



CHEMPLAST SANMAR LIMITED
Regd Office: 9 Cathedral Road Chennai 600 086 India

POSTAL BALLOT FORM

Sl.No.

1. Name(s) of the shareholder(s)
(In block letters)
(including joint-holders, if any)
2. Registered address of the
sole/ first named shareholder
3. Registered Folio No. *
(* Applicable to member(s) holding
shares in physical form)
DP ID No. & Client ID No.**
(** Applicable to member(s) holding
shares in dematerialised form)
4. Number of shares held

I/ We hereby exercise my/ our vote in respect of the Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated 30th January 2012 by sending my/ our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below:

Description	No. of Shares*	Nature of Voting	Please tick (✓) in the appropriate box
Special Resolution pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009 and other applicable provisions of law for the voluntary delisting of equity shares of Chemplast Sanmar Limited from the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited subject to delisting offer conducted by Sanmar Holdings Limited, promoter of the company (either acting by itself or together with the persons acting in concert).		I/We assent to the resolution (FOR)	
		I/We dissent to the resolution (AGAINST)	

* As per Section 183 of the Companies Act, 1956, a member need not use all his votes in the same way.

Place :

Date :

Signature of Shareholder(s)

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

INSTRUCTIONS

1. A shareholder desiring to exercise his/her vote by Postal Ballot may complete the attached form (no other form or photo copy thereof is permitted to be used for the purpose) and send it to the Scrutinizer, appointed by the Company, in the attached pre-paid self-addressed envelope. Postage is borne and paid by the Company. However, envelopes containing postal ballot, if sent through courier at the expenses of the shareholder will also be accepted. The Shareholder residing outside India should stamp the envelopes appropriately.
2. There shall be one postal ballot for every folio irrespective of the number of joint holders. A proxy shall not exercise the postal ballot.
3. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of dispatch of the Notice.
4. The Postal Ballot form should be complete and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the Company) by the first named shareholder and failing him by the next named shareholder and so on.
5. In case of corporate shareholders, trusts, societies the duly completed postal ballot form should be accompanied by a certified true copy of Board Resolution/ Authority.
6. In case holders of Power of Attorney sign the postal ballot form, reference of Power of Attorney registration by the company should be mentioned in the postal ballot form.
7. **Duly completed postal ballot forms should be received by the Scrutinizer not later than the close of business hours (17:30 hrs.) on Saturday, the 10th March 2012. Postal Ballot forms received after this date will be treated as if no reply from the shareholder has been received.**
8. A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified in item 7 above.
9. Incomplete, unsigned or incorrect Postal Ballot forms will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
10. Shareholders are requested not to send any other paper along with the Postal Ballot form in the enclosed self-addressed envelope which bears the address of the Scrutinizer appointed by the Company.
11. The Scrutinizer will submit his report to the Chairman of the Company or in his absence to Mr M S Sekhar, Director or Mr M Raman, Secretary of the Company in this behalf, after completion of the scrutiny and the results of the Postal Ballot will be announced at 17:00 hrs on Thursday, the 15th March 2012 at the Registered Office of the Company at 9, Cathedral Road, Chennai 600 086. Additionally, the result will be communicated to the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited, where the Equity Shares of the Company are listed and will be published in newspaper(s).

-X-X-X-X-



Chemplast Sanmar Limited

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www.chemplastsanmar.co.in

NOTICE OF POSTAL BALLOT

Pursuant to Section 192A of the Companies Act, 1956 and Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

To

The Members of
Chemplast Sanmar Limited

NOTICE is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, and all other applicable provisions, if any, read with applicable rules framed under the Companies Act, 1956 relating to passing of resolution by postal ballot and Regulation 8(1)(b) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") and any other applicable regulation of Delisting Regulations, as amended from time to time and pursuant to the requisition letter dated January 30, 2012 received from Sanmar Holdings Limited being the promoter of the Company and the board resolution of the Company dated January 30 2012, to the members of Chemplast Sanmar Limited (the "Company") to consider and if thought fit, to pass the following resolution as a special resolution ("Special Resolution") through a postal ballot ("Postal Ballot").

Your consent for the proposal contained in the resolution is sought to be obtained by means of Postal Ballot.

The resolution along with the Explanatory Statement setting out all material facts and the reasons thereto are enclosed.

The Postal Ballot Form for voting by you as a shareholder of the Company is also enclosed.

As per the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company has appointed Dr CS B Ravi, Practicing Company Secretary, as an independent person to act as a Scrutinizer for conducting the entire process of postal ballot in a fair and transparent manner. Dr CS B Ravi has conveyed to the Company his willingness to act as such.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form (no other form or photocopy is permitted) duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer on or before 17:30 hrs,

Saturday, the 10th March 2012. Postal Ballot Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company. It is however, clarified that Members desiring to exercise their vote from outside India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.

The Scrutinizer will submit his report to the Chairman of the Company or in his absence to Mr M S Sekhar, Director or Mr M Raman, Secretary of the Company after completion of scrutiny of Postal Ballot Forms received. The result of voting by Postal Ballot will be announced at 17:00 hrs on Thursday, the 15th March 2012 at the Registered Office of the Company at 9, Cathedral Road, Chennai 600 086. Additionally, the result will be communicated to the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited, where the Equity Shares of the Company are listed and will be published in newspaper(s).

In terms of Regulation 8(1)(b) of the Delisting Regulations, the Special Resolution shall be acted upon only if the votes cast by the public shareholders in favour of the Special Resolution amount to at least two times the number of votes cast by public shareholders against the Special Resolution.

(By Order of the Board)
For CHEMPLAST SANMAR LIMITED
M RAMAN
Secretary

Chennai
30th January 2012

PROPOSED RESOLUTION

Voluntary Delisting of the Equity Shares of the Company from the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a "Special Resolution":

"RESOLVED THAT pursuant to (i) the letter dated January 30, 2012 received from Sanmar Holdings Limited, holding 74.85% of the paid up equity share capital in the Company and collectively along with other promoters holding 75% of the paid up equity share capital in the Company, conveying its intention to voluntarily delist the equity shares ("Equity Shares") of the Company from the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited ("Stock Exchanges") in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"), (ii) the approval of the Board of Directors of the Company ("Board" which term shall be deemed to include any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) dated January 30, 2012, to the voluntary delisting of the Equity Shares of the Company from the Stock Exchanges, and (iii) Regulation 8(1)(b) of the Delisting Regulations and subject to all the applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), and subject to receipt of the requisite approvals from the Stock Exchanges, Reserve Bank of India and such other regulatory authorities or otherwise as may be required, the voluntary delisting of the Equity Shares of the Company from the Stock Exchanges in accordance with Delisting Regulations be and is hereby approved and that the Company (which term shall be deemed to include the Board and any person(s) authorized by the Board thereof) shall take all necessary actions and make all necessary filings to facilitate such delisting in accordance with the conditions specified in the Delisting Regulations and the applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT for the purpose of giving effect to the voluntary delisting of the Equity Shares as described herein, Mr M S Sekhar, Director and Mr M Raman, Secretary, be and are hereby severally authorized on behalf of the Company to do all such acts, deeds, matters and things as they may at their discretion deem necessary or desirable for such purpose including but not limited to making applications to the Stock Exchanges to seek their in-principle and final approval for the proposed voluntary delisting of the Equity Shares of the Company, and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any Director(s) or Officer(s) of the Company to give effect to the aforesaid resolutions."

(By Order of the Board)
For CHEMPLAST SANMAR LIMITED
M RAMAN
Secretary

Chennai
30th January 2012

Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. Your approval is sought by voting by Postal Ballot in terms of provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.
3. In terms of Regulation 8(1)(b) of the Delisting Regulations read with Section 192A of the Companies Act, 1956 read with applicable rules framed under the Companies Act, 1956 relating to passing of the resolution by postal ballot, the item of business set out in the Notice above is sought to be passed through Postal Ballot.
4. The Company has appointed Dr CS B Ravi, Practicing Company Secretary as the Scrutinizer to conduct the voting through postal ballot, in fair and transparent manner and to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self addressed business reply envelope are enclosed for use of the Members.
5. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before 17:30 hrs. Saturday, the 10th March 2012 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report to the Chairman of the Company or in his absence to Mr M S Sekhar, Director or Mr M Raman, Secretary of the Company after completion of the scrutiny and the results of postal ballot will be announced at 17:00 hrs. on Thursday, the 15th March 2012 at the Registered Office of the Company at 9, Cathedral Road, Chennai 600 086.
6. Additionally, the result will be communicated to the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited, where the Equity Shares of the Company are listed and will be published in newspaper(s).
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Sunday and Public Holidays between 11.00 a.m. and 1.00 p.m. upto Saturday, the 10th March 2012.
8. In case of shares held by companies, trusts, societies, etc, the duly completed Postal Ballot Form should be accompanied by a Certified True copy of the Board Resolution/Authority.

ANNEXURE TO NOTICE

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Voluntary Delisting of Equity Shares of the Company from the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited

The equity shares ("Equity Shares") of Chemplast Sanmar Limited ("Company") are at present listed on the Bombay Stock Exchange Limited (Scrip Code: 506355), National Stock Exchange of India Limited (Scrip Name: Chemplast) and Madras Stock Exchange Limited (Scrip Name: Chemplast) [the "Stock Exchanges"]. Sanmar Holdings Limited ("Promoter") is one of the promoters of the Company. The Promoter along with other promoters collectively owns 599,774,300 equity shares of the Company representing 75% of the subscribed and paid up equity share capital of the Company and 199,924,227 equity shares held by public shareholders represent 25% of the Company's subscribed and paid up equity share capital.

The Company has received a letter dated January 30, 2012 from the Promoter, expressing its intention to acquire the Shares held by the public shareholders of the Company ("Public Shareholders") by providing an exit opportunity in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") in order to voluntarily delist the Company's Equity Shares from the Stock Exchanges ("Delisting Offer").

Sanmar Group International Limited, an entity forming part of Promoter group of the Company shall act as person acting in concert with the Promoter for the purpose of delisting offer.

Promotor's Rationale for Delisting Offer

1. Chemplast Sanmar Limited ("Chemplast"/ "the Company") is going through one of the most difficult times in its history. The operations of the Company have been severely affected by wide fluctuations in petrochemical prices compounded by delay in accruing revenues from its large projects due to delays in their commissioning. The Company has been incurring losses from the financial year 2008-09 onwards. Despite the strengthening of the net worth of Chemplast by issue of rights equity shares in the financial year 2009-10, the losses incurred have led to an erosion in Chemplast's net worth and as on 31st March 2011, the Company's net worth was Rs.174.44 crores. This has significantly affected the gearing of the Company with the debt:equity ratio as of 31st March 2011 being almost 6:1. Chemplast has also liquidity problems to overcome which the promoters are extending unsecured loans.
2. Chemplast has not declared dividend from the financial year 2003-04 onwards. With the promoter shareholding being at 75% and the institutional shareholding at around 6%, there has been no trading liquidity in the stocks.

3. Chemplast needs to be reorganised and raise equity funds to correct the situation which it currently faces. It would take some more years before Chemplast is able to recoup the losses that it has incurred in the past few years. Chemplast's performance is heavily dependent upon the swings in the commodity cycle, which affect its ability to deliver steady financial returns. Significant further investments may be required in terms of backward integration, if these swings are to be avoided.
4. Chemplast needs capital infusion to correct the gearing and liquidity issues, which the promoters are willing to support. However with the promoter's shareholding being 75%, losses being incurred by Chemplast, and capital markets regulations prohibiting promoter holding over 75% in listed companies and the current depressed state of the capital markets, options are limited.
5. Under these circumstances, the promoters believe that the delisting option is in the best interests of the public shareholders as it comes with an opportunity to exit at a fair price. In addition, it gives Chemplast the flexibility to raise equity resources freely from promoters and others towards deleveraging its finances and towards further investments, and also the flexibility to reorganize its operations to prevent it from becoming a sick company.

As per the Delisting Regulations, a company may delist its equity shares from the Stock Exchanges where its equity shares are listed, if such voluntary delisting is sought by a promoter of the company. The Delisting Regulations further provide that, such promoter is required to provide an exit opportunity to the shareholders of the company and determine the exit price for delisting the equity shares in accordance with the reverse book building process prescribed in the Delisting Regulations. The Promoter shall make in this regard a public announcement which shall contain the requisite information specified in Schedule I of the Delisting Regulations.

The Delisting offer is conditional upon:

- a. the Promoter accepting the price determined by the reverse book building process in accordance with Delisting Regulations;
- b. the number of equity shares validly tendered in the Delisting Offer being sufficient to result in the Delisting Offer being successful as per the Delisting Regulations;
- c. the Promoter having obtained necessary regulatory and statutory approvals required under the applicable laws including the Delisting Regulations;
- d. there being no amendments to the Delisting Regulations or any applicable regulations which would prejudice the Promoter in proceeding with the delisting proposal; and
- e. such other terms and conditions as may be set out in the public announcement or the Letter of Offer to be sent to the shareholders.

In terms of Regulation 8(1)(b) of the Delisting Regulations, the Delisting Offer requires approval of the members of the Company by way of a special resolution passed through Postal Ballot process.

As per Regulation 8(1)(b) of the Delisting Regulations, the special resolution passed by the members shall be acted upon only if the votes cast by the Public Shareholders in favour of the Delisting Offer amount to at least two times the number of votes cast by the Public Shareholders against it.

In the event that this Special Resolution is passed by the members as set out above, subject to receipt of the in-principle approval of Stock Exchanges and applicable statutory approvals, a public announcement ("Public Announcement") of the Delisting Offer may be made by the Promoter in accordance with the Delisting Regulations followed by dispatch of Letter of Offer to all Public Shareholders. Thereafter, the Delisting Offer will be conducted in accordance with the Delisting Regulations.

Accordingly, the approval of the shareholders is sought for the aforesaid Special Resolution, after which, the Promoter will proceed, at its discretion, to make an offer to the shareholders of the Company and purchase the shares at the exit price determined in accordance with the provisions of the Delisting Regulations.

Shareholders may please note that, the passing of the Special Resolution is enabling in nature, and it will allow the Promoter (if it chooses to) to proceed with the Delisting proposal in the twelve month period following the passing of resolution. The passing of the Special Resolution will not, and should not be construed in any manner as a commitment, or an undertaking of the Promoter to acquire or delist the equity shares of the Company. In accordance with the Delisting Regulations, the Promoter reserves the right not to proceed with the Delisting proposal in the event the Discovered Price is not acceptable to the Promoter.

Your Directors recommend the above resolution for approval.

Mr M N Radhakrishnan and Mr V K Parthasarathy, Directors of the Company are deemed to be interested or concerned in the resolution to the extent of their shareholding in the Company.

Chennai
30th January 2012

(By Order of the Board)
For CHEMPLAST SANMAR LIMITED
M RAMAN
Secretary