Industrial Alcohol

Vedaranyam

Industrial Salt

BANKERS

Indian Overseas Bank
 State Bank of India
 Standard Chartered Grindlays Bank

AUDITORS

Price Waterhouse & Co.
 Chartered Accountants
 Chennai