



Annual Report 2011

CHEMPLAST SANMAR LIMITED

Chemplast Sanmar Limited



Notice of Annual General Meeting

The Twenty Seventh Annual General Meeting of Chemplast Sanmar Limited will be held on Monday, the 25th July 2011 at 10.00 A.M. at Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314, T T K 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 2011, the Profit and Loss Account for the year ended 31st March 2011 and the Auditors' Report thereon.
2. To appoint a Director in the place of Mr S V Mony who retires at this meeting and is eligible for re-appointment.
3. To appoint a Director in the place of Mr M S Sekhar who retires at this meeting and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

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

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE 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 MEETING.
- b) Mr S V Mony and Mr M S Sekhar, Directors are not related to any other director of the company.
- c) The Register of Members of the company will remain closed from Saturday, the 16th July 2011 to Monday, the 25th July 2011, both days inclusive.
- d) Integrated Enterprises (India) Limited is the company's Registrar and Share Transfer Agent. Shareholders are requested to send all requests for transfer of shares, dematerialisation of shares, change in address, etc to:

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

Registered Office:
9, Cathedral Road
Chennai 600 086
April 26, 2011

(By order of the Board)
M RAMAN
Secretary

Chemplast Sanmar Limited

Chemplast Sanmar Limited



BOARD OF DIRECTORS

P.S. Jayaraman, Chairman
S. Gopal, Managing Director
S.V. Mony
V.K. Parthasarathy
M.N. Radhakrishnan
M.S. Sekhar

REGISTERED OFFICE

9, Cathedral Road
Chennai 600 086

MANUFACTURING LOCATIONS

Mettur Dam, Tamil Nadu

Krishnagiri & Panruti, Tamil Nadu
Vedaranyam, Tamil Nadu
Cuddalore, Tamil Nadu
Ponneri, Tamil Nadu
Shinoli, Maharashtra
Karaikal, Puducherry

PVC

Chlorochemicals:

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

Industrial Alcohol

Industrial Salt

PVC

Trubore Piping Systems

Trubore Piping Systems

Caustic Soda, Chlorine &
Ethylene Dichloride

BANKERS

Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Central Bank of India
IDBI Bank Limited
Indian Overseas Bank
Standard Chartered Bank
State Bank of Hyderabad
State Bank of India
State Bank of Mysore

AUDITORS

Price Waterhouse & Co.
Chartered Accountants
Chennai

Chemplast Sanmar Limited

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Information Regarding Listed Securities as required under Clause 32 of the Listing Agreement

NAME AND ADDRESS OF THE STOCK EXCHANGES	DETAILS OF SECURITIES LISTED
1) Madras Stock Exchange Limited Exchange Buildings, New No.30 (Old No.11), Second Line Beach, Chennai 600 001.	Equity Shares
2) Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.	Equity Shares
3) National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.	Equity Shares

The listing fees to these Stock Exchanges have been paid.



Directors' Report

The Directors have pleasure in presenting their report along with the accounts for the year ended 31st March 2011.

Corporate Results

	2010-11 Rs.Crores	2009-10 Rs.Crores
Sales and other income	2111.80	1062.88
Profit before interest, depreciation and taxes	182.44	66.73
Interest	156.44	124.69
Depreciation	92.78	76.38
Profit/ (Loss) before tax & exceptional item	(66.78)	(134.34)
Reversal/ (Provision) for tax		
– deferred tax	18.89	41.91
– fringe benefit tax	–	0.02
Profit/ (Loss) after tax before exceptional item	(47.89)	(92.41)
Exceptional item net off tax	7.26	(35.72)
Profit/ (Loss) after tax	(40.63)	(128.13)
Reversal/ (provision) for income tax relating to earlier years	(1.56)	(0.03)
Profit/ (Loss) after earlier years tax	(42.19)	(128.16)

Considering the challenges faced over the last two years, the company's performance in the year under review, culminating in a profitable last quarter, bodes well for the future.

The company had commissioned two major projects in the previous financial year (2009-10) the state-of-the-art green field PVC plant at Cuddalore, and the 48.5 MW coal based Power Plant at Mettur Dam in replacement of LSHS based power plant of same capacity involving the investment of around Rs.900 crores. The benefits of the projects that were commissioned during the previous year enabled the company to virtually double sales and other income (99% growth). Further, profit before interest, depreciation and taxes increased by 173%. In spite of increase in interest cost and depreciation, the company was able to reduce the loss before tax and exceptional item by 50% and loss after tax by 67%. Due to extended monsoons both PVC and Pipes sales were depressed for a major part of the year under report, leading to a contraction in margins. However, from the last quarter of financial year 2011, significant improvement in the demand and prices for PVC and all other products have had a healthy effect on margins and the company was able to register profits for the quarter ended March 2011. It is expected that this improvement in financial results will be maintained in future.

In view of the losses incurred, the Directors do not recommend payment of dividend on equity shares for the year 2010-11.

Chemplast Sanmar Limited

MANAGEMENT DISCUSSION AND ANALYSIS

PVC Business

Review of Operations:

The company operates an integrated facility at Mettur Dam with a capacity to manufacture 64,000 tonnes per annum of PVC resin. This facility has the flexibility to produce various grades of PVC resin, viz. Suspension, Paste and Battery Separator. The flexibility is limited mainly by the drying capacity. The intermediate Ethylene Dichloride (EDC) required for manufacture of PVC is in turn produced at the company's EDC plant at Karaikal using imported ethylene and captive chlorine – chlorine is manufactured at the company's Chlor-alkali facility located at both Mettur Dam and Karaikal. The Karaikal plant housing the Chlor-alkali & EDC facilities also has a captive Marine Terminal, which is used for import of ethylene and coastal shipment of Caustic Soda Lye to both domestic and export markets.

The year under review also is the first full year of operation of the new Greenfield project at Cuddalore for production of Suspension Resin. The captive Marine Terminal facility set up at this location is used for import of Vinyl Chloride Monomer, the raw material for manufacture of PVC. Your company is pleased to inform that the product manufactured here was well received by domestic consumers enabling the plant to operate at rated capacity.

Suspension PVC prices in India remained volatile right through the year, in line with scenario that prevailed in various Asian markets. In the last quarter of the financial year, prices rebounded strongly, on the back of production dislocation in Japan due to the massive earthquake & tsunami pushing prices along the entire value chain higher.

Suspension Resin:

Suspension resin demand in India for the year under review is estimated at 19.03 lakh tonnes, a growth of 7% over the previous year. Of this, around 12.45 lakh tonnes were met out of domestic production with the balance coming from imports. Increased availability from our Cuddalore plant ensured that imports scaled down to 6.58 lakh tonnes from the previous year level of 7.30 lakh tonnes.

Paste Resin:

Consumption in India during the year 2010-11 is estimated at 79,000 tonnes registering a growth of 13% over the previous year. The rebound in automobile and furnishing sectors led to good demand for leather cloth, resulting in above growth in demand for paste resin. Your company's paste resin continues to enjoy a preference with most buyers.

Battery Separator Resin (BSR):

Your company has temporarily suspended production of this product due to uncertainty in availability of key raw material.

Trubore Piping Systems:

In the first quarter of 2010-11, the company witnessed good demand for PVC Pipes. However during the year the monsoon got extended across the country and un-seasonal rains were experienced in many parts of India. Due to this, demand for PVC Pipes in irrigation and construction segments was affected.

Government's continued focus on micro irrigation and rural water supply schemes would contribute to a stable demand for PVC Pipes in the coming years. The construction segment has also started showing strong demand.



The pipes manufactured in Shinoli facility in Maharashtra have been approved by Maharashtra Jeevan Pradhikaran, an approval which enables your company to supply to Maharashtra Govt. water supply schemes.

Many initiatives were taken by your company in popularizing the “TRUBORE” brand through innovative mass outreach programs, which were unique in the pipes industry. Sales network has been established in new geographies like Maharashtra and Gujarat.

Risk and concerns:

- a) The thin spread in import duty of just 2.5% between PVC (5%) and the intermediates VCM & EDC (2.5%) affects the contribution of the PVC business.
- b) Ethylene prices are driven by international supply-demand balance and get disproportionately affected by Cracker shutdowns, which could impact the input cost for Mettur PVC operations.
- c) Increased consumption of alcohol in the potable sector affects availability of alcohol for industrial use, resulting in inability of the company to source adequate quantity of alcohol/molasses for its operation.

Chlorochemical Business

The company operates a highly integrated Chlorochemicals business in Mettur Dam producing Caustic Soda, Chloromethane Products, Silicon Wafers and Refrigerant Gas (HCFC). Power and salt required for caustic soda manufacture is available from captive source. Chlorine produced in the Chlor-Alkali plant is completely consumed for captive production of EDC and Chloromethane products.

Caustic Chlor:

During the year under review, Indian Caustic Soda industry did not add much capacity in the face of excess capacity already available. Against an installed capacity of 32.6 lakh tonnes per annum, demand during the year is estimated at around 27 lakh tonnes. While prices remained subdued in the early part of the year, the global economic recovery led to improved demand and prices in the later part, which was reflected in improved domestic prices. Towards the end of the year, the earthquake & tsunami in Japan resulted in massive capacity shutdowns, resulting in strong spurt in prices.

While your company has adequate captive capacity for meeting its salt requirement, unseasonal rains during several months impacted salt production adversely and forced the company into buying salt from several outside sources.

Solvents:

The major demand for Chloromethane products is from the pharma sector, and this sector performed quite well during the year. Also, with Methylene dichloride (MDC) finding application in new generation Refrigerant Gases, international demand for MDC remained very buoyant right through the year, leading to very smart recovery of prices. Indian prices also reflected such international trends.

Mettron:

HCFC 22 demand in Asian/Middle Eastern markets remained healthy during the year. Also, with mitigating factors in China limiting production there for a considerable part of the year, international prices in these markets picked up.

Your company also earns Certified Emission Reduction (CERs) from its Clean Development Mechanism project.

Chemplast Sanmar Limited

Metkem:

Your company has temporarily suspended operation of its Polysilicon and wafer making facilities in view of unviable global prices. While prices are recovering now, they have still not reached levels where operation of the company's facility would be profitable. Your company is closely watching the developments and hopes to restart operations at an opportune time.

Risks and concerns:

- a) The surge in international coal prices would affect the cost of generation of power, thereby impacting cost of production of both Caustic/chlorine and other products.
- b) Unseasonal rains and climate change affects your company's salt production.

Environment

As a responsible corporate citizen, the company has continuously improved upon its manufacturing processes, tapping new technologies to make production processes efficient and keeping well ahead of mandated norms in compliance with environmental standards. The company is fully committed to environment protection and has made dramatic improvements in its processes over the years by making considerable investments, within the limitations of the latest available technologies.

In the true spirit of protecting the environment, the company has taken several positive initiatives, some of which are discussed below:

- The company has put in place a ZLD facility at Mettur to completely recycle and reuse the liquid trade effluents generated, including solid waste, inside the plants. Not a drop of its treated effluent is let out from the factory premises since September 2009.
- The company was declared as "Excellent Water Efficient Unit" and the ZLD facility of Mettur was chosen as the most "Innovative case study" in the 7th National Water Award conducted by CII in December 2010.
- The company has invested in Air Cooled Condensers (ACC) in the Coal based power plant at Mettur for the sole purpose of conserving water. The water saved is 3000 KL per day.
- The ACC also paved the way for reducing the internal consumption of power in the coal based power plant. The normal internal consumption for similar sized power plant vary from 11-12% of total generation whereas with ACC in place the internal consumption at Mettur plant is less than 10% of the total generation.
- Karaikal plant also has a desalination facility. In this plant also, no treated effluent is discharged as a Zero Liquid Discharge (ZLD) facility is operational.
- One of the many efforts in safeguarding the environment that has been lauded is the INDUSTRIAL GARDEN at KARAIKAL. Chemplast Sanmar's industrial garden at Karaikal was adjudged the best at the 16th Annual Flower Show. A panel of experts from the Agriculture Department and the Karaikal College of Agriculture judged the flower show. The first prize was awarded to Sanmar's industrial garden. This is the 7th time that the Group has won this award from the Puducherry Government.



- Similarly, the new greenfield PVC facility at Cuddalore commissioned in September 2009 is ZLD facility from the date of commissioning. The company does not discharge water into land or sea even though the treated effluent meets all the discharge standards.
- A unique feature of the PVC plant at Cuddalore is that it does not draw any water from the ground for the plant operations and the entire water requirements of about 3500 kilo litres (kl) per day is being met by a sea water desalination plant, set up at an investment of Rs.27 crores with a recurring cost of Rs.36 per kl of water used.
- The company has kept a mobile VCM monitoring station at the Cuddalore PVC plant which would, on a real time basis, monitor the presence of VCM in the workplace. The company has a mobile van equipped with Gas Chromatograph to monitor VCM in and around the villages in Cuddalore.

CSR initiatives:

The company attaches utmost importance to sustainable development.

At Mettur, the company maintains three schools where primary, matriculation and higher secondary education is imparted to about 2500 students from the local community. The company also offers free education at different centers in the villages around the plant area to provide supplementary after-school coaching. The company provides thirty lac litres of drinking water every day to the nearby villages. It has six rural health centers in and around Mettur, with diagnostic facilities where free medicines are also dispersed.

The company also provides preventive healthcare services by conducting periodical health camps and has also been supporting Self Help Groups in and around Mettur.

At Cuddalore, the company is currently running health centers in three different villages with the services of a full-time doctor and para-medical staff.

Personnel

Industrial relations with employees remained cordial during the year. Human Resource Development activities continued to receive considerable attention. The emphasis was on imparting training and develop the skill set of employees to enable them face the challenges in an increasingly complex work environment.

Internal Control Systems

Your company has adequate internal control procedures commensurate with the size and nature of its operations. The audit committee constituted by the Board of Directors is functioning effectively. Internal audit for the year 2010-11 was carried out by PKF Sridhar & Santhanam covering all areas of operations. All significant observations were discussed in the audit committee, which met four times during the year under review.

FINANCE

Your company has established a good track record with the bankers and financial institutions, thereby enjoying their confidence fully.

Chemplast Sanmar Limited

In line with the conservative accounting policies being followed by the company, during previous year ended March 31, 2010, the company had created provision for asset impairment of Rs.3125.17 Lakhs for the LSHS based power generation plant which was decommissioned after commissioning the coal based power plant and Rs.2088.94 Lacs being the value of the Metkem Silicon plant, which had been mothballed pending revival of end product prices, totalling to Rs.5214.11 Lakhs (after tax Rs.3572.11 Lakhs). In the last quarter of the current year ended March 31, 2011, the impairment provision relating to the LSHS based power generation plant have been reversed to the extent of Rs.1050.00 Lacs (after tax Rs.725.55 Lacs) based on offers received for them.

DIRECTORS

Mr M K Kumar retired from the Board effective 24th January 2011. The Directors place on record their appreciation of the valuable services rendered by him during his tenure.

Mr V Ramesh resigned from the Board effective 24th January 2011. The Directors place on record their appreciation of the valuable services rendered by him during his tenure.

Mr P S Jayaraman was reappointed as Chairman of the company for a period of two years with effect from 1st April 2011. Mr S Gopal was reappointed as Managing Director of the company for a period of two years with effect from 1st April 2011.

Mr S V Mony and Mr M S Sekhar, Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

Price Waterhouse & Co, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

STATUTORY INFORMATION

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended regarding employees, is given in Annexure 'B' to the Directors' Report. However, as per the provisions of Section 219 of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the company, excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the company.

Particulars under Section 217(1) (e) relating to energy conservation and technology absorption are furnished in a separate statement annexed to, and forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

- a) In the preparation of the annual accounts for the year ended 31st March 2011, the applicable accounting standards have been followed by the company.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2011 and of the loss of the company for the year ended that date.



- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The accounts of the company have been prepared on a going concern basis.

CAUTIONARY STATEMENT

Statements made in the report, including those stated under the caption "Management Discussion and Analysis" describing the company's plans, projections and expectations may constitute, "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Chennai
April 26, 2011

For and on behalf of the Board
P S JAYARAMAN
Chairman

Chemplast Sanmar Limited

Annexure to the Directors' Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2011.

1. CONSERVATION OF ENERGY

a. Measures taken:

The company continues to accord high priority to conservation of energy. Details of some of the measures undertaken during the year to optimise energy conservation are:

1. In Poly Vinyl Chloride (PVC) plant at Cuddalore, in the desalination section, by installing a sea water reject transfer pump having a lower discharge head, power consumption was reduced by 900 units per day. The power saving thus effected per year is 3.15 lac units.
2. In Ethylene Di-Chloride (EDC) plant at Karaikal, by introducing changes in the process of Ethylene liquefaction for manufacture of EDC, the power consumption in the liquefaction system was reduced by 4.66 lac units per year.
3. In Poly Vinyl Chloride (PVC) plant at Mettur, by replacing mercury lamps and Sodium/neon lamps by CFL lamps and LED light fittings for plant lighting, power consumption was reduced by 0.16 lacs units per month. This has resulted in a saving of 1.92 lacs units of power per year.
4. In Chlorochemicals plant at Mettur, by installing Variable Frequency Drives for dechlorinated brine pump and caustic transfer pump in the membrane plant, power consumption was reduced. This has resulted in a saving of 2.14 lacs units of power per year.

b. Additional investment:

The company has not made any major investment during the current year.

c. Impact of measures taken under (a) above:

	Substitution/ Reduction in energy consumption per annum	Savings in cost of production (Annualised) (Rs.Lacs)
1. Reduction in power consumption by installing a lower discharge head reject water pump at Cuddalore plant.	Power 3.15 lac Kwh	15.94
2. Reduction in power consumption by introducing by-pass line in the liquefaction system of Ethylene at EDC plant, Karaikal.	Power 4.66 lac Kwh	16.34
3. Reduction in power consumption by installing CFL/ LED lamps in place of mercury/sodium vapour lamps at PVC plant, Mettur.	Power 1.92 lac Kwh	6.75
4. Reduction in power consumption by installing Variable Frequency Drive for some of the pumps in Chlorochemicals plant at Mettur.	Power 2.14 lac Kwh	7.52



2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology :
absorption, adaptation and innovation The technology transferred to the company prior to those being currently imported, has been fully absorbed. Developments, where required, have been carried out by adapting to Indian conditions.
2. Benefits derived as a result of the above :
efforts, e.g. product improvement, cost reduction, import substitution, etc. The technology absorption has contributed to substantial savings in foreign exchange by way of import substitution.
3. In case of imported technology, (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.

Technology imported	Technology for manufacture of suspension grade PVC from Ineos Vinyls UK Ltd., UK	Membrane technology for manufacture of caustic soda from Asahi Kasei Chemicals Corporation, Japan
Year of import**	2006-07	2006-07
Has technology been fully absorbed	Yes	Yes
If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	—	—

(** year of entering into technology agreements)

RESEARCH AND DEVELOPMENT (R&D)

The company's R&D laboratory is engaged in carrying out process/product improvement programmes. In particular, the areas of focus have been on import substitution, optimising the utilisation of available resources, evolving alternative and more economic processes for the existing range of products and environment conservation.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs.Lacs)
a. Foreign exchange outgo	117466.39
b. Foreign exchange earnings	7319.41

Chennai
April 26, 2011

For and on behalf of the Board
P S JAYARAMAN
Chairman

Chemplast Sanmar Limited

Annexure I

A. POWER AND FUEL CONSUMPTION		2010-11	2009-10
1)	Electricity		
(a)	Purchased		
	Units - lacs kwh	1167.86	1852.60
	Amount - Rs. lacs	4796.16	6833.66
	Rate per unit - Rs.	4.11	3.69
(b)	Own Generation		
I)	Through generators		
a)	With LSHS as fuel		
	Units - lacs kwh	-	874.04
	Units per KG of LSHS or equivalent	-	4.12
	Cost per unit - Rs.	-	6.03
b)	With Diesel as fuel		
	Units - lacs kwh	8.59	11.68
	Units per Ltr. of Diesel	2.25	2.77
	Cost per unit - Rs.	17.65	12.80
c)	With Natural Gas as fuel		
	Units - lacs kwh	762.59	624.87
	Units per M3 of Gas or equivalent	4.04	4.07
	Cost per unit - Rs.	2.02	1.42
II)	Through turbines		
a)	Steam turbine		
	Units - lacs kwh	3423.65	489.61
	Unit per KG of Coal	1.48	1.38
	Cost per unit - Rs.	3.46	3.24
b)	Wind mill power		
	Units - lacs kwh	100.30	115.15
2)	Coal		
	Quantity - MT	313029.93	68643.84
	Amount - Rs. lacs	15872.98	2939.83
	Average - Rs./MT	5071	4283
3)	Furnace oil		
	Quantity - KL	930.08	9419.42
	Amount - Rs. lacs	240.35	2008.43
	Average - Rs./KL	25842	21322
4)	Diesel		
	Quantity - KL	436.03	464.71
	Amount - Rs. lacs	172.91	164.40
	Average - Rs./KL	39654	35377
5)	LSHS		
	Quantity - MT	2432.22	30577.00
	Amount - Rs. lacs	723.51	7414.12
	Average - Rs./MT	29747	24247
6)	Natural gas		
	Quantity - lacs Scm	194.82	166.90
	Amount - Rs. lacs	1575.72	913.40
	Average - Rs./Scm	8.09	5.47
7)	Superior kerosene		
	Quantity - KL	6178.07	7449.68
	Amount - Rs. lacs	2015.87	2017.08
	Average - Rs./KL	32630	27076
8)	Others - Internal generation		
	Methane gas - lac M3	-	5.18
	Hydrogen - MT	1060	1463
B. CONSUMPTION PER UNIT OF PRODUCTION			
1.	PVC RESIN		
	Electricity - (kwh)	395	591
	Superior kerosene - (ltr)	147	143
	Furnace oil - (Kg)	524	440
2.	Caustic soda		
	Electricity - (Kwh) - Membrane cell plant	2704	2598
3.	Chloromethanes		
	Electricity - (Kwh)	407	460
	LSHS - (kg) 194	215	

NOTE:

Electricity for caustic soda is for electrolysis. LSHS denotes the LSHS equivalent of steam consumption.



Persons constituting group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 include the following:

- | | |
|--|---|
| 1 Mr N Sankar and relatives | 48 V S Trading and Consultancy Private Limited |
| 2 Mr N Kumar and relatives | 49 Poes Garden Properties Private Limited |
| 3 Mr Vijay Sankar and relatives | 50 N K Trading and Consultancy Private Limited |
| 4 Sanmar Shipping Limited | 51 Madhura Kumar Properties Private Limited |
| 5 Sanmar Speciality Chemicals Limited | 52 Cubbon Road Properties Private Limited |
| 6 Cabot Sanmar Limited | 53 Jumbo Properties (Alpha) Private Limited |
| 7 BS&B Safety Systems (India) Limited | 54 Jumbo Properties Private Limited |
| 8 Flowserve Sanmar Limited | 55 Fortis Properties Private Limited |
| 9 Sanmar Engineering Services Limited | 56 Indchem Software Technologies (India) Limited |
| 10 Sanmar Foundries Limited | 57 Apex NK Software Solutions Limited |
| 11 Tyco Sanmar Limited | 58 Indchem Software Technologies Limited |
| 12 Xomox Sanmar Limited | 59 Silkroute Indchem Limited |
| 13 Sanmar Engineering Technologies Limited | 60 Fingertip Technologies Private Limited |
| 14 Sanmar Ferrotech Limited | 61 iSkills (India) Private Limited |
| 15 NS Family Investments Private Limited | 62 eG Innovations Pte. Ltd, Singapore |
| 16 NS Family Consolidations Private Limited | 63 eG Innovations Private Limited |
| 17 SHL Securities (Alpha) Limited | 64 eG Innovations Inc., USA |
| 18 SHL Research Foundation | 65 eG Innovations UK Limited, UK |
| 19 Sanmar Holdings Limited | 66 WYSINE Technologies Private Limited |
| 20 Sanmar Engineering Corporation Limited | 67 Chemplast Sanmar Limited |
| 21 B SEC Services Limited | 68 Metalcast Overseas Steel AG, Switzerland |
| 22 SHL Trading Limited | 69 Multicontinental Ferro AG, Switzerland |
| 23 Kalamkriya Limited | 70 Matrix Metals AG, Switzerland |
| 24 Indchem Communications Limited | 71 Sanmar IP Repository Limited, Cayman Islands |
| 25 SHL Property Holdings Limited | 72 Matrix Metals LLC, USA |
| 26 Stargate Properties Private Limited | 73 Acerlan-Matrix LLC, USA |
| 27 Stargate Adyar Properties Private Limited | 74 Acerlan-S.A. de C.V., Mexico |
| 28 Twinpeaks Technologies Private Limited | 75 Inmobiliaria Acerlan S.A. de C.V., Mexico |
| 29 Sanmar Group International Limited | 76 BlueChips Limited, Isle of Man |
| 30 Sanmar Overseas Investments AG, Switzerland | 77 SFL Holdings Public Company Limited, Cyprus |
| 31 Cav-Nile AG, Switzerland | 78 Cav-Nile Holdings Public Company Limited, Cyprus |
| 32 Pharaoh International Limited, Cayman Islands | 79 Multicontinental Ferro Holdings Public Company Limited, Cyprus |
| 33 Pharaoh Consolidations Limited, Cayman Islands | |
| 34 Pharaoh Egyptian Holdings Limited, Cayman Islands | 80 Sanmar Estates and Investments |
| 35 Pharaoh Egyptian Investments Limited, Cayman Islands | 81 Sanmar Group Corporate Finance |
| 36 TCI Sanmar Chemicals S.A.E, Egypt | 82 Cathedral Corporate Finance |
| 37 Matrix Metals Holdings Inc., USA | 83 Cathedral & Co |
| 38 Sanmar Group Germany, GmbH, Germany | 84 The Mrs. Madhuram Narayanan Charitable Trust |
| 39 Eisenwerk Erla Beteiligungsgesellschaft GmbH, Germany | 85 The Mrs. Madhuram Narayanan Charitable Foundation |
| | 86 KSN Family Trust |
| 40 Eisenwerk Erla GmbH, Germany | 87 Sanmar Welfare Trust |
| 41 N Sankar Properties and Holdings Private Limited | 88 Madhurika Benefit Trust |
| 42 Stargate Realty Private Limited | 89 Sanmar Special Welfare Trust |
| 43 Sanmar Consultancy Limited | 90 The Sruti Foundation |
| 44 Stargate Enterprises Private Limited | 91 The KSN Sports Foundation |
| 45 C Sankar Trading and Consultancy Private Limited | 92 Madhuram Narayanan Centre for Exceptional Children |
| 46 M Sankar Trading and Consultancy Private Limited | 93 Sanmar Senior Management Staff Welfare Foundation |
| 47 Greenvalley Investments (Alpha) Private Limited | |

The above disclosure has been made, inter alia, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Chemplast Sanmar Limited

Corporate Governance

The Securities and Exchange Board of India (SEBI) has introduced a code of corporate governance for listed companies, which is implemented through the Listing Agreements with the Stock Exchanges with which the company is listed. The company has complied with the corporate governance requirements set out in Clause 49 of the Listing Agreement.

1. Brief statement on company's philosophy on code of governance

The company believes that good corporate governance leads to corporate growth and long term gain in shareholder value. The company is committed to maintaining the highest standards of corporate governance in its conduct towards shareholders, employees, customers, suppliers and other stakeholders.

2. Board of Directors

Composition

As on 31st March 2011, the Board of Directors consisted of Executive Chairman, one whole-time director and four non-executive directors, of whom three are independent. The composition of the Board is in conformity with the Listing Agreement. None of the Directors is related to each other.

Board Meetings

During the year 2010-11, the Board met four times on 30th April 2010, 27th July 2010, 25th October 2010 and 24th January 2011.

The following table gives details of the Directors, attendance of the Directors at the board meetings and at the last annual general meeting and number of memberships held by Directors in Board/ Committees of various companies as on 31st March 2011.

Name and number of equity shares, if any, held in the company	Category	Attendance Particulars		Number of Directorships in public companies and Committee Memberships/ Chairmanships (only Audit Committee and Shareholders/ Investors Grievance Committees considered)		
		Board Meetings	Last AGM held on 27th July 2010	Directorships	Committee Memberships	Committee Chairmanships
Mr P S Jayaraman	Chairman, Executive	3	Yes	6	2	1
Mr S Gopal	Managing Director, Executive	4	Yes	5	–	–
Mr M K Kumar*	Non-Executive, Independent	1	No	–	–	–
Mr S V Mony	Non-Executive, Independent	4	Yes	2	1	–
Mr V K Parthasarathy (30,900 equity shares)	Non Executive, Independent	4	Yes	5	2	–
Mr V Ramesh** (2,883 Equity Shares)	Non-Executive	4	Yes	–	–	–
Mr M N Radhakrishnan (600 equity shares)	Non-Executive	3	Yes	13	5	3
Mr M S Sekhar	Non-Executive, Independent	3	Yes	2	2	2

* Retired from the Board effective 24th January 2011

** Resigned from the Board effective 24th January 2011

None of the directors is a member of board of more than fifteen companies in terms of Section 275 of the Companies Act, 1956, and a member of more than ten board level committees or a chairman of more than five such committees as stipulated under clause 49 of the Listing Agreement.

Board Procedure

The Board meets at least once a quarter and the interval between two meetings during the year was not more than four months.

The Board is presented with extensive information on vital matters affecting the working of the company and risk assessment and mitigation procedures. Among others, this includes:

- operating plans, capital budgets and updates and reviews thereof,
- quarterly results of the company,
- financial statements including cash flow, inventories, sundry debtors and/or other liabilities or claims of substantial nature,
- performance against operating plans,
- opportunities for expansion, modernisation, new projects, acquisition and disinvestments,
- risks faced and steps taken to mitigate/ minimise the risks,
- minutes of meeting of audit committee and other committees,
- details of any joint venture or collaboration agreement,
- developments in the industrial and human relations front,
- important show cause, demand and penalty notices,
- materially relevant defaults in financial obligations to and by the company or substantial non payment for goods sold by the company,
- significant effluent or pollution problems,
- any issue which involves possible public or product liability claims of a substantial nature,
- foreign exchange exposure and steps taken by management to limit the risks of adverse exchange rate movement,
- proposals for diversification, investment, disinvestments and restructuring, and
- compliance of all laws applicable to the company including requirements of Listing Agreement with the Stock Exchanges and steps taken to rectify instances of non compliances, if any.

3. Audit Committee

The company's Audit Committee consists of four Non-Executive Directors – three of them being independent. The composition of the Committee and the qualification of the members of the Committee are in compliance with the requirements of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

Mr M K Kumar, Chairman of the Audit Committee retired from the Board effective 24th January 2011 and consequently ceased to be a member of the Audit Committee. Mr S V Mony was co-opted as a member of the Audit Committee in the place of Mr M K Kumar. Mr M S Sekhar was appointed Chairman of the Audit Committee effective 8th July 2010.

The members of the Committee are Mr M S Sekhar, (Chairman), Mr V K Parthasarathy, Mr S V Mony and Mr M N Radhakrishnan.

During 2010-11, the Audit Committee met four times – 30th April 2010, 27th July 2010, 25th October 2010 and 24th January 2011. Mr V K Parthasarathy attended all the meetings, Mr M S Sekhar and Mr M N Radhakrishnan attended three meetings and Mr M K Kumar attended one meeting. The interval between two meetings convened was not more than four months.

The Audit Committee adheres to the Listing Agreement/ Regulations in terms of quorum for its meetings, functioning, role and powers as also those set out in the Companies Act, 1956.

Chemplast Sanmar Limited

4. Remuneration Committee

The company's Remuneration Committee consists of three Non-executive independent directors.

Mr M K Kumar, Chairman of the Remuneration Committee retired from the Board effective 24th January 2011 and consequently ceased to be a member of the Remuneration Committee. Mr M S Sekhar was co-opted as a member of the Remuneration Committee in the place of Mr M K Kumar. Mr M S Sekhar was appointed Chairman of the Remuneration Committee effective 24th January 2011.

The members of the Committee are Mr M S Sekhar, (Chairman), Mr S V Mony and Mr V K Parthasarathy.

During 2010-11, the Remuneration Committee met once on 24th January 2011 and recommended to the Board the revision in remuneration payable to Mr P S Jayaraman, Chairman and Mr S Gopal, Managing Director with effect from 1st January 2011.

In March 2011, the Remuneration Committee by its circular resolution dated 9th March 2011 recommended to the Board the remuneration payable to Mr P S Jayaraman, on his re-appointment as Chairman of the company for a period of two years with effect from 1st April 2011 and the remuneration payable to Mr S Gopal, on his re-appointment as Managing Director of the company for a period of two years with effect from 1st April 2011.

The scope/ role of the Remuneration Committee is to recommend to the Board of Directors the remuneration payable to the Wholtime Directors of the company as and when they come for review.

Remuneration of Directors

The compensation of the wholtime director comprises of a fixed component and commission. The wholtime directors are not paid sitting fee for any board/ committee meetings attended by them.

Non Executive Directors are paid sitting fees of (i) Rs.10,000 for every meeting of the Board and Audit Committee, (ii) Rs.5,000 for every meeting of Shareholders/Investors Grievance Committee and Remuneration Committee, and (iii) Rs.500 for every meeting of Share and Debenture Committee, attended by them.

The company has not granted stock options to any director or employee of the company or any other person.

The services of Executive Directors are terminable with a notice period of three months on either side or payment of gross salary in lieu thereof.

Details of remuneration paid or payable to Directors for the year ended 31st March 2011:

Director	Sitting Fees	Salary	Retirement Benefits	Perquisites	Commission	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mr P S Jayaraman	Nil	47,87,863	5,61,000	5,791	Nil	53,54,654
Mr S Gopal	Nil	47,38,500	3,82,500	4,054	Nil	51,25,054
Mr V Ramesh*	40,000	Nil	Nil	Nil	Nil	40,000
Mr M K Kumar**	25,000	Nil	Nil	Nil	Nil	25,000
Mr S V Mony	45,000	Nil	Nil	Nil	Nil	45,000
Mr V K Parthasarathy	1,01,000	Nil	Nil	Nil	Nil	1,01,000
Mr M N Radhakrishnan	65,500	Nil	Nil	Nil	Nil	65,500
Mr M S Sekhar	65,000	Nil	Nil	Nil	Nil	65,000

* Mr V Ramesh ceased to be Director of the company effective 24th January 2011.

** Mr M K Kumar retired from the Board effective 24th January 2011.



5. Shareholders/ Investors Grievance Committee

The Board of Directors has constituted a Shareholders/Investors Grievance Committee, which looks into shareholders and investors grievances.

During the year 2010-11, Mr. M K Kumar, Chairman of the Shareholders/ Investors Grievance Committee has retired from the Board effective 24th January 2011 and consequently ceased to be a member of the Shareholders/ Investors Grievance Committee. Mr M S Sekhar was co-opted as a member of the Shareholders/ Investors Grievance Committee in the place of Mr M K Kumar. Mr. M S Sekhar was appointed Chairman of the Shareholders/ Investors Grievance Committee effective 24th January 2011.

The members of the Committee are Mr M S Sekhar (Chairman), Mr V K Parthasarathy and Mr P S Jayaraman. The Compliance officer is Mr M Raman, Secretary.

During 2010-11, the Shareholders/Investors Grievance Committee met two times on 30th April 2010 and 25th October 2010.

During 2010-11, the company received 10 complaints from the investors and all of them were resolved to the satisfaction of the investors concerned. As on 31st March 2011 there were no investor grievances pending and no transfers were pending for approval.

6. Code of Conduct

The company's Code of Conduct has been complied with by all the members of the Board and select employees of the company.

The company has in place Prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

7. General Body Meetings

(i) The last three Annual General Meetings of the company were held as under:

Year	Location	Date	Time	Number of special resolutions passed
2007-08	Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314 T T K Road, Chennai 600018	17.07.2008	10.00 A.M	Nil
2008-09	Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314 T T K Road, Chennai 600018	28.07.2009	10.00 AM	Nil
2009-10	Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314 T T K Road, Chennai 600018	27.07.2010	10.00 A.M	Nil

(ii) During the year 2010-11, no resolution was passed through postal ballot and at the forthcoming AGM, there is no item on the Agenda that needs approval by postal ballot.

(iii) In March 2011, the Board of Directors approved passing of special resolutions relating to re-appointment of Mr P S Jayaraman as Chairman and Mr S Gopal as Managing Director with effect from 1st April 2011, through Postal Ballot. The postal ballot forms alongwith the postal ballot notices was dispatched to all the shareholders on 24th March 2011. The last date of receiving the postal ballot forms from the shareholders is 27th April 2011.

8. Disclosures

In preparation of the financial statements, the company has followed the Accounting Standards as per the Companies (Accounting Standards) Rules, 2006. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts.

Chemplast Sanmar Limited

Related party transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have any conflict with the company's interest.

Business risk evaluation and managing such risks is an ongoing process within the organisation. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

During the financial year 2010-11 the company had no pecuniary relationship with any of the non-executive directors (other than payment of sitting fee as set out above).

The company has no subsidiary company.

No strictures/ penalties have been imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.

The company's code of conduct has clearly laid down procedures for reporting to the management concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics policies. No employee of the company was denied access to the Audit Committee.

Of the non mandatory requirements relevant to the company, training of the Board Members and mechanism for evaluation of non-executive Board members have not been put in place. None of the three independent directors has a tenure exceeding nine years. The quarterly declaration of financial performance is not sent individually to each household of the shareholders but posted on Website- www.sanmargroup.com with effect from 1st April 2011 on www.chemplastsanmar.co.in.

9. Information pursuant to Clause 49 IV(G) of the Listing Agreement: A brief resume and name of the companies in which Directors, who are being re-appointed, hold Directorships/ Committee Memberships are given below:

Mr S V Mony, 73, is a B.Sc (Honours) and F.C.I.I (London). Mr Mony has over four decades of experience in the insurance and general management field. He was the Chairman of General Insurance Corporation of India and has held Chairmanship/ directorship in institutions such as Asian Reinsurance Corporation, Bangkok, LIC of India, Securities Trading Corporation, UTI Bank, CRISIL. He was a Regional Insurance Advisor to 13 Caribbean countries in West Indies with the association of Government of India and UNCTAD, Geneva. He was a member of Indian delegation representing India on Financial Services in the Uruguay Round Talks.

Mr Mony holds the following Directorships. Mr Mony has no shareholding in the company.

Chemplast Sanmar Limited	Director
Economist Publications Limited	Director
<u>Committee position</u>	
Chemplast Sanmar Limited	Audit Committee – Member
Chemplast Sanmar Limited	Remuneration Committee – Member

Mr M S Sekhar, 62, is a Chartered Accountant and Postgraduate Diploma in Business Management, Indian Institute of Management, Kolkata. He has over three decades of industrial experience and has served in various positions from Finance Manager to Managing Director and is currently a Consultant in the field of Corporate Governance.

Mr Sekhar holds the following Directorships/ Committee Memberships. Mr Sekhar has no shareholding in the company.

Chemplast Sanmar Limited	Director
Three D Management Services Private Limited	Managing Director
Multiples Equity Fund Trustee Limited	Director
<u>Committee position</u>	
Chemplast Sanmar Limited	Audit Committee – Chairman
Chemplast Sanmar Limited	Remuneration Committee – Chairman
Chemplast Sanmar Limited	Shareholders/ Investors Grievance Committee – Chairman



Mr P S Jayaraman, 61 is a Chartered Accountant with nearly 36 years of industrial experience in varied capacities. He has been with The Sanmar Group over the past fifteen years and was the Managing Director of Chemplast Sanmar Limited from 1st September 2000 to 31st December 2008. He has been the Chairman of the company with effect from 1st January 2009.

Mr P S Jayaraman has managed the company ably over the last 10 years, despite the cyclicity of the business in which the company is engaged. He has been instrumental in successful implementation of major projects of the company in recent years viz. Cuddalore PVC Plant and 48.5 MW Captive Power Plant.

Mr Jayaraman holds directorships/committee memberships in the following public companies in addition to his directorship in Chemplast Sanmar Limited, all of which are group companies. Mr Jayaraman has no shareholding in the company and is not related to any director of the company.

1. Cabot Sanmar Limited	Director
2. SHL Property Holdings Limited	Director
3. Sanmar Speciality Chemicals Limited	Director
4. Sanmar Foundries Limited	Director
5. Sanmar Ferrotech Limited	Director
6. Pharaoh Consolidations Limited *	Director
7. Pharaoh International Limited *	Director
8. Pharaoh Egyptian Holdings Limited *	Director
9. Pharaoh Egyptian Investments Limited *	Director
10. Cav-Nile AG *	Director
11. Cav-Nile Holdings Public Company Ltd *	Director
12. TCI Sanmar Chemicals S.A.E *	Chairman

* incorporated outside India

Committee position

1. Chemplast Sanmar Limited	Committee of Directors – Member Share and Debenture Committee – Member Shareholders/Investors Grievance Committee – Member
2. Cabot Sanmar Limited	Audit Committee – Chairman

Mr S Gopal, 60 is a B.Tech. and MBA, has over 37 years of industrial experience. He has been with The Sanmar Group for over 15 years in the Chemicals, Engineering and Speciality Chemicals businesses. He was appointed Managing Director of the company with effect from 1st January 2009.

Mr Gopal has been the Managing Director of the company since 1st January 2009. During this period he had ably managed the affairs of the company especially in the backdrop of formidable challenges faced by the company during this period.

Mr Gopal is the Past President of Madras Management Association and currently a committee member of Madras Management Association. He is currently Regional Chairman, Indian Chemical Council, Southern Region.

Mr Gopal holds directorships/committee memberships in the following public companies in addition to his directorship in Chemplast Sanmar Limited, all of which are group companies. Mr Gopal has no shareholding in the company and is not related to any director of the company.

1. SHL Property Holdings Limited	Director
2. Sanmar Speciality Chemicals Limited	Director
3. Sanmar Foundries Limited	Director
4. Sanmar Ferrotech Limited	Director

Committee position

1. Chemplast Sanmar Limited	Committee of Directors – Member
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Chemplast Sanmar Limited

10. Means of communication

The quarterly/ half yearly/ annual results are published in Financial Express (English) and Dinamani (Tamil). The financial results of the company are also posted on Website – www.sanmargroup.com.

With effect from 1st April 2011, quarterly financial results, quarterly shareholding pattern, Corporate Governance Report, Annual Report and other investor communications are posted in the functional website of the company www.chemplastsanmar.co.in.

There has been no presentation to analysts.

Management Discussion and Analysis highlighting individual businesses have been included in the Directors' Report.

11. General Shareholder information

<i>Registered Office</i>	:	9, Cathedral Road, Chennai 600 086. Web: www.sanmargroup.com E-mail: cs1@sanmargroup.com grd@sanmargroup.com
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<i>Annual General Meeting</i>	
Day	: Monday
Date	: 25 th July 2011
Time	: 10.00 A.M.
Venue	: Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314, T T K Road, Chennai 600 018.

<i>Financial Year</i>	: 1st April to 31st March
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<i>Date of Book Closure</i>

The Register of Members of the company will be closed from Saturday, the 16th July 2011 to Monday, the 25th July 2011, both days inclusive, for the purpose of Annual General Meeting.

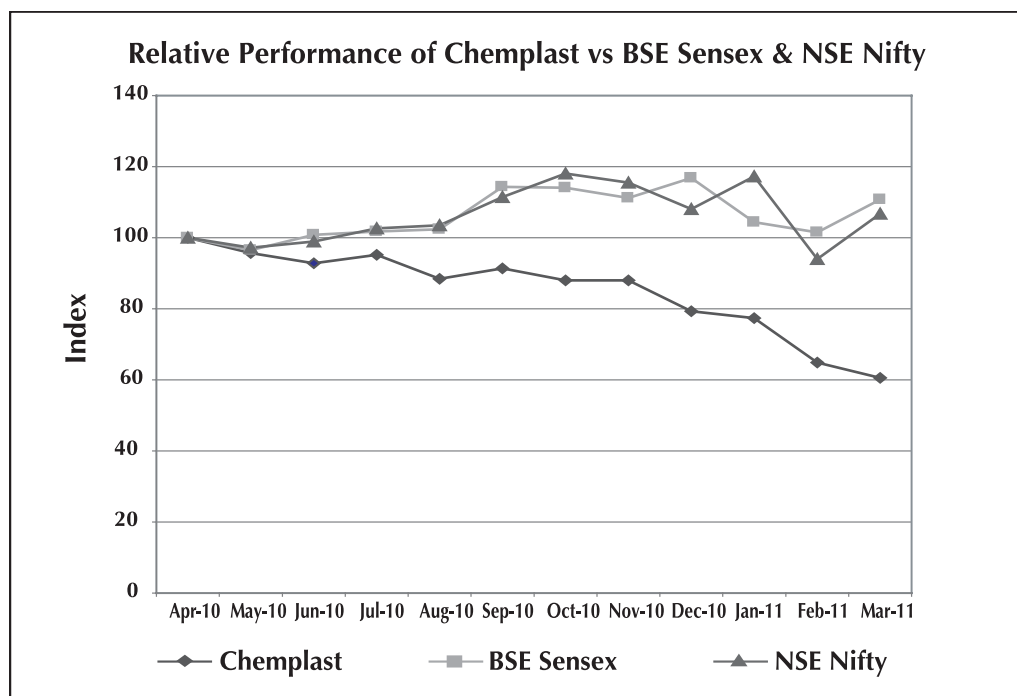
<i>Listing of Equity shares on Stock Exchanges</i>
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	<u>Stock Code</u>
(1) Madras Stock Exchange Limited Exchange Buildings New No. 30 (Old No.11), Second Line Beach, Chennai 600001	Chemplast
(2) Bombay Stock Exchange Limited Phiroz Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001	506355
(3) National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Chemplast EQ

The listing fee has been paid upto date to these Stock Exchanges.

Market Price Data

Month	Bombay Stock Exchange (Face value of equity shares of Re.1 each.)		National Stock Exchange (Face value of equity shares of Re.1 each.)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2010	11.45	9.21	11.30	9.05
May 2010	10.99	9.75	10.50	8.65
June 2010	10.05	9.10	10.50	8.10
July 2010	10.20	9.60	10.00	7.45
August 2010	9.52	8.99	9.85	8.00
September 2010	10.08	8.25	10.15	8.05
October 2010	10.25	8.76	10.10	8.65
November 2010	9.40	8.80	9.40	7.50
December 2010	9.00	8.00	8.80	7.30
January 2011	8.20	7.94	8.20	6.00
February 2011	6.95	6.47	6.90	5.45
March 2011	6.45	6.10	6.50	5.45



Chemplast Sanmar Limited

Code of conduct for prevention of Insider Trading

The company has implemented a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors and designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

Registrar and Transfer Agents

Integrated Enterprises (India) Limited,
2nd Floor, Kences Towers, 1 Ramakrishna Street,
North Usman Road, T Nagar, Chennai 600 017
Telephone: 28140801-03 Fax : 28142479
Contact person: Mr S Sriram, Senior Manager
Email: corpserve@iepindia.com

Share Transfer System

A Committee of Board approves share transfers in the physical form on a monthly basis.

Distribution of Shareholding

The distribution of shareholding and shareholding pattern are given below:

Shares	Shareholders		No. of shares of Re.1 held	
Category	Number	%	Number	%
Up to 500	13102	41.25	2072172	0.26
501 - 1000	8596	27.06	6410643	0.80
1001 - 2000	3990	12.56	6214422	0.78
2001 - 3000	1783	5.61	4581477	0.57
3001 - 4000	930	2.93	3336411	0.42
4001 - 5000	839	2.64	3987626	0.50
5001 - 10000	1452	4.57	10663997	1.33
Above 10000	1073	3.38	762431779	95.34
TOTAL	31765	100.00	799698527	100.00

Shareholding pattern

Category Code	Category of shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	8	11,09,360	–	0.14	0.14
(b)	Central Government/ State Government(s)	–	–	–	–	–
(c)	Bodies Corporate	2	59,85,63,560	15,22,53,813	74.85	74.85
(d)	Financial Institutions/ Banks	–	–	–	–	–
(e)	Any other (Trust)	1	1,01,380	–	0.01	0.01
	Sub-Total (A)(1)	11	59,97,74,300	15,22,53,813	75.00	75.00
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–
(c)	Institutions	–	–	–	–	–
(d)	Any other (specify)	–	–	–	–	–
	Sub-Total (A)(2)	–	–	–	–	–
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	11	59,97,74,300	15,22,53,813	75.00	75.00
(B)	Public shareholding					
(1)	Institutions					
(a)	Mutual Funds/ UTI	14	100,120	41,300	0.01	0.01
(b)	Financial Institutions/ Banks	29	4,08,20,818	4,07,59,388	5.11	5.11
(c)	Central Government/ State Government(s)	–	–	–	–	–
(d)	Venture Capital Funds	–	–	–	–	–
(e)	Insurance Companies	2	72,95,009	72,95,009	0.91	0.91
(f)	Foreign Institutional Investors	9	4,08,764	3,86,164	0.05	0.05
(g)	Foreign Venture Capital Investors	–	–	–	–	–
(h)	Any other (specify)	–	–	–	–	–
	Sub-Total (B)(1)	54	4,86,24,711	4,84,81,861	6.08	6.08
(2)	Non – Institutions					
(a)	Bodies Corporate (Domestic/ Foreign/ Overseas)	485	7,59,12,217	5,58,43,677	9.49	9.49
(b)	Individuals (Resident/ NRI/ Foreign Nationals)					
i.	Individual shareholders holding nominal share capital upto Rs.1 lakh	31,062	5,62,00,261	4,50,06,429	7.03	7.03
ii.	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	30	1,84,80,587	1,23,71,497	2.31	2.31
(c)	Any other					
Trust		10	40,900	40,900	0.01	0.01
Clearing Member		113	6,65,551	6,65,551	0.08	0.08
	Sub-Total (B)(2)	31,700	15,12,99,516	11,39,28,054	18.92	18.92
	Total Public Shareholding (B) = (B)(1)+(B)(2)	31,754	19,99,24,227	16,14,39,652	25.00	25.00
	TOTAL (A) + (B)	31,765	79,96,98,527	31,46,63,728	100.00	100.00
(C)	Shares held by custodians and against which Depository Receipts have been issued	–	–	–	–	–
	GRAND TOTAL (A) + (B) + (C)	31,765	79,96,98,527	31,46,63,728	100.00	100.00

Chemplast Sanmar Limited

Dematerialisation of Shares

The shares of the company are compulsorily traded in dematerialised form. The Code Number allotted by National Securities Depository Limited and Central Depository Services (India) Limited is INE488A01027.

Outstanding GDRs/ ADRs/ Warrants or Convertible Bonds

There are no outstanding convertible warrants/ instruments.

Plant Locations

Mettur Dam, Tamil Nadu	: PVC
	: Chlorochemicals
	Caustic Soda, Chlorine,
	Chloromethanes,
	Refrigerant Gases and
	Silicon Wafers
Krishnagiri & Panruti, Tamil Nadu	: Industrial Alcohol
Vedaranyam, Tamil Nadu	: Industrial Salt
Cuddalore, Tamil Nadu	: PVC
Ponneri, Tamil Nadu	: Trubore Piping Systems
Shinoli, Maharashtra	: Trubore Piping Systems
Karaikal, Puducherry	: Caustic Soda, Chlorine & Ethylene Dichloride

Investor Correspondence

- | | |
|---|--|
| (i) For all matters relating to shares, dividends, annual report | : Integrated Enterprises (India) Ltd.,
2nd Floor, Kences Towers,
1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai 600 017.
Telephone : +91 44 28140801-03
Fax : +91 44 28142479
E-mail : corpserve@iepindia.com
Contact Person : Mr. S. Sriram, Senior Manager |
| (ii) For all general matters or in case of any difficulties/ grievances and matters not resolved by the Registrar to the satisfaction of the investor | : The Secretary,
Chemplast Sanmar Limited,
9, Cathedral Road, Chennai 600 086.
Telephone : +91 44 28128500/ 28128722/
28128723/ 28128724
Fax : +91 44 28112627
E-mail : grd@sanmargroup.com (or)
cs1@sanmargroup.com (or)
mr1@sanmargroup.com |



DECLARATION

As Provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and select employees have confirmed compliance with the Code of Conduct.

Chennai
April 26, 2011

For Chemplast Sanmar Limited
P S JAYARAMAN
Chairman

Auditors' Certificate regarding compliance with the conditions of Corporate Governance

To the members of
CHEMPLAST SANMAR LIMITED

1. We have examined the compliance with the conditions of Corporate Governance by Chemplast Sanmar Limited, ("the company") for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said company with stock exchanges in India.
2. The compliance with conditions of Corporate Governance is the responsibility of the company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us:
 - a) We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
 - b) We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For PRICE WATERHOUSE & CO
Firm Registration Number: 007567S
Chartered Accountants

Chennai
April 26, 2011

S DATTA
Partner
Membership Number: F14128

Chemplast Sanmar Limited

Auditors' Report

To the members of
CHEMPLAST SANMAR LIMITED

1. We have audited the attached Balance Sheet of Chemplast Sanmar Limited (the "company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'the Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PRICE WATERHOUSE & CO
Firm Registration Number: 007567S
Chartered Accountants

Chennai
April 26, 2011

S DATTA
Partner
Membership Number: F14128

Annexure to the Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Chemplast Sanmar Limited on the financial statements for the year ended March 31, 2011

1.
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2.
 - (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3.
 - (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - (b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
5.
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9.
 - (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax/value added tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

Chemplast Sanmar Limited

- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income tax, sales tax/value added tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the dues	Amount Rs.Lacs	Forum where dispute is pending
TN Value Added Tax, 2007	VAT / Penalty	71	Additional Commissioner - Commercial Taxes
Central Sales Tax Act, 1956	Sales Tax / Penalty	415	Assistant Commissioner - Commercial Taxes
Customs Act, 1962	Customs duty	12	Customs, Excise and Service Tax Tribunal
Central Excise Act, 1944	Excise Duty/Penalty	2918	Customs, Excise and Service Tax Tribunal
Central Excise Act, 1944	Excise Duty/Penalty	11	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Excise Duty	4	Chennai High Court
Central Excise Act, 1944	Excise Duty	3	Deputy Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	564	Commissioner of Income Tax (Appeals)

10. The accumulated losses of the company as at March 31, 2011 have not exceeded fifty percent of its net worth. The company has not incurred cash loss in the financial year ended on that date however it had incurred cash loss in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the Management.

For PRICE WATERHOUSE & CO
Firm Registration Number: 007567S
Chartered Accountants

Chennai
April 26, 2011

S DATTA
Partner
Membership Number: F14128



Five Year Summary

	(Rs.Crores)				
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Results for the year					
Sales and other income	2111.80	1062.88	820.48	811.94	707.83
Profit/ (Loss) for the year	(56.28)	(186.48)	(99.07)	8.00	32.19
Profit/ (Loss) after tax	(42.19)	(128.16)	(66.61)	7.18	17.67
Year end position					
Capital Employed					
Fixed Assets	1405.36	1467.36	1447.38	1162.11	739.84
Net Current Assets	(254.25)	(108.62)	112.18	100.04	38.88
	1151.11	1358.74	1559.56	1262.15	778.72
Sources of funds					
Shareholders' funds					
Equity share capital	79.97	79.97	47.98	47.98	47.98
Advance towards rights entitlement from Sanmar Holdings Limited	–	–	120.00	120.00	–
Reserves (net of debit balance in P&L Account)	90.58	131.69	133.52	200.18	193.68
	170.55	211.66	301.50	368.16	241.66
Deferred Tax Liability/ (Asset) - Net	(60.41)	(44.76)	13.57	46.51	47.03
Borrowed funds	1040.97	1191.84	1244.49	847.48	490.03
	1151.11	1358.74	1559.56	1262.15	778.72
Equity share statistics					
(for face value of Re. 1/- per share)					
Earnings	(0.53)	(1.60)	(1.39)	0.15	0.37
Book value	2.13	2.65	3.78	5.17	5.04

Figures have been regrouped wherever required.

Chemplast Sanmar Limited

Profit and Loss Account for the year ended March 31, 2011

	Schedule	2010-11 Rs.Lacs	2009-10 Rs.Lacs
INCOME			
Sales	1	205528.73	101155.22
Less: Excise duty		18451.41	7786.87
		187077.32	93368.35
Other income	2	5650.99	5132.58
		192728.31	98500.93
EXPENDITURE			
Cost of goods sold	3	152579.41	73960.05
Salaries, wages and amenities to staff	4	7390.00	6714.03
Repairs and maintenance	5	3386.03	3829.25
Other expenses	6	11128.89	7324.97
Interest and finance charges	7	15643.51	12469.28
Depreciation/ Amortisation/ Impairment		9278.08	7637.35
		199405.92	111934.93
PROFIT/ (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS		(6677.61)	(13434.00)
Reversal/ (Provision) for			
Deferred tax		1889.45	4191.00
Fringe benefits tax		—	2.06
		1889.45	4193.06
PROFIT/ (LOSS) AFTER TAX BEFORE EXCEPTIONAL ITEMS		(4788.16)	(9240.94)
Exceptional items net of tax (Refer Note 16 in Schedule 20)		725.55	(3572.11)
PROFIT/ (LOSS) AFTER TAX		(4062.61)	(12813.05)
Provision for income tax relating to earlier years		156.20	3.37
PROFIT/ (LOSS) AFTER EARLIER YEARS TAX		(4218.81)	(12816.42)
Profit/ (Loss) brought forward		(4980.88)	7835.54
PROFIT/ (LOSS) CARRIED TO BALANCE SHEET		(9199.69)	(4980.88)
Earnings per share (In Rupees)		Rs. (0.53)	Rs. (1.60)
(Nominal Value - Re.1 per share)			

Notes on Accounts 20

Schedules referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For PRICE WATERHOUSE & CO
Firm Registration Number: 007567S
Chartered Accountants

P.S. JAYARAMAN
Chairman

S. GOPAL
Managing Director

S DATTA
Partner
Membership No.F14128
Chennai
April 26, 2011

M. RAMAN
Secretary

S.V. MONY
V.K. PARTHASARATHY
M.N. RADHAKRISHNAN
M.S. SEKHAR
Directors



Balance Sheet as at March 31, 2011

	Schedule	31.03.2011		31.03.2010	
		Rs.Lacs	Rs.Lacs	Rs.Lacs	Rs.Lacs
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Capital	8	7996.99		7996.99	
Reserves and surplus	9	16337.88	24334.87	16337.88	24334.87
LOAN FUNDS					
Secured loans	10		104097.14		119183.75
Total			128432.01		143518.62
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross block	11	195915.04		196752.86	
Less: Depreciation/ Amortisation/ Impairment		55968.82		50263.77	
Net block		139946.22		146489.09	
Capital work in progress		589.64	140535.86	247.20	146736.29
INVESTMENTS					
	12		178.23		37.73
DEFERRED TAX ASSET (NET)			6041.00		4476.00
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	13	18655.28		21412.79	
Sundry debtors	14	13379.74		9667.08	
Cash and bank balances	15	4048.71		3106.04	
Other current assets	16	5767.87		3953.83	
Loans and advances	17	18103.99		16833.59	
		59955.59		54973.33	
Less: CURRENT LIABILITIES AND PROVISIONS					
Liabilities	18	85468.09		65789.80	
Provisions	19	89.98		83.29	
		85558.07		65873.09	
NET CURRENT ASSETS			(25602.48)		(10899.76)
MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED			388.61		496.38
(Note 15 in Schedule 20)					
PROFIT & LOSS ACCOUNT		9199.69		4980.88	
Less: Balance in General Reserve		(2308.90)	6890.79	(2308.90)	2671.98
Total			128432.01		143518.62
Notes on Accounts	20				

Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For PRICE WATERHOUSE & CO
Firm Registration Number: 007567S
Chartered Accountants

P.S. JAYARAMAN
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M.S. SEKHAR
Directors

Chemplast Sanmar Limited

Schedules forming part of the Accounts for the year ended March 31, 2011

	2010-11		2009-10	
	Quantity MT	Value Rs.Lacs	Quantity MT	Value Rs.Lacs
SCHEDULE 1				
SALES				
Polyvinyl chloride	248390	152238.97	109068	64007.43
Caustic soda	101728	15961.45	93830	15770.42
Chloromethanes	32135	13599.11	26541	7461.08
Hydrochloric acid	127707	1482.27	92977	719.41
Refrigerant gases	1799	2855.07	2394	2199.13
Hydrogen gas	136	263.55	105	170.96
Silicon wafers (in '000 Nos)	159	149.96	355	422.00
Pipes	18179	11655.12	13942	8612.90
Power (Lac KWH)	1112	5650.09	102	432.69
Others		1673.14		1359.20
		<u>205528.73</u>		<u>101155.22</u>
SCHEDULE 2				
OTHER INCOME				
Share of income from partnership firm		2.29		8.75
Montreal Protocol compensation		71.16		489.90
Income from Certified Emission Reduction (CER)		4938.67		4553.40
Profit on sale of fixed assets (net)		226.61		19.43
Liabilities/ provision no longer required written back		213.85		—
Difference in exchange (net)		—		32.07
Miscellaneous income		198.41		29.03
		<u>5650.99</u>		<u>5132.58</u>



	2010-11		2009-10	
	Rs.Lacs	Rs.Lacs	Rs.Lacs	Rs.Lacs
SCHEDULE 3				
COST OF GOODS SOLD				
Materials				
Opening stock				
Raw materials	1284.85		1918.47	
Intermediates	8364.74		5161.17	
Work in process	213.86		151.87	
Finished goods	<u>9308.42</u>	<u>19171.87</u>	<u>1420.07</u>	<u>8651.58</u>
Add: Purchases				
Raw materials	7416.60		5022.64	
Intermediates	<u>108086.49</u>	<u>115503.09</u>	<u>55168.69</u>	<u>60191.33</u>
Less: Closing stock				
Raw materials	1256.93		1284.85	
Intermediates	6318.76		8364.74	
Work in process	151.57		213.86	
Finished goods	<u>5469.69</u>	<u>(13196.95)</u>	<u>9308.42</u>	<u>(19171.87)</u>
Excise duty on closing stock of finished goods	683.12		995.73	
Less: Excise duty on opening stock of finished goods	<u>995.73</u>	<u>(312.61)</u>	<u>145.18</u>	<u>850.55</u>
		<u>121165.40</u>		<u>50521.59</u>
Power and fuel	26896.66		20845.28	
Stores	4517.35		2593.18	
		<u>152579.41</u>		<u>73960.05</u>
SCHEDULE 4				
SALARIES, WAGES AND AMENITIES TO STAFF				
Salaries, wages and bonus	6828.41		6252.84	
Contribution to provident and other funds	277.29		270.44	
Gratuity	203.17		134.81	
Staff welfare expenses	81.13		55.94	
		<u>7390.00</u>		<u>6714.03</u>

Chemplast Sanmar Limited

	2010-11 Rs.Lacs	2009-10 Rs.Lacs
SCHEDULE 5		
REPAIRS AND MAINTENANCE		
Machinery	2411.91	3172.53
Buildings	339.88	244.78
Others	634.24	411.94
	3386.03	3829.25
SCHEDULE 6		
OTHER EXPENSES		
Rent (net of recovery Rs.40.67 Lacs; Previous year Rs.43.34 Lacs)	592.03	686.65
Insurance	547.03	272.80
Rates and taxes	493.67	361.34
Sales commission	816.86	380.57
Freight and handling	4061.70	2450.09
Operation & maintenance expenses	2050.62	996.82
Miscellaneous expenses	2566.98	2176.70
	11128.89	7324.97
SCHEDULE 7		
INTEREST AND FINANCE CHARGES		
Interest (net of interest on deposits etc.* Rs.299.38 Lacs; Previous period Rs.312.23 Lacs)		
– On fixed loans	12612.85	10188.42
– Others	364.04	559.93
Difference in exchange (net)	301.88	-
Finance charges (including amortisation of Rs.108.04 Lacs; Previous period - Rs.83.60 Lacs)	2364.74	1720.93
	15643.51	12469.28
* Includes tax deducted at source	20.02	7.62



SCHEDULE 8

CAPITAL

AUTHORISED

	31.03.2011 Rs.Lacs	31.03.2010 Rs.Lacs
200,00,00,000 Equity shares of Re.1/- each	20000.00	20000.00
35,00,000 Cumulative redeemable preference shares of Rs.100/- each	3500.00	3500.00
	<u>23500.00</u>	<u>23500.00</u>

ISSUED

79,96,99,067 Equity shares of Re.1/- each	<u>7996.99</u>	<u>7996.99</u>
SUBSCRIBED AND FULLY PAID UP		
79,96,98,527 Equity shares of Re.1/- each	7996.99	7996.99
	<u>7996.99</u>	<u>7996.99</u>

Note :

Of the above:

(i) Number of equity shares issued and allotted as fully paid up pursuant to schemes of amalgamation without payment being received in cash	21,67,26,150	21,67,26,150
(ii) Number of equity shares allotted as bonus shares by way of capitalisation of General Reserves (Rs.443.64 Lacs) and from share premium account (Rs.1407.29 Lacs)	18,50,93,290	18,50,93,290
(iii) Number of equity shares held by Sanmar Holdings Limited, the holding company	59,85,62,200	59,85,62,200
	74.85%	74.85%
(iv) Number of equity shares allotted on pursuant to rights issue in 2009-10	31,98,79,087	31,98,79,087

SCHEDULE 9

RESERVES AND SURPLUS

	As at 31.03.2010 Rs.Lacs	Additions Rs.Lacs	Deductions Rs.Lacs	As at 31.03.2011 Rs.Lacs
General Reserve	2308.90	-	-	2308.90
Less: Deduction from profit and loss account debit balance	(2308.90)			(2308.90)
Net General Reserve	-			-
Capital Redemption Reserve	3712.95	-	-	3712.95
Share Premium Account	12624.93	-	-	12624.93
	<u>16337.88</u>	<u>-</u>	<u>-</u>	<u>16337.88</u>

Chemplast Sanmar Limited

	31.03.2011 Rs.Lacs	31.03.2010 Rs.Lacs
SCHEDULE 10		
SECURED LOANS		
Term loans from		
Banks	85847.53	110933.75
Others	7250.00	8250.00
Cash credit from banks	10999.61	—
	104097.14	119183.75
For security particulars refer note 11 in Schedule 20		

SCHEDULE 11

FIXED ASSETS

	GROSS BLOCK				DEPRECIATION/ AMORTISATION/ IMPAIRMENT		NET BLOCK	
	As at 31.03.2010	Additions	Deletions	As at 31.03.2011	For the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land - Freehold	9096.37	52.01	—	9148.38	—	—	9148.38	9096.38
Land - Leasehold	766.60	—	—	766.60	7.51	61.91	704.69	712.19
Buildings	14913.44	214.08	3.27	15124.25	475.59	3094.45	12029.80	12251.25
Plant and machinery	168987.85	1723.46	2905.68	167805.63	7427.73	50722.19	117083.44	123331.88
Furniture and office equipment	2512.48	83.79	20.78	2575.49	273.43	1735.94	839.55	1028.34
Vehicles	429.77	119.57	101.00	448.34	43.82	307.98	140.36	69.05
Intangible assets								
Software	46.35	—	—	46.35	—	46.35	—	—
	196752.86	2192.91	3030.73	195915.04	8228.08	55968.82	139946.22	146489.09
Previous year	106841.50	89943.60	32.24	196752.86	12851.46	50263.77		
Capital work in progress							589.64	247.20
							140535.86	146736.29

Plant and machinery includes LSHS gensets held for sale as explained in note 16 of Schedule 20.

	31.03.2011 Rs.Lacs	31.03.2010 Rs.Lacs
SCHEDULE 12		
INVESTMENTS		
Long Term Investments at cost (non trade - unquoted)		
i) In shares of a body corporate	178.00	37.50
ii) In a Partnership firm (Rs.100)		
iii) In Government securities	0.23	0.23
	178.23	37.73
For details of investments refer note 12 in Schedule 20		

Schedules forming part of the Accounts for the year ended March 31, 2011

	31.03.2011 Rs.Lacs	31.03.2010 Rs.Lacs
SCHEDULE 13		
INVENTORIES		
Stores and spares	5458.33	2240.92
Raw materials	1256.93	1284.85
Intermediates	6318.76	8364.74
Work in process	151.57	213.86
Finished goods	5469.69	9308.42
	<u>18655.28</u>	<u>21412.79</u>
SCHEDULE 14		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period of less than six months	13379.74	9667.08
	<u>13379.74</u>	<u>9667.08</u>
SCHEDULE 15		
CASH AND BANK BALANCES		
Cash and cheques on hand	115.23	84.15
Balances with scheduled banks		
on current accounts	1412.68	1025.61
on deposit accounts	2519.58	1995.56
Balance in Post Office Savings Bank Account	1.22	0.72
	<u>4048.71</u>	<u>3106.04</u>
SCHEDULE 16		
OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest accrued on deposits	419.16	355.21
Claims receivable	42.94	11.93
CER accrued	5305.77	3586.69
	<u>5767.87</u>	<u>3953.83</u>

Chemplast Sanmar Limited

	31.03.2011 Rs.Lacs	31.03.2010 Rs.Lacs
SCHEDULE 17		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	4311.46	3453.52
Deposits	2497.98	2633.03
Balances with customs and excise authorities	11294.55	10747.04
	<u>18103.99</u>	<u>16833.59</u>
SCHEDULE 18		
LIABILITIES		
Sundry creditors		
Dues to Micro, Small and Medium Enterprises	13.23	23.42
Others	83385.28	63482.00
Other Liabilities	1977.22	2187.09
Unclaimed dividends	–	3.29
Interest accrued but not due on loans	92.36	94.00
	<u>85468.09</u>	<u>65789.80</u>
Note :		
There is no amount due to be credited to Investor Education and Protection Fund		
SCHEDULE 19		
PROVISIONS		
Provision for current tax	493.99	654.56
Provision for fringe benefits tax	44.94	87.75
	<u>538.93</u>	<u>742.31</u>
Less: Advance income tax and tax deducted at source	(406.04)	(573.30)
Less: Advance fringe benefits tax	(42.91)	(85.72)
	<u>89.98</u>	<u>83.29</u>

Schedules forming part of the Accounts

SCHEDULE 20

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Revenue recognition:

a) Sales:

Sales are recognised on despatch of products to customers, which generally coincides with transfer of ownership. Sales are net of returns, trade discounts and allowances.

b) Montreal Protocol compensation:

The company is eligible to receive compensation from Multilateral Fund under the Montreal Protocol for phasing out the production of Chlorofluorocarbons and supply of Carbon Tetra Chloride to non-feedstock sector. The aforesaid compensation is received in periodic instalments subject to meeting certain conditions stipulated in the Protocol and accordingly the compensation is accounted only after complying with such conditions and ensuring that there is no uncertainty in this regard. Following this practice compensation received during the year alone has been accounted and shown under Other Income.

c) Income from Certified Emission Reduction (CER):

The company is entitled to receive Carbon Credits towards CER from United Nations Framework Convention for Climate Change (UNFCCC).

Income from CER is reckoned when the company is entitled to such credits, which occurs

- on incineration of HFC 23 at Mettur
- on production of steam from Waste Heat Recovery Boiler at Karaikal.

1.2 Valuation of assets:

- a) Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average basis and comprises of all applicable costs incurred for bringing the inventories to their present location and condition and includes appropriate overheads wherever applicable.
- b) Fixed assets are valued at cost excepting certain land, buildings and plant and machinery in respect of PVC division which are stated at revalued amounts.
- c) An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

1.3 Depreciation/ Amortisation:

Depreciation on fixed assets is provided on a straight line basis at the rates (other than the Assets stated below) specified in Schedule XIV of the Companies Act, 1956:

- i) On all assets whose actual cost does not exceed Rs.5,000 - 100%.
- ii) On moulds, computers and peripherals and motor cars - 33.33%.
- iii) On furniture and office equipment - 20%
- iv) Leasehold land is amortised over the period of lease
- v) In the event the useful life of any fixed asset being assessed to be lower than the life derived from Schedule XIV rates or above mentioned rates, the book value of such assets is charged off as depreciation, during the balance useful life of such assets.

Chemplast Sanmar Limited

1.4 New project expenses/ Borrowing costs:

Salaries and related costs, travel and other direct costs including exchange difference arising from settlement/ restatement of foreign currency liability contracted for import of fixed assets relating to new projects incurred prior to their commencement of operation are capitalised.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. These borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to interest.

1.5 Employee benefits:

Short term employee benefits including accumulated compensated absence are recognised as an expense as per the company's Scheme based on expected obligations on undiscounted basis.

Post Retirement benefits comprise employees' provident fund and gratuity which are accounted for as follows

(a) Provident Fund

This is a defined contribution plan and contributions made to the fund are charged to revenue. The company has no further obligations for future provident fund benefits other than annual contributions.

(b) Gratuity

This is a defined benefit plan and the Company's Scheme is administered by Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognised immediately in the Profit and Loss Account as income or expense.

1.6 Foreign currency transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.

Monetary assets and liabilities denominated in foreign currency are converted at contracted/ year end rates as applicable.

Exchange differences arising on settlement/conversion are adjusted to Profit and Loss Account except to the extent indicated in note 1.4.

Wherever forward contracts are entered into, the exchange difference is dealt with in the Profit and Loss Account over the period of the contracts. Realised gains or losses on cancellation of forward contracts are recognized in the Profit and Loss Account of the year in which they are cancelled.

1.7 Income tax:

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Deferred tax is accounted for by computing the tax effect of the timing differences which arise during the year and reverse out in the subsequent periods. Deferred tax is calculated at the tax rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is a virtual certainty that they will be realised.

1.8 Research and Development:

Revenue expenditure on research and development is charged as an expense for the period in which it is incurred.

2. Information in respect of each class of goods manufactured:

CLASS OF GOODS	Installed capacity	Production	Captive consumption/ samples etc	Opening stock	Opening stock value	Closing stock	Closing stock value
	MT	MT	MT	MT	Rs.Lacs	MT	Rs.Lacs
1. Caustic soda	113850 (113850)	106112 (99297)	3892 (3678)	2794 (1006)	356 (233)	3286 (2794)	620 (356)
2. Chlorine	100740 (100740)	96238 (88868)	95162 (88138)	590 (239)	33 (7)	443 (590)	9 (33)
3. Chloromethanes	35000 (34500)	34996 (29578)	2905 (3099)	259 (320)	52 (39)	215 (259)	37 (52)
4. Polyvinyl chloride	290000 (234000)	258472 (136346)	19448 (14312)	13349 (383)	7488 (138)	3983 (13349)	2314 (7488)
5. Refrigerant gases	2500 (2500)	1789 (1792)	7 (9)	54 (666)	62 (466)	37 (54)	46 (62)
6. Hydrogen gas	2846 (2846)	2653 (2482)	2517 (2377)	- (-)	- (-)	- (-)	- (-)
7. Pipes	56000 (56000)	19839 (15476)	33 (379)	2106 (951)	1050 (479)	3733 (2106)	2350 (1050)
8. Others #					267 (58)		94 (267)

(a) Licensed Capacity is not applicable to any of the goods manufactured by the company.

(b) Installed Capacities are as certified by the management.

(c) Figures for the previous year are shown in brackets.

Comprising items which in value individually account for less than 10% of stock.

	2010-11 Rs.Lacs	2009-10 Rs.Lacs
3. Value of Imports on CIF basis:		
Raw materials/ Intermediates	105228.87	53449.11
Components and spare parts	11484.81	599.88
Capital goods	191.60	43.88
	116905.28	54092.87
4. Expenditure in foreign currency		
Commission	3.17	1.94
Travelling	38.44	19.19
Interest	228.15	745.54
Royalty	19.93	8.54
Others	252.01	194.36
	541.70	969.57

Chemplast Sanmar Limited

5. Value of raw materials and purchased intermediates consumed:

(a) Raw materials/ Purchased intermediates:

	2010-11		2009-10	
	Rs. Lacs	% of Consumption	Rs. Lacs	% of Consumption
Imported - C I F	93355.59	78%	41814.77	71%
- Duty etc.	17225.69	14%	7502.86	13%
Indigenous	9665.80	8%	9549.01	16%
	<u>120247.08</u>	<u>100%</u>	<u>58866.64</u>	<u>100%</u>

(b) Consumption of raw materials and purchased intermediates:

	2010-11		2009-10	
	Quantity MT	Amount Rs.Lacs	Quantity MT	Amount Rs.Lacs
Molasses	2612	88.53	12146	500.79
Alcohol (KL)	3434	487.74	2837	476.66
Ethylene di chloride	4262	916.71	5970	1085.61
Methanol	11987	1835.57	10175	1225.06
PVC resins	—	—	14132	6482.03
Ethylene	19385	11073.43	21671	11837.61
Vinyl Chloride Monomer	217831	97102.45	84031	34309.81
Salt	53085	869.81	78023	1384.37
Other raw materials *		7872.84		1564.70
		<u>120247.08</u>		<u>58866.64</u>

* Comprising items which in value individually account for less than 10% of materials consumed.

6. Value of spares consumed:

	2010-11		2009-10	
	Rs. Lacs	% of Consumption	Rs. Lacs	% of Consumption
Imported	62.44	3%	441.61	19%
Indigenous	1814.82	97%	1836.75	81%
	<u>1877.26</u>	<u>100%</u>	<u>2278.36</u>	<u>100%</u>

	2010-11 Rs.Lacs	2009-10 Rs.Lacs
7. Earnings in foreign exchange:		
FOB Value of exports	2342.84	1405.34
Income from Certified Emission Reduction (CER)	4938.67	4553.40
Others	37.90	—
	<u>7319.41</u>	<u>5958.74</u>
8. Managerial remuneration to Directors:		
Salary and allowances	95.26	103.55
Gratuity and contribution to provident and other funds	9.44	9.18
Perquisites	0.10	0.10
	<u>104.80</u>	<u>112.83</u>
9. Amounts paid/ payable to Auditors:		
For statutory audit	28.00	23.00
For tax audit	4.00	3.00
For certification	13.00	11.00
Expenses reimbursed	0.84	0.90
	<u>45.84</u>	<u>37.90</u>
10. Sitting fees paid to Directors	3.42	4.61
11. Security particulars:		
A. Term loans from banks and others aggregating to Rs.61586.12 Lacs and Rs.7250.00 Lacs respectively are secured by first pari passu charge on land, buildings and plant and machinery of the company subject to exclusive charge on assets referred to in B below.		
B. Term loans from banks aggregating to Rs.18313.00 lacs is secured by equitable mortgage of specific land and buildings.		
C. Term loans from banks aggregating to Rs.5948.41 lacs is secured by hypothecation of Certified Emission Reduction (CER) receivables.		
D. Cash credit from banks are secured by a first pari passu charge on inventories and book debts.		

Chemplast Sanmar Limited

12. Details of investments:

		31.03.2011			31.03.2010		
		Face value per share Rs.	No. of shares	Amount Rs.Lacs	Face value per share Rs.	No. of shares	Amount Rs.Lacs
A.	Investment in shares of bodies corporate (unquoted) Fully paid up equity shares						
	Sai Regency Power Corporation Private Limited (12,75,000 shares purchased during the year)	10	16,50,000	165.00	10	3,75,000	37.50
	KSK Wind Energy Private Limited (1,30,000 shares purchased during the year)	10	1,30,000	13.00	—	—	—
B.	Investment in capital of a Partnership firm:— Cathedral Corporate Finance						
	Partners' Name	Profit sharing ratio	Amount Rs.				
	BS&B Safety Systems (India) Limited	Profits are shared	100				
	Cabot Sanmar Limited	by partners with	100				
	Chemplast Sanmar Limited	positive aggregate	100				
	Flowserve Sanmar Limited	daily balances in	100				
	Sanmar Engineering Services Limited	the proportion	100				
	Sanmar Foundries Limited	of such	100				
	Sanmar Group International Limited	balances.	100				
	Sanmar Shipping Limited	Losses	100				
	Sanmar Speciality Chemicals Limited	are shared	100				
	Tyco Sanmar Limited	equally by	100				
	Xomox Sanmar Limited	partners.	100				
			<u>1,100</u>				
C.	Investment in Government Securities						
	National Defence/ savings certificate			0.23			0.23
				<u>178.23</u>			<u>37.73</u>
				31.03.2011 Rs.Lacs			31.03.2010 Rs.Lacs
13.	Contingent liabilities:						
	(a) Claims against the company not acknowledged as debts			3638.17			1985.27
	(b) In respect of guarantees to banks for obligations of an associate company.			15606.50			15715.00
14.	Capital commitments:						
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)			725.00			993.00

15. Miscellaneous Expenditure:

Miscellaneous Expenditure to the extent not written off or adjusted represents unamortised balance of ancillary costs related to borrowings, which is being amortised over the currency of the borrowing commencing from the first withdrawal of the amount borrowed.

16. Exceptional item:

The previous year ended March 31, 2010 included asset impairment provisions of Rs.2141.01 Lacs (before tax Rs.3125.17 Lacs) for the LSHS gensets decommissioned after commissioning the coal based power plant, and Rs.1431.10 Lacs (before tax Rs.2088.94 Lacs) being the value of the Metkem Silicon plant which had been mothballed, totalling to Rs.3572.11 Lacs (before tax Rs.5214.11 Lacs). In the last quarter of the current year ended March 31, 2011, the impairment provision relating to the LSHS gensets has been reversed to the extent of Rs.725.55 Lacs (before tax Rs.1050.00 Lacs) based on offers received for them.

	31.03.2011 Rs.Lacs	31.03.2010 Rs.Lacs
17. Deferred taxation:		
Net Deferred Tax Liability/ (Asset) is on account of:		
– Difference between book and tax written down value of depreciable fixed assets	14347.00	12571.98
– Unabsorbed Depreciation/ Impairment	(15774.15)	(12599.70)
– Unabsorbed Business Loss	(3506.85)	(3506.86)
– Others	(1107.00)	(941.42)
	<u>(6041.00)</u>	<u>(4476.00)</u>

The company has assessed and recognised deferred tax assets relating to unabsorbed depreciation/ impairment and unabsorbed business loss, being confident of recovering the same against future taxable profits.

18. Dues to micro, small and medium enterprises:

As at March 31, 2011, there is no interest paid/payable to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Act, 2006. This information and that disclosed in Schedule 19 have been determined to the extent such parties have been identified on the basis of information available with the company.

Chemplast Sanmar Limited

	2010-11 Rs.Lacs	2009-10 Rs.Lacs
19. Foreign exchange contracts:		
Exchange difference (debit) deferred to be recognised in subsequent accounting period in respect of forward exchange contracts	288.25	11.05
20. Borrowing and other costs capitalised:		
Interest on fixed loans	–	3276.21
Salaries, wages and bonus	–	172.28
Contribution to provident and other funds	–	6.36
Power and fuel	–	846.70
Exchange difference	–	8.27
Other direct expenses	–	875.67
	<u>–</u>	<u>5185.49</u>
21. Earnings per share:		
Profit/(Loss) after tax	(4062.61)	(12813.05)
Reversal/(Provision) for income tax relating to earlier years	(156.20)	(3.37)
	<u>(4218.81)</u>	<u>(12816.42)</u>
Weighted average number of equity shares outstanding	79,96,98,527	79,96,98,527
Earnings per share (In rupees)	(0.53)	(1.60)
(Nominal value - Re.1 per share)		
22. The company is principally engaged in a single business segment viz, Chemicals and operates in one geographical segment. Accordingly there are no separate reportable segments as per Accounting Standard 17 on "Segment Reporting".		



23. Disclosure as per AS15 revised - Defined Benefit Plans:

	2010-11 Rs.Lacs	2009-10 Rs.Lacs
	Gratuity	
Present value of obligation at the beginning of the year	1698.00	1609.65
Interest cost	135.84	128.77
Current service cost	94.30	102.78
Transfer of obligations	3.13	-
Benefits paid	(177.50)	(144.05)
Actuarial (gain)/ loss on obligation	115.37	0.85
Present value of obligation at the end of the year	1869.14	1698.00
Fair value of plan assets at the beginning of the year	1708.25	1156.59
Expected return on plan assets	149.04	102.59
Contributions	180.02	598.12
Benefits paid	(177.50)	(144.05)
Actuarial gain/ (loss) on plan assets	(6.70)	(5.00)
Fair value of plan assets at the end of the year	1853.11	1708.25
Amounts recognised in the balance sheet		
Present value of obligation as at the end of the year	1869.14	1698.00
Fair value of plan assets at the end of the year	1853.11	1708.25
Funded status of the plan - (asset)/ liability	16.03	(10.25)
Amounts recognised in the statement of profit and loss		
Current service cost	94.30	102.78
Interest cost	135.84	128.77
Expected return on plan assets	(149.04)	(102.59)
Net actuarial (gain)/ loss recognised in the year	122.07	5.85
Expenses recognised in the statement of profit and loss	203.17	134.81
Principal actuarial assumptions		
Discount rate	8.00%	8.00%
Salary escalation	8.00%	8.00%
Expected return on plan assets	8.00%	8.00%
Attrition rate	1% - 3%	1% - 3%

Chemplast Sanmar Limited

24. Related party transaction:

(a) List of parties where control exists

Sanmar Holdings Limited

Holding company

(b) Associates/ Fellow Subsidiaries

BS&B Safety Systems (India) Limited

Sanmar Shipping Limited

Cabot Sanmar Limited

Sanmar Speciality Chemicals Limited

Cathedral Corporate Finance

SHL Property Holdings Limited

Fisher Sanmar Limited

TCI Sanmar Chemicals S.A.E

Flowserve Sanmar Limited

Tyco Sanmar Limited

Kalamkriya Limited

Xomox Sanmar Limited

Sanmar Foundries Limited

Stargate Realty Private Limited

(c) Key Management Personnel

P S Jayaraman, Chairman

S Gopal, Managing Director

(d) List of transactions with related parties

Rs.Lacs

Description	Parties where control exists		Associates/ Fellow Subsidiaries		Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Transactions during the year						
Purchases						
Flowserve Sanmar Limited			104.73	77.96		
Fisher Sanmar Limited			29.11	35.78		
Xomox Sanmar Limited			20.11	18.90		
Kalamkriya Limited			43.06	42.71		
Sanmar Shipping Limited			72.48	–		
Others			11.72	15.52		
Total			281.21	190.87		
Purchase of Asset						
SHL Property Holdings Limited			–	30.56		
Stargate Realty Private Limited			0.91	–		
Fisher Sanmar Limited			2.74	–		
Total			3.65	30.56		
Sale of Asset						
Sanmar Foundries Limited			612.25	–		
Fisher Sanmar Limited			0.05	–		
Total			612.30	–		
Sales						
Cabot Sanmar Limited			968.55	779.91		
Sanmar Foundries Limited			211.90	192.00		
Sanmar Speciality Chemicals Limited			191.51	140.19		
TCI Sanmar Chemicals S.A.E			12.48	–		
Others			18.47	–		
Total			1402.91	1112.10		

Rs.Lacs

Description	Parties where control exists		Associates/ Fellow Subsidiaries		Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Share of income from partnership firm Cathedral Corporate Finance			2.29	8.75		
Expenses Paid						
Sanmar Foundries Limited			11.88	9.20		
Sanmar Speciality Chemicals Limited			5.65	1.15		
Tyco Sanmar Limited			1.68	2.84		
Total			19.21	13.19		
Expenses Recovered						
Fisher Sanmar Limited			5.64	6.40		
Flowserve Sanmar Limited			4.12	3.68		
Sanmar Speciality Chemicals Limited			3.12	5.96		
TCL Sanmar Chemicals S.A.E			37.90	–		
Others			10.36	9.42		
Total			61.14	25.46		
Rent Received						
Fisher Sanmar Limited			144.95	–		
Sanmar Shipping Limited			96.76	–		
Sanmar Foundries Limited			48.29	–		
Sanmar Speciality Chemicals Limited			46.70	–		
Cabot Sanmar Limited			11.03	10.00		
Total			347.74	10.00		
Rent Paid						
SHL Property Holdings Limited			532.35	526.96		
Stargate Realty Private Limited			28.80	28.80		
Others			22.74	22.85		
Total			583.88	578.61		
Purchase of Land						
Xomox Sanmar Limited			–	50.66		
Rent Deposit						
SHL Property Holdings Limited			–	37.75		
Refund of Deposit						
Sanmar Shipping Limited			–	3.50		
Investment and redemption of investment						
Cathedral Corporate Finance			2510.00	10.00		
Refund of advance against Share Capital						
Sanmar Holdings Limited	–	4.51				
Remuneration						
P S Jayaraman					53.55	53.04
S Gopal					51.25	51.53
V Ramesh					–	8.26
Balances as on 31.03.2011						
Loans and Advances			376.92	376.92		
Contingent Liability - Refer note 13(b) in Schedule 20			15606.50	15715.00		
Sundry Debtors			3.44	34.85		
Sundry Creditors			74.88	74.07		

Chemplast Sanmar Limited

25. Previous year's figures have been regrouped wherever necessary.

(Signatories to Schedules 1 to 20)

For PRICE WATERHOUSE & CO
Firm Registration Number: 007567S
Chartered Accountants

P.S. JAYARAMAN
Chairman

S. GOPAL
Managing Director

S DATTA
Partner
Membership No.F14128
Chennai
April 26, 2011

M. RAMAN
Secretary

S.V. MONY
V.K. PARTHASARATHY
M.N. RADHAKRISHNAN
M.S. SEKHAR
Directors

26. Balance Sheet abstract and company's general business profile:

I Registration Details

Registration No.

11637

State Code 18

Balance Sheet Date

31-03-2011

II Capital raised during the year (Amount in Rs.Thousands)

Public Issue

—

Rights Issue

—

Bonus Issue

—

Private Placement

—

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities

12843201

Total Assets

12843201

Sources of Funds

Paid up Capital

799699

Reserves and Surplus

1633788

Secured Loans

10409714

Unsecured Loans

—

Application of Funds

Net Fixed Assets

14053586

Investments

17823



Deferred Tax Asset (Net)

604100

Misc. Expenditure

38861

Net Current Assets

-2560246

Accumulated Losses

689077

IV Performance of the company (Amount in Rs.Thousands)

Turnover (including other income)

192728

+/- Profit/ Loss Before Tax

- 6678

Earning per equity share in Rs.

-0.53

Total Expenditure

199406

+/- Profit/ Loss After Tax

- 4219

Dividend Rate %

-

V Generic Names of Three Principal Products/ Services of company
(As per monetary terms)

Item Code No. (ITC Code) 39042110

Product Description PVC resins

Item Code No. (ITC Code) 39172390

Product Description PVC pipes

Item Code No. (ITC Code) 28151200

Product Description Caustic soda

P.S. JAYARAMAN
Chairman

S. GOPAL
Managing Director

Chennai
April 26, 2011

M. RAMAN
Secretary

S.V. MONY
V.K. PARTHASARATHY
M.N. RADHAKRISHNAN
M.S. SEKHAR
Directors

Chemplast Sanmar Limited

Cash Flow Statement for the year ended March 31, 2011

	2010-11 Rs.Lacs	2009-10 Rs.Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS AND BEFORE TAX	(5627.61)	(18648.10)
Adjustments for:		
Add: Depreciation/ Amortisation/ Impairment	8228.08	12851.46
Interest and finance charges	15942.89	12781.51
	18543.36	6984.87
Less: Profit on sale of assets	226.61	19.43
Interest/share of profit	301.67	320.98
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	18015.08	6644.46
Adjustments for changes in		
Trade and other receivables	(6733.15)	(9852.51)
Inventories	2757.52	(10441.46)
Trade and other payables	22871.78	41675.59
CASH GENERATED FROM OPERATIONS	36911.23	28026.08
Direct taxes paid (Net)	(149.51)	(266.45)
NET CASH FROM OPERATING ACTIVITIES	36761.72	27759.63
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(5727.19)	(14587.00)
Purchase of investments	(140.50)	127.50
Sale of fixed assets	734.31	19.43
Interest received/ share of profit	237.72	142.72
NET CASH USED IN INVESTING ACTIVITIES	(4895.66)	(14297.35)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Advance received towards rights entitlement	—	3823.73
Proceeds from long term borrowings	200.00	22100.00
Repayment of long term borrowings	(26286.31)	(15567.47)
Proceeds/ (Repayment) of short term borrowings (Net)	10999.68	(11797.89)
Interest and finance charges paid	(15836.76)	(12751.18)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	(30923.39)	(14192.81)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	942.67	(730.53)
Cash and cash equivalents at the beginning of the year	3106.04 **	3836.57
Cash and cash equivalents at the end of the year	4048.71**	3106.04**
	942.67	(730.53)

Note : Figures in brackets indicate cash outflow

** Includes margin money deposit of Rs.1994.41 Lacs

This is the Cash Flow Statement referred to in our report of even date.

For PRICE WATERHOUSE & CO
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Directors



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 Twenty Seventh Annual General Meeting at Sathguru Gnanananda Hall, Narada Gana Sabha Trust Complex, 314, T.T.K. Road, Chennai - 600 018 on Monday, the 25th July 2011 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 Monday, the 25th July 2011 at 10.00 a.m. and at any adjournment thereof.

Signed thisday of 2011

Signature

Folio Number/ Client ID No.:

D.P. ID No.:

Affix
15 P.
Revenue
Stamp

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 on a poll instead of himself and the proxy need not be a member.



Book-Post

If undelivered please return to:
Chemplast Sanmar Limited
9 Cathedral Road
Chennai 600 086