

INEOS STYROLUTION INDIA LIMITED

Registered Office: 6th Floor, ABS Towers, Old Padra Road, Vadodara – 390 007, Gujarat

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NOTICE OF POSTAL BALLOT

Dear Members,

NOTICE is hereby given that the Board of Directors of the Company at its meeting held on **09 August 2017** resolved to seek the consent of shareholders to the following resolutions appended below, to be passed through Postal Ballot including e- voting in accordance with the provisions of section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013, ('the Act') read with the Companies (Management and Administration) Rules, 2014 ('the Rules') including any statutory modification(s) or re-enactment(s) thereof for the time being in force, as also regulation 44 and other regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'). The proposed resolutions, explanatory statement pertaining to the resolutions proposed in this notice setting out all the material facts concerning to the resolutions and the reasons thereof along with the postal ballot form are enclosed for your kind consideration.

The Board of Directors at its meeting held on 09 August 2017 has appointed CS. Devesh A. Pathak of M/s. Devesh Vimal & Co., Practicing Company Secretaries, Vadodara, as scrutinizer for conducting the postal ballot / e- voting in a fair and transparent manner.

Members are requested to carefully read the instructions which are printed on the postal ballot form and return the same duly completed in the attached pre-paid postage self-addressed envelope so as to reach, CS. Devesh Pathak, the scrutinizer on or before Friday, 27 October 2017. Your assent/dissent received at the address as mentioned on the envelope after Friday, 27 October 2017 would be strictly treated as if no reply has been received from you. No other form or photocopy of the form is permitted.

Shareholders who do not receive the postal ballot form may apply to the Company and obtain a duplicate thereof. In accordance with the Rules, the notice of the postal ballot would also be uploaded on the Company's website **www.ineosstyrolutionindia.com** under 'Investor Relations' section.

Electronic Voting (e-voting):

In compliance with regulation 44 of the Regulations and provisions of section 108, 110 and other provisions applicable, if any, of the Act read with the Rules, the Company is pleased to provide Electronic Voting ("e-voting") facility as an alternate, to all its Members, to enable them to cast their votes electronically instead of dispatching the physical postal ballot form. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to its Members. It may be noted that e-voting is optional. In case, a Member has voted through e-voting facility, he/she is not required to send the physical postal ballot form. In case, a Member votes through physical vote also, the vote cast through e-voting only shall be considered by the scrutinizer. The e-voting facility is available at the link **www.evoting.nsdl.com**. Please refer the instructions for e-voting given on the back side of the postal ballot form for the process and manner in which e - voting is to be carried out.

The scrutinizer will submit his report to the Managing Director or Company Secretary after completion of the scrutiny and the result of the voting by postal ballot will be announced by the Managing Director or Company Secretary of the Company by **Monday, 30 October 2017** at the Registered Office of the Company. The declaration by the Managing Director or Company Secretary as stated above shall be treated as declaration of results at a meeting of the shareholders as per the Rules. The said results will also be intimated to both stock exchanges where the Company's shares are listed, published in the newspapers and uploaded on Company's website.

Consent of the Members is being sought for the resolutions proposed as follows:

RESOLUTIONS**Special Business****I. To borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"Resolved that in supersession of the earlier resolutions passed by the Members in their meeting and pursuant to the provisions of section 180 (1)(c) and other applicable provisions, if any, of the Act [including any statutory modification(s) or re-enactment(s) thereof] and the provisions of Foreign Exchange Management Act 1999, as amended and restated, and the Memorandum and Articles of Association of the Company, consent of the Company be and is here by granted to the Board of Directors of the Company (hereinafter referred to as the "Board" including committee constituted by the Board, if any) to borrow, for and on behalf of the Company from time to time, any sum or sums of monies (exclusive of interest) and on such terms and conditions and with or without security, as the Board of Directors may determine, from INEOS group of Companies, whether in India or abroad, and by way of commercial borrowing, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of INR 100 crores."

"Resolved further that the Key Managerial Personnel of the Company be and are hereby jointly and severally authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings and to do all such acts, deeds and things as may be required to give effect to this Resolution".

II. Appointment of Mr. Nitankumar Duggal as a retiring director of the Company.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Resolved that Mr. Nitankumar Duggal (DIN: 07872778), who was appointed as an additional director of the Company w.e.f 31 August 2017 by the board of directors to hold office upto the date of the next annual general meeting under section 161(1) of the Act and who is eligible for appointment and in respect of whom the Company has received a requisite notice under section 160 of the Act, in writing, proposing his candidature for the office of director, be and is, hereby appointed as a director of the Company liable to retire by rotation;

Resolved further that the board of directors of the Company (including any committee thereof), be and is, hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

III. Appointment of Mr. Nitankumar Duggal as Whole-time Director of the Company.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"Resolved that pursuant to the provisions of sections 196, 197 & 203 read with schedule V and other applicable provision(s), if any, of the Act [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable provisions of the Act, and subject to the approval of central government, and such other approvals / permissions, if any, the Company hereby accords its approval to the appointment

of Mr. Nitankumar Duggal as the whole-time director of the Company for a period of three years with effect from 31 August 2017, on the terms and conditions including those relating to remuneration as set out under item No. 3 of the explanatory statement setting out the material facts annexed to this notice, with liberty to the board of directors (including any committee thereof) to alter and vary any terms and conditions including increase in remuneration in such manner as may be agreed to between Mr. Duggal and the board from time to time;

Resolved further that the board of directors of the Company (including any committee thereof), be and is, hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Registered Office:

INEOS Styrolution India Limited
6th Floor, ABS Towers, Old Padra Road,
Vadodara – 390007, Gujarat
Vadodara
09 August 2017

On behalf of the Board of Directors
Haresh Khilnani

Company Secretary,
Head-Legal and Compliance

Notes:

- 1) The explanatory statement pursuant to section 102 of the Act setting out material facts is annexed hereto.
- 2) The Notice is being sent to all the Members by registered post (and electronically by e-mail to those Members who have registered their e-mail ids with the depository participants or Company), whose names appear in the Register of Members / Record of depositories as on **08 September 2017 (cut off date)**.
- 3) Postal ballot and e-voting instructions are printed on the back side of the postal ballot form.
- 4) The e-voting period commences on **Wednesday, 27 September 2017** (9:00 a.m.) and ends on **Friday, 27 October 2017** (5.00 p.m.)
- 5) As per section 108 and 110 of the Act, read with rule 20 and 22 of the Rules, notice of postal ballot may be served on the Members, inter-alia, through electronic means. Members, who have registered their e-mail IDs with depositories or with the Company, are being sent this notice of postal ballot by e-mail and the Members who have not registered their e-mail IDs will receive notice of postal ballot along with postal ballot form through post. Members who have received postal ballot notice by e-mail and who wish to vote through physical form may download the form attached in the email or from the link **www.evoting.nsdl.com** or from the 'Investor Relations' section on the Company's website **www.ineosstyrolutionindia.com** and send the duly completed and signed form to the Scrutinizer.
- 6) Members are requested not to send any other paper along with the postal ballot form in the enclosed postage prepaid self-addressed envelope as all the envelopes would be sent to the scrutinizer, any extraneous paper found in such envelope would be ignored by the scrutinizer, and the Company would not be able to act on the same.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013**Item No. 1**

In terms of provisions of section 180 (1) (c) and other applicable provisions, if any, of the Act, the Board of directors of the Company cannot except with the consent of the Company, borrow money exceeding aggregate of its paid-up share capital and free reserves, unless the approval of the shareholders is obtained by way of a Special Resolution.

In view of the production capacity expansion programme to be undertaken by the Company for expanding its ABS Compounding capacity from 66 KTA to 100 KTA at its plant situated in Moxi and to finance the capital expenditure requirement of the project, it was considered essential to borrow such sum of monies from INEOS group of Companies from time to time by way of external commercial borrowings such that amount so borrowed and outstanding at any time shall not exceed the sum of INR 100 crore at any time even if it may exceed the aggregate of the paid up capital of the Company and its free reserves.

Accordingly, the board recommends the special resolution set forth in item no. 1 of the notice for approval of the Members.

No Director/Key Managerial Personnel or their relatives shall be deemed to be interested or concerned financially or otherwise in the resolution.

Item No. 2

Your directors at its meeting held on 09 August 2017 have appointed Mr. Duggal as an additional director to hold office upto ensuing annual general meeting.

Your directors recommend appointment of Mr. Duggal as a director liable to retire by rotation for whom requisite notice pursuant to section 160 of the Act has been received.

Accordingly, the board recommends the ordinary resolution set forth in item no. 2 of the notice for approval of the Members.

None of the directors / key managerial personnel and their relatives except Mr. Duggal shall be deemed to be interested or concerned financially or otherwise in the said resolution.

Item No. 3

Mr. Nitankumar Duggal is Head of Operations for INEOS Styrolution in India. He is a Chemical Engineer and holds a degree of MBA in Finance. He joined the Company as a Graduate Engineer Trainee in Projects in 1989 and has been an integral part of this organization ever since.

Considering his knowledge and professional experience of various aspects relating to the Company's affairs and long business experience, the board of directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Duggal should be available to the Company for a period of 3 years with effect from 31 August 2017 to 30 August 2020.

In terms of the provisions of the Act and the articles of association of the Company, the nomination and remuneration committee of the board and the board of directors have, at their respective meeting held on 09 August 2017, appointed him as a Whole-time director of the Company for a term of three years with effect from 31 August 2017 to 30 August 2020 (both the days inclusive) on the terms and conditions set out below subject to the approval of the shareholders:

BASIC SALARY

Appointment of Mr. Nitankumar Duggal as a Whole Time director, for a period of three years from 31 August 2017 to 30 August 2020 (both the days inclusive) on a salary not exceeding INR 54.09 lakhs per annum.

PROVIDENT FUND, SUPERANNUATION / ANNUITY FUND

Company's contribution to provident fund and superannuation or annuity fund and other retirals to the extent these either singly or together are not taxable under the Income-tax Act. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

PERFORMANCE INCENTIVES

In addition to the salary and perquisites, the appointee would be entitled to such performance incentives in any financial year as may be determined by the board of directors of the Company or recommendation of nomination and remuneration committee having regard to the performance of the Company not exceeding INR 26.92 lakhs per annum.

Aforesaid remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) shall not exceed the overall limits laid down in section 196 and 197 of the Act, including any statutory modification(s) or enactment(s) thereof i.e. not exceeding 5% of the net profits as computed under section 198 of the Act. However, if the aforesaid remuneration exceeds the limits, the Company shall pay remuneration in line with limits mentioned in section 196 and 197 of the Act / schedule V of the Act till the approval of central government is obtained, if necessary.

MINIMUM REMUNERATION

In any financial year during the currency of the tenure of the appointee, the Company has no profit or its profits are inadequate the Company may pay to the appointee, remuneration by way of salary and perquisites as specified above as minimum remuneration. If aforesaid remuneration exceeds the limit under section 197 and / or schedule V of the Act, aforesaid remuneration can be paid as minimum remuneration with the approval of central government, if necessary.

The board of directors may, subject to the approval of shareholders at the general meeting and other requisites authorities, if any, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Duggal including the monetary value thereof, upto the limits, prescribed in that behalf under or pursuant to the Act or any statutory amendment(s), modification(s) or re-enactment thereof from time to time in force and/ or the guidelines in case of managerial remuneration issued by the Government of India, the Ministry of Corporate Affairs, from time to time, from the date the statutory amendment(s), modification(s) or re-enactment(s) and/ or the guidelines come into force.

The Company shall enter into an agreement with Mr. Duggal inter alia detailing the terms and conditions of appointment, powers, duties and the remuneration payable to him as detailed in the notice.

In the event that during the tenure of the subsisting agreement with Mr. Duggal, the statutory restrictions contained in the Company Law / Corporate Laws are removed or amended by the regulatory authorities, the board of directors will be at liberty to decide such variation in the terms as may be deemed necessary.

The above may be treated as an abstract of the terms of agreement between the Company and Mr. Duggal pursuant to Section 190 of the Act. The board of directors accordingly recommends the resolution set out at the item no. 3 of the accompanying notice for the approval of the shareholders of the Company.

Accordingly, the board recommends the special resolution set forth in item no. 3 of the notice for approval of the Members.

Information pursuant to Part II section II (iv) of schedule V of the Act and as required under regulation 36 of the Regulations is set out as below:

| General Information | | |
|--|--|-----------|
| Nature of Industry | INEOS Styrolution is the leader and leading producer of ABSOLAC (ABS) in India. ABS is a plastic resin produced from Acrylonitrile, Butadiene & Styrene, used for manufacturing of home appliances, automobiles, consumer durables and business machines. The Company is also a leading manufacturer of ABSOLAN (SAN) which is a polymerized plastic resin produced from Styrene & Acrylonitrile, and mainly used for products such as lightings, stationeries, novelties, refrigerators and cosmetic packing. | |
| Date or expected date of commencement of commercial production. | The Company's plants are already operational. | |
| In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospects. | Not Applicable. | |
| Financial performance based on given indicators | Financial Year : 2016-17 | |
| | Effective Capital (INR in lakhs) | 58,704.82 |
| | Sale of goods (INR in lakhs) | 162,819 |
| | Profit for the year (INR in lakhs) | 6,928 |
| | Earnings per share | 39.40 |
| Foreign investments or collaborations, if any | Not Applicable. | |
| Information about the appointee: | Mr. Nitankumar Duggal | |
| Date of Birth | 23/06/1967 | |
| Background details, past remunerations, recognition or awards, job profile, expertise, experience and his suitability, remuneration proposed. | Please refer item no. 3 of statement pursuant to section 102(1) of the Act of this notice. | |
| Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be with respect to the country of his origin) | Increased complexities & intricacies involved in today's business strategies, more particularly its survival, in today's thermoplastics industry, companies have had started recognizing its social responsibility towards rewarding its managerial personnel who have not only contributed significantly but also have adhered to the compliance of various laws of land and comprehensive global policies of its group. The basis of such remuneration to Mr. Duggal is to recognize his achievements, experience and benefits that Company can derive from him. The remuneration offered to Mr. Duggal is the most suitable in today's market scenario. Further details with regard to the size of the Company can be referred in the financials and Board's report of the annual report. | |

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| Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any | No relationship interse |
| Directorship held in other public companies | None |
| Membership of committees held in other public companies in India | None |
| No. of Equity shares held in the Company | None |
| Other information | |
| Reasons of loss or inadequate profits, Steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms. | The Company does not have any inadequate profit or losses. However due to the lower sales volume on account of demonetisation in November and December 2016 and lower production owing to constrained supply of Butadiene- a key raw material, during Apr-Jun 16 the overall sales turnover of the Company has reduced during the FY 2016-17. However, the Company has taken initiative which is mainly driven by competitive pricing, better margins, inventory gain and production capacity expansion programme for increasing the productivity and profitability of the Company. |
| Disclosures | |
| All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc., of all the directors, details of fixed component and performance linked incentives along with the performance criteria and service contracts, notice period, severance fees. | Please refer item no. 3 of statement pursuant to section 102(1) of the Act of this notice. |
| Stock option details, if any, and whether the same has been issued at a discount as well as the period over such accrued and over which exercisable. | Not applicable. |

None of the directors / key managerial personnel or their relatives except Mr. Duggal who shall be deemed to be interested or concerned financially or otherwise in the said resolution.

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Vadodara
09 August 2017

On behalf of the Board of Directors
Haresh Khilnani

Company Secretary,
Head-Legal and Compliance

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