



MATRIX

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The Sanmar Group

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Cover: Karaikal Marine Terminal Facility

Matrix can be viewed at www.sanmargroup.com

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Older & Wiser Independent India

60 years since independence, India has emerged as a force to be reckoned with globally. Liberalisation is the magic wand that has helped transform the perception of India from pumpkin to stage coach. The Indian industry played a great role in making the spell work and got India shining. India today is, paradoxical as it may seem, older but replete with a young workforce and wiser yet trying hard to catch up. India comes across as a land of contradictions and the world is watching, with keen interest. At this juncture, an outside – in perspective of the older and wiser India drives home some truths that we need to acknowledge.

Now is India's Time:

“The World Economic Forum’s Global Competitiveness Index ranks India 43rd, well ahead of Brazil at 66, China at 54 and Russia at 62. India is the only one of the four that improved its ranking. The other three actually slipped.

Over the last four years, 12 Indian companies won Japan’s coveted Deming awards for managerial innovation, more than any other country, including Japan.”

Pumpkin to stagecoach - India's transformation

According to Scott Bayman*, four big events brought about the Indian metamorphosis:

First, the telecom revolution that made Indian telecom the poster child for

privatisation and deregulation. Cell phones are common, even in villages where landlines still do not exist. Between 2000 and 2005, India added about 18 million fixed phone lines and nearly 73 million mobile connections. Tele-density grew more than three-fold to 11.5 percent; in urban areas, to almost 35 percent. Waiting lines for phone connections have ceased to exist. Indian telecom approaches world-class standards.

The second big event is the creation of a new class of consumers driven by the emergence and growth of software, backroom processing, technology and financial services industries. Employees in these industries are highly educated and relatively younger, earn a good wage and have a propensity to spend.

The third big event is that Indian industrialists have gained confidence that they can compete on the global stage. Indian industrialists no longer worry about multinational companies; they are or want to be MNCs. They argue for open markets, free trade and view the globe as their marketplace. Indian companies now think globally. The total value of takeover deals by Indian companies, which was less than \$1 billion in 2000, rose to \$8 billion in 2006. There have been 72 foreign takeovers by Indian companies, worth \$24.4 bn in the first four months of this year, according to the advisory firm Grant Thornton. In the same period, there were 38 foreign deals for Indian companies, worth \$17 bn. Indian companies now possess

the ingredients to be successful in global markets. Global trends also favour India, as more companies in the US, Japan and Europe outsource manufacturing to lower costs. In addition to auto parts, telecom equipment and pharmaceuticals, India has the potential to be competitive in such skill-intensive industries as fabricated metal products, high-end chemicals, consumer electronics and computer hardware. The rise of manufacturing could have a profound effect for a vast number of India’s poor.

The fourth big event is Civil Aviation. Today, India has some of the best domestic airlines in the world. Today, we are experiencing the benefits of open skies agreements with increased non-stop flights from more Indian cities to more cities around the world. Choice has brought competition and the consumer is benefiting. But what about the airports? Says Scott, “watch the impact of public-private partnership go to work. This is India. We wait for the demand, for the crisis before we respond. Once we strike out on a course of action, we know how to get it done.”

“Indians should stop beating themselves up so much and be proud of what has been accomplished.”

- India is home to the best domestic airline in the world. Jet Airways matches up with the best of the best anywhere.
- India’s telecom industry moved from pitiful to world class in a very short period.



at 60 Years

- Indian software and business processing outsourcing firms are the best in the world.
- A robust auto industry evolved in just a decade.
- Component suppliers in India are world class. They are expanding offshore.
- Modern medical facilities are opening at a rapid pace.
- India's GDP is accelerating: from 1.0 per cent average annual growth between 1900 and 1950 to 3.5 between 1950 and 1980 to 6.0 between 1980 and 2002 to 8.0 between 2002 and 2006. Wealth must be created before it can be redistributed.

To date, India's economic growth has been largely jobless. But, manufacturing is expanding; and this is creating jobs. Consider the following:

- India is the fifth largest commercial vehicle manufacturer in the world.
- India is the second largest tractor manufacturer in the world.
- Hero Honda manufactures more motorcycles than anyone else in the world.
- Bharat Forge has the world's largest single-location forging facility; its clients include Honda, Toyota and Volvo – all very demanding customers.
- The GAP sources about \$600 million and Hilfiger \$100 million worth of apparel from India. Wal-Mart sources in excess of \$1 billion worth of goods from India. And, it expects this to increase to

\$10 billion in the next couple of years.

- GE has grown from less than \$100 million in local revenue to almost \$3 billion with a target of \$8 billion by 2010.

As manufacturing continues to expand to serve both domestic and global customers, it will create jobs.

India's competency in high tech businesses will also create jobs.

- There are 170 biotechnology companies in India, involved in the development and manufacture of generic drugs, whose business is growing exponentially.
- The Indian pharmaceutical industry at \$6.5 billion and growing at 8-10% annually, is the fourth largest pharmaceutical industry in the world, and is expected to be worth \$12 billion by 2008.
- India's telecom infrastructure provides the largest bandwidth capacity in the world, with well over 8.5 terabits per second.
- India is among six countries that launch satellites and do so even for Germany, Belgium, South Korea, Singapore and EU countries.
- India produces 200,000 engineering graduates and another 300,000 technically trained graduates every year.
- Soon India will have the largest working population in the world. Seven hundred million people out of 1.1 billion people are young. And, the young population will continue till 2050.

Scott Bayman's lessons in his 14 years in India

"India is a confusing and difficult place to quickly enact change and make rapid progress.

"Consider:

"India is a 5,000 year old ancient civilisation. It has 18 official languages, with 325 spoken languages and 1,652 dialects. There are 1.3 billion people living in a land one-third the size of the US. There are 5600 daily newspapers, 15,000 weeklies and 20,000 periodicals published in 21 languages with a combined circulation of 142 million. Moreover, as those of you who read some of them know, each has a very strong bias on every issue. India is the world's largest democracy with a parliamentary form of Government. That's the good news. The bad news is, it makes taking tough decisions very difficult. However, I would never ever trade it for the alternative.

"I argue the glass is half-full and filling; not half-empty and running out."

**Scott Bayman, former president and CEO of GE India, spoke at The Paul H Nitze School of Advanced International Studies (SAIS) as part of the W P Carey Global Leader Lecture series on April 12, 2007 about "Fourteen Years on the Inside: A Perspective on India." Excerpts and ideas from the lecture transcribed from the website-www.sais-jhu.edu are presented above.*

Keeping India Shining

The younger generation who are now the future of India have some definite views on the way forward. The Tata Group organised the Tata Building India Essay Competition, a national essay competition across 6 major cities of India in over 240 English medium schools. The entries brought forth progressive ideas and suggestions from school children. Young India's priorities centre around removing illiteracy and corruption, providing jobs, fair justice to all, focus on rural India, conservation of natural resources and a clear mission statement to take the country forward.

** Excerpts from three winning entries at the national level:*

“My vision would be to make India a super power, both in economic and military terms.

Key Result Areas:

To eradicate illiteracy because I am convinced that if this is achieved then many other things will fall in place.

Infrastructure: excellent infrastructure, powerful energy producing plants, wide roads, free economic zones and working towards a rupee that is as stable in the basket of currencies as the Japanese yen.

If made the PM of India, I will take it forward by a hundred years and ensure that for us Indians, winning becomes a habit.”

Tanushri Bhandari, *Senior level national winner.*

“What would I do as the PM of India? First of all, I would try to induct only honest and dedicated ministers in my cabinet. I would appoint ministers in charge of various ministries according to their educational qualifications, aptitude and ability.

Industries would also be given impetus. Sufficient funds and facilities would be made available for new and old industries. The export and import policies would also have to be reviewed so that the maximum benefit is given to industrialists for the benefit of the nation.”

Farha Khannam, *Middle level national runner up.*

‘If I were the Prime Minister of India what would I do to make India a super power by 2020?’

“Job opportunities have always been a problem faced by the youth and various talented people, which force them to go abroad and serve other nations rather than serving their own, therefore I will first survey and then analyse the root cause and then gradually work upon it so that their talent does not go waste. People should learn to respect their own culture first and have harmony among themselves to promote unity.”

– **Madhurima Mukherjee**, *Middle level national winner*

** Excerpts from Tata Building India Essay Competition, printed with permission from Tata Sons Ltd.*



No Bridge too far, no Finger too Small

One of the master pieces of industrial design was accomplished amidst tremendous challenges. The Brooklyn Bridge today is a standing example of teamwork, perseverance, courage and determination; awesome in its grandeur, the craftsmanship far out-shining the craftsmen.

John Roebling and his son Washington Roebling dreamed of building the greatest suspension bridge that would link Manhattan and Brooklyn across the East River. Their plan seemed the most impossible thing to do. People thought the Roeblings were mad. Finally,

the construction got going but John Roebling met with an accident and died. His son Washington took over the responsibility of constructing the bridge. Special pneumatic 'caissons', were used to sink foundations into the riverbed. Washington himself spent long hours in the 'caissons' with the workers. This took its toll and Washington was paralysed and suffered partial brain damage. He was bedridden - almost a vegetable, but his dream of completing the bridge never lost its fire. Everyone else had given up but not Washington. In his bed-ridden condition there was little that he could

do. But he thought hard. What was it that he could do? The only movement he was capable of was tapping his finger and he tapped messages to his wife Emily. She studied engineering and mathematics and together with the 'finger-tap' inputs from Washington, the work on the bridge continued. For 13 years, Washington tapped away instructions with his finger, overseeing the construction as it rose from the riverbed, through the window of his house in Brooklyn Heights. The spectacular Brooklyn Bridge was completed. Is anything impossible to a determined mind?



Mysterious Visitor at the Karaikal Plant

On July 30, there was considerable confusion and speculation as visitor gatecrashed into the Chemplast Sanmar premises. The visitor, an Australian white owl, a rare species in this part of the world, landed at the plant in Karaikal.

What made the bird fly all the way from Australia? Was it perhaps seeking succour at the Bombay Natural History Society study centre at Vedaranyam and got the topography all mixed up? Was the flight a Y class trip, the weekend fly-

by-day offers that messed up the mental compass of the night ranger? While speculations were rife, the owl was caught and handed over to the forest personnel of Nagapattinam forest range!



Soccer Mania at Erla

The annual soccer championships took place at the indoor stadium in Breitenbrunn, about ten kms from Erla. Out of the nine teams that participated seven were from Erla and one of the teams had four women players. The finalists were DISA I and GFD II. DISA I won the championship 5:3.

The stadium was reserved for Eisenwerk Erla and many brought their families. The day was one of great fun, full of cheer and beer!



*The winner takes it all – Certificates, trophy and Championship Cup!
The Champions - DISA I.*

Standing L to R: Thomas Niegisch, Torsten Rein, Andre Kieser, Sebastian Rein, Maik Knietzsch; Kneeling L to R: Ralf Eckstein, Mirko Österreich, Andreas Schlimpert.



“We were four women with two men from the Spedition BSG and our trainee Tom. We girls don't play much soccer. Initially we were a little sceptical and wondered if the teams would play a fair game! But it was not so. We had great fun and we will surely play again next year!” – Marie Reuter of the Logistics team.

The Logistics team with three men, four women and their trainee. Sitting Front row from left: Jeannette Schubert, Dianko Schekow, Marie Reuter and Antje Neumann.

Eisenwerk Erla's Fußballmeisterschaft

Die Eisenwerk Erla Fußballmeisterschaft – ein jährliches Ereignis – fand am 9 Juni 2007 in der Sporthalle in Breitenbrunn statt.

Insgesamt nahmen neun Mannschaften an der Meisterschaft teil. Im Finale spielte “DISA I” gegen “GFD II”. Das Finale: Nach 15 aufregenden Minuten stand es 1:1 zwischen “DISA I” und “GFD II”. Im Elfmeterschießen schoß “DISA I” vier Tore und “GFD II” zwei Tore, somit gewann “DISA I” den Wettkampf mit 5:3.

Die Sporthalle war an diesem Tag nur für das Eisenwerk Erla reserviert. Viele Spieler brachten ihre Familien mit. Auch an das leibliche Wohl wurde gedacht. Alle hatten viel Spaß während des ganzen Tages.

Eine Spielerin vom Team “Terminsteuerung” - Marie Reuter - sagte: “Wir waren vier Frauen und spielten zusammen mit zwei Männern in einer Mannschaft. Am Anfang waren wir alle nervös, weil wir dachten, dass nicht alle fair spielen würden. Aber jetzt können wir sagen, dass jedes Team fair spielte. Wir werden sicherlich nächstes Jahr wieder dabei sein.”



Seshadri is not a man that death can conquer easily. He was vociferous in life and in death. Sesh has touched every part of Sanmar such that, from Chemplast to Sanmar Engineering, from shop floor to the top management, his dynamism in speech and deed is etched. There is not a single individual who came in contact with him and went away without being touched by his aura. Sesh was a people's person and his energy and determination was highly infectious.

Sesh, a technical wizard, joined Chemplast in its early years in Mettur. His technical ingenuity manifested itself in the indigenisation of critical engineering products at Sanmar Engineering. The

S R Seshadri

(7.08.1937 – 17.09.2007)

manufacture of Durametallc seals at SEC is his brain-child. He was N Sankar's 'Man-Friday' in the establishment of Sanmar's initial engineering joint ventures.

The expression 'never-say-die' may have been apt to describe his attitude but ironically it holds good even in his demise. We deeply mourn his passing away but his memory will continue to reverberate in every corridor, heart and mind of The Sanmar Group. To keep his memory alive, the S R Seshadri Training Institute is set up at the Sanmar Engineering complex at Karapakkam.

*Some poems don't rhyme
Some stories don't begin and end
Some people don't live and die
And some fire-brands shine,
In this and the after-life.*



N Sankar

He was a tower of strength willing to put his best foot forward. Everywhere he went, he built up teams and built a sense of commitment in them. He believed in learning one new thing each day to advance his knowledge. Sesh was a living, breathing testimonial to continuous learning. He helped build Sanmar Engineering and the S R Seshadri Institute for Training set up within the premises is the most fitting tribute to his passion for people and learning.

William V Adams

Flowserve Corporation, USA

Sesh was like a brother to me, a part of my family. He was a role model and someone I related very well with. I am very saddened to hear of his passing. There are 100's of Durametallc and Flowserve people he has touched in his love, understanding and wisdom during his travels and visits.

A R Huse & T D Kenneally,

BS&B Safety Systems, USA

We were shocked and saddened to learn of Sesh's death. Sesh was a good long-time friend, and one of the influential people involved in the successful launch of our joint venture. The whole world will miss this guy — he was a smart individual — the kind of person society needs. I am glad that he was a part of our business life and will keep his memory fresh and near to our hearts.

Sesh my Guru – N Kumar on Seshadri

Each one has a special relationship or equation with another that is unique and often unfathomable to others! That is how it was with me and Sesh.

Sesh my Guru

He took me under his wing when I joined Durametalllic. Around the year 1976, I worked with him closely in the establishment of Durametalllic. I was with him every day converting the Letter of Intent to RM license to get the first phase of the manufacturing program approved. At the same time we were also meeting customers. This called for extensive travelling together and these times were quite an

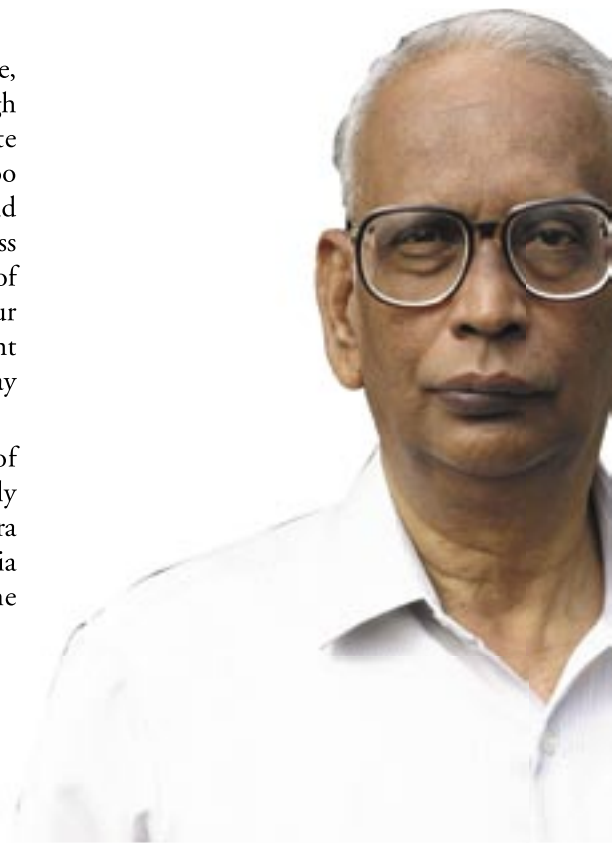
experience. This experience went on for two years as we built the factory. We went to places like Belgaum, Bangalore, Pune, Chinchwad, Kirloskarwadi, Rishra, Baroda and others meeting customers like Mahindra, the BDK Group, Best & Crompton, KSB Pumps, Mather & Platt, ICI, IPCL, etc. He was extremely frugal in his spending during these travels. We stayed in very ordinary rooms or company guest houses and in Bombay we shacked up in a room attached to the Chemplast office! We did our song and dance flitting from one company to another in buses and trains! At Baroda, after a meeting at IPCL, we had time to kill before we caught a train back in the night. He didn't want to check into a hotel so he dragged me to watch the movie 'Sholay'. This was the premier month and my wife had plans of seeing the movie with me. Imagine my plight when I told her I had seen it!



A 'true' engineer

Durametalllic being the first joint venture, technology transfer happened through hand written notes that Sesh wrote himself. During his visit to Kalamazoo for technology transfer he used to send me letters every day detailing the process for manufacturing seals. This diary of letters became a process manual for our manufacturing and even in subsequent technology transfers this became a way of success for Sanmar!

It was amazing to see the extent of influence he had on people, especially technology guys. Saha in KSB, Mahindra Khimji in AKAY, the entire IEL Gomia team and many others had genuine admiration for him.



The man who wouldn't

It is believed that God makes at least seven people of the same kind but in the case of Sesh he took an exception. Sesh was the only one of his kind, a head full of nuts, bolts, processes, engineering designs, valves, seals and more. Suaveness, chivalry and protocol were frivolities his racing mind had no time for. Shorn of niceties, he spoke his mind in the most colourful language; even a short meeting with him was like a splash of cold water on the face on a sultry day—lively, energizing and interesting. To him, everyone was a human being first, anything else later. Hierarchy, status and other such barriers didn't hold water in the face of strong humane bonds – this was his ethos and this was the reason for his success as a professional, as a CEO, as a young engineer, as a coworker and as a human being. He was a technological nut who never bolted in the face of challenges. No matter what complexities life threw at him, he cruised along making every mission impossible, possible.

Seshadri came out of nowhere to join Mettur Chemicals in 1966 as a chemical engineer with a background in instrumentation engineering. He was part of a team of young engineers with fire under their belly. In Sesh's words, "The Mettur plant was the most modern plant with the most primitive people." They had to deal with a tough American who had no clue of the Indian psyche. Sesh, in his inimitable way, played his part at this juncture brilliantly. Perhaps the skills he acquired here came in handy when he went prospecting for JVs with N Sankar. Sesh had developed products with his bare hands and had been the chief engineer in several process factories. He knew exactly what it was that would cut ice with chief



engineers to sell a product in the market. It was essentially this ingenuity that impressed JV partners like Durametallic and BS&B during the prospecting stage.

A twist of fate changed the course of Sesh's life at Mettur. In

stop learning



1972, he lost his wife in a tragic accident. Suddenly, the speed racer appeared to have lost ground on the journey of life. He decided to quit Mettur Chemicals and move to Madras with his children. K S Narayanan, Chairman Emeritus posed a

question to him at that time - "Do you want to be a big fish in a small pond or a small fish in a big pond?" Sesh chose the former and went on to help make the pond large enough to accommodate two big fish.

Sesh and Sankar teamed up to do something but neither knew what. The duo made a complete odd-couple. Sesh, a technological guy feeling like a fish out of water in a sales office, away from the shop floor he loved so much and Sankar, who had just returned after his higher education in the US. Sankar was a perfectionist and had innate financial acumen. Sesh found it difficult to go beyond PBT! Remarking on Sankar's fetish for language perfection, he said, "I don't care how English is written and he expected me to be Shakespeare!" Sesh's experience focused on mechanical seals, a 'nuisance product' that caused a shut down on several occasions at the chemical plant. They approached Durametallic for a joint venture to manufacture Durametallic seals in India and the rest is history. Durametallic was established and Sesh began his learning all over again, transforming himself into a mechanical engineer. In his words, "The most enjoyable time in a company is when it is at a learning stage when everyone is on a learning curve. There is no hierarchy, no titles and no barriers." That's the way he liked things to be and that's the way it was with the string of joint ventures that led to the establishment of Sanmar Engineering.

A religious man, he asked for very little out of life. He was happy solving problems and facing challenges. When Durametallic was established, he asked for a gift, a typewriter to manage the office better! Loyal and committed to the core, he built teams of people wherever he went. "I was a general backed by a very good army," he said.

He believed that with trust and faith in people and by sharing knowledge, anybody could be trained to do any job. This is the talk he always walked, creating committed teams, driving quality, precision and most of all, honesty.

Now that he has done his time in this world, he has perhaps embarked on yet another quest for knowledge in another world, for, he was a continuous learner. With his technological ingenuity, it is most likely that he would be showing a trick or two even at the pearly gates. That is S R Seshadri, yet another charismatic idol enshrined in the Sanmar precincts.

S R Seshadri Training Institute

Sanmar dedicated a training institute, the S R Seshadri Institute of Training at Karapakkam to S R Seshadri. The institute was inaugurated on the 24 September 07 during the memorial service held in his honour.

The S R Seshadri Training Institute is a state-of-the-art training facility that brings under one umbrella structured and intense training of freshers recruited from colleges and technical institutes. The institute will serve as a preparatory institute to bootstrap freshers with specific and soft skills training to take on positions in the various companies and divisions of The Sanmar Group. Such a focused approach will help in creating and nurturing pools of trained manpower relevant to the various industries within the Group and provide them with a continuous stream of skilled manpower without any time lag.

L to R: M N Radhakrishnan, Shri K S Narayanan and N Sankar.



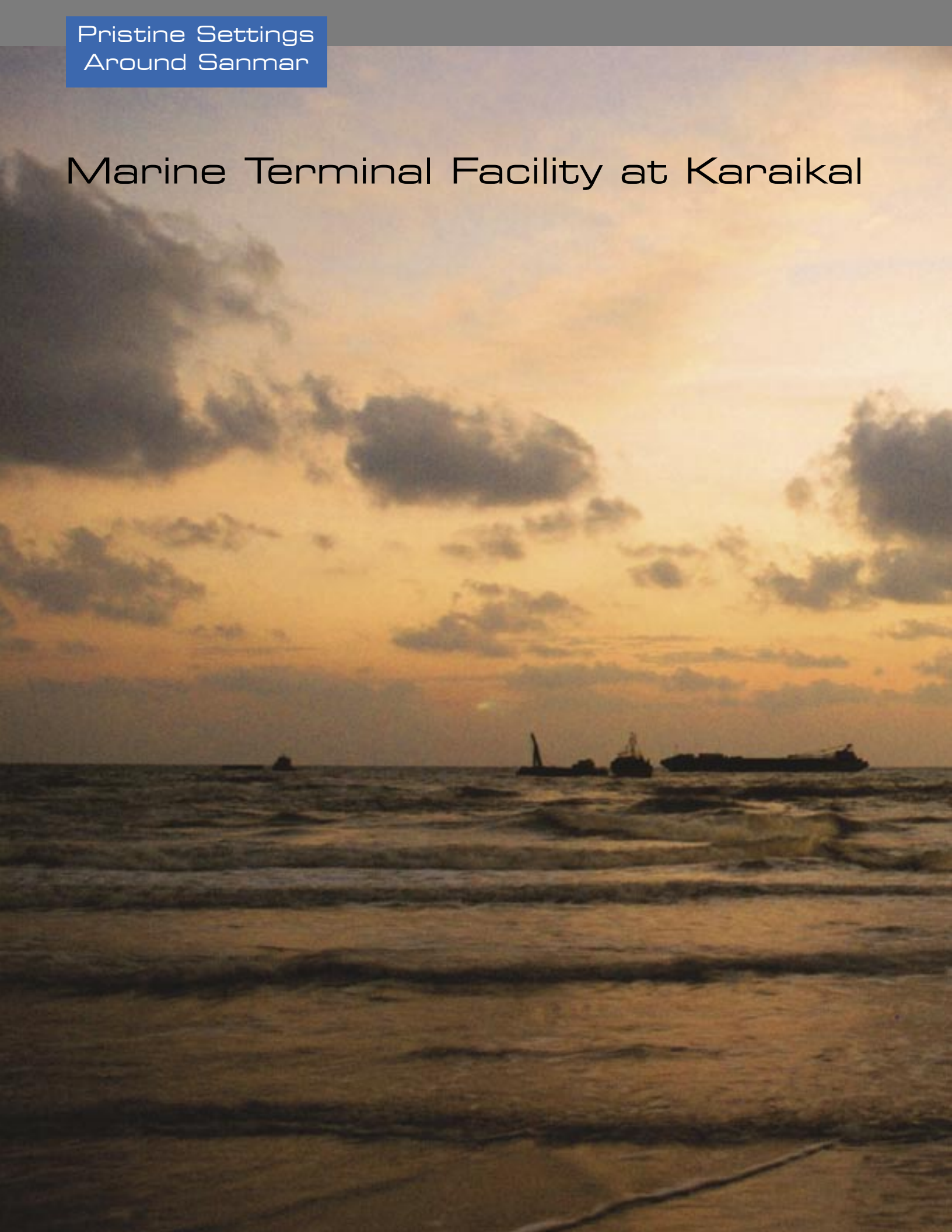


The institute will address the gap in the theoretical knowledge and industry specific requirements and prepare the trainees to take on responsibilities aligned to organisational objectives. The training institute will also help nurture pools of trained manpower and ensure steady replenishment of trained people for the various companies and divisions. A full time director is already on board. The faculty will comprise internal and external specialists in their respective fields.



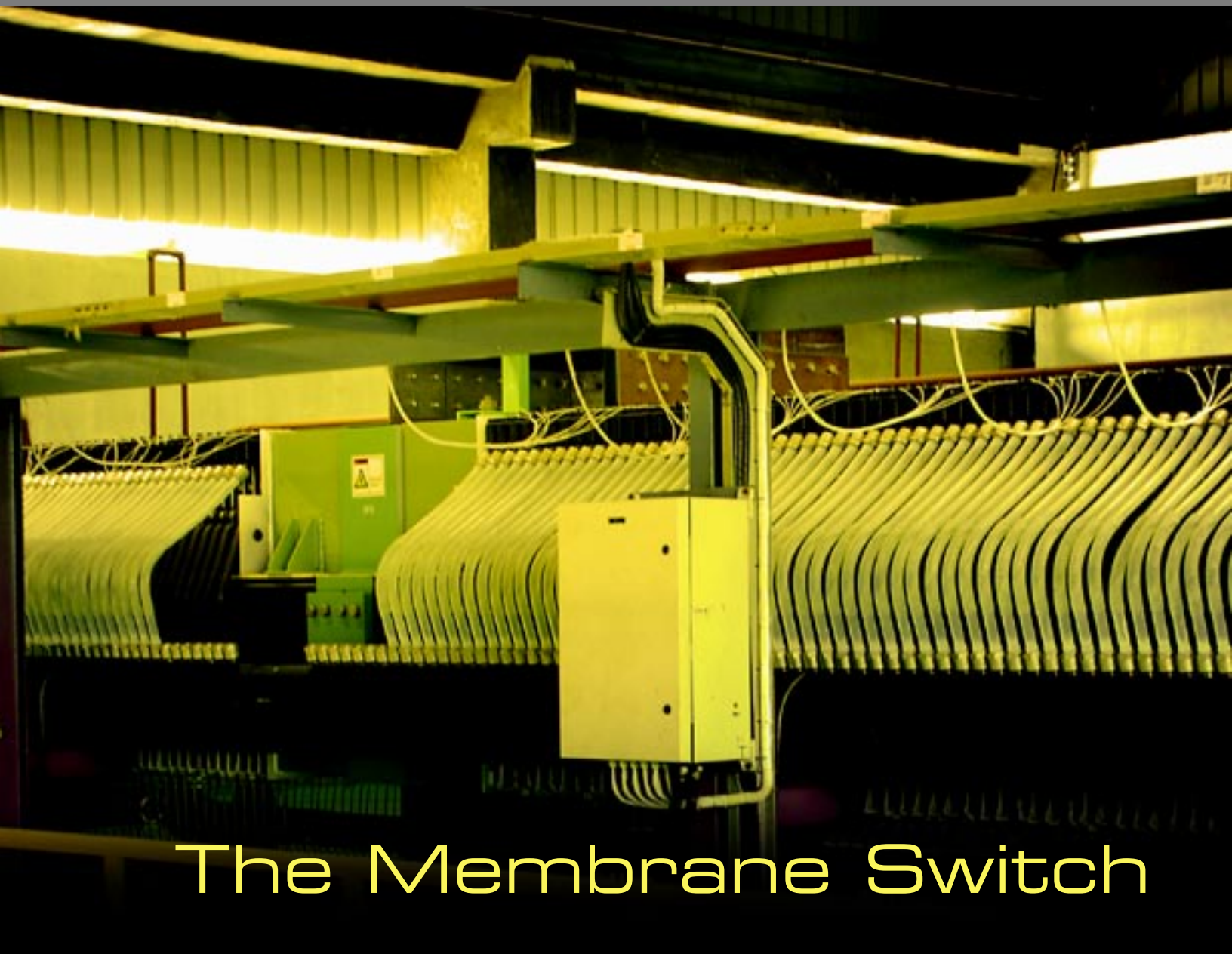
R to L: Shri K S Narayanan, N Sankar, The Sanmar Group, R Venkataramani, Sanmar Engineering Corporation and Sarada Jagan, HR, Corporate Division, The Sanmar Group.

Marine Terminal Facility at Karaikal





A ship offloading ethylene at the marine terminal facility.



The Membrane Switch

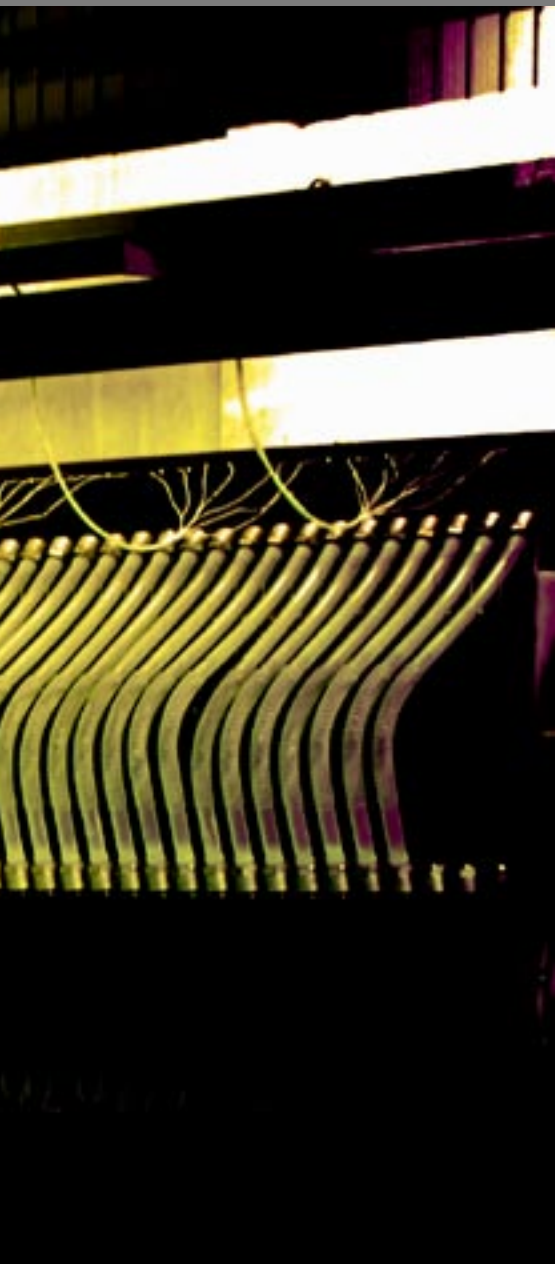
The month of June 2006 saw the beginning of the end of the mercury cell process in caustic soda production at Mettur Dam. The conversion in the production process of caustic soda from the mercury cell to the membrane cell process was completed in August 07.

The Conversion – a 'green' initiative

With increasing consciousness towards environment protection and corporate social responsibility, the caustic soda industry voluntarily agreed with the Ministry of Environment and Forest (MOEF) to switch over the caustic soda production process from mercury cell based to the environment-friendly membrane cell process by the year 2012.

Chemplast Sanmar, in keeping with

its environment-friendly approach to business completed the switch over this August 2007, well ahead of the mandated timeline. The company spent Rs 80 crores in the switch over at its old plant in Mettur Dam. The new facilities at Karaikal and TCI Sanmar Chemicals, Port Said, Egypt, already follow the membrane cell process. Caustic soda production at Chemplast Sanmar will henceforth be a totally 'green' process. This initiative places the company on par with advanced leading caustic soda manufacturers of the world.



A sustainable story

The switch over in the production process is a moral responsibility of the company towards environment protection. The process consumes less energy and to further reduce resource consumption, a coal-based power plant for power generation will replace the LSHS-based power generation. The membrane cell conversion will bring about energy saving close to 900 kwh per metric ton of caustic soda production. The membrane cell is designed to scale up the output with modular additions of membranes and some balancing equipment. The area occupied by the facility is lesser when compared to the mercury cell process. This also offers greater safety at the production facility and is more user-friendly. Yet another advantage is an increase of 25-30% in production capacity.

The Conversion Team

A huge capital investment project such as this posed a host of expected and unforeseen challenges. It was not simply a question of getting the technology, plugging in the equipment and carrying on with the production process. It

was more to do with optimising the equipment and processes and ensuring their efficiencies as well. Teams worked together coordinating across divisions. The process of problem-solving saw several new 'innovations' too. The membrane cell conversion is a robust technology and the new cell-house at Mettur Dam is indeed world-class.

Chemplast Sanmar, as a true corporate citizen, has carried out successfully the project to convert the mercury based caustic soda production at Mettur into an environmentally friendly membrane process well ahead of time. In converting the mercury process to membrane process, the company has utilised lot of in-house engineering talents in optimising the process. The conversion would enable the company to achieve higher efficiencies and optimise resources. The benefit of the conversion will be reflected in the cost of chlorine which is used as a raw material for downstream application. Both the Mettur and Karaikal facilities of the company manufacturing caustic soda are now based on the membrane process. The total capacity in these two facilities aggregate to 1,25,000 tons per year placing Chemplast as a leader in caustic production in Southern India. Together with the acquisition of caustic soda facility at Port Said, Egypt, The Sanmar Group's caustic production capacity is now 3,25,000 tons per year which will go up to 4,00,000 tons per year after completion of ongoing capacity expansion project at Port Said.

P S Jayaraman



The Conversion Team

ProCitius



Preceding the ProCitius Annual Day, a Rangoli competition held as part of the celebrations was a great success!

Intec



Employees at the Annual Day celebrations.

At the Annual Day celebrations of Intec Polymers, it was time for the employees to share their thoughts.

Karapakkam



A tug of war game in progress. Employees in action at Karapakkam.

Employees

Head Office



Exceptional Performance Award winners.



Long Service Award winners.

Karaikal



Exceptional Performance Award winners at the Karaikal Factory Day celebrations.

Laras Award

LARAS is the Managerial Development program that several batches of Sanmarites went through this year. G K Prakash of Vishay Sanmar was recognised as the 'LARAS Participant of the Year' by the program facilitators Lata and Ramakrishnan. The LARAS facilitators selected Sanmar for the 'LARAS Client of the Year' award.

G K Prakash on his learning experience at LARAS.

The last three years for Prakash was characterised by three changes (rather major). From Fieldvue Champion-Fisher to Head of Marketing Xomox and further on to Vishay Sanmar, each change took him to the bottom of the learning curve and he had to clamber up. "Even to make small changes in a daily routine was most difficult – both within self and with all other external people/ factors



P Natarajan receiving the 'Laras Client of the Year' award for the Group.



Noted film personality Mohan Ram giving away the 'Laras Participant of the Year' award to G K Prakash.

connected with the change. Realisation that this process involves not only self - but also others, reason for change has to be convincing to self and others in order to have a buy-in at both ends, These were very critical factors. Truly, I couldn't have managed CHANGE well, without those simple, practical and effective leads/ inputs I received at LARAS."

From LARAS, he carries forward with him, his Daily Work Management, doing even routine things with a purpose and time management.

Green Award for Karaikal

Recognising the need for the protection of environment and introduction of innovative green and clean technologies in the Union Territory of Puducherry, the Pondicherry Pollution Control Committee (PPCC), has instituted a 'Green Award'. Chemplast Sanmar Limited, Karaikal, was honoured with the Green Award for the year 2006 for the best performing industrial unit, at the Independence Day

celebrations at Puducherry, by the Chief Minister N Rangaswamy. This award is in recognition of Chemplast Sanmar's environment friendly initiatives which include the reverse osmosis plant that enables zero discharge of liquid effluents and the maintenance of green cover.



Message to MMA-IFMR Students

from N Kumar & S Gopal of The Sanmar Group



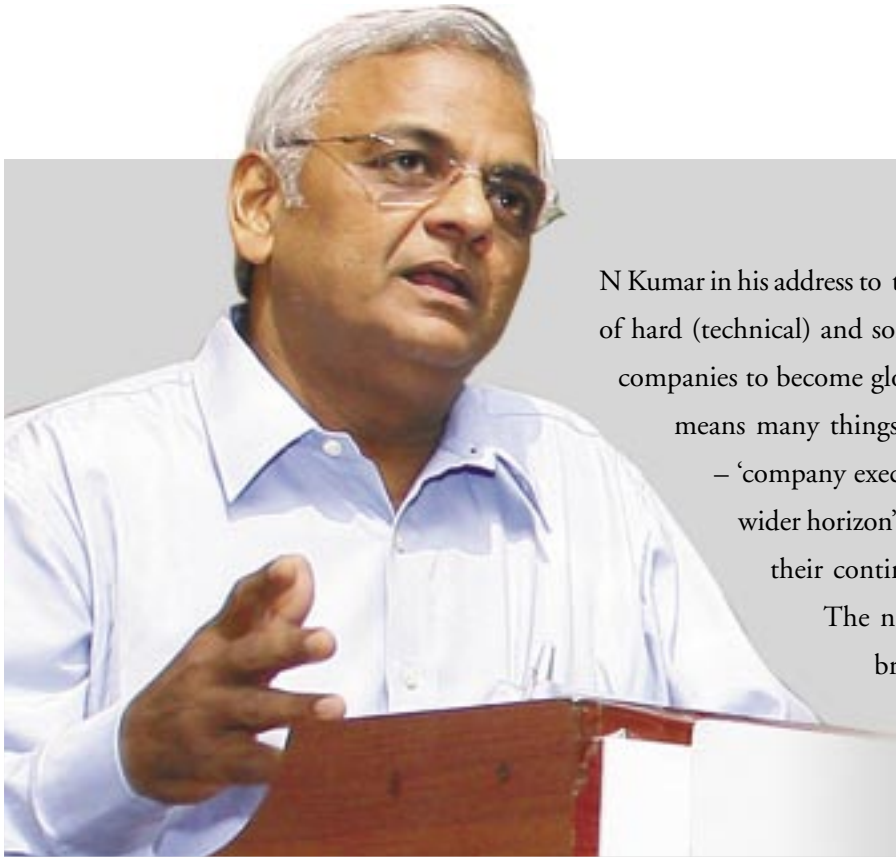
David Hopper, US Consul General in Chennai, handing out the certificates. S Gopal looks on.

The Madras Management Association (MMA) and the Institute for Finance and Management Research (IFMR) awarded certificates to the graduating class of the Post Graduate Certificate in Business Management program. David Hopper, US Consul General in Chennai handed out the certificates to the students.

A seminar 'Passion for Excellence' was organised under the aegis of Business Line Club, in the institute.

"Skills can be learnt but organisations love people with positive attitude which is nothing but a positive approach to life. We should learn from our mistakes to ensure we do not make them again better still we should learn from others mistakes. Organisations love people who can build processes to avoid errors being made." – S Gopal

S Gopal of Chemplast Sanmar Ltd has been elected president of the MMA. He addressed the graduating students of the MMA-IFMR Post Graduate Certificate in Business Management Program.



N Kumar in his address to the qualifying students said, “It is the blend of hard (technical) and soft skills of its manpower that will enable companies to become globally competitive. Globally competitive means many things to many people but to me it is simple – ‘company executives capable of looking at issues with a wider horizon’.” He congratulated MMA and IFMR for their continuing focus on Management Education. The new batch of graduating students will be brand ambassadors for future leaders and will help companies become suitable for global business.

A Dream Comes True



Umamaheshwari from Chidambaram had a dream – a dream of pursuing higher studies. Living in a village, it was not just a question of a university degree program, but also of hostel facilities. Her father, an electrician did not have the means to make his daughter’s dream a reality. Uma, had topped in her school, the Govt. N G Higher Secondary School, securing 79% in the Higher Secondary Examination. She had secured admission at Annamalai University for an integrated five-year post graduate program. The dream of higher education was slipping away for want of funds. With the recommendation from the CII, The Madhuram Narayanan Charitable Foundation has sponsored Uma’s tuition fees and hostel expenses. Today, Uma, a bright and dedicated student, is well on her way to accomplishing a dream. She is presently pursuing an MSc in Biotechnology from the Annamalai University with the support rendered from the Foundation.

Sri Sankara Senior Secondary School, Adyar

Informatics Olympiad 2007

B Srivatsan, a class XI student of Sri Sankara Senior Secondary School, Adyar, won the Bronze medal in the International Olympiad for Informatics held at Croatia in August 2007 making the school and country proud. He was one among 24 students who qualified in the Indian National Olympiad in Informatics 2007 conducted in collaboration with the Central Board of Secondary Education.



Best Teacher Award 2007



Mrs Mita Venkatesh, teacher, Sri Sankara Senior Secondary School, was honoured with the “Best Teacher Award 2007-08” by the Rotary Club of Madras, RI District 3230. She received the Award from Rtn Smt Indra Subramanyam, President, Rotary Club of Madras at a function on 4 September 2007, at the Taj Connemara.

SANMUN – 2007

Sri Sankara Senior Secondary School, Adyar, hosted ‘SANMUN 2007’ (Sri Sankara Model United Nations), in July in which seven city schools participated and 15 countries were represented. The five committees Disarmament, Economic and Financial, Social, Humanitarian and Cultural, Human Rights and Environment Commission presented two agendas each.



Executive Board with the Teacher.

Kuruvila Jacob Initiative

Promoting Excellence in School Education



N Sankar, The Sanmar Group, presenting a certificate to T S Vasuki Ammai, Headmistress, Corporation High School, Arthoon Road, Royapuram, for participating in the Kuruvila Jacob Initiative for Promoting Excellence in School Education, at a function in Chennai.

The fourth annual function of the Kuruvila Jacob Initiative for Promoting Excellence in School Education was held at Madras Christian College Higher Secondary School (MCCHSS) in Chennai on the 3 August 07. The event was organised by the Kuruvila Jacob Memorial Educational Trust.

The Kuruvila Jacob Initiative helps schools to apply Total Quality Management

methodologies for education excellence in line with international standards. These are developed with the help of the CII Institute of Quality. Two clusters of ten Chennai City Corporation schools each have been formed and a third will be formed during the current year. Certificates and plaques were given away to heads of schools that had partnered in the initiative. N Sankar, Chairman, The Sanmar Group, Darius Forbes, Chairman

Emeritus, Forbes Marshall Group, N Murali and S Viji, convenors, Kuruvila Jacob Memorial Educational Trust, and others were present at the occasion.

Speaking at the event, N Sankar brought back memories of Kuruvila Jacob, the impact he still commands among the 'old-boys' and his role as an educationist which had helped in shaping the young minds that led India to where it is today.



“ Education in the country is today at crossroads. India’s strides in the international arena are, undoubtedly due to our solid educational system. However, this system today is beset by three major issues – privatisation, reservation and language. Unless we resolve these issues on a pragmatic basis early, India is in real danger of losing the advantage it enjoys from its educational system. The situation cries for a person like Mr Jacob to be involved. He put education in the forefront as the main objective, and handled all other issues as peripheral. Such an approach is necessary today”.

N Sankar
The Sanmar Group

Chemplast Sanmar's Sustainability Report

Being Humane

Chemplast Sanmar released its first ever sustainability report for the year 2007. The report is broadly based on Global Reporting Initiative(GRI) guidelines and hopes to improve upon its sustainability practices incrementally with a goal to be completely compliant to GRI standards in the future. This year's report is restricted to the Chemicals business. The subsequent reports are expected to cover sustainability at the Group level.



Our approach to environmental sustainability

Most concede that development at the cost of a clean world is generally short-lived. The challenge lies in reconciling the growing needs of the present without compromising the interests of the future.

Chemplast Sanmar's extensive – and often proactive – environment compliance enhances stakeholder confidence, drives value creation and strengthens competitive positioning. In view of this, what is good for the environment is inevitably good for our business as well.

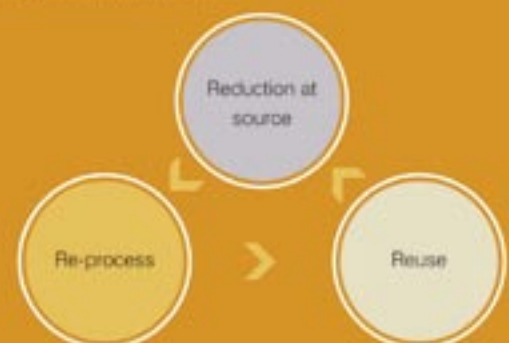


The company's approach to sustainability is purely based on the premise of recycling, conserving and protecting natural resources. This is achieved through a conscientious and scientific treatment and reuse pattern of effluent practised at the company's plants in Mettur Dam and Karaikal. Numerous process improvements and upgradations are implemented (such as the zero off-take of groundwater with the desalination plant in Karaikal and the newly commissioned PVC plant under implementation in Cuddalore). The company strives to adhere to and align all operations to best conservation practices.

In keeping with the above-mentioned approach, it would be notable to mention that the company is phasing out its production of carbon tetrachloride (CTC) and chlorofluorocarbons (CFCs) in line with the Montreal Protocol. Necessary audits on the compliance of this

phase-out have been satisfactorily completed. The company's clean development mechanism (carbon credit) project for incinerating the product HFC-23 was registered with the United Nations Framework Convention for Climate Change (UNFCCC) in February 2007. This will now enable the company to trade certified emission reductions (CERs). A switchover in the manufacturing process from mercury based to the environmentally conducive membrane

cell technology to produce caustic soda is a proactive initiative undertaken at the Mettur Dam plant and completed well ahead of the regulatory time stipulation. The zero liquid discharge of effluents of the PVC and chlorochemical divisions at the Mettur Dam represent a unique initiative, demonstrating the company's commitment toward environment protection. The conversion process was completed well ahead of the mandated timeline.



"Is it possible to enhance economic prosperity without compromising ecological well-being? Is it possible to make economic growth truly inclusive? Is it possible to create a growth model that reconciles the needs of shareholders, community and the world?"

"My answer is an emphatic yes, influenced largely by the fact that we, at Chemplast Sanmar, have been practising a truly sustainable business model for over four decades and can testify to the deeply held conviction that what is good for business can be equally good for the community and the world."

- N Sankar, Chairman, The Sanmar Group



Community development

At Chemplast Sanmar, we recognise that effective societal change is achieved not just through stray pockets of effort, but collective and sustainable commitment. Over the years, this passion for inclusive transformation extended wide and deep, employees supported the company's community development projects through a selfless contribution of personal time and resources.

At Chemplast Sanmar, this comprehensive involvement and sustained humane-ness led to sustainable stakeholder progress.



Approach to economic sustainability

At Chemplast Sanmar, the economic sustainability approach is to devise strategic means to consistently create value for stakeholders. There exists a definite pre-occupation to escalate returns on a sustainable basis to all stakeholder groups — company, customer, shareholder, channel partner and community.

Challenge

The commodity chemicals business is cyclical, the troughs being deep and unpredictable. This cyclical nature is often triggered by the timing of large capital investments during the boom years, resulting in simultaneous commissioning, concurrent overcapacity and the start of a down cycle.

Advantage

The commodity chemicals business is mature with medium and long-term supply-demand being fairly predictable with no unexpected business transformations being caused by technology or regulations.

Performance driver

Over the years, the company has strengthened its performance through its wide and deep product portfolio and a well-tested integration strategy. Besides, it has invested prudently from the perspective of generating a fair return on its invested capital. The constituents of the product portfolio are selected with a critical focus on volume and sustainable returns generated.

Kuruvila Jacob

'God from afar looks graciously upon a gentle master'. A schoolboy inscribes these lines on the flyleaf of Robert Browning's translation of Aeschylus's Agamemnon for his old schoolmaster in Terence Rattigan's 1948 play 'The Browning Version.' In the play, the tribute is at least partly insincere, but if the thousands of students who passed through the Madras Christian College School during the 31 years Kuruvila Jacob was principal there were to read those lines, they would to a man agree that those words exactly described his relationship with God.

Kunnenkeril Kuruvila Jacob, for 31 years the Head Master of Madras Christian College (MCC) High School, was an adored and respected teacher who made a great impact on thousands of students. At MCC, and later at Hyderabad Public School as well as Bombay Cathedral and John Connon School, he rang changes that enhanced the reputation of those schools.

Kuruvila Jacob was born on 3 August 1904, the fourth of eight children born to Kunnenkeril Jacob, a district munsif and his wife Rebeka, at Shertalay, Kerala. He had an idyllic childhood, growing up in the beautiful village of Aymanam on the banks of the river Meenachil, which flowed past the tile-roofed old houses of many of his extended family.

Kunnenkeril Jacob was frequently transferred and Kuruvila, like his siblings went to many schools. at Kottayam, Trivandrum, Nagercoil, and Parur. Besides being a good student, Kuruvila was an excellent sportsman, taking naturally to aquatic sports, growing up so close to the waterways of Kerala.

When Kuruvila was ten years old, he lost his mother, but he and his siblings were brought up with loving care once

his father married again a few years later. Mrs Anna Jacob was a sweet, affectionate mother to all of them.

After his Intermediate course at CMS College, Kottayam, Kuruvila Jacob went on to Madras Christian College (MCC) in Madras, where he graduated in physics and chemistry. An active sportsman, he stayed on at MCC as a demonstrator and worked as part-time secretary at the Young Men's Christian Association (YMCA).

Kuruvila had always admired the best of his teachers and wanted to emulate them in life. He learnt that Leeds University in England offered one of the best teacher training programmes in the world. The course would cost Rs. 7,000 and Kuruvila was initially hesitant to impose such a financial burden on his parents. Once he realised that Kuruvila was genuinely interested in teaching as a career, his father agreed to meet the cost of his education abroad, but insisted on his getting married before he left for England. Kuruvila and Grace Mathai were married in August 1929, just before he left for England. Grace was still going to college then and stayed behind to complete her education.

Kuruvila spent two years in Leeds, taking first a diploma and then his master's degree in education. While there, he was exposed to new thinking in the field of education. Of the two offers of jobs back home in India, Kuruvila chose one from MCC School, Madras preferring it to the headmastership of his old school, CMS, at Kottayam. He was the first Indian to be made head master of MCC School, breaking a century-old tradition of appointing professors at the Madras Christian College as the school's headmasters.

Kuruvila Jacob took charge as headmaster in 1931 and remained at the helm for the next 31 years, making Madras Christian College School "an institution that rivalled the best European-run English medium schools of the time, yet one that was uniquely Indian in character."

When Kuruvila joined the school, it shared premises with the Madras Christian College in the crowded George Town area of Madras. The arrangement continued for many years.

When the college moved to Tambaram in 1947, Kuruvila persuaded the board to sell the George Town property and buy a large garden house on Harrington Road in Chetpet, set in 28 acres of land and construct a new school building there.

He worked closely with the architects, cutting costs by using furniture and fittings from the old school, and buying construction material from military sources at post-war low prices. The result was an excellent new facility that met the school's requirements without proving too expensive to build.

The facilities in the new campus made MCC School one of the best schools in the country. Kuruvila recruited a dedicated band of teachers who collaborated with him in imparting the highest moral and ethical values in their teaching.

Sport was a major priority and the school's physical instructors and coaches put the vast grounds to good use. The school was home to all major sports trophies for several decades. Regular school camps, the NCC and Boy Scouts were compulsory activities.

Newspapers were placed in the school lobbies and news of important and

prestigious events were read out at the daily assembly. Audiovisual education was a regular feature of the school curriculum, with films of the latest advances in science, the best coaching films on cricket and the latest news from abroad being shown. Exchange students from other countries came to MCC School as did many famous personalities as visitors.

Kuruvila won the affection and respect of the students, teachers and parents. Academic records improved considerably, and the school built an enviable reputation in sport. Kuruvila was to repeat such success in the two other schools he went to after leaving MCC School—the Hyderabad Public School which was in a sad state of indiscipline and disorder when he became its first Indian headmaster—and Bombay Cathedral and John Connon School. (In 1962, after 31 years of dedicated work, Kuruvila Jacob retired as headmaster of MCC School. He had seen two generations of boys through to adulthood and was justifiably satisfied with his achievements. He had realised to a large extent the dreams he had set out with all those years ago).

Right from the beginning, he fostered a personal relationship with the students, discovering and encouraging individual talent, and doing away with the image of the stern, distant headmaster.

The government recognised Kuruvila Jacob's outstanding work at MCC School. He was asked to be a member of many committees on education. He travelled extensively in Europe, the United Kingdom, the United States of America, and the Soviet Union, visiting and evaluating schools. And every time on his return home, he tried to incorporate some of the interesting things he had noticed into his own school. While he was the principal of

Cathedral School, he was awarded the Padma Shri. He retired at the age of 75 to join his daughter Sulochana who was working at the Christian Medical College, Vellore. He died at the age of 87, after celebrating the diamond jubilee of his marriage to his devoted wife, Grace.

Milestones

- 3.08.1904 Born at Shertalay, Kerala
- 19.08.1929 Married to Grace Elizabeth, Kerala
- 1929 - 1931 Post graduation at Leeds University, U.K.
- 1931 Appointment as the first Indian headmaster of M.C.C. High School, Madras
- 1939 Visit to London University and Europe
- 1948 Commenced building of MCC HS at Chetput, Madras
- 1950 MCC School commences functioning at Chetput
- 1953 Member of international team of educationists that visited Europe and the U.S.
- 1952 -1962 Visit to the U.N. as Senior Fellow of the United Nations, president of the Madras Headmasters' Association, president of the Christian Education Council of South India, Education Advisor to Kerala State
- 1962 Member of Government of India Study Commission
- 1962 Retired from MCC HS

- 1962 - 1968 Joined Hyderabad Public School as the first Indian principal

- 1968 Joined the Bombay Cathedral and John Connon School as the first Indian principal

- 1970 Awarded the Padma Shree

- 1979 Retired at the age of 75

- 25.08.1991 Passed away at Vellore, Tamil Nadu

