

MATRIX

January 2008

A PUBLICATION OF **THE SANMAR GROUP**



**A slice of EUROPE
in the midst of SANMAR**

The Sanmar Group

Sanmar Holdings Ltd

Chemicals

Chemplast Sanmar Ltd

PVC

Chlorochemicals

Trubore Piping Systems

TCI Sanmar Chemicals LLC, Egypt

Shipping

Sanmar Shipping Ltd

Speciality Chemicals

Sanmar Speciality Chemicals Ltd

ProCitius Research

Bangalore Genei

Performance Chemicals

Intec Polymers

Cabot Sanmar Ltd

Engineering

Sanmar Engineering Corporation Ltd

Flowserve Sanmar Ltd

BS&B Safety Systems (India) Ltd

Sanmar Engineering Services Ltd

Fisher Sanmar Ltd

Xomox Sanmar Ltd

Tyco Sanmar Ltd

Asco (India) Ltd

Vishay Sanmar Ltd

Sanmar Foundries Ltd

Sanmar Ferrotech Ltd

Eisenwerk Erla GmbH, Germany

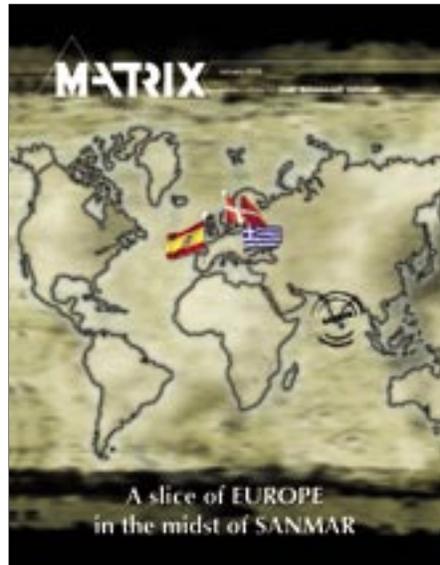


9, Cathedral Road, Chennai 600 086.

Tel: + 91 44 2812 8500

Fax: + 91 44 2811 1902

In this issue...



Cover Story

A Slice of Europe in the Midst of Sanmar 4

Group Annual Day

Group Annual Day Presentations 10

Employees of the Year 14

Young Achievers

Sanmar Kid is International Craft Champion 2007 16

Sankara School Student Doubles up as CEO 17

Interact Club Award for Sri Sankara Vidyashramam 17

Grundfos Corporate Board at Sanmar

18

In Memoriam

C P Saranathan 19

Pristine Settings Around Sanmar

20

Port Said

Events

Sruti Foundation Awards 22

AIMA-Sanmar Quiz 23

Made in India Show in Cairo 24

Launch of Sustainability Report 25

Rasa Udyog Ratna Award 28

S Krishnaswamy Memorial Endowment Lecture 30

Group Annual Report 2007 32

Sanmar in Society

Free Diagnostic Camp for Mettur Community 34

Bridge Singapore 35

MNC 18th Anniversary Celebration 36

MNC 2nd International Conference 37

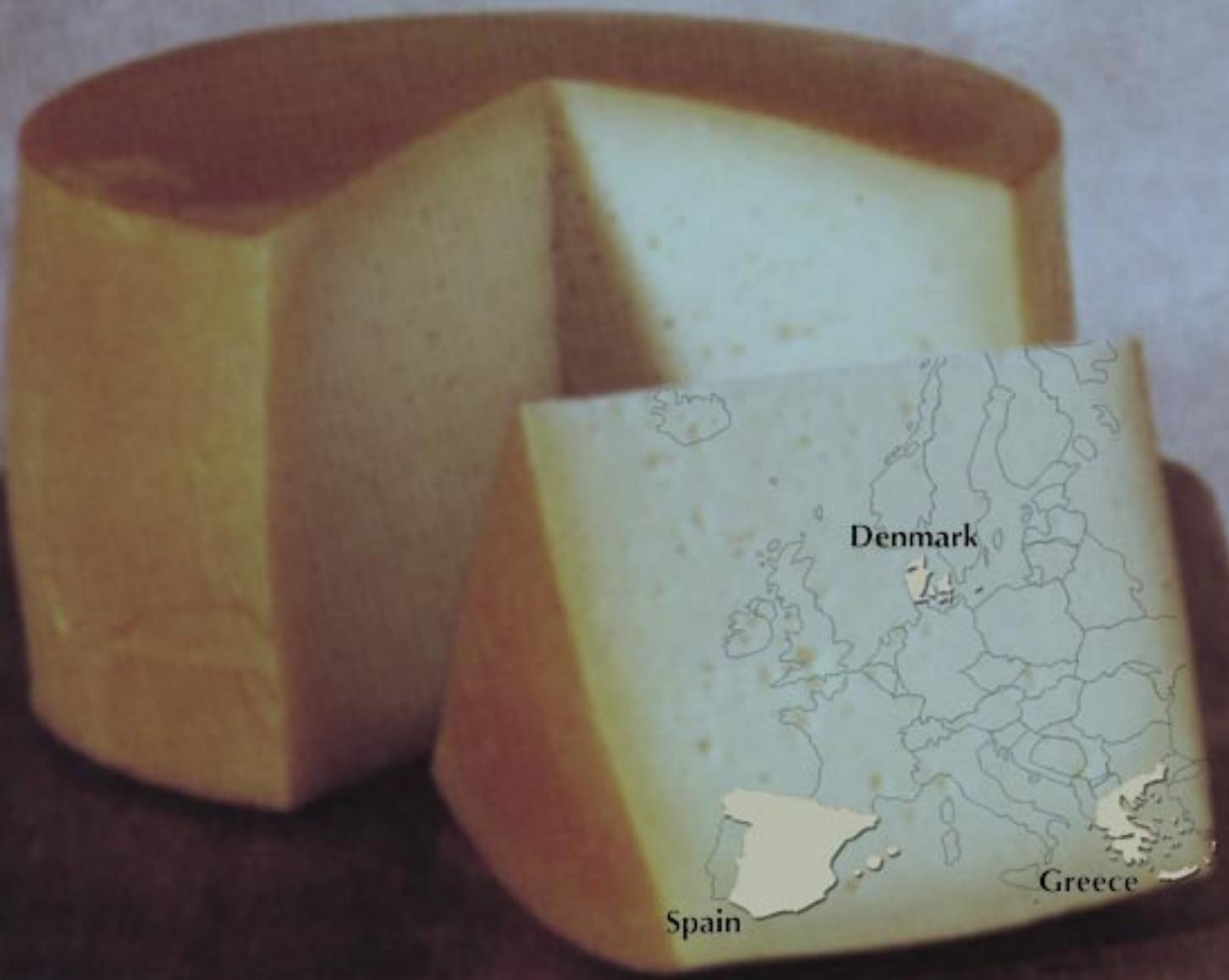
Legends from the South

C N Annadurai 38

Matrix can be viewed at www.sanmargroup.com

Designed and edited by Kalamkriya Limited, 9, Cathedral Road, Chennai 600 086. Ph: + 91 44 2812 8051/ 52

For Private Circulation Only.



a slice *of* EUROPE
in the midst SANMAR

“ I am not an Athenian or a Greek, but a citizen of the world. ”

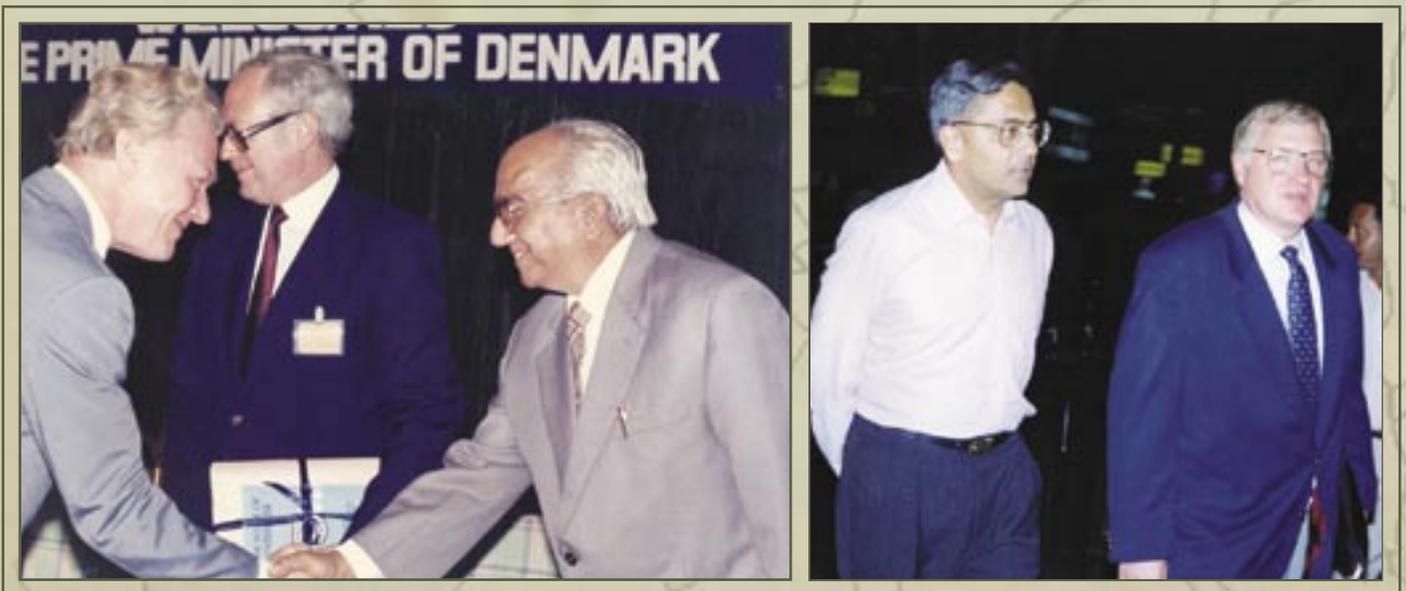
This apocalyptic statement by Socrates was surely Greek and Latin in the days of yore, the ramblings of a visionary philosopher, the depth of which few could comprehend. But today, the thought is a prophecy come true. It is a cliché that technology has made the world a global village. The friendly neighbourhood could just be a couple of oceans and continents away. Little wonder that within the Sanmar headquarters in Chennai is the confluence of three nations of Europe – Denmark, Spain and Greece.

Confluence in the Subcontinent

As early as the 17th century, a Danish admiral representing the King of Denmark arrived at Tranquebar, 7 kms north of Karaikal. A trade agreement was drawn between the Ambassador of the King of Denmark and the King of Tanjore. The southern connection with Denmark has continued ever since. In anything South, can Sanmar be far behind? The Danish gateway was first opened in 1947 when K S Narayanan (KSN) went to Denmark to acquire training in cement technology from the Danish cement plant of F L Smidth. In 1975, P H Mortenson of

Engineering Construction Corporation (a subsidiary of L & T) was the Consul for Denmark in Chennai. Under directions from the Royal Danish Embassy, New Delhi, KSN took over as Honorary Consul for the Royal Danish Consulate in Chennai. The mantle was passed on to N Sankar in 1989 and he became the Consul General. Apart from the trade links, DANIDA, the Danish International Development Assistance agency supported by the Danish government has implemented programmes relating to health,

water supply, drainage, agriculture, training centres in environment management, etc., in Tamil Nadu and also in other parts of India. Danish consular services continue to this day. KSN and N Sankar, were decorated with Knighthood and again, N Sankar was decorated with Knighthood First Class by the Queen of Denmark in December 2005 for his services to the Royal Danish Government. S B Prabhakar Rao was also honoured in recognition of his distinguished services as Vice Consul for 25 years.



*K S Narayanan with the Prime Minister of Denmark HE Poul Schlüter.
(17 January 1987)*

*N Sankar with the Danish Ambassador Bjerne Henneberg
Sørensen during his visit in 1994.*

Cover Story

N Kumar in his active role as president of CII frequented Delhi and was well recognised in the business, administrative and diplomatic circles. He drew the attention of the Ambassador of Greece who invited him to represent the Consulate of Greece in Chennai as Honorary Consul. The second European connection was again established in the Sanmar premises in 2001 and is now well poised to represent Greece in South India.

The third angle to the European triangle came with the recommendations from various quarters for the appointment of the Honorary Consul for Spain in Chennai. The Spanish Embassy in New Delhi invited Vijay Sankar to represent the Consulate. Vijay Sankar assumed office as Honorary Consul for Spain in Chennai since February 2007.

The reign of Spain, Greece and Denmark converge at Chennai presently under the auspices of Sanmar. Surely there can

be no guesses to the connections between the three European consuls in Sanmar. That leaves us with the links between the three constitutional monarchies of Denmark, Spain and Greece.



Princess Benedikte presenting the Belønningsmedalje Med Krone to S B Prabhakar Rao.



Deputy Foreign Minister Petros Doukas, Dr. Athanase Lavidas, SEV Secretary General & Head of International Operations and N Kumar at the Greek-Indian Business Forum held in Mumbai on 14 November 2007.

The reign in Spain and Greece is a trifle Dane

Tracing the royal connection, it is intriguing to note, the Greek royal house, is descended from the reigning dynasty of Denmark. The Princess of

Greece is the present Queen of Spain. HM King Constantine II of Greece married a Danish Princess, HH Queen Ann-Marie. It is a networked world

indeed. Some of the Greek royalty have social and spiritual ties with South India.



Princess Benedikte with N Sankar.



Vijay Sankar, Hony. Consul for Spain in Chennai at the Spanish consulate office at the Sanmar headquarters.

Chennai's Purple Connection

It is indeed royalty that created the insignia of a region's cultural identity through art, architecture, customs and traditions. HM King Paul of Hellenes founded the Royal National Foundation and HM King Constantine held under its aegis "The Athens Meeting" in 1964, an international cultural gathering in Athens for eminent contemporary thinkers from all over the world to exchange ideas. HM Queen Frederika, Queen Mother of Greece, and her daughter HRH Princess Irene, in the course of their spiritual pursuits were acquainted with Advaita Vedanta through the teachings of Sri Ramana Maharishi and



were the devotees of the sage of Kanchi, His Holiness Shri Chandrasekara Saraswati Swamigal. Dr T M P Mahadevan, professor of philosophy and spiritual scholar, was a speaker at the Athens Meeting. Subsequently HM Queen Frederika, and HRH Princess Irene came to Kalahasti in South India to meet the Acharya of Kanchi. Princess Irene is a member of the Dr T M P Mahadevan Foundation in Chennai, which continues the work of the late professor and publishes his writings, besides other educational projects of Indian culture. Among these projects, Her Highness supports an international library at Kanchi.

Greece – the economic Trojan horse in the EU

The Greek shipping industry is noted for several family-owned businesses held by the 'Golden Greeks' as they were called. With the tenth longest coastline in the

world with 14,880 km, the Greek maritime fleet is today the largest in the world with 3079* vessels accounting for 18 % of the world's fleet capacity. (**Bureau of Transportation Statistics of the US Dept of Transportation*).



Parthenon Temple, Athens

Denmark – cheese, pastries, fairy tales and happiness

The happiest place in the world is Denmark (based on a report published in 2006 by psychologist *Adrian White). Naturally, since Denmark produces

some of the finest cheese, cookies and pastries in the world and the best fairy tales like the Emperor's New Clothes are from here. However it is not because the Danes say 'cheese' all the time and live in a fairy tale world that they are the happiest lot. Analysis showed that a nation's level of happiness was most closely associated with health levels, followed by wealth and provision for education. Denmark is the only country in the world that has a law limiting

trans fatty acids in foods to 2 per cent. Primary and higher education is free, the people enjoy high living standards and government welfare measures. Health, education and wealth, the land of Lego, Carlsberg beer, football and crisp, fat-free cookies – reason enough to be happy. *(A psychologist in the University of Leicester produced the First-ever 'World Map Of Happiness' – The report was published in November 2006. The data is from the Science Daily).

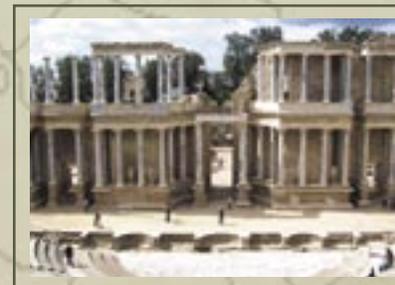


Copenhagen

Spain – the second coming

Spain's pioneering voyages of earlier centuries opened trade routes across the oceans to the Americas, Latin America and Asia Pacific which holds the country in good stead even today. The economy is growing with the strength of the biggest trade links. With 40 of the UNESCO

World Heritage sites in Spain, the Spanish tourism industry has grown to become the second biggest in the world, worth approximately 40 billion Euros in 2006. Spain has the second largest wind energy generation capacity in the world. Other industries that shape the economy are manufacturing and metals, automobiles, textiles, chemicals, ship building and more recently, construction.



Roman Theater and Anfiteatro in Merida

Several seas and countries apart, yet the common denominator between Denmark, Greece and Spain is Sanmar with common interests shared by the people at the helm. Connections such as these created stories in history and history tends to repeat itself, in newer avatars, under different aegis.

Group Annual Day



DSC: Today...Value Added Business

- 100% customer order "through" of brand
- Design and product customization for Indian market
- Superior product profile - elegant looks, excellent reception, complete service from delivery to installation
- Customer choice in 2 colors - white or aluminium
- 100% customer satisfaction in 11 cities



DSC: Today...Value Added Business

- 100% customer order "through" of brand
- Design and product customization for Indian market
- Superior product profile - elegant looks, excellent reception, complete service from delivery to installation
- Customer choice in 2 colors - white or aluminium
- 100% customer satisfaction in 11 cities





Group

Annual Day

2007

There are some recurring constants in life – like the monsoon in Mumbai, the moon of Id, the skepticism relating to Indian infrastructure and the Group Annual Day (GAD) at Sanmar. This ‘templated’ corporate event is held annually and each year it continues to make its mark in a new way. The eve of the two day event is marked by a dinner; the first day has presentations that exercise the grey matter and the second day is one for voicing out and interaction.

The GAD this year was special as there were participants from Sanmar’s extended families – members from Eisenwerk Erla, Germany, TCI Sanmar, Egypt and our US representative for Sanmar Speciality Chemicals Ltd (SSCL).



Group Annual

No Man's Land

Relationship dynamics between owners & CEOs

Preety Kumar's presentation provided insights into the relationship dynamics between owners and executives. She presented a detailed study of family owned and non-family owned organisations and the dynamics of managing in both situations by external executives within the organisation. No Man's Land is the management space, a shared area of accountability between owner-executives and external executives. The crux of the presentation was recognising this space, understanding factors that influence it and managing it.

Preety Kumar is the Managing Director of Amrop International and a Director on the Group Corporate Board of The Sanmar Group.

Preety Kumar



India Update

An update of the Indian economic, political and business scenario

Adit Jain's presentation laid bare the global and Indian economic scenario bringing the euphoria of 'the bubble' to terra firma. What's in store for the US and Asian economies, the domestic capital markets, is there a tipping point to the asset prices, the impact of the strengthening rupee, will the GDP rate lose some of its sheen, how would inflation behave, the correlation in credit growth and interest rates, what's in store for the various sectors, the unfolding political climate – these were some of the areas where his presentation drove home the data. This well substantiated truth of the matter left the audience spell bound.

Adit Jain is the Managing Director of International Market Assessment India Pvt Ltd and a Director on the Group Corporate Board of The Sanmar Group.

Adit Jain





Day Presentations

Leadership at 26,000 feet

Captain Raghu Raman's strategic and tactical lessons of leadership were set in the backdrop of Siachen, the world's toughest battleground in the northwest frontier of India. He drove home lessons in leadership which he himself acquired through experiential learning, the result of the trauma as commander in the most hostile terrain. When soldiers earning a meagre Rs 5000 to 6000, readily sacrifice their lives, it is not for the money or the feeling of nationalism evoked in a hostile land, but purely for the sake of the leader in command. In this situation, what does it take to be a leader? He drove home lessons in getting the perspective, the challenges, responsibility and importance of decision making, and most important of all, the burden of command.

Capt Raghu Raman is CEO, Mahindra Special Services Group.

Captain Raghu Raman



A Journey of Organisation Building The DSCL experience

Ajay Shriram



Ajay Shriram presented the success journey of his organisation - the opportunities and challenges faced by the group, strategic initiatives, organisational restructuring, change management initiatives, addressing people issues, customer service orientation, managing the external interface and protecting and building core values and beliefs.

Ajay Shriram is the Chairman and Senior Managing Director of DCM Shriram Consolidated Limited.

Group Annual Day



Vijay Sankar

Vijay Sankar's presentation rang a chord of pride in the audience as he announced the possibility of surpassing the billion dollar mark. The Group is going through a great transformation - from three employees overseas to 1000 overseas employees, from a turnover of Rs 1000 crores in 27 years to Rs 6000 crores by 2010. While the financial commitment to growth is already made, the challenge is to realise the projections through execution excellence and developing a people culture.



*Presentations by the Managing Directors of the industry segments - P S Jayaraman (Chemicals), CV Subba Rao (Shipping),
Murli Ramachandran (Speciality Chemicals), P Natarajan (Engineering).*

Suggestions, views and plans.





“Really...In my 35 years in the army, I never expected that I would be a member in the respected team of The Sanmar Group. I was touched by the warm hospitality and nice feelings of the people at Sanmar. It felt like being amidst one’s own family.

حقاً... شكري وتقديرى وعظيم امتناني لدعوتي للمشاركة في الأحتفال باليوم السنوى لمجموعة سانمار هذا الصرح الصناعى الشامخ العالمى .

Mostafa Mohamed Saad, *TCI Sanmar, Port Said.*

On the first day, I made a lot of new friends. The last part of the evening, the dinner, was very pleasurable since I love Indian food.

On the second day, in spite of my imperfect English (I’m learning diligently!), I enjoyed most of the presentations. I found the presentation by the former Colonel to be the most interesting. I’ve made some points for implementing as part of my daily work in Erla. When I returned to Erla, I had a lot to tell my colleagues, and found many interested and inquisitive listeners.

Nach dem ersten Tag hatte ich somit schon eine Menge neuer Bekannte. Das Dinner war der Abschluß dieses Abends und wie immer waren die indischen Speisen ein Genuß für mich.

Trotz meiner nicht perfekten Englischkenntnisse (Ich lerne fleißig!), genoss ich am zweiten Tag die meisten der Vorträge. Die Präsentation des ehemaligen Majors der Armee fand ich persönlich am Interessantesten. Ich konnte einige wichtige Aussagen für meine Tätigkeit in Erla übernehmen. In Erla zurückgekehrt, konnte ich meinen Kollegen vieles über unseren Jahrestag berichten und fand viele interessierte und neugierige Zuhörer.



Dietmar Hahn, *Eisenwerk Erla, Germany.*

I enjoyed being part of the group discussions on Growth and Challenges. There was lively exchange of ideas and proposals with a consensus in the end. I was impressed by the candid and honest exchange of views among managers even in the presence of senior managers, directors and the chairman. This clearly indicates that Sanmar is a progressive organisation with a matured corporate culture encouraging creative and out of box thinking on the part of the managers.

Both Mrs Jagan and Mr Natraj and their staff are to be commended for facilitating the event in such an efficient manner.



Jeri Raman, *Sanmar Speciality Chemicals, USA.*

Interactive sessions on Day 2.

Dinner programme.





Employees



Nilesh Doshi

Nilesh was a one man army for Tyco in the JERP project. He gets recognition for exceeding the expectations of customers like RIL, Bechtel, Bantrel, Foster

Wheeler, Becrel and a host of engineering contractors. He solely provided technical solutions across 10 locations worldwide. His proactive customer engagement initiatives have kept the order books swelling.

A Govindarajan

SFL Investment Foundry has had a successful year and the key person behind this success is Govindarajan. He elevated the perspective of the foundry business from mere tonnage and value to line items and customer solutions, keeping the customer indices at its best. Investment foundry achieved zero overdue status in its order bookings and 99% on-time delivery. His major achievement is in creating flexible production systems that helped remove bottlenecks and scale up production levels beyond estimates.



V Sriram Kumar

V Sriram Kumar was instrumental in conceptualising and implementing the electrical system for the membrane cell conversion at Mettur Dam. The project was executed in a very short time without disturbing the running systems and no production loss. He remains a nodal point in the power distribution between all the plants and its adjustments against the EB billings. He was instrumental in getting an interim MD hike up to 13,000 kva from 9,500 kva and this has resulted in savings of about Rs 25 lakhs for Chemplast Sanmar.



K Kumaresan

K Kumaresan deserves commendation for his role in the successful completion of the marine terminal facility at Karaikal. The project was beset with challenges like the tsunami, other extreme weather conditions, execution glitches, failure in honouring delivery commitments



by contractors and more. In the face of such challenges, Kumaresan showed nimbleness in following alternative action plans, effective coordination between agencies and a self starting ability that drastically cut down turnaround time. Significantly, he carries this experience onward in drawing up the specifications for the Cuddalore marine terminal facility.

J Ramdas

Ramdas is credited with the smooth transition of the recently acquired iron foundry in Erla into the Sanmar fold. In the acquisition phase he supervised the legal, financial and environmental due diligence studies, participated in the negotiations of the share purchase agreement and negotiated and put in place the acquisition financing. Subsequently, he ensured audit of the closing of accounts as of March 2007 and integrated their accounting and reporting systems with those followed by the Group. He deserves special kudos for learning German along with his family members. As our sole representative, he is an ambassador





of the Year

of sorts for India and The Sanmar Group in the small rural community of Schwarzenberg in which Erla is located.

A R Balaji

Balaji's role in the Treasury function has been commendable. He has provided invaluable support in the financing of



overseas acquisitions and projects through the presentation of proposals, management of project financing, coordination with financial and investment bodies and the successful closure

of financing. He developed user-friendly financial models for financial forecasting which has benefited internal analysis and in dealing with lenders and investors. In the midst of his critical role, he also topped the Executive MBA programme at the Great Lakes Institute of Management.

B Natraj

B Natraj in his long tenure with Sanmar has worn several hats. This year he traded it for a crown. Giving out the award, N Sankar said, "Natraj is really another of Sanmar's 'Men for all Seasons'.

I realised that his real strength lay in his versatility. Since then he has done many things in the Group – Human Resources, Corporate Finance and Treasury, top level recruitments, negotiations with a variety of joint venture partners, evaluating the Group's entry into auto components and so on. What he did at Erla was amazing. He functioned as a one man team handling all aspects of the acquisition – financial, legal and other due diligence. Post the acquisition he was instrumental in bringing the Sanmar stamp to bear on Erla, ensuring at the same time that the sensitivities of the local management and the people working there were respected. The Erla acquisition was put through smoothly in a record time of about four months. For this and for his many other invaluable contributions to Sanmar over the years, I am delighted to be able to recognise B Natraj as Employee of the Year".



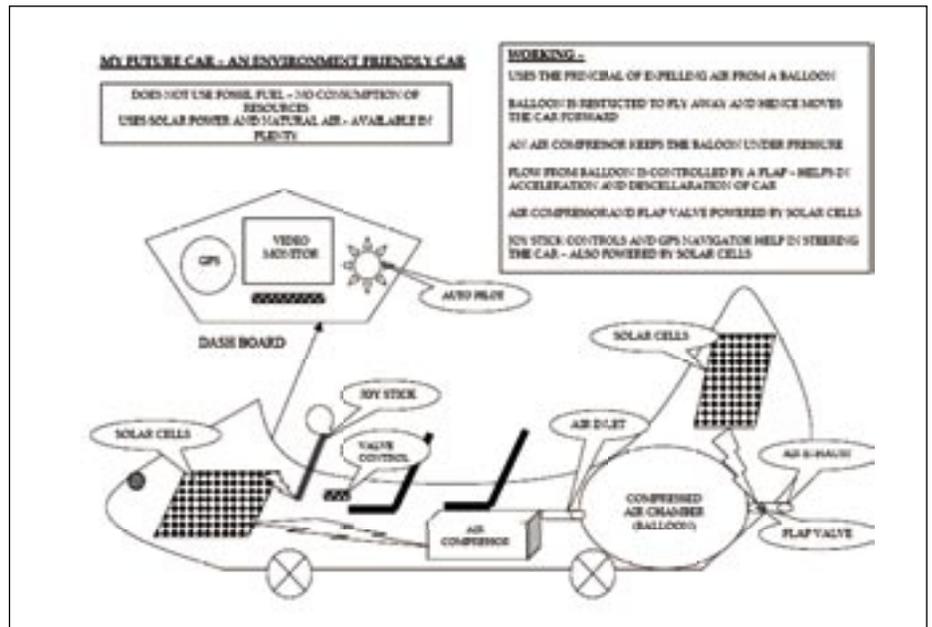
“ The Sanmar Group is presently in a stage of transition. The sentiment today is one of pride and is increasing each year. Our task is to ensure growth and also be ready to take advantage of opportunities that come along. I am confident and proud that the management and future of the Group is in good hands.”

N Sankar



Sanmar Kid is International Craft Champion 2007

C S K Siddharth, son of C S K Kashyap of Sanmar Shipping became the International Craft Champion 2007 at the grand finale of the International Art Competition held in Mumbai by Pidilite. Siddharth made a model of a future car for the zonal competition. At the gala finals for the theme, 'A Changing Village in India', he modelled a village replete with a hydro-power plant, a man made lake and a waste utilisation bio-gas plant making the village self sufficient. This was an on-the-spot competition with participation from 10,000 schools and 20 lakh students globally.



C S K Siddharth, son of C S K Kashyap receiving the prize.



Sankara School Student Doubles up as CEO

If you are the youngest CEO in the country, all of 17 years of age what would you do?



Ashwin

Well, go to school, submit projects, cram for exams, manage client relations and operational issues for his own firm, manage employees

twice his age, dream up new products and services, play an occasional game of cricket ...

Ashwin, is a student of Sri Sankara Vidhyashramam, Tiruvanmiyur, Chennai and the young CEO of a search engine optimisation firm, Organic Apex.

From the time he wakes up at 5.00 am and hangs up his boots for the day at 11.00 pm, it is a chain of activities where he alternatively lives his double role. A typical day in his life unfolds like this –

5:00 - 6:00 am - Attending to queries from Australasian and far east partners.

6:00 - 7:00 am - Covering a bit of school work

7:00 - 8:00 am - Getting ready for school

8:00 am - 4:00 pm - In school

4:00 - 4:30 pm - Freshen up after school

4:30 - 5:30 pm - In the office attending day-to-day planning

5:30 - 8:00 pm - Covering school work/ tuitions

8:00 - 9:00 pm - Dinner and a short break

9:00 - 11:00+ - Official working time. (Depends on the work load)

As all young teens of the tech era, Ashwin was into the gaming arena on the internet when he came up with the idea of a gaming portal. With some trials and errors he struck upon the

search engine optimisation model and internet marketing and branding. So, when it is not school, friends and studies, it is eyeballs, clicks, PPC and all the other wonders of marketing in the new media. Before you could say, ho hum, one more whiz kid of the internet era, he is already on to bigger things like interactive education, developing social media applications, etc. – essentially ensuring that his customers spread across the US, UK, Germany, Belgium, Greece and Romania get optimum eyeballs and click-throughs, branding and positioning them in the seamless online community. He employs 10 people in Chennai and has marketing consultants spread across 20 countries. What is his management style? He doesn't play the little big boss in the office but is more the approachable kid in the office. His model, he says, is five years ahead of time in India and his solutions revolve around creativity. So he ensures open communication, gives his employees first hand information, let them see things for themselves and understand the target market. At school, his CEO hat is no big deal as he seldom talks about it. His winning formula is skill, luck and patience, in that order.

Interact Club Award for Sri Sankara Vidyashramam

Sri Sankara Vidyashramam Matriculation Higher Secondary School's Interact Club (Chennai) won the Best Interact Award for the year 2006-07. The award was presented on 6 November 2007 by the Rotary Club of Madras Dist. 3230. The Club's major projects like 'Annadhanam', 'Paropakaram', blood donation camps, etc., have benefited society.



Grundfos Corporate Board Visits SEC

The Grundfos senior management team from Denmark, regional managing director from Singapore and Grundfos India CEO visited the Sanmar Engineering Corporation facility at Karapakkam on 9 October 2007.



C P Saranathan



(4-9-1929 to 4-12-2007)

C P Saranathan started his career with Mettur Chemicals and continued with Chemplast Sanmar till the age of 60 as Senior Vice President. S Ramaswamy, the first GM of Chemplast had mentored him in the early years and Saranathan provided his technical expertise which he had in abundance.

According to R Kalidas of TCI Sanmar, Egypt, who benefited from his tutelage, “he was a very knowledgeable person and shared his knowledge freely. He was a fine gentleman, an all-weather friend and most of all, a willing teacher.”

Saranathan was the 4th child, born on the 4th day of September, married on the 4th of July, lived in flat no.4 on the 4th Main Road and passed away on the 4th of December at the age of 78. A prayer from everyone at Sanmar to his departed soul and deep felt condolences to his family.

Port Said skyline on the rim of the Suez Canal



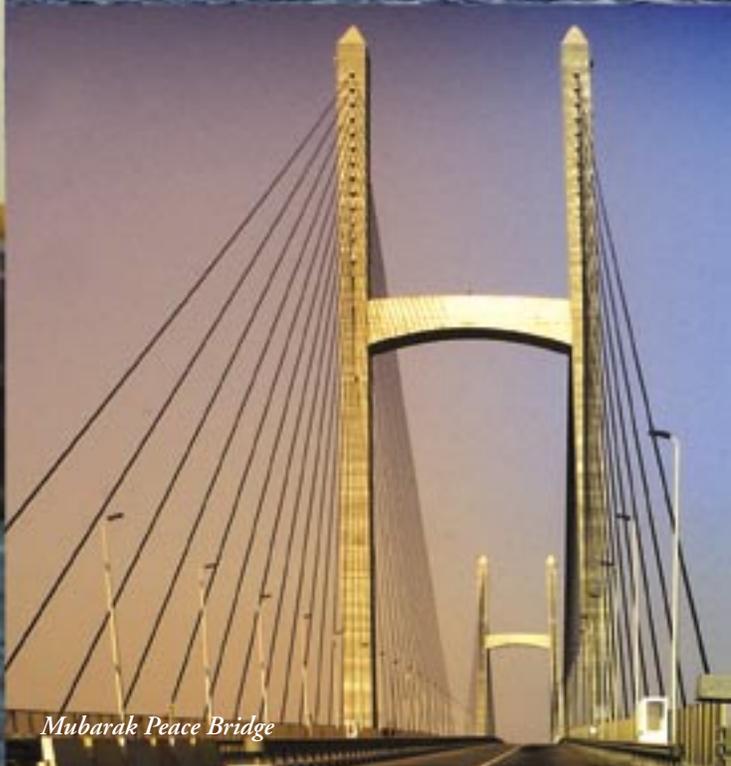
Port Said Mosque



Port Said in the twilight



Port Farb - the other side



Mubarak Peace Bridge

Photographs courtesy: B Raamesh, Mostafa Saad and R Kalidas (TCI Sanmar)

Sruti Foundation Awards

Sruti, the exclusive magazine for the performing arts, came into the Sanmar fold about a year ago with its launch on 11 December 2006. Ever since, the magazine has successfully found a place in niche journalism and has benefited from the fresh impetus under the management of Sukanya Sankar and V Vaidyanathan. The magazine under the auspices of the Sruti Foundation has patronised veterans in the field of music, dance and other performing arts.

The Sruti Foundation honoured three eminent persons in the field of dance and music on 4 November 2007. The foundation organised a function at the Dakshinamurthy Auditorium, Chennai to honour the awardees and present The E Krishna Iyer Medal of Honour, The Vellore Gopalachariar Award and The M Venkatakrishnan Memorial Award. V Ramnarayan welcomed the gathering, S Janaki compered the proceedings, and P S Narayanan proposed the vote of thanks. N Sankar, Chairman, The Sanmar Group and The Sruti Foundation was present during the function.

The E Krishna Iyer Medal of honour, awarded once in two years to a senior dancer or dance institution, was presented to Mrinalini Sarabhai this year.

The Vellore Gopalachariar Award instituted by Vellore Ramabhadran in memory of his father, was presented to Bombay S Ramachandran. This annual award recognises unsung, veteran musicians and others associated with music.

The M Venkatakrishnan Memorial Award instituted by Ramaa Bharadvaj was awarded to 'Kartik' R Rajagopal. It is awarded once in two years to an eminent patron of the arts.



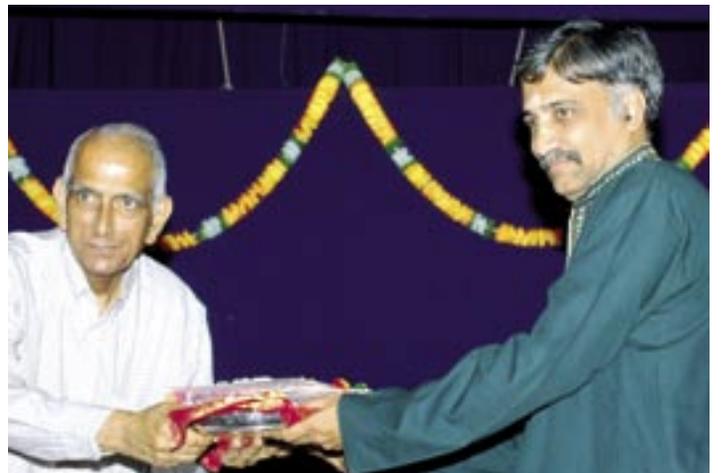
Sukanya Sankar with C V Chandrasekhar (who felicitated Mrinalini) and Minal Daftary (who received the award on Mrinalini's behalf).



Mrinalini with the citation in Ahmedabad.



Vellore Ramabhadran honouring Bombay Ramachandran.



R Sekhar receiving the M Venkatakrishnan Memorial Award on behalf of his father Kartik R Rajagopal from K V Ramanathan.

AIMA-Sanmar Quiz

The All India Management Association (AIMA) and The Sanmar Group conducted the 8th National Management Quiz. The contest was held in all the four zones of the country and about 150 teams participated representing corporates such as TCS, NTPC, Visakhapatnam

Steel Plant, Reliance, Tata, Idea Cellular, Indian Oil Corporation, BPCL, Aditya Birla Group and MICO. The contest took place in Northern, Western, Eastern and Southern regions between 17 November and 1 December 2007. The grand finals were held in Chennai.

Sabyasachi Pani and Shantanu Dey

from Visakhapatnam Steel Plant, Delhi, carried away the title with cash award of

Rs 25,000, trophy and attractive hampers and all the regional first runners up were presented with Rs 15,000, trophy and gift hampers. The quiz masters for the event were S P S Jaggi, Jacob Kurian and V Kumar from Bhilai Steel Plant.



S Gopal of The Sanmar Group and President, MMA, N Sankar and S K Swamy of R K Swamy BBDO and Vice President, AIMA.

The Sanmar team.

Rs 75,000, trophy and attractive gift hampers. The first runner up team - Sun Microsystems, Mumbai, received a cash award of Rs 50,000, trophy and gift hampers, the second runner up team - NTPC, Delhi, took away Rs 25,000, trophy and gift hampers. All the regional winners were awarded



The winners of the AIMA-Sanmar 8th National Management Quiz.

Made in India Show in Cairo

The Made in India (MII) Show was organised by the CII in association with the Embassy of India in Cairo between 20-23 November 2007. About 115 companies participated in the exhibition. TCI Sanmar Chemicals, Port Said also participated in the exhibition and sponsored a dinner event on 22 November. As part of the show, a 20-member CEOs delegation led by Rajiv

Kaul, past President, CII & Chairman, NICCO Corporation, also visited Egypt. The event provided a platform for interaction and participation to explore economic and business opportunities between the two countries.

Trade between India and Egypt stood at \$2.5 billion in 2006-07. India is Egypt's third largest trading partner, after the US and Italy. Its exports to Egypt crossed \$761 million. Egypt's exports to India, mainly oil and gas, reached \$1,743 million. India is also Egypt's 12th largest foreign investor with close to 40 projects. India's investments in Egypt are expected to cross \$1.5 billion by 2009.



Dr Zeyad Bahaa El Deen, Chief General, Investment Authority and Free Zones with A Gopinathan, Indian Ambassador to Egypt at the dinner in Cairo.



Sanmar at the exhibition.



Launch of Sustainability Report

Chemplast Sanmar's Sustainability Report was released on 12 November 2007 in Mettur and later on 19 November 2007 at Chennai. A photo exhibition was organised to coincide with the launch of report followed by a press conference. At the Mettur event, Veerapandi Arumugam, Agriculture Minister, Government of Tamil Nadu, released the report. The first copy was received by G K Mani, MLA, Mettur and felicitations were offered by him. P S Jayaraman, Chemplast Sanmar, took the press through a presentation explaining the triple-bottom line approach of the company.



Veerapandi Arumugam (3rd from left), Agriculture Minister of Tamil Nadu, hands over the first copy to G K Mani, MLA, Mettur (2nd from right). K S Venkiteswaran, P S Jayaraman and S B Prabhakar Rao from Sanmar at the release of the report.



Launch of Sustainability Report - Photo Exhibition and Press Conference



Photo exhibition at Mettur.



Sanmar's top management responding to queries from the press at Chennai.

PS Jayaraman taking KS Narayanan and U Suresh Rao around at the photo exhibition at Chennai.

Chemplast Sanmar's Sustainability Report Wins Silver Award for Corporate Social Responsibility Communication

The Sustainability Report of Chemplast Sanmar won the Silver Award at the 47th Annual Awards of the ABCI (Association of Business Communicators of India) held on 11 January 2008.

The Sustainability Report was entered in the corporate social responsibility communication category in the print media.

The Gold Award went to Hindustan Unilever for their social responsibility communication on safety in electronic equipment.

The Silver Award went to The Sanmar Group - Being Humane, Chemplast Sanmar's first sustainability report.

The Bronze Award went to Indian Oil Corporation, New Delhi for their sustainability report.

The award for this category was given out by Makarand Khataavkar, Director – HR(Asia Pacific), Deutsche Bank.

Other sub groups in the print media included the newspaper campaigns. The Gold went to the Madhya Pradesh Government for the awareness campaign on registering properties, Silver to Mahindra & Mahindra for the campaign, 'Mahindra Inspired' and the Bronze to Tata Power, 'I will... Mumbai will'... a campaign to save power.

In the electronic media under the same category, Bank of India got a Gold for their film on Shastriji, a retired employee who gets his pension. Weaving Hopes, ONGC's campaign on the weavers of Chanderi sarees won the Silver. No entry qualified in the Bronze category.

In the environment communication category, State Bank of India won the Gold for their environment campaign, the Silver went to Nerolac for their environment report and Wockhardt received the Bronze for their communication on emergency response.

The ABCI was founded in 1956 and its objective is to recognise excellence in business communication. Organisations all over India participate in the annual awards competition with over 500 entries in 2007 from leading organisations in India.



Rasa Udyog
Ratna Award



Rasa Udyog Ratna Award Conferred on N Sankar

In recognition of his service towards the development of the chemical industry



N Sankar, Chairman of The Sanmar Group was conferred with the 'Rasa Udyog Ratna' award on 25 January 2008 by the Chemical Industries Association in recognition of his service towards the development of the chemical industry.

G S Laddha, former director, Alagappa Chettiar College of Technology, presented the award to Sankar.

The award was presented on the occasion of the second S Krishnaswamy Memorial Endowment lecture on 'Four Decades of the Chemical Industry – a Personal Perspective,' delivered by N Sankar at the Russian Cultural Centre in Chennai.

Industries Secretary, M F Farooqui, G Thyagarajan, former director of CSIR Labs, P K N Panicker, President, Chemical Industries Association and others were present at the function.

Four Decades of the Chemical Industry – a Personal Perspective

2nd S Krishnaswamy Memorial Endowment Lecture by N Sankar, 25 January 2008

N Sankar, spoke about his own recollections of the Indian chemical industry as it grew and transformed from a fairly small base in the 60s, to the vibrant, growing giant that it is today, poised to challenge the industry's world leaders. He touched on different topics from his own experience, drawing inferences that apply to the chemical industry as a whole. Extracts from the lecture -

Chemplast, in the mid 60s, was a pioneering venture – a Joint Venture with a world leader, B F Goodrich; treading a hitherto unbeaten path by using alcohol as raw material; and producing what was then a new generation product - PVC Thermoplastic. At that time the chemical industry leaders in India were companies like Union Carbide, ICI, Polychem, Synthetics and Chemicals, etc. Today many of them have disappeared or are very, very small remnants of what they were. NOCIL which came in with, a mega petro chemical cracker project, does not exist any more.

Transformation in the chemical industry

In 1967, PVC was sold at Rs 3000 per tonne, and today it is Rs. 60,000 per tonne. The price of a particular heat Exchanger, those days was between Rs 30,000 and Rs 40,000 each, which is close to Rs 11 – 12 lakhs today. The largest chemical plants those days produced around 20,000 tonnes of

product annually. Today plants of half a million tonnes per annum or more are common. The Indian market for PVC which was around 10,000 tonnes per annum is now close to 1.1 million tonnes.

The facts would be similar for most other chemicals and thermoplastics. In the 60s Chemplast tried hard to sell 20 or 30 tonnes of PVC pipes a year. Today that



market is over 750,000 tonnes a year. At that time almost all equipment for chemical plants were imported. Today the Indian chemical process equipment industry has matured to such an extent that it is one of the main suppliers to the rest of the world.

Learnings from a 35 year long track record

- Return on capital employed is far more important than growth of the top line.
- The best way to maintain and improve

margins is to capture more and more of the value chain, by integrating backwards and forwards.

- Variable costs – primarily raw material and fuel – influence profitability far more than other factors.
- It is a common misconception that scale, geography, market leadership, and focus are critical to maintaining profitability.

- Commodity businesses like the chemical industry are by nature violently cyclical, and cyclical businesses are incompatible with the demands of the stock market.

- Finally, commodity chemical plants should be based on the coast or on locations conducive to the management of the logistics of bulk transport of hazardous materials.

The issue of environmental impact

The most important issue facing the Indian chemical industry, since the Bhopal tragedy of 1984, is that of pollution control and environmental impact. In the past the chemical industry, internationally, was responsible for quite a bit of environmental impact and degradation. But a lot of it was due to lack of knowledge and appreciation of the long term impacts. It is only in the last few years that environmental protection technology has improved to an extent where it can solve the problem on a long term basis. The industry will also benefit from better implementation

of policies on environmental protection. It would be uneconomic for each industry to continue to tackle its pollutants on an individual basis, and designated chemical regulatory zones with common treatment facilities would have to be set up early. While there is the need for strict legislation and control of potentially polluting industries, including the chemical industry, it is also necessary to separate the real problems from the many false alarms that are raised with different motives.

The Sanmar Group, has a strong commitment to corporate social responsibility, including the protection of the environment. Even before the Bhopal tragedy, the Group has been aware of the importance of controlling the impact on our environs, and have

invested in state-of-the-art technology. In the next couple of weeks, Chemplast is bringing on stream at Mettur, a plant invested at a cost of several crores to ensure 'Zero Liquid Discharge'. Chemplast is the first Indian chemical company to do so, and perhaps one of the very first in the world. But this comes at heavy capital and running cost, and calls for corporate social commitment far beyond what can be mandated by legislation and regulation. I can only hope that there is appreciation that not all industry in this State is a villain, and that most of the Indian chemical industry has woken up to its responsibilities as corporate citizens.

The cost of energy

India is today probably the lowest cost source for chemical equipment in the

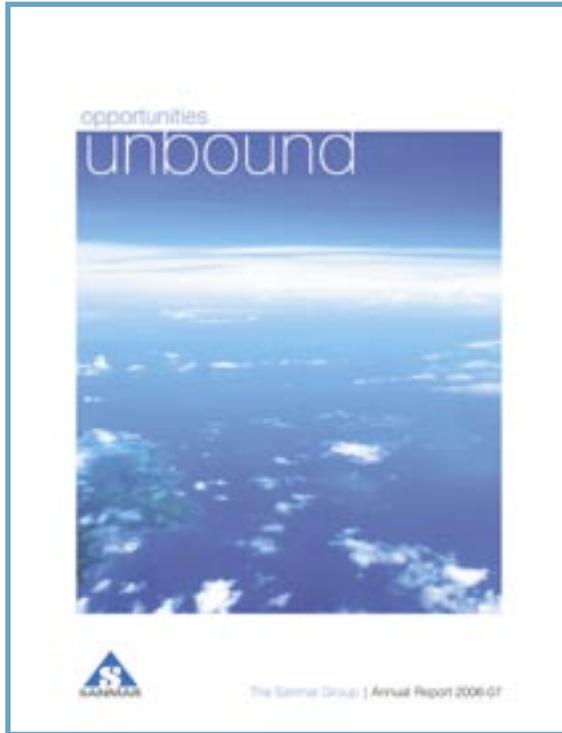
world. Availability of low cost castings and forgings combined with our huge pool of manpower, gives us an enviable global advantage. However, there are some contra factors, and one in particular overshadows all the rest - that is the cost of energy.

Energy and electrical power are issues that have become hugely important to the chemical industry over this period. We took pioneering steps in self sufficiency in energy and power. However, a better energy policy designed to deliver electricity to industrial consumers at a reasonable price is essential. This is an issue that India will have to tackle in the coming decades if it is to maintain the momentum that it has generated in its industrial sector.



Dignitaries present at the lecture

Sanmar's Growth Showcased in t



With the close of a successful year, Sanmar released the Group Annual Report 2007. The Group completed two major acquisitions, the iron foundry in Germany in January 2007 and the caustic soda facility in Egypt in March 2007. In the face of the dramatic growth initiatives in the year, the theme for the report was globalisation. The report elaborates the rationale behind the acquisitions and expansions and the resulting opportunities unfolding for the Group in the coming years.



Environment management at Sanmar

Investment of Rs. 26 crores in a customised technology at Chemplast-Sanmar for the zero-discharge of liquid effluents.

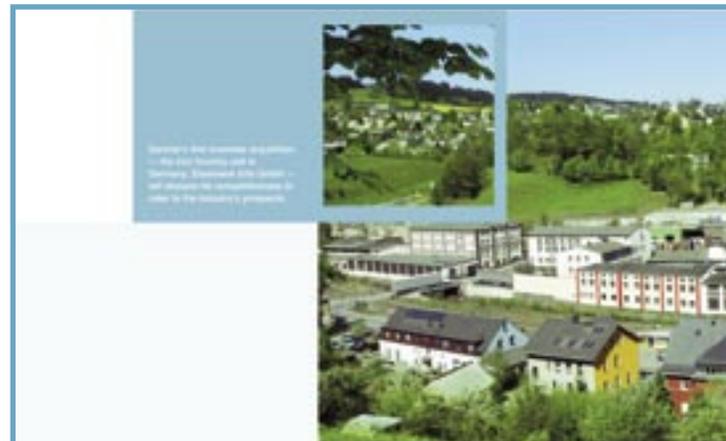


Preservation and development of a bird sanctuary at Vedaanipattinam with the help of Bombay Natural History Society.



Completed conversion at the caustic soda production process at Mettur Dam from the mercury cell to the eco-friendly membrane cell process, at a cost of Rs. 60 crore, ahead of mandated time.

Greentech-Safety Award for Chemplast plants at Mettur Dam and Kankai.



Global Markets.
Enhanced Capabilities.

Through an acquisition in Germany

Sanmar's Engineering Division focuses on the design and manufacture of various process equipment for various industries such as pressure vessels, heat exchangers, distillation columns, etc. The division is also involved in the design and construction of various industrial plants. The division has a strong presence in the Indian market and is expanding its business to other parts of the world. The division has a strong track record in the field of process equipment and is committed to providing high-quality products and services to its customers.

Free Diagnostic Camp for Mettur Community

Chemplast Sanmar in association with Gokulam Hospital, Salem, conducted a medical camp at the Vaideeswara Vidhya Mandir Matriculation School on 2 December 2007. These camps are conducted on a regular basis all through the year. About 963 men, women and children from Thangamapuripattinam, Kavipuram, Ramamoorthi Nagar and the areas of Mettur to Gunjandiyur benefited from this free medical camp. Sri Gokulam Hospital's 70 member team, with 10 specialists in the fields of general medicine, orthopaedics, neurology, diabetology, gastroenterology, O&G, and paediatrics, Chemplast's in-house medical practitioners and other officials ensured the success of the camp.



About 963 men, women and children in and around Mettur benefited from Chemplast Sanmar's free medical camp.



The team from Gokulam Hospital and Chemplast Sanmar.

Bridge Singapore

CII Core Group called on Singapore's Senior Minister, H E Goh Chok Tong, at Istana, on 6 December 2007. N Kumar of Sanmar is part of the Core

Group that also met with Tharman Shanmugaratnam, Minister for Education and Finance and Senior Minister H E Lee Hsien Loong among

others. The Core Group plays a key role in promoting bilateral trade and cooperation between India and Singapore.



Standing from L to R (first row):

N Kumar, The Sanmar Group and Past President, CII, Analjit Singh, Chairman, CII International Council and Chairman, Max India, Senior Minister, H E GOH Chok Tong, Sunil Bharti Mittal, President, Confederation of Indian Industry (CII) and Chairman and Group CEO, Bharti Enterprises, Dr S Jaishankar, High Commissioner of India to Singapore.

Standing from L to R (second row):

Atul Punj, Chairman, Punj Lloyd Ltd, Syamal Gupta, Chairman, TATA International Ltd, K V Kamath, Vice President, CII and MD and CEO, ICICI Bank Ltd., Jamsbyd N Godrej, Past President, CII and Chairman, Godrej and Boyce Manufacturing Co Ltd., Ms Neerja Bhatia, Director and Head- Southeast Asia Region, CII, Tarun Das, Chief Mentor, CII.

MNC 18th Anniversary Celebration

The Madhuram Narayanan Centre for Exceptional Children (MNC) celebrated its 18th Annual Day on 12 December 2007. Children, parents and their teachers put together a great performance, 'Melody & Beats', that transported the audience across the diverse states of India and its different beats. Mrs Jaya Krishnaswamy and her team's efforts and attention to detail was evident in the live music, the display of the children's creativity in the backdrop and the conduct of the entire programme. Yet, the phantom presence of the late Krishnaswamy, the father of MNC was felt. The Chief Guest for the programme was Preetha Reddy, Managing Director, Apollo Hospitals Enterprise Limited.

Preetha Reddy praised the attitude of the centre in its policy of zero rejection for entry to this centre and enabling every special child seeking its expertise to benefit from the centre. She also marvelled at the mother-teacher support provided to the child and the way mothers and teachers were taught to learn and cope with disability.



Preetha Reddy, Managing Director, Apollo Hospitals.

“ In our hospitals, people come for treatment and they get cured. In a centre like this, treatment is a long-term commitment. The people at MNC must be something next to God to be able to do something like this.

The Sanmar family has gone out of the way to help such a cause. The Group has helped to set traditions, facilitated learning and provided IT infrastructure to the centre. The programs of the centre have been tremendously successful and it is important to spread the learning of the centre all over India.

I am inspired by the dedication, the passion to understand, to learn what's been done worldwide and bring the learning to the children at this centre. I commend the work of the centre. If many more institutions can emulate this it would be great. ”

MNC 2nd International Conference

The Madhuram Narayanan Centre (MNC) convened the 2nd International Conference on Early Intervention in Mental Retardation from 13 to 16 December 2007, an international forum for knowledge sharing by experts in the area of mental retardation. The first such conference was held in 2004. Taking on from the learnings of the earlier conference, the theme this year was the recent trends in early intervention for prevention, care and management of children with mental retardation and associated disabilities. The event included a two-day pre-conference workshop and an exhibition of teaching aids used by MNC in its early intervention programme. The speakers and panelists at the conference included experts in the field drawn from India and overseas. Topics included:

- Early diagnosis in mental retardation and associated disabilities: Recent trends in research in genetics
- Partners in early intervention programmes for prevention through care in: Nutrition, health & environment, mother and child
- Information and communication technology enablers in the management of disability



Inauguration of the conference by Mrs Subbulakshmi Jagadeesan, Honourable Union Minister of State for Social Justice and Empowerment. N Kumar of The Sanmar Group (left) and Vimala Kannan of MNC (right) are also seen here.

• Policy and programmes in making the rights of the child with disability a reality through - Persons with Disability Act, 1995, National Trust Act, 2001, Rehabilitation Council Act, 1983.



Mrs Jaya Krishnaswamy with delegates.



Exhibition of teaching aids of MNC's early intervention programme.

Day 1

Day 2



C N Annadurai

C N Annadurai (1909 to 1969), popularly known as Anna (meaning elder brother) to millions of Tamils, was the first Chief Minister of Tamil Nadu (then Madras) in independent India not to belong to the Indian National Congress. He was an accomplished writer who used the medium of cinema successfully to propagate his political philosophy based on social justice and Tamil pride.

Annadurai was born on 15 September 1909 in Kanchipuram, near Chennai, to Natarajan and Bangaru Ammal, in a lower middle class weaver family, but raised by his sister Rajamani. He studied at Pachaiyappa's High School there and later joined the municipal office as a clerk. He graduated in 1934 from Pachaiyappa's College, Madras, with a B.A. (Hons). After a short stint as a professor he entered journalism and politics.

Anna played a major role in the Dravidian movement. A good debater from his college days, Annadurai entered politics by becoming a member of the Justice Party, which was established on the basis of opposition to Brahmins in the state. He joined the Dravida Kazhagam led by the iconoclastic leader E V Ramaswami Naicker or Periyar, in 1934. Anna's rise in the party was meteoric. People thronged to listen to his fiery speeches full of alliteration and verbal fireworks. He led the party's anti-Hindi agitations in the 1940s and fought to establish a caste-free society of equal opportunity. He had differences

of ideology with Periyar who was opposed to entering electoral politics. The differences between mentor and disciple led to the formation of a new party, Dravida Munnetra Kazhagam in 1949, with Annadurai at the helm.

Annadurai won the Kanchipuram seat in the 1957 state assembly elections. In the 1962 election, the DMK fared much better winning 50 seats out of 143, but Anna lost his seat!

He was nominated to the Rajya Sabha the same year, and on May 5, 1962, Annadurai shocked the country by advocating in Parliament the secession of the four south Indian states. His two major grievances against the Centre were discrimination against the southern states and imposition of the Hindi language.

In 1962, Anna became a Member of Parliament in the Rajya Sabha. Both, the DMK and the DK fought the imposition of Hindi. Rapidly rising inflation and two wars against Pakistan and China, especially the latter in which India came off distinctly second best, made the prospects of Congress sweeping the 1967 state assembly polls less imminent than in the past. Former Chief Minister K Kamaraj made the rather unwise prediction that Congress would win the election lying down, a humorous reference to his own ill health at the time. Annadurai led his party to a spectacular victory, and was installed as the Chief Minister of the state.

Becoming Chief Minister after winning the 1967 election on the plank of opposition to Hindi imposition by the Centre on his state, he ensured that Hindi was not a compulsory language in schools. His was the first regional party in any major state in India to serve the full term breaking the Congress dominance until then. Congress has never been able to make a comeback in Tamil Nadu, where the Dravidian parties have been very strong since 1967.

Unfortunately, Anna's tenure as chief minister was extremely short-lived, as he succumbed to cancer in 1969. During his brief reign, he was seen as an astute, if mellowed down leader, that the state badly needed. He made strenuous efforts to uplift the poor and deprived through welfare schemes. He renamed the state of Madras, Tamil Nadu. He was able to gain more power for the south from the Centre and sought greater autonomy for the states in the union, giving up his earlier secessionary stand.

Despite receiving the best medical treatment in the US, Annadurai died on 3 February 1969, just two years after becoming the Chief Minister. An estimated 15 million people attended his funeral, the most for anyone in the world.

Anna the writer

Annadurai, who earned the sobriquet Bernard Shaw of South India for his scintillating wit in the short stories, plays and screenplays he wrote, published

literary works throughout his public life. He was also active in political journalism. He started the Tamil weekly, 'Dravida Nadu', the English weeklies 'Homeland' and 'Home Rule' in 1957 and 1966. Among his works, "Or Iravu" (One Night) and "Velaikkari" (Servantmaid) were made into movies. Most of his stories had important social messages, voicing strong protests against exploitation of all kinds, based on caste, class or gender. Some of his works were extremely controversial, launching scathing attacks against the upper castes, especially Brahmins. Anna's writings catalysed a great wave of support for DMK, which gained a substantial number of seats in the 1957 state

assembly elections, laying the foundation for its triumph ten years later.

Anna the icon

Annadurai was an inspirational leader whose followers were completely devoted to him. Two subsequent Chief Ministers of Tamil Nadu, M Karunanidhi and M G Ramachandran—the founder of the All India Anna Dravida Munnetra Kazhagam—were his protégés. J Jayalithaa, yet another Tamil Nadu Chief Minister, who was groomed by M G Ramachandran, also swears by Anna's ideals. There are several institutions including corporations and universities in Tamil Nadu named after Anna. He is probably the greatest icon of the Tamil masses.

'A constitutional agitator'

Anna was an able organiser of agitations but the agitations he conducted were more in the nature of mobilising public support than creating confusion to fish in troubled waters. He can be called a constitutional agitator. He believed in convincing men and not in confronting with impossible demands. He believed in argument and not in aggrandizement. Even when he demanded more powers for the State, he mustered all facts in favour of his cause and presented them in a persuasive manner.

- P C Ganesan in *C N Annadurai*, in the Builders of Modern India series by the Publications Division of the GOI.

Excerpt from Anna's last article

"If for one reason or another, the public want to bring the Congress back to power, I, as a robust democrat, will not be discouraged or disheartened. Let them have one more chance. If two years in the wilderness has given them sobriety, it is good for the country and democracy".

Anna on his mission

"We are in charge of the task of rejuvenating our culture and civilisation—our entire thought. Let us not sit near the shattered ramparts and narrate past glory but scale new heights by persistent and patient search after truth."



Illustration by S Girish

