

# 46th Annual Report : 2018-19

## INEOS Styrolution India Limited



**INEOS**  
**STYROLUTION**

Driving Success. Together.

# CARE BEYOND BOUNDARIES

The Corporate Social Responsibility (CSR) committees plans and approves sustainable community outreach activities and initiatives based on core themes – promotion of education, preventive healthcare, infrastructural support, sanitation facilities, livelihood enhancement and community welfare. This year the Company strengthened this bond with the community through several CSR activities, which include educational assistance in the form of scholarships, stationery and study kits and assistance to special needs children in Sai school in Vadodara and Dhvani trust school in Bharuch. Construction and repair of school classrooms, roof, shed, washrooms, cooling water drinking plant, deepening natural water storage ponds in villages in vicinity of Company's plants, The Company contributed to the Prime Minister's Relief Fund during Kerala Flood and 'Bharat ke Veer'.



# SPEARHEADING STYRENICS IN INDIA

INEOS Styrolution India Limited (formerly known as Styrolution ABS India Ltd.) is the leader and number one 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. Effective March 31, 2016, Styrolution India Pvt. Ltd. has merged with INEOS Styrolution India Ltd., bringing the Polystyrene business to the company's product portfolio.

With over 40 years of pioneering experience, INEOS Styrolution India Limited has been the most preferred supplier to our esteemed customers. We take immense effort in analyzing and understanding our customer's requirements to offer innovative solutions that enhances quality of their products. Our commitment to offer best-in-class products and customized solutions has put us in number one position. We are committed to work hand in hand with our customers to drive success together.

Our parent company, INEOS Styrolution is the leading, global styrenics supplier with a focus on styrene monomer, polystyrene, ABS Standard and styrenic specialties. With world-class production facilities and more than 85 years of experience, INEOS Styrolution helps its customers succeed by offering the best possible solution, designed to give them a competitive edge in their markets. The company provides styrenic applications for many everyday products across a broad range of

industries, including automotive, electronics, household, construction, healthcare, toys/sports/leisure, and packaging. In 2018, sales were at 5.4 billion euros. INEOS Styrolution employs approximately 3,500 people and operates 20 production sites in nine countries.

## PLANTS IN INDIA

**Nandesari**



**Katol**

**Moxi**



**Dahej**

# BOARD OF DIRECTORS



**Mr. Stephen Mark Harrington**

During his 26-year career, Stephen Mark Harrington has held various commercial roles at INEOS, and previously worked for ICI and Unilever. Since April 2015, he is President of Styrolution's Asia Pacific operations, based in Singapore. He is also concurrently President of Styrolution's Global Styrene business and serves as Chairman of the Styrene Information and Research Center. He holds a degree from Hull University, United Kingdom.



**Mr. Sanjiv Vasudeva**

Sanjiv Vasudeva is the Managing Director of INEOS Styrolution India Limited. He has a proven track record in leadership, general management and operations, having 25 years of broad functional experience in various global leadership positions in multiple geographies with some of the world's largest diversified industrial conglomerates. He has worked as Country Commercial Director and Global Marketing Leader for SABIC Innovative Plastics, India. He has held full P&L responsibility for Asia and has been Country Commercial Director for G.E. Plastics, Singapore. He is a certified Master Black Belt- Six Sigma having spent 10 years in The Netherlands with G.E. Plastics in quality/ Six Sigma, product management and manufacturing. Vasudeva is a Chemical Engineering graduate from MS University of Baroda



**Mr. Nitankumar Duggal**

Nitankumar is the Head of Operations for INEOS Styrolution in India. He is a Chemical Engineer and holds a MBA in Finance. He joined ABS Plastics Ltd as a Graduate Engineer Trainee in Projects in 1989 and has been an integral part of this organization ever since. Over the course of his career, he has handled various responsibilities in Projects, Operations and Safety Health & Environment (SHE) throughout the company's transition from ABS Plastics to INEOS Styrolution and gained valuable experience in countries such as India, Japan, Germany and Singapore. In July 2017, he assumed the role of Director - Operations for INEOS Styrolution in India, responsible for all ABS and PS manufacturing facilities and operations at Kandla and Windmills



**Mr. Jal R. Patel**

Jal Patel is a Chartered Accountant and Company Secretary by qualification, having varied experience in the field of Finance / Commercial and Corporate Administration. He is a highly respected Industrialist and has retired as the Chairman of FAG Bearings India Ltd, (now known as Schaeffler India Ltd.) a company which he had joined as Chief Accountant and thereon went on to be its Managing Director, Vice Chairman and then Chairman. He is an Independent Director in several reputed public companies, including Gujarat Gas Company Ltd, Elecon Engineering India Ltd and Munjal Auto India Ltd. He is a Director and advisor to the Goradia group of companies, Vadodara, which is predominantly in the oral consumer care business. He is a past President and currently managing committee member of Federation of Gujarat Industries and has also been a past President and governing body member of Gujarat Employers' Organization. He is past Chairman and permanent Invitee, Board of Governors, United Way of Vadodara. He holds membership and is a trustee in various trusts and social organizations in Vadodara.



**Ms. Ryna Karani**

Ryna Karani is a partner at ALMT Legal in Mumbai with over 20 years of professional experience. Ryna specializes in advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions including cross border transactions. She has advised and assisted a number of foreign clients in establishing a presence in India through incorporations of companies and/or establishment of branch/liaison offices. Besides her M&A practice, Ryna advises clients on infrastructure projects, loan transactions, general corporate matters, commercial contracts and has a substantial real estate practice. Ryna is a Director on the board of several other listed companies, including Reliance Infrastructure Ltd., and some public unlisted and private companies.



**Mr. Anil Shankar**

Anil Shankar is a qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI). He has rich professional experience of over 39 years in strategic and operational Financial and General Management with leading Multinational Companies. His areas of expertise include Mergers and Acquisition, Taxation, Working Capital Management, Internal Controls and Processes and Financial Planning and Analysis. Besides finance, he has provided oversight to other corporate functions like IT and implementation of ERP Systems, HR, Supply Chain Management, Corporate Governance and Legal.

Anil Shankar has served on the Boards of Motorola and Polaroid India. During his last assignment, he was a member of the Board of Directors and CFO of SIEMENS Healthcare. He has completed his Master of Business Administration (MBA) degree with specialization in Finance and International Business from Bowling Green State University, Ohio, USA.

# SENIOR MANAGEMENT



Mr. Jit Teng Tan

Mr Tan completed his Masters of Business Administration (MBA) from the University of Hull, England and Bachelor of Economics from Macquarie University, Australia. He is currently Vice President (Finance) of INEOS Styrolution APAC Pte. Ltd., Singapore and has extensive experience managing regional activities in finance and accounting operations, tax, governance, budgeting and business analyses. He also has in-depth experience with regional internal audit function and in HR development.



Mr. Sanjeev Madan

Sanjeev Madan is CFO of INEOS Styrolution India Limited. He is an accomplished Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and Bachelor in Commerce (Honors) from Shri Ram College of Commerce, Delhi University. He has rich professional experience of over 22 years in handling strategic and operation financial with various Multinationals and industries like FMCG, Telecom, Lubricant, Chemicals. His area of expert include financial planning and execution, financial control & Reporting, direct and indirect tax, statutory compliances, funding & treasury management, Working Capital Management, Business Control & Compliances, Internal Control and automation of process including ERP Implementation. He has worked with major companies including SABIC Innovative plastic, Valvoline Cummins India, Bharti Airtel, Coca Cola India and Ernst & Young.



Mr. Abhijaat Sinha

Abhijaat Sinha is the Head – Legal & Company Secretary of INEOS Styrolution India Limited. He is an Associate Member of the Institute of Company Secretaries of India and a Law Graduate from Mumbai University, with a rich experience of over 19 years in industry covering all aspects of legal, compliance and secretarial functions for listed and private companies. He specializes in corporate law advisory, corporate laws' compliance, legal drafting, vetting, contract negotiations, corporate structuring, investment structuring, government liaison and listing of securities. He has worked with reputed business houses like Piramal group and Tata group in the past and has diverse experience in various industries like telecom, manufacturing, pharmaceutical, retail, shipping and real estate venture capital. Prior to joining the Company, he was working as Head – Legal & Secretarial for a telecom company in Mumbai.

# 5 YEARS STATISTICAL INFORMATION

(Rs. in lakhs)

YEAR NO OF MONTHS	2018-19 (#) 12	2017-18 (#) 12	2016-17 (#) 12	2015-16 (#) 12	2014-15 (^) 15
Equity Share Capital	1,758.6	1,758.6	1,758.6	1,758.6	1,758.6
Other Equity	60,567.4	62,693.2	56,946.3	50,909.5	48,622.0
Total Equity	62,326.0	64,451.8	58,704.8	52,668.1	50,380.6
Borrowings - Long Term	8,900.00	2,300.00	-	-	-
Funds Employeed	71,226.0	66,751.8	58,704.8	52,668.1	50,380.6
Net Worth per equity (Rs)	354.4	366.5	333.8	299.5	286.5
Current Ratio	1.7	1.9	1.8	1.7	1.6

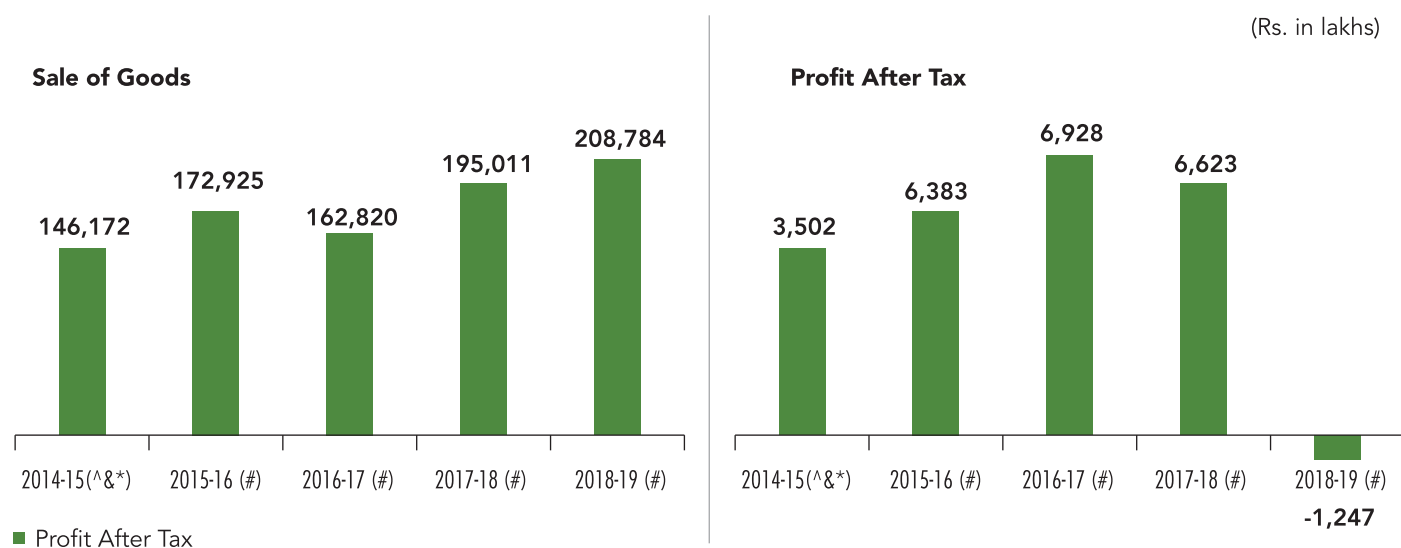
  

YEAR INCOME AND PROFITS	2018-19 (#)	2017-18 (#)	2016-17 (#)	2015-16 (#)	2014-15 (^#)
Sale of goods	208,784.1	195,010.9	162,819.5	172,925.2	146,172.0
Profit Before Tax	(1,848.1)	10,313.1	10,029.6	6,024.6	5,173.2
Tax	(601.4)	3,690.6	3,101.6	(358.40)	1,670.9
Profit After Tax	(1,246.7)	6,622.5	6,928.0	6,383.0	3,502.3
Earning Per Share (Rs)	(7.1)	37.7	39.4	36.3	19.9
Dividend Per Share (Rs)	2.0	4.0	4.0	4.0	4.0
Return on Net worth	-2.0%	10.3%	11.8%	12.1%	7.0%

"(#) FY 2018-19, FY 2017-18 and FY 2016-17 results have been prepared based on IND AS. FY 2015-16 financials and balance sheet as on April 1, 2015 have been reinstated as per IND AS to make them comparable with the reporting period."

(^) Numbers are as per previous IGAAP as reported in respective period.

(1) Profit for the period 2014-15 is profit after tax as per previous IGAAP, while 2015-16, 2016-17, 2017-18 and 2018-19 profit is before other comprehensive income.



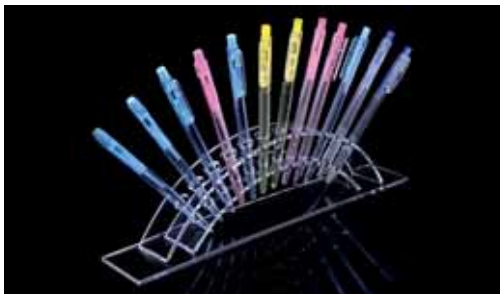
# PRODUCT PROFILE



## ABSOLAC® (ABS)

ABSOLAC®/ NOVODUR® is a plastic resin produced from acrylonitrile butadiene styrene (ABS). ABSOLAC® is produced exclusively in India. The products are available pre-coloured and can be tailored to your needs.

INEOS Styrolution's specialty acrylonitrile butadiene styrene (ABS) copolymers feature grades characterised by easy processing ease, high aesthetic colourful surfaces and excellent paintability, as well as good impact strength and heat resistance. They also exhibit high adhesion strength required for electroplating, as well as good mechanical strength and chemical resistance. It has applications diverse from automotive exterior: radiator grilles, light housing spoiler, helmets and automotive interior: loudspeaker grilles. Housing for electronic devices, household applications and office equipment.



## ABSOLAN® (SAN)

INEOS Styrolution's styrene acrylonitrile polymer (SAN) portfolio is available for the local market in India. Absolan® grades feature a very well balanced property profile ranging from excellent transparency and good chemical resistance to high stiffness, and good dimensional stability. It has applications diverse from industrial goods, stationery, electrical appliances, household applications and cosmetic jars.



## LURAN® S (ASA)

INEOS Styrolution's acrylonitrile styrene acrylate (ASA) polymers are the benchmark styrenic polymer for weather resistance. The grades in the Luran S portfolio feature high surface quality, excellent chemical resistance and good impact strength, including enhanced color fastness and superior long-term performance when exposed to UV irradiation and heat. It has applications diverse from automotive exterior: radiator grilles, mirror housings and automotive interiors: overhead compartments. Household applications, PVC cap stock for sheets, sidings, roof tiles and gardening equipment.





### NOVODUR® HIGH HEAT (HH ABS)

INEOS Styrolution's speciality acrylonitrile butadiene styrene (ABS) is the material of choice for heat resistance and aesthetics. The copolymers feature grades with a well-balanced mix of properties for injection molding, including good impact strength, dimensional stability and heat resistance. Novodur® high heat is easy to process and creates highly aesthetic, colourful surface appearance. The versatile product line is available pre-coloured and contains products with unique features to fit the most demanding product applications. Like for automotive exterior: mirror housings, light housings, front grills, trims and for automotive interiors: glove box, centre consoles and instrument panel trims. Vacuum cleaners housings and coffee machines.



### GPPS

INEOS Styrolution's STYROLUTION® PS - General Purpose Polystyrene (GPPS) resins are transparent polymers suitable for injection molding and extrusion applications. Uses for these products vary from food service and food packaging to refrigerator components, healthcare and diagnostic and lab ware as well as XPS insulation. Flexible property makes it ideal for toys, cases, hangers, plastic cups, IT equipment, jewel boxes, disposable medical products, bath accessories and garden equipments.



### HIPS

INEOS Styrolution's STYROLUTION® PS - High Impact Polystyrene (HIPS), impact modified PS resins are a line of robust grades designed to fulfil a variety of customer's needs. Whether the application is intended for a single use yogurt cup or a durable refrigerator liner, STYROLUTION® PS HIPS resins can meet the demands of technically challenging applications. Key applications are Electronic goods housings, Refrigerator liners and parts, Toys and Stationary products, household items, Food packaging products like cups, dishes, containers, yogurt bottles etc.



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# INEOS Styrolution India Limited

## CORPORATE INFORMATION

### Board of Directors

Mr. Stephen Mark Harrington	Chairman
Mr. Sanjiv Vasudeva	Managing Director & Chief Executive Officer
Mr. Nitankumar Duggal	Whole Time Director
Mr. Jal R. Patel	Independent Director
Mr. Anil Shankar	Independent Director
Ms. Ryna Karani	Independent Director
Mr. Jit Teng Tan	Alternate Director to Mr. Stephen Harrington

### Key Managerial Personnel

Mr. Sanjiv Vasudeva	Managing Director & Chief Executive Officer
Mr. Nitankumar Duggal	Whole-time Director
Mr. Sanjeev Madan	Chief Financial Officer
Mr. Abhijaat Sinha	Head Legal & Company Secretary

Board Committees			
Audit Committee	Corporate Social Responsibility Committee	Nomination & Remuneration Committee	Stakeholders' Relationship & Grievance Committee
Mr. Jal R. Patel - Chairman Mr. Anil Shankar Ms. Ryna Karani	Mr. Anil Shankar - Chairman Mr. Jal R. Patel Mr. Sanjiv Vasudeva	Mr. Jal R. Patel - Chairman Mr. Anil Shankar Mr. Stephen Mark Harrington	Ms. Ryna Karani - Chairman Mr. Jal R. Patel Mr. Stephen Mark Harrington Mr. Sanjiv Vasudeva

### Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP.

### Registrar and Share Transfer Agent

M/s Link Intime India Private Limited  
B-102 & 103 Shangrila Complex, First Floor,  
Near Radhakrishna Char Rasta Akota, Vadodara, Gujarat-390020  
Phone No.: 91 265 2356573  
E mail: vadodara@linkintime.co.in

### Bankers

The Hongkong and Shanghai Banking Corporation Limited (HSBC)  
Citibank N.A.  
State Bank of India  
ICICI Bank Limited

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**Registered Office**

INEOS Styrolution India Limited

5th Floor, OHM HOUSE – II, OHM Business Park, Subhanpura,  
Vadodara –390 023, Gujarat.

Phone No: 91 265 2303201, 2303202

Fax: 91 265 2303203

Website: [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com) E-mail: [INSTY.secshare@ineos.com](mailto:INSTY.secshare@ineos.com)

**Nandesari Plant**

51, GIDC Industrial Estate, Nandesari – 391 340, Dist. Vadodara, Gujarat

Phone No.: 91 0265 2301101

Fax: 91 265 2840827

**Moxi Plant and R & D Centre**

Sankarda-Bhadarva Road, Post : Poicha - 391 780, Tal.: Savli, Dist.: Vadodara, Gujarat.

Phone No.: 91 2667 268701

Fax: 91 2667 244340

**Katol Plant**

Halol-Kalol Road, Katol -389 330, Taluka Kalol, Dist. Panchmahal, Gujarat

Phone No.: 91 2676 228401/ 02

Fax : 91 2676 235518

**Dahej Plant**

Dahej Village, Vagra Taluka, Dist.: Bharuch - 392 130

Phone No.: 91 2641 273301

Fax: 91 2641 256022

**Kandla Storage Terminal**

Plot No 8, Old Kandla, Gujarat- 370210

Phone No.: 91 2836 270393/ 087

Fax: + 91-2836-270657

# INEOS Styrolution India Limited

## NOTICE

To,  
The Member(s),  
**INEOS Styrolution India Limited**

**Notice** is hereby given that the 46th Annual General Meeting (AGM) of the Members of **INEOS Styrolution India Limited** will be held on **Thursday, August 08, 2019 at 11.00 a.m.** at **“CRYSTAL”, 2nd Floor, Grand Mercure Vadodara Surya Palace Sayajigunj, Vadodara – 390020, Gujarat** to transact the following business:

### Ordinary business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019, including the Balance Sheet as at March 31, 2019, the statement of Profit and Loss for the year ended on that date along with the reports of the Board of Directors and of Auditors thereon.
2. To declare dividend on equity shares on Equity Shares @ 20% [i.e., Rs. 2.00 (Rupees Two Only) per Equity Share] for the financial year ended March 31, 2019.
3. To appoint a director in place of Mr. Stephen Mark Harrington (DIN: 07131679), who retires by rotation and, being eligible, offers himself for re-appointment.

### Special business:

4. **Appointment of Ms. Ryna Karani as an Independent Woman Director of the Company.**

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

**“RESOLVED THAT** Ms. Ryna Zaiwalla Karani (DIN: 00116930) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) with effect from May 16, 2019 and who holds office up to the date of this Annual General Meeting of the Company as an Additional Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to recommendation and approval by the Nomination and Remuneration Committee and approval by the Board of Directors at their respective meetings held on February 02, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the re-appointment of Ms. Ryna Zaiwalla Karani, who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and the Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non- Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 3 (three) consecutive years on the Board of the Company w.e.f. May 16, 2019;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

5. **Re-appointment of Anil Shankar as an Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to recommendation and approval by the Nomination and Remuneration Committee and approval by the Board of Directors at their respective meetings held on May 16, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Anil Shankar (DIN: 02143156), who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and the Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 3 (three) consecutive years on the Board of the Company w.e.f. August 12, 2019;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

6. **Continuation of directorship of Mr. Jal Patel, who has attained the age of seventy five years, as an Independent Director.**

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

**“RESOLVED THAT** pursuant to recommendation and approval by the Nomination and Remuneration Committee and approval by the Board of Directors at their respective meetings held on May 16, 2019 and pursuant to applicable provisions of the Companies Act, 2013 and rules framed thereunder, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, including any statutory modification(s) or re-enactment(s) thereof, approval of the members be and is hereby accorded to the continuation of Directorship of Mr. Jal Ratanshaw Patel, (DIN: 00065021), who has already attained the age of 75 years, as an Independent Director of the Company, till the expiry of his existing term i.e. up to December 31, 2020;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

7. **Re-appointment of and payment of remuneration to Mr. Sanjiv Vasudeva as Managing Director & CEO of the Company for the period of 3 years w.e.f. March 01, 2019.**

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

**“RESOLVED THAT** pursuant to recommendation and approval by the Nomination and Remuneration Committee and approval by the Board of Directors at their respective meetings held on February 02, 2019 and pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Sanjiv Vasudeva (DIN:06570945), as Managing Director & CEO of the Company for a period of 3 years effective from March 01, 2019 up to February 28, 2022 and to his receiving remuneration, benefits and amenities as Managing Director and CEO of the Company in accordance with the terms and conditions as mentioned in item no. 7 of the Explanatory statement appended below and specifically approved, with powers to the Board of Directors and / or the Nomination and Remuneration Committee to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits as mentioned in item no. 7 of the explanatory statement, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act in any financial year during his tenure;

**RESOLVED FURTHER THAT** in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director & CEO, the remuneration in accordance with the limits approved as per item no.7 of explanatory statement, subject to approvals, if any, which may be required under the Act;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

8. **Confirmation and Waiver of recovery of excess remuneration paid to Mr. Sanjiv Vasudeva, Managing Director & CEO 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 Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V thereto [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force], Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and pursuant to the recommendation and approval by the Board of Directors and Nomination and Remuneration Committee of Directors at their respective meetings held on May 16, 2019 and without requiring approval of the Central Government, approval of the Members of the Company be and is hereby accorded to the remuneration paid to Mr. Sanjiv Vasudeva (DIN:06570945) Managing Director & CEO of the Company, during the financial years 2017-18 and 2018-19, in excess of the remuneration approved by the shareholders and / or maximum remuneration permissible under the Act on account of inadequacy of profits in the said Financial Year;

**RESOLVED FURTHER THAT** the approval of the Members be and is hereby accorded to the waiver of recovery of the excess remuneration paid to Mr. Sanjiv Vasudeva, Managing Director, as permissible by the Act and the Rules framed thereunder;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution."

9. **Approval of remuneration for Mr. Nitankumar Duggal, Whole-time Director of the Company and waiver of recovery of excess remuneration paid.**

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

**"RESOLVED THAT** pursuant to recommendation and approval by the Nomination and Remuneration Committee and approval by the Board of Directors at their respective meetings held on May 16, 2019 and pursuant to the provisions of Section 196,197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or any re-enactment(s) thereof for the time being in force] (the "Act") read with Schedule V to the said Act, and any other applicable provisions, approval of the members of the Company be and is hereby accorded to the remuneration paid to Mr. Nitankumar Duggal (DIN: 07872778), Whole-time Director of the Company, during financial years 2017-18 and 2018-19 and for payment of remuneration, benefits and amenities to him for the balance term, in accordance with the terms and conditions as mentioned in item no. 9 of the Explanatory statement appended below and specifically approved, with powers to the Board of Directors and / or the Nomination and Remuneration Committee to alter, amend, vary and modify the terms and conditions of the said remuneration payable to him from time to time as they deem fit in such manner and within the limits as mentioned in item no. 9 of the explanatory statement, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act in any financial year during his tenure upto August 31, 2020;

**RESOLVED FURTHER THAT** in the event in any financial year during the tenure of the Whole-time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Whole-time Director, the remuneration in accordance with the limits approved as per item no.9 of explanatory statement, subject to approvals, if any, which may be required under the Act;



**RESOLVED FURTHER THAT** the approval of the Members be and is hereby accorded to the waiver of recovery of the excess remuneration paid to Mr. Nitankumar Duggal, Whole-time Director, as permissible by the Act and the Rules framed thereunder;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

10. **Payment of Commission to Independent Directors.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules made thereunder [including any statutory modification(s) or any re-enactment(s) thereof for the time being in force] and the Articles of Association, the Directors, other than the Managing Director or Whole Time Directors or Directors who are employees of the Company, in addition to sitting fees paid to them for attending the meetings of the Board of Directors or its Committees, be paid every year for a period of five financial years commencing from April 01, 2019, such sum by way of commission as the Board may determine from time to time, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year in the aggregate as may be specified under the Act from time to time and computed in the manner provided under Section 198 of the Act, subject to maximum limit of Rs. 900,000/- per annum for each Independent Director, with liberty to Board to increase upto a maximum limit of Rs.1,000,000/- per annum to each Independent Director;

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

11. **Payment of remuneration to the Cost Auditors of the Company for the Financial Year 2019-20.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Cost Auditors appointed by the Board of Directors of the Company, M/s. Kailash Sankhlecha and Associates, Cost Accountants (Firm’s Registration No. 100221) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid a remuneration of Rs. 412,600/- (Rupees Four Lakhs Twelve Thousand and Six Hundred only) per annum plus applicable taxes and reimbursement of out of pocket expenses of Rs. 25,000/- (Rupees Twenty Five thousand Only), that may be incurred during the course of audit;

**RESOLVED FURTHER THAT** the Board of Directors (including its Committee thereof) and the Company Secretary be and are, hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Registered Office:**  
5th Floor, OHM House II,  
OHM Business Park,  
Subhanpura,  
Vadodara – 390023

Date: May 16, 2019  
Place: Vadodara

By Order of the Board of Directors:  
For **INEOS Styrolution India Limited**

**Abhijaat Sinha**  
Head - Legal and Company Secretary

### Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') with respect to the special businesses set out in the notice is annexed hereto and forms part of this notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF / ITSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy form has been provided in the Annual Report.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable, issued on behalf of the nominating organization.

3. Institutional Members / Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their board resolution authorizing their representatives to attend and vote at the AGM.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than forty eight (48) hours before the commencement of the meeting. A proxy form for the AGM is enclosed in the Annual Report.
5. Members / proxies / authorized representatives should bring the duly filled **Attendance Slip** enclosed herewith to attend the meeting and deliver the same at the entrance of the meeting hall. Members / proxies / authorized representatives attending the meeting are **requested to bring their copy of Annual Report with them at the meeting.**
6. The Register of Members of the Company will remain closed from August 2, 2019 to August 8, 2019 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend, if declared at the meeting.
7. Members are requested to note that the Company's equity shares are under compulsory demat trading for all class of investors, as per the provisions of SEBI circular dated May 29, 2000. In view of above, members are advised in their own interest to dematerialize the shares held by them in physical form to avoid inconvenience and avail various benefits of dematerialization.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the said change coming into effect from April 1, 2019, Equity Shares of the Company are eligible for transfer only in Dematerialized form. Therefore, the Shareholders are requested to take action to dematerialize their Equity Shares held in the Company, promptly.

8. The shareholders holding shares in physical format in the Company's earlier names such as **Styrolution ABS (India) Limited, INEOS ABS (India) Limited, LANXESS ABS Limited, Bayer ABS Limited, ABS Industries Limited or ABS Plastics Limited** are requested to surrender the same at the **Company's registered office at 5th Floor, OHM House II, OHM Business Park, Subhanpura, Vadodara – 390023** to get their share certificates with changed name of the Company **i.e. INEOS Styrolution India Limited.**
9. Members are requested to notify any change in their address immediately, to their respective depository participants (DPs) in respect of their shares in electronic form quoting Client ID No. and to M/s. Link Intime India Pvt. Ltd., the Company's registrar and transfer agent, in respect of their physical shares, quoting their Folio Number.

10. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report 2018-19 is being sent through electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s), unless any Member has requested for a physical copy of the report. For Members who have not registered their email address, physical copies of the Annual Report 2018-19 are being sent by the permitted mode.
11. With a view to conserving natural resources and using them responsibly, we request shareholders to register / update their email address with their depository participant(s) to enable the Company to send communications electronically.
12. Members may note that the notice of the 46th AGM and the Annual Report 2018-19 will be available on the Company's website, [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com). The physical copies of the documents referred in the AGM Notice will be available at the Company's registered office for inspection during 9.00 a.m. to 5.00 p.m. (normal business hours) on working days (i.e. excluding Saturdays and Sundays) upto the date of ensuing AGM. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [INSTY.secshare@ineos.com](mailto:INSTY.secshare@ineos.com).
13. Subject to provisions of the Act, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those Members who hold physical shares and whose names appear on the Register of Members as well as those whose names appear as beneficial owners as at the close of the business hours on the **cut-off date i.e. August 01, 2019** as per the details to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
14. Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centers by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under RBI centers, and who have not furnished requisite information and who wish to avail the NECS facility to receive dividend from the Company, may furnish the information to M/s Link Intime India Pvt. Ltd., the Registrar and Transfer Agent. The Members holding shares in electronic form may furnish the information to their respective Depository Participant(s) in order to receive dividend through NECS mechanism.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for participating in the securities market. Members holding shares in electronic form are therefore requested to submit their self-attested PAN to their Depository Participant (DP) with whom they are maintaining demat accounts, if not submitted already. Members holding shares in physical form can submit their self-attested PAN details to M/s. Link Intime India Pvt. Ltd., if not submitted already.
16. Pursuant to the provisions of Sections 124 and 125 of the Act and other relevant provisions of the Act, the dividend which remains unpaid / unclaimed from the date of transfer to the unpaid / unclaimed dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The unclaimed dividend for the financial year 2012 and all subsequent years must be claimed as early as possible, failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below. In terms of Section 124 of the Act, no claim shall lie against the Company after the said transfer.

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2012	26-Apr-13	31-May-20
2013	29-Apr-14	3-June-21
2014-15	04-Aug-15	8-Sept-22
2015-16	12-Aug-16	17-Sept-23
2016-17	10-Aug-17	14-Sept-24
2018-19	14-Aug-18	18-Sept-25

## INEOS Styrolution India Limited

Further, Members are requested to note that unpaid / unclaimed dividend for the year 2011 has been transferred to IEPF. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with secretarial and legal department of the Company, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund in accordance with provisions of Section 124 of the Act. The details of the unclaimed dividends are available on the Company's website at [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com) and Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

Further, pursuant to the provisions of Sections 124(5) and 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") and amendments thereto, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF authority.

The Members / claimants whose shares, unclaimed dividends, have been transferred to the fund may claim the shares and apply for refund by making an application to the IEPF Authority in Form IEPF 5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fee as decided by the authority from time to time. The Member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

17. Members desirous of getting any information about the accounts of the Company are requested to write to the Company at least seven working days prior to the date of AGM so that the information can be kept ready at the meeting.
18. Profile of the directors being appointed / re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'):

Name of Director	Mr. Stephen Mark Harrington	Mr. Sanjiv Vasudeva	Mr. Jal Patel	Ms. Ryna Zaiwalla Karani	Mr. Anil Shankar
Nationality	British	Indian	Indian	Indian	Indian
Date of Birth	29/07/1968	27/02/1968	17/09/1937	09/09/1967	14/09/1953
Date of Appointment	18/05/2015	01/03/2016	29/12/2005	16/05/2016	12/08/2016
Experience (Years)	29 years	27 years	54 years	25 Years	39 years
Expertise in specific functional areas	Strategic Business Management, Sales and Marketing	Business Management, Manufacturing, Sales and Marketing	Strategic Business Management, Finance and Marketing	Advising in M&A, Joint Ventures, Infrastructure Projects, Project Finance, Negotiating Agreements	Financial Management, Taxation, Commercial, Human Resources, Forex Management
Qualification	B. Sc. (Hons) in Chemistry from University of Hull, United Kingdom	Bachelor of chemical engineering, M.S. University, Vadodara; Certified master black belt in Six Sigma	Chartered Accountant, Company Secretary	Bachelor of Arts, Bachelor of Law	Chartered Accountant, Masters in finance and International Business from Bowling Green State University, Ohio, USA

<b>Name of Director</b>	<b>Mr. Stephen Mark Harrington</b>	<b>Mr. Sanjiv Vasudeva</b>	<b>Mr. Jal Patel</b>	<b>Ms. Ryna Zaiwalla Karani</b>	<b>Mr. Anil Shankar</b>
Disclosure of relationship between Directors inter se	No relationship Inter se	No relationship inter se	No relationship inter se	No Relationship inter se	No relationship inter se
Directorship held in other public companies in India	None	None	a) Gujarat Gas Limited, b) Elecon Engineering Co. Limited, c) Munjal Auto Industries Limited.	a) Reliance Infrastructure Limited b) BSES Yamuna Power Limited c) BSES Rajdhani Power Limited d) Prime Urban Development India Limited e) Reliance Communications Limited	None
Membership of committees held in other public companies in India	None	None	a) Gujarat Gas Limited: AC, CSR, SRGC, NRC & Risk Management b) Elecon Engineering Co. Limited: AC, SRGC, NRC	a) Reliance Infrastructure Limited : AC, Risk Management & CSR b) BSES Yamuna Power Limited : AC c) BSES Rajdhani Power Limited : AC d) Prime Urban Development India Limited : NRC e) Reliance Communications Limited : AC, CSR, SRGC, NRC, SDR, Business Restructuring	None
No. of equity shares held in the Company	NIL	NIL	NIL	NIL	NIL

AC: Audit Committee; CSR: Corporate Social Responsibility Committee; SRGC: Stakeholders' Relationship & Grievance Committee; NRC: Nomination & Remuneration Committee; SDR: Strategic Debt Restructuring

19. M/s. Price Waterhouse, Chartered Accountants LLP (Firm Registration No. 012754N/N500016) were appointed as statutory auditors of the Company at their 43rd AGM held on August 12, 2016 to hold office up to the conclusion of 47th AGM. In line with the amendment of Section 139(1) of the Act, vide notification dated May 7, 2018 as issued by the Ministry of Corporate Affairs, New Delhi, the requirement for ratification of appointment of auditors at every annual general meeting is done away with. Accordingly, no resolution is proposed for ratification of appointment of auditors.

20. **A ROUTE MAP SHOWING DIRECTIONS TO REACH TO THE VENUE OF THE 46TH AGM IS GIVEN AT THE END OF THIS ANNUAL REPORT.**

21. E-voting:

Pursuant to provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulations, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting system from a place other than venue of the AGM ("Remote e-voting"), arranged by Link Intime India Private Limited (LI IPL).

The facility for voting, through ballot paper, shall also be made available at the AGM and the Members attending the AGM who have not cast their votes by Remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by Remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are as under:

- **Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)**

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	<p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>
Bank Account Number	<p>Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

● **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

- **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
  - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
  - The e-voting period will commence on **August 5, 2019 at 9.00 a.m. IST** and end on **August 7, 2019 at 5.00 p.m. IST**. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the **cut-off date, i.e. August 1, 2019** may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again.
22. Pursuant to Section 107 of the Act read with Rule 20 the Companies (Management and Administration) Rules, 2014, there will not be any voting by show of hands on any of the agenda items at the Meeting and the Company will conduct polling at the Meeting.
  23. The Board of Directors has appointed Mr. Devesh Pathak, Practising Company Secretary (FCS 4559, CP 2306) as Scrutinizer for conducting the voting process in a fair and transparent manner.
  24. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com). The results shall simultaneously be communicated to the Stock Exchanges.



## **EXPLANATORY STATEMENT**

The following explanatory statement pursuant to Section 102(1) of the Act, sets out all material facts relating to the special business mentioned in the accompanying notice of the AGM.

### **Item No. 4**

The Members of the Company, at their 43rd (Forty Third) Annual General Meeting (AGM) held on August 12, 2016, had granted approval for appointment of Ms. Ryna Zaiwalla Karani as an Independent Woman Director of the Company for a term of 3 years with effect from May 16, 2016, pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, read with Schedule IV to the Act. The term of Ms. Karani as an Independent Director thus expired on May 15, 2019.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on February 12, 2019, have approved the re-appointment of Ms. Karani as an Independent Woman Director, to hold office for a period of 3 years w.e.f. May 16, 2019, subject to approval of members of the Company by way of special resolution. Ms. Karani has been an Independent Additional Director since May 16, 2019 and in terms of provisions of Section 161 of the Act, she holds office as an Additional Director up to the date of the Annual General Meeting of the Company and being eligible offers herself for re-appointment.

Ms. Karani satisfies the criteria for independence and has furnished declaration to the Company in terms of Section 149(7) of the Act confirming that she meets the criteria as specified in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Ms. Karani possesses the relevant expertise and experience, fulfills the conditions specified in the Act and the rules framed there under and under the Listing Regulations and is independent of the management of the Company. Her profile forms part of the Notice.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the re-appointment of Ms. Karani as an Independent Woman Director of the Company to hold office for a further term of 3 (three) years, from May 16, 2019 upto May 15, 2022, not liable to retire by rotation. Notice as required under Section 160 of the Act, has been received from a Member of the Company proposing her candidature as an Independent Director of the Company.

The Board accordingly recommends the special resolution at item no. 4 of this notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Ms. Ryna Zaiwalla Karani, is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

### **Item No. 5**

The Members of the Company, at their 44th (Forty Fourth) Annual General Meeting (AGM) held on August 10, 2017, had granted approval for appointment of Mr. Anil Shankar as an Independent Director of the Company for a term of 3 years with effect from August 12, 2016, pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, read with Schedule IV to the Act. The term of Mr. Anil Shankar as an Independent Director shall thus expire on August 11, 2019.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on May 16, 2019, have approved the re-appointment of Mr. Anil Shankar as an Independent director, to hold office for a period of 3 years w.e.f. August 12, 2019, subject to approval of members of the Company by way of special resolution.

Mr. Anil Shankar satisfies the criteria for independence and has furnished declaration to the Company in terms of Section 149(7) of the Act confirming that he meets the criteria as specified in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Anil Shankar possesses the relevant expertise and experience, fulfills the conditions specified in the Act and

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the rules framed there under and under the Listing Regulations and is independent of the management of the Company. His profile forms part of the Notice.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the re-appointment of Mr. Anil Shankar as an Independent Director of the Company to hold office for a further term of 3 (three) years, from August 12, 2019 upto August 11, 2022, not liable to retire by rotation. Notice as required under Section 160 of the Act, has been received from a Member of the Company proposing his candidature as an Independent Director of the Company.

The Board accordingly recommends the special resolution at item no. 5 of this notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Anil Shankar, is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

### Item No. 6

Pursuant to the provisions of Regulation 17(1A) the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, no listed entity is allowed to appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

The Members of the Company, at their 44th (Forty Fourth) Annual General Meeting (AGM) held on August 10, 2017, had granted approval for appointment of Mr. Jal Patel as an Independent Director of the Company for a term of three years w.e.f. January 1, 2018, not liable to retire by rotation.

Mr. Jal Patel, a Chartered Accountant and Company secretary by qualification, has rich and varied experience of about 55 years in the field of Business Management, Finance/Commercial and Corporate Administration. He is a highly respected industrialist and has retired as the Chairman of FAG Bearings India Ltd. He is an Independent Director on the Board of several reputed public Companies including Gujarat Gas Company Ltd., Elecon Engineering India Ltd. and Munjal Auto Industries Ltd.

Mr. Jal Patel is a person of integrity, skill and standing and with his vast experience and expertise, he indeed brings in a great value addition on the Board by his independent judgement and guidance in his area of expertise. Hence, your Directors are of opinion that his continued association with the Company as Non-executive Director is beneficial and in the best interest of the Company.

Accordingly, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting dated May 16, 2019 considered the proposal to continue the directorship of Mr. Jal Patel, who has already attained the age of 75 years, as an Independent Director until expiry of his current term i.e. December 31, 2020.

Members are requested to consider his brief profile appended below:

<b>Name of Director</b>	<b>Mr. Jal Patel</b>
Nationality	Indian
Date of Birth	17/09/1937
Date of Appointment	29/12/2005 (Re-appointed as Independent director w.e.f 01/01/2018)
Experience (Years)	54 Years
Expertise in specific functional areas	Strategic Business Management, Finance and Banking
Qualification	Chartered Accountant, Company Secretary
Disclosure of relationship between directors inter se	No relationship Inter se

<b>Name of Director</b>	<b>Mr. Jal Patel</b>
Directorship held in other public companies in India	a) Gujarat Gas Ltd. b) Elecon Engineering Company Limited c) Munjal Auto Industries Limited
Membership of committees held in other public companies in India	a) Gujarat Gas Ltd.: AC, CSR, SRGC, NRC, Risk Management b) Elecon Engineering Company Limited: AC, SRGC, NRC
No. of equity shares held in the Company	NIL
Tenure	01/01/2018 to 31/12/2020

The Board accordingly recommends the special resolution at item no. 6 of this notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Jal Patel, is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

#### **Item No. 7**

Mr. Sanjiv Vasudeva is a Chemical Engineering graduate from MS University of Baroda and he is a certified Master Black Belt- Six Sigma in quality/ Six Sigma, product management and manufacturing. Considering his 25 years of broad functional experience in various global leadership positions in multiple geographies with some of the world's largest diversified industrial conglomerates with a proven track record in leadership, general management and operations, the Board of Directors had appointed Mr. Sanjiv Vasudeva as a Managing Director & CEO of the Company and the said appointment was approved by the members of the Company at their 43rd AGM for a period of 3 years from March 01, 2016 up to February 28, 2019. Accordingly, his tenure of appointment concluded on February 28, 2019 and the Board of Directors of the Company at its meeting held on February 12, 2019, based on the recommendation and approval of the Nomination & Remuneration Committee, has re-appointed Mr. Sanjiv Vasudeva as Managing Director & CEO of the Company for a period of 3 years effective from the March 01, 2019, subject to the approval of the members of the Company.

The principal terms and conditions of appointment of Mr. Sanjiv Vasudeva as the Managing Director & CEO (hereinafter referred to as the 'MD & CEO') are as follows:

1. **Period of appointment:** Three years commencing from March 01, 2019, the date of re-appointment.
2. **Basic salary:** Basic salary not exceeding of Rs. 91.30 Lakhs per annum, during the term.
3. **Perquisites & Allowances:** In addition to the salary, Mr. Vasudeva, as MD & CEO, shall also be entitled to following perquisites and allowances:
  - Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; provision of a Company car with driver and such other perquisites in accordance with the rules of the Company or as may be agreed to by the board of directors and Mr. Vasudeva, such perquisites subject to maximum of Rs. 9.87 Lakhs per annum, during the term.
  - Mr. Vasudeva shall also be entitled to allowances subject to maximum of Rs. 115.00 Lakhs per annum, during the term.

Perquisites and allowances shall be evaluated as per the income tax rules, wherever applicable. In absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
4. **Provident Fund, Superannuation / Annuity fund (Retirals):** Company's contribution to provident fund and superannuation or annuity fund, gratuity and other retirals shall be paid in accordance with the applicable rules of the Company and statutory provisions calculated as percentage of Basic salary, to the extent these either singly or together are not taxable under the Income Tax Act.

5. **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 INEOS Styrolution Group and his Individual performance upto Rs. 126.30 Lakhs per annum, during the term.

### **Minimum Remuneration:**

In the event in any financial year during the tenure of the MD & CEO, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the MD & CEO, the remuneration as per aforesaid limits.

The agreement executed between the Company and Mr. Sanjiv Vasudeva for his appointment as MD & CEO will be available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General Meeting or any adjournment thereof.

Mr. Vasudeva is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as MD & CEO of the Company.

The Board accordingly recommends the special resolution at item no. 7 of this notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Sanjiv Vasudeva, is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

### **Item No. 8**

Mr. Sanjiv Vasudeva was appointed as the Managing Director & CEO of the Company, originally for a period of 3 years with effect from March 01, 2016 and thereafter for a further period of 3 years with effect from March 01, 2019, subject to approval of the shareholders at the AGM.

In view of the periodic increments paid in accordance with the Company policy as well as due to the inadequacy of profits during the financial year 2018-19, the remuneration paid to Mr. Sanjiv Vasudeva as MD & CEO during the financial years 2017-18 & 2018-19, exceeded the limits approved by the shareholders as well as limits prescribed under Schedule V of Companies Act, 2013 in case of inadequacy of profits.

As the Members are aware, the Company had been making consistent profits up to the Financial Year 2017-18. However, there was an unexpected drop in the profitability in the financial year 2018-19 for reasons beyond the control of the Company, thereby resulting in the profits being inadequate for the payment of managerial remuneration to Mr. Vasudeva as the MD & CEO in accordance with the agreed terms. An aggregate amount of Rs. 168.52 Lakhs was paid in FY 2017-18 and 2018-19, in excess of the limits approved by shareholders and prescribed under Schedule V of the Companies Act, 2013.

Further, Section 197 read with Schedule V of the Companies Act, 2013 requires the Company to obtain the approval of Shareholders by means of a Special resolution in case the remuneration payable exceeds the limits in case of inadequacy of profits. It also imposes the obligation on the Director to refund and the Company to recover the excess remuneration that has been paid over and above the approved limits, unless the same has been waived by the shareholders by way of a special resolution.

Therefore, the Members are requested to grant their approval for waiver of recovery of the excess remuneration paid to Mr. Sanjiv Vasudeva during the Financial Years 2017-18 and 2018-19.

Members may note that the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor. A statement as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013, forms part of this notice.

The Board accordingly recommends the special resolution at item no. 8 of this notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Sanjiv Vasudeva, is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

## Item No. 9

Mr. Nitankumar Duggal is the Head of Operations for INEOS Styrolution India Limited. He is a Chemical Engineer and holds a degree of MBA in Finance. He joined the Company as a Graduate Engineer Trainee in Projects and has been an integral part of this organization since 1989. Considering his knowledge and professional experience of various aspects relating to the Company's affairs and long business experience and for smooth and efficient running of the business, the Board of Directors had appointed Mr. Nitankumar Duggal as Whole-Time Director of the Company for a period of 3 years with effect from August 31, 2017 subject to such terms and remuneration and the said appointment and remuneration was duly approved by the members by means of a special resolution passed through postal ballot. However, the details of remuneration approved by the shareholders did not factor the annual increase in remuneration by way of increments as per Company's Policies.

Therefore, in view of the periodic increments paid in accordance with the Company policy as well as due to the inadequacy of profits during the financial year 2018-19, the remuneration paid to Mr. Nitankumar Duggal as Whole-time Director during the years 2017-18 & 2018-19 exceeded the limits approved by the shareholders as well as limits prescribed under Schedule V of Companies Act, 2013 in case of inadequacy of profits.

Due to an unexpected drop in the profitability in the financial year 2018-19 for reasons beyond the control of the Company, the profits were inadequate for the payment of managerial remuneration to Mr. Duggal as the Whole-time Director in accordance with the agreed terms. An aggregate amount of Rs. 3.66 Lakhs was paid in FY 2017-18 and 2018-19, in excess of the limits approved by shareholders and prescribed under Schedule V of the Companies Act, 2013.

The principal terms and conditions of appointment of Mr. Nitankumar Duggal as the Whole-time Director (hereinafter referred to as the 'Whole-time Director') are as follows:

1. **Basic salary:** Basic salary not exceeding of Rs. 47.23 Lakhs per annum, during the term.
2. **Allowances:** In addition to the salary, Mr. Duggal, as Whole-time director, shall also be entitled to allowances subject to maximum of Rs. 54.70 Lakhs per annum, during the term.

Perquisites and allowances shall be evaluated as per the income tax rules, wherever applicable. In absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

3. **Provident Fund, Superannuation / Annuity fund (Retirals):** Company's contribution to provident fund and superannuation or annuity fund, gratuity and other retirals shall be paid in accordance with the applicable rules of the Company and statutory provisions calculated as percentage of Basic salary, to the extent these either singly or together are not taxable under the Income Tax Act.
4. **Performance Incentives:** In addition to the salary and perquisites, Mr. Duggal shall be entitled to such performance incentives in any financial year during his remaining tenure 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 INEOS Styrolution Group and his Individual performance which shall not exceed Rs. 65.72 Lakhs per annum.

### Minimum Remuneration:

In the event in any financial year during the remaining tenure of the Whole-time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Whole-time Director, the remuneration as per aforesaid limits.

Section 197 read with Schedule V of the Companies Act, 2013 requires the Company to obtain the approval of Shareholders by means of a Special resolution for revision of remuneration terms and in case the remuneration payable exceeds the limits in case of inadequacy of profits. It also imposes the obligation on the Director to refund and the Company to recover the excess remuneration that has been paid over and above the approved limits, unless the same has been waived by the shareholders by way of a special resolution.

In view of the above, approval from the shareholders is being sought for confirming and approving the remuneration paid to Mr. Nitankumar Duggal during FY 2017-18 and FY 2018-19 and payment of the revised remuneration for the remaining term in accordance with the terms of appointment as well as for waiver of recovery of the excess remuneration paid to Mr. Nitankumar Duggal during the Financial Years 2017-18 and 2018-19.

Members may note that the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor. A statement as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013, forms part of this notice.

The Board accordingly recommends the special resolution at item no. 9 of this notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Nitankumar Duggal, is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

### Item No.10

Pursuant to provision of Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, payment of any compensation to Non-Executive Directors shall require approval of shareholders in general meeting.

The Independent Directors of your Company bring with them significant professional expertise and rich experience in the areas of Strategic Management, Financial Administration, Legal Advisory and Corporate Governance. The Board is of the view that it is necessary to pay commission to the Independent Directors commensurate with their roles and responsibilities and the Board should have flexibility in determining the amount payable per Director within the overall limits approved by the members of the Company. Such payment of commission would require shareholders' approval.

It is proposed that in addition to sitting fees paid to them for attending the Meetings of the Board of Directors or its Committees, the Independent Directors be paid, every year, for a period of five financial years commencing from April 01, 2019, such sum by way of commission based on net profits of the Company for the relevant year, as the Board may determine from time to time, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year, in aggregate, as may be specified under the Act from time to time and computed in the manner provided under Section 198 of the Act. The amounts shall be subject to the limits specified in the resolution. The resolution is being taken for next 5 years as an enabling provision for payment of commission to Independent Directors.

The Board accordingly recommends the special resolution at item no. 10 of this notice for the approval of the Members.

The Independent Directors may be considered interested in the matter to the extent of the remuneration proposed for them. None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

### Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Kailash Sankhlecha and Associates., Cost Accountants (Firm's Registration No. 100221), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of Rs. 412,600/- per annum plus applicable taxes and reimbursement of out of pocket expenses of Rs. 25,000, that may be incurred during the course of audit.

In accordance with the provisions of Section 148 of the Act read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors is required to be ratified by the Members of the Company.

Accordingly your directors recommend and seek your ratification to the resolution as set out in item no. 11 of this notice as ordinary resolution.

None of the directors / key managerial personnel or their relatives are in any way concerned or interested, financially or otherwise, in the aforementioned resolution.

**STATEMENT IN TERMS OF ITEM (IV) OF THIRD PROVISOR OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013**

**I. GENERAL INFORMATION:**

1.	Nature of industry:	Specialty Chemicals.  INEOS Styrolution is the leader and leading producer of 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 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.
2.	Date or expected date of commencement of commercial production	The Company's plants are already operational.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable as the Company is an existing Company
4.	Financial performance based on given indicators for FY 2018-19: a) Net Profit/(Loss): b) Effective Capital: c) Total Income:	(Rs. in Lakhs)  (1,246.73)  71,194.85  210,366.14
5.	Foreign investments or collaborations, if any.	The Company does not have any foreign investments or collaborations.  The Company's majority shareholding i.e 75% is owned by its promoter company viz., INEOS STYROLUTION APAC PTE. LTD., based in Singapore.

**II. INFORMATION ABOUT THE APPOINTEE:**

<b>Sr. No</b>	<b>Particulars</b>	<b>Mr. Sanjiv Vasudeva</b>	<b>Mr. Nitankumar Duggal</b>
1.	Background details, past remunerations, recognition or awards, job profile, expertise, experience and his suitability, remuneration proposed.	Please refer item no. 7 of the statement annexed to this notice pursuant to Section 102(1) of the Act.	Please refer item no. 9 of the statement annexed to this notice pursuant to Section 102(1) of the Act.
2.	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 w.r.t the country of his origin)	<p>The remuneration of Mr. Sanjiv Vasudeva, Managing Director &amp; CEO is aligned with the remuneration in similar sized company in similar industries. The proposed remuneration compares favourably with that being offered to similarly qualified and experienced persons from the industry.</p> <p>The remuneration is considered to be appropriate, having regard to factors such as the group policies, his position and role, past experience, his contribution as Managing Director &amp; CEO to the growth of the Company, its business and its profitability, age and merits of Mr. Sanjiv Vasudeva.</p> <p>Further details with regard to the size of the Company can be referred in the financials and Board's report of the annual report.</p>	<p>The remuneration of Mr. Nitankumar Duggal, Whole-time Director, is in line with the market standards for similarly experienced professionals leading the operations in the speciality chemicals business. 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 considered to be appropriate in today's market scenario having regard to factors such as the group policies, past experience, his position and role, his contribution to the Company's operations and its growth over the years.</p> <p>Further details with regard to the size of the Company can be referred in the financials and Board's report of the annual report.</p>
3.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	The appointee does not have any pecuniary relationship directly or indirectly with the Company, or relationship with any other managerial personnel.	The appointee does not have any pecuniary relationship directly or indirectly with the Company, or relationship with any other managerial personnel.



**III. Other Information:**

1.	Reasons of loss or inadequate profits /  Steps taken or proposed to be taken for improvement / Expected increase in productivity and profits in measurable terms	Due to sharp fall in prices of Styrene Monomer (SM) and other key raw materials, there were huge inventory losses. The steep drop in SM prices resulted in sharp fall in margins and ultimately losses for the year. Also, the automotive market slowdown observed during last two quarters of 2018-19 has resulted in lower volume in specialty segment. The Company also observed higher imports in Polystyrene and ABS commodity segment.  The key raw material prices and exchange rates are expected to be stabilized and the Company continues to strengthen its position in Specialty focus segments, drive product mix to maximize margins and continues to focus on turnaround of Polystyrene business. The Company's expansion project at Moxi plant is expected to be complete by third quarter of 2019, which would support increase in future profitability of your company.
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**Note:**

Disclosure as required under sub clause IV of clause (iv) of section II of part II of Schedule V are mentioned in the Board's report under the heading "Corporate Governance".

**Registered Office:**  
5th Floor, OHM House II,  
OHM Business Park,  
Subhanpura,  
Vadodara – 390023

Date: May 16, 2019  
Place: Vadodara

By Order of the Board of Directors:  
For **INEOS Styrolution India Limited**

**Abhijaat Sinha**  
Head - Legal and Company Secretary

# INEOS Styrolution India Limited

## BOARD'S REPORT

Dear Members,

Your Directors hereby present the 46th Annual Report of your Company together with Audited Financial Statements for the year ended on March 31, 2019.

### FINANCIAL PERFORMANCE

Your Company's financial performance during the year ended March 31, 2019 as compared to previous financial year is summarized below:

(INR in Lakhs)

Particulars	2018-19	2017-18
<b>Period</b>	<b>12 months</b>	<b>12 months</b>
Revenue from Operations	<b>2,09,053.33</b>	<b>1,95,068.55</b>
Other Income	1,312.81	691.72
<b>Profit / (Loss) before Tax</b>	<b>(1,848.11)</b>	<b>10,313.10</b>
Tax Credit / (Expense)	601.38	(3,690.56)
<b>Profit / (Loss) for the year</b>	<b>(1,246.73)</b>	<b>6,622.54</b>
Other Comprehensive Income	(31.06)	(28.94)
<b>Total Other Comprehensive Income for the year</b>	<b>(1,277.79)</b>	<b>6,593.60</b>
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>53,074.36</b>	<b>47,327.39</b>
Add:		
Total comprehensive income for the year	(1,277.79)	6,593.60
Less:		
Dividends including dividend tax	(848.01)	(846.63)
<b>Closing Balance</b>	<b>50,948.56</b>	<b>53,074.36</b>
EPS (Basic INR )	(7.09)	37.66
EPS (Diluted INR )	(7.09)	37.66

### OPERATING RESULTS AND PROFIT

During the year under review, total revenue from operations of your Company was INR 2,09,053.33 Lakhs as compared to INR 1,95,068.55 Lakhs during previous financial year with an approx. 7% increase in the total revenue as compared to previous year. Your Company's Loss before Tax in financial year 2018-19 is INR 1,848.11 Lakhs as compared to a Profit before Tax of INR 10,313.10 Lakhs in previous year and the Total Comprehensive Income for the financial year 2018-19 was (INR 1,277.79 Lakhs) as compared to INR 6,593.60 Lakhs in the previous year.

Your Company suffered huge inventory losses during the third quarter with sharp fall in prices of Styrene Monomer (SM) and other key raw materials. SM prices fell from a high of US \$ 1450 PMT in August 2018 to US \$ 950 PMT by end of November 2018 (Source: ICIS-LOR). This steep drop in SM prices resulted in sharp fall in margins and ultimately losses for the year. Also, the automotive market slowdown observed during last two quarters of 2018-19 resulted in lower volume in specialty segment. The Company also observed higher imports in Polystyrene and ABS commodity segment.

The key raw material prices and exchange rates are expected to be stabilized and your Company continues to strengthen its position in Specialty focus segments and drive product mix to maximize margins. The management continues to focus on turnaround of Polystyrene business. Further, the Company's expansion project at Moxi plant is expected to be completed by third quarter of 2019, which would support increase in future profitability of your company.

## **DIVIDEND**

Keeping in view performance of the Company and losses for the year ended March 31, 2019 as also with a view to conserving the resources but at the same time, continuing the tradition of being a dividend paying Company, the Board of Directors has recommended dividend of INR 2/- per Equity Share of INR 10/- each for the year ended March 31, 2019 out of accumulated profits of previous years, which would absorb INR 4,24,00,805/- (including Dividend Distribution Tax of INR 72,29,555/-).

## **TRANSFER TO RESERVES**

The Company is not required to transfer any amount to its reserves and accordingly no amount is transferred to reserves during the year under review.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

As required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Management Discussion and Analysis Report forms part of this Report and is annexed hereto.

A review of the performance and future outlook of the Company and its businesses as well as the state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report, which forms part of this Report.

## **CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS**

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is a part of the Annual Report. The Company does not have any subsidiaries and hence is not required to publish Consolidated Financial Statements.

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **➤ Appointments/Re-appointments**

During the year under review:

1. Mr. Sanjiv Vasudeva was re-appointed as the Managing Director and CEO of the Company for a period of 3 years with effect from March 01, 2019, subject to approval of the shareholders at the forthcoming AGM.
2. Ms. Ryna Karani, Independent Director, was re-appointed as Independent Director for a period of 3 years with effect from May 16, 2019, subject to approval of the shareholders at the forthcoming AGM.
3. Mr. Anil Shankar, Independent Director, whose term expires on August 11, 2019, is proposed to be re-appointed as an Independent Director for a period of 3 years with effect from August 12, 2019, at the forthcoming AGM.
4. Mr. Abhijaat Sinha was appointed as Company Secretary (CS), with effect from March 29, 2019.

### **➤ Retirement by rotation.**

Mr. Steve Harrington, Non-Executive Chairman of the Company, who retires by rotation and being eligible, offers himself for re-appointment in terms of the Articles of Association of the Company.

## ➤ Resignations

During the year, Mr. Haresh Khilnani resigned as the Company Secretary with effect from August 21, 2018.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report annexed hereto.

## MEETINGS OF BOARD OF DIRECTORS OF THE COMPANY

During the financial year under review, the Board of Directors duly met four times. The details of the Board meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Corporate Governance Report.

## DECLARATION BY INDEPENDENT DIRECTORS

Mr. Jal R. Patel, Mr. Anil Shankar and Ms. Ryna Karani were the Independent Directors of the Company as on March 31, 2019.

The Board of Directors of the Company hereby confirms that all the Independent Directors duly appointed by the Company have given the certificate stating that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act').

## PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the formal annual evaluation has been carried out by the Board of its own performance and that of its Committees, Chairman of the Board and individual Directors through oral assessment as well as collective feedback. The Board members were requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various Committees.

Independent Directors were evaluated on the following performance indicators:

- Ability to contribute to and monitor our Corporate Governance practices;
- Ability to contribute by best practices to address top-management issues;
- Ability to actively contribute towards positive growth of the organization;
- Ability to create positive image of the Company and help the Company wherever possible;
- Commitment to the fulfillment of a Director's obligations and fiduciary responsibilities, including participation in Board and Committee meetings

Your Directors have expressed their satisfaction over the evaluation process.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and 135(5) of the Act, the Board of Directors of the Company confirms that:

- i) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit / loss of the Company for that period;

- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they had laid down internal finance controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

#### **AUDIT COMMITTEE**

The Audit Committee of the Board of Directors comprises of all Independent Directors with Mr. Jal R. Patel as Chairman and Mr. Anil Shankar and Ms. Ryna Karani as members. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members are set out in the Corporate Governance Report.

During the year under review, the Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

#### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Directors are regularly informed during meetings of the Board and Committees on the activities of the Company, its operations and issues faced by the Petrochemicals Industry. The details of familiarization programs provided to the Directors of the Company are available on the Company's website [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com).

#### **SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES**

The Company did not have any subsidiary companies, associate companies or joint venture during the year under review.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company.

#### **DEPOSITS**

The Company has not accepted any deposit, within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not granted any other loans or made any investments, or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act.

#### **TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Sections 124 and 125 of the Act, the unpaid and unclaimed dividend pertaining to the year ended on December 31, 2011, which was lying in the Company's separate unpaid dividend account and remaining unclaimed for a period of seven years, was transferred to the Investor Education and Protection Fund.

## INEOS Styrolution India Limited

Pursuant to the provisions of Sections 124(5) and 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") and amendments thereto, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF Authority.

### CORPORATE GOVERNANCE

Your Company observes high standards of Corporate Governance in all areas of its functioning with strong emphasis on transparency, integrity and accountability. As required under the Listing Regulations, a detailed report on Corporate Governance along with the CEO and CFO certificate and a compliance certificate thereon from a practising Company Secretary forms part of this report as **Annexure – I**.

### CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of Section 135 of the Act, the Company has constituted a 'Corporate Social Responsibility (CSR) Committee' and has also framed a CSR Policy. The details of the policy, composition of the committee, CSR initiatives, CSR spending during the year etc., have been provided as **Annexure - II** to this report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The amount required to be spent on CSR activities during the year ended March 31, 2019 in accordance with the provisions of Section 135 of the Act was INR 179.32 Lakhs and your Company had spent an amount of INR 103.83 Lakhs. The said amount was spent on the CSR activities undertaken by your Company mostly in the vicinity of its plants as well as around Vadodara, where the registered office and corporate office of your Company are located. The Company looks for appropriate and need worthy projects for allocation of the funds on a continuous basis. However, unfortunately, due to certain unprecedented events and due to lack of a dedicated resource for coordinating CSR activities, there was a shortfall in the amount spent on CSR activities during the year ended March 31, 2019. The Company considers CSR as a part of its corporate philosophy and will strive to ensure that the amounts are adequately spent to ensure compliance in true spirit.

### PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure – III** to this Report. Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report. However, the reports and accounts are being sent to the shareholders excluding the aforesaid remuneration. Any shareholder interested in inspection of the documents pertaining to the above information or desiring a copy thereof may write to the Company Secretary.

### RISK MANAGEMENT POLICY

The details of the Risk Management Policy adopted by the Board of Directors and details of the Risk Management Committee of the Board of Directors are mentioned in the Corporate Governance Report.

### PARTICULARS OF CONTRACTS AND AGREEMENTS MADE WITH RELATED PARTIES

All related party transactions which were entered into during the year under review were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with the promoters, Directors and key managerial personnel, who may have a potential conflict with the interests of the Company.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act in the prescribed Form AOC-2, is provided as **Annexure - IV** forming part of this report.

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## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

A statement highlighting details of the conservation of energy, technology absorption and foreign exchange earnings and outgo, in accordance with Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure - V** and forms part of this report.

## **REPORTING OF FRAUDS**

There have been no instances of fraud reported by the statutory auditors under Section 143(12) of the Act and rules framed there under either to the Company or to the Central Government.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT**

There have been no material changes, which have occurred between the end of financial year till the date of this report affecting the financial position of the Company.

## **EXTRACT OF ANNUAL RETURN**

The extracts of annual return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms part of this report as **Annexure – VI**.

The Company has also placed a copy of the annual return on its website and the same is available on [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com).

## **BOARD DIVERSITY**

Your Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, regional and industry experience, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board of Directors has adopted the 'Board Diversity Policy' which sets out the approach to diversity of the Board. The Board diversity policy is available on our website [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com).

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate system of internal controls in place. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

The Audit Committee of the Board of Directors, comprising of Independent Directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.

## **ENVIRONMENTAL HEALTH, SAFETY AND PROTECTION**

Your Company gives highest importance to Safety, Health and Environment (SHE), and encourages and promotes safety awareness in true letter and spirit as an integral part of its work culture.

Process Safety Management (PSM) is an integral part of all changes taking place in the process. Onsite emergency plans have been reviewed and updated by all divisions. Periodic mock drills are conducted at various divisions and reports indicate improved preparedness of employees.

## INEOS Styrolution India Limited

To further strengthen the safety of overall operations and to promote a positive safety culture and transparency, your Company has introduced site specific Behavioral Based Safety (BBS) process at all its manufacturing locations and substantially invested for the improvement of process safety.

Apart from employees, the contractors and workmen are also given exhaustive training on safety, first-aid and firefighting. The Company has appointed and trained safety stewards to promote safety in all divisions. A green belt in and around all factory premises has been maintained to enhance eco-friendliness.

### **POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has in place a policy on prevention of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under and Complaints Committee has also been set up to redress complaints received regarding sexual harassment. During the year, no complaint with allegations of sexual harassment was received by the Company.

### **STATUTORY AUDITORS**

The statutory auditors of the Company M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm registration number: 012754N/N500016) were appointed as the Statutory Auditors of the Company from the conclusion of 43rd Annual General Meeting until the conclusion of 47th Annual General Meeting of the Company.

The Company has received necessary eligibility certificate and consent under Section 141 of the Act to act as statutory auditors of the Company.

### **AUDITORS' REPORT**

The observations made by the Auditors in their report read with the relevant notes to the financial statements for the year ended March 31, 2019 are self-explanatory and are devoid of any reservation, qualification or adverse remarks.

### **SECRETARIAL AUDITOR**

M/s. Devesh Vimal & Co., Practising Company Secretaries, Vadodara were appointed to conduct the secretarial audit of the Company for the financial year 2018-19, in terms of the requirements of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, framed there under. During the year, in August 2018, M/s. Devesh Vimal & Co., which was a partnership firm, was dissolved and the Company was informed accordingly. The Board of Directors has confirmed the appointment of M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara as the Secretarial Auditor for the year 2018-19 in place of M/s. Devesh Vimal & Co.. The secretarial audit report received from M/s. Devesh Pathak & Associates is annexed as **Annexure - VII**.

### **COST AUDITOR**

Pursuant to Section 148 of the Act, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s. Kailash Sankhlecha and Associates, (Firm's registration no. 100221), Cost Accountants, as Cost Auditors of the Company, for the financial year 2019-20, for conducting the audit of the cost records maintained by the Company for the various products as mandated by the Central Government at a remuneration as mentioned in the notice convening the Annual General Meeting of the Company.

A resolution seeking members' ratification for the remuneration payable to the Cost Auditor for the financial year 2019-20 forms part of the notice of the 46th Annual General Meeting of the Company and the same is recommended for your consideration and approval.

M/s. Kailash Sankhlecha and Associates have given their consent to act as Cost Auditor and confirmed that their appointment is within the limits of the Section 139 of the Act.



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They have also certified that they are free from any disqualifications specified under Section 141 of the Act. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

### **COST RECORDS**

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act and accordingly such accounts and records are prepared and maintained by the Company.

### **VIGIL MECHANISM**

As per the provisions of Section 177(9) of the Act read with clause 22(1) of the Listing Regulations, the Company is required to establish an effective vigil mechanism for Directors and employees to report genuine concerns. The Company has a policy for prevention, detection and investigation of frauds and protection of whistleblowers ("Whistleblower Policy") in place and the details of the Company's Whistleblower Policy are provided in the Corporate Governance Report annexed hereto.

### **HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Our employees are the most valuable assets of the Company. We encourage innovation, meritocracy and the pursuit of excellence. The human resource development function of the Company is guided by a spirit of corporate team building and dedication towards strengthening the Company's systems thereby improving efficiencies and registering growth. All personnel continue to have a healthy, cordial and harmonious approach in problem solving and enhancing Company value at all levels. Despite uncertain economic conditions, the enthusiasm and unstinting efforts of the employees have enabled the Company to maintain leadership in its business areas. The industrial relations during the year remained cordial.

The Company has drawn up a comprehensive human resource strategy ("Human Resource Strategy") which addresses key aspects of human resource development such as:

- Code of conduct and fair business practices.
- A fair and objective performance management system linked to the performance of the businesses.
- Creation of a common pool of talented managers across the organization with a view to increasing their mobility through inter-company job rotation.
- Evolution of performance based compensation packages to attract and retain talent within the organization.
- Development of comprehensive training programs to impart and continuously upgrade the industry / function specific skills, etc.

### **EMPLOYEE BENEFIT MEASURES UNDERTAKEN DURING THE YEAR**

In order to achieve a highly streamlined and productive organization, a transparent and uniform HR policy with a well-defined reporting structure and clear roles and responsibilities has been put in place. An employee survey together with a top leadership workshop was conducted to assess the current cultures of INEOS group Companies in India and to identify an ideal common culture across the two entities for better implementation of the respective strategic initiatives.

Necessary trainings based on identified needs have been set-up across all functions by the respective heads of departments to enhance the knowledge and competencies of our employees and these keep getting updated and upgraded on a continuous basis. Other initiatives including an improvement of the working environment, the automation of HR processes including the outsourcing of the payroll processor and the installation of a new attendance system have been implemented.

## STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of mandatory Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India, during the year under review.

## CODE OF CONDUCT

The Company has suitably laid down the Code of Conduct for all Board members and senior management personnel of the Company. The declaration by CEO of the Company relating to the compliance of aforesaid Code of Conduct forms a part of the Annual Report.

## ACKNOWLEDGEMENTS

We thank our customers, vendors, dealers, investors, business partners and bankers for their continued support during the year which made the Company grow successfully. We also place on record our appreciation of the contribution made by our employees at all levels. Our growth has been made possible only due to their hard work, solidarity, cooperation and support.

For and on behalf of the Board

May 16, 2019  
Vadodara

**Stephen Mark Harrington**  
Chairman  
DIN: 07131679

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## MANAGEMENT DISCUSSION AND ANALYSIS

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INEOS is a leading, global styrenics supplier with a focus on styrene monomer, polystyrene, ABS Standard and styrenics specialties. With world-class production facilities, INEOS helps its customers succeed by offering the best possible solution, designed to give them a competitive edge in the markets.

INEOS Styrolution India Limited is an Indian company within INEOS Global Group.

### Industry Structure and Developments

INEOS serves various industries focusing especially on automotive, home appliance, electrical and electronics, construction, and the healthcare industry. Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalisation are creating an increasingly competitive market environment. In this environment, our customers are strongly focusing on cost-saving and innovative solutions. The Company is determined to support the success of its customers in their markets to give them a competitive edge. INEOS group strives to always provide its customers with the best solutions. It understands customer needs, makes products affordable and enhances the quality of life for a lot of people by making things more convenient, nicer and safer.

### Opportunities and Threats

The Government has made progress in its reform-oriented action and thrust on development of rural and agricultural sectors, continued investments in infrastructure projects, implementation of GST and diminishing negative impacts of demonetization will accelerate economic growth leading to growth in demand of your Company's products.

Your Company has invested in Moxi compounding expansion project and increasing its capacity from 66 KTA to 100 KTA. Further engineering study is in progress for increasing production capacity of rubber.

Your Company utilizes its R&D capabilities to develop new products for automotive, household and electrical industry to create more value and innovative solutions.

Although automotive sector is going through rough phase since mid of FY 2018-19, demand is expected to grow with growth in economy.

Key raw material prices and exchange rates are expected to be stabilized and we continue to strengthen our position in Specialty focus segments and drive product mix to maximize margins.

Further, risks are identified on periodical basis and corrective measures are taken, mitigating steps planned out wherever necessary and an active focused approach helps us in ensuring minimal impact to the Company, if any.

### Product wise performance

The Company provides styrenic applications for many everyday products across a broad range of industries, including automotive, electronics, household, construction, healthcare, packaging and toys, sports & leisure.

Your Company products includes ABSOLAN®, ABSOLAC®, General Purpose Poly Styrene and High Impact Poly Styrene. These products continue to have a preferred market status amongst user industries such as automotive, construction, healthcare, household, packaging and electronics. The successful launch of new products like K resin, Novodur® HH and Luran® S has strengthened the market leadership of your Company especially in the automotive industry. Further, your Company continues to launch new products with innovative solutions creating more value for its customers.

Highlights:

- ABS volume growth was at 6%

## INEOS Styrolution India Limited

- Polystyrene showed a de-growth of 5%
- The Company continued to enjoy a leadership position in automotive market segment and increased its reach in household and electronics segments.

### Outlook

The growth of your Company is closely linked to the growth of the Indian economy. For the economy to grow, it is imperative that there is an increase in public spending, which in turn will fuel demand for our products. The new Government in India is expected to continue its focus on Infrastructure, growth of rural economy, attracting foreign investment under 'Ease of doing business' program, enhancing skill development and generating new job opportunities under the 'Make in India' program.

There is a sense of cautious optimism about the Indian economy, which is poised to accelerate in the current and next fiscal year. According to a World Bank report, India's economy is forecast to grow to 7% in the FY 2019-20 from 6.8% in FY 2018-19 (Source: CEIC – HSBC). There will be a gradual increase in India's growth rate as structural reforms raise potential output. The implementation of the goods and services tax should help reduce internal barriers to trade, create a pan India common market of over USD 2.5 trillion, increase efficiency and improve tax compliance. Fading impact of demonetization and an uptick in private investment are key market indicators.

### Risks and concerns

Your Directors wish to state that risk management and control practices have been deployed across all the functions and functional evaluation of rating probability and impact is being constantly monitored. High ranking risks are deliberated at the board level and mitigation steps and measures applied or to be applied are discussed.

Your Company has integrated its risk monitoring procedures with the global INEOS policies. The objectives of the Company's risk management framework comprise the following:

- To identify, assess, prioritize and manage existing as well as new risks in a planned and coordinated manner;
- To increase the effectiveness of internal and external reporting structure; and
- To develop a risk culture that encourages employees to identify risks and associated opportunities and respond to them with appropriate actions.

The senior management team forming part of the risk managing organization conducts an exercise internally on a quarterly basis for an ongoing risk assessment and takes measures and effective steps to mitigate / reduce impact and control the same from time to time. The Managing Director gives overall directions in controlling / mitigating risks generally and is in complete know of the organizational risks potential. The Company has a proper system to ensure compliance of legal / regulatory requirements that are applicable to the Company.

The Company needs to monitor the developments in the US-China trade war as well as the oil prices, which may have an adverse impact on the global economy. Major volatility in raw material prices and global slowdown continue to be concern as these may affect segments such as automotive and household appliances.

### Internal Control Systems and their adequacy

Your Company's internal control systems are adequate and commensurate with the size of operations. These controls ensure that transactions are authorized, recorded and reported on time. They ensure that assets are safeguarded and protected against loss or unauthorized disposal.

The internal auditors of the Company M/s KPMG carried out audits in different areas of your Company's operations. Post-audit reviews were carried out to ensure that audit recommendations were implemented. The audit committee reviews the adequacy and effectiveness of the internal control systems, significant audit observations and monitors the sustainability of remedial measures.

### Financial performance with respect to operational performance

During the year under review, total revenue from operations of your Company was INR 2,09,053.33 Lakhs as compared to INR 1,95,068.55 Lakhs during previous financial year. Your Company observed approx. 7% increase in the total revenue as compared to previous year. Your Company's Loss before Tax in financial year 2018-19 is INR 1,848.11 Lakhs as compared to a Profit before tax of INR 10,313.10 Lakhs in previous year and the Total Comprehensive Income for the financial year 2018-19 was (INR 1,277.79 Lakhs) as compared to INR 6,593.60 Lakhs in the previous year.

The detailed financial performance and review of operations form part of the Board's Report which details the Company's financial and operational performance.

### Material developments in Human Resources / Industrial Relations front, including number of people employed

Our employees are our most important assets. As of March 31, 2019, the Company employed 457 permanent employees, 78 employees on fixed term contracts and 434 employees on contractual basis through contractors. Our culture and reputation as a global leader in the styrenics industry enables us to recruit and retain some of the best available talent in India. Our human resource (HR) division acts both as a service provider and as a governance unit in the various employee-related fields of work. The scope of activity include attraction, selection and talent development and rewarding of employees, while also overseeing organizational leadership and culture and ensuring compliance with employment and various applicable labour laws. Company's HR fosters a trusting and open culture by promoting mutual respect and fairness throughout the entire organization.

The management has a strong belief that the industrial relations will remain cordial and harmonious and continues to be so in the year ahead. Your directors believe that continuous HR interaction has and would lead to a healthy environment and a strong relationship of mutual trust.

### Key financial ratios

Sr. No.	Particulars	March 31, 2019	March 31, 2018	Explanation for Significant Change
(i)	Debtors Turnover Ratio	8.7	8.3	
(ii)	Inventory Turnover Ratio	5.6	5.1	
(iii)	Current Ratio	1.7	1.9	
(iv)	Long Term Debt Equity Ratio	0.14	0.04	Ratio increased due to availment of ECB Loan for Moxi Expansion Project
(v)	Operating Profit (EBITDA) %	1.0%	7.3%	As explained in the Board's report, Company has suffered heavy inventory losses due to sharp fall of raw material prices in second half which has impacted steep decline in operating profit, return on networth as well as interest coverage ratio
(vi)	Return on Net worth %	-2.0%	10.3%	
(vii)	Interest Coverage Ratio	-0.5	8.5	

### Accounting Treatment

The financial statements of the Company for the financial year ended March 31, 2019 were prepared in accordance with IND-AS, which are the prescribed Accounting Standards.

### **Safety, Health & Environment ('SHE')**

INEOS is deeply committed to combining economic success with environmental and social responsibility. Guided by corporate value of "Responsibility" and Company's SHE policy, the Company continually works to meet the highest standards of corporate citizenship by protecting the health and safety of individuals, by safeguarding the environment, and by creating positive impact on the community it does business with.

For and on behalf of the Board

May 16, 2019  
Vadodara

**Stephen Mark Harrington**  
Chairman

The above mentioned statements are to be viewed with caution and judicious understanding, as the Company's operations involves inbuilt risk due to uncertain economic conditions and unforeseen events beyond the Company's control. Shareholders' / Investors' ought to give due allowance to the statements accordingly.

## **Annexure - I to the Board's Report Corporate Governance Report**

[Pursuant to requirements of Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Your Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2019.

### **I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's corporate governance philosophy is founded upon transparency, accountability, values and ethics and is an integral part of the management in its pursuit for growth and value creation. The Company firmly believes and consistently practices good corporate governance. The Company constantly strives towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole.

### **II. BOARD OF DIRECTORS**

#### **Composition and size of the Board**

The Board of Directors ('the Board') have the ultimate responsibility for the management, direction, performance, general affairs and long-term success of business as a whole. The Board serves its primary role of trusteeship and strives to protect and enhance the shareholder value through strategic supervision of the Company, by providing direction and exercising the appropriate control. Your Board includes eminent professionals who have excelled in their respective areas of specialization and comprises professionals drawn from management, financial, legal and other fields.

The Board of Directors of the Company comprised of seven Directors (including an Alternate Director) drawn from diverse fields. It has an optimum combination of Independent, Woman Director, Executive as well as Non-executive Directors that is in conformity with the provisions of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Chairman of the Company is a non-executive Chairman. The Board believes that the current size is appropriate based on the present circumstances.

The term of appointment of Mr. Sanjiv Vasudeva as the Managing Director and CEO ended on February 28, 2019. The Board has, subject to the approval of the Members in the forthcoming AGM, approved the re-appointment of Mr. Sanjiv Vasudeva as the Managing Director and CEO for a further period of three years, with effect from March 1, 2019 upto February 28, 2022. Approvals are being sought in respect of Ms. Ryna Karani and Mr. Anil Shankar, Independent Directors, for their re-appointment for a further term of 3 years with effect from May 16, 2019 and August 12, 2019 respectively. Ms. Ryna Karani serves as an Additional Independent Director since May 16, 2019 and is proposed to be re-appointed at the forthcoming AGM. Approval is also being sought for continuation of appointment of Mr. Jal R. Patel, Independent Director, since he has attained the age of 75 years.

None of the Directors on the Board is a member of more than 10 committees or a Chairman of more than 5 committees (as stipulated in Regulation 26 of the Listing Regulations), across all the Indian public companies, in which he / she is a director. None of the Directors hold shares of the Company as on March 31, 2019.

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions she / he occupies in other Companies and changes, if any, regarding their Directorships. In addition, the Independent Directors provide an annual confirmation that they meet the criteria of independence as defined under Section 149(6) on an annual basis of the Companies Act, 2013 read with Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

## INEOS Styrolution India Limited

The details of each member of the Board as of March 31, 2019, along with the number of Directorship(s) / Committee Membership(s) / Chairmanship(s), date of joining the Board and their shareholding in the Company are provided herein below:

Name of Directors	Category	DIN	Number of Directorship (including this entity)	Number of memberships in Committee(s) including this entity	Number of post of Chairpersonship in Committee (including this entity)
Mr. Stephen Mark Harrington	Non-Executive & Chairman	07131679	1	1	0
Mr. Sanjiv Vasudeva	Managing Director & CEO	06570945	1	1	0
Mr. Jal R. Patel	Non-Executive & Independent	00065021	5	9	5
Mr. Anil Shankar	Non-Executive & Independent	02143156	1	2	1
Ms. Ryna Karani	Non-Executive & Independent	00116930	8	13	3
Mr. Nitankumar Duggal	Whole-time Director	07872778	1	0	0
Mr. Jit Teng Tan (Alternate to Mr. Stephen Mark Harrington)	Non-Executive & Non-Independent	06466969	1	0	0

Note: (1) No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under Section 2(77) of the Act, read with rule 4 of the Companies (Specification of definitions details) Rules, 2014.

(2) The Directorship includes directorship in all Companies (including private and unlisted Companies as well).

(3) The Membership and Chairmanship in Committees include Membership in all Committees.

(4) None of the Director is holding any shares in the Company.

(5) Membership and Chairmanship of any Director in Committees in all Companies does not exceed limits as specified under Regulation 26(1) of the Listed Regulation.

### Details of Directorship in Listed Companies as on March 31, 2019

Name of the Director	Name of the Listed Entity	Category of Directorship
Mr. Stephen Mark Harrington	INEOS Styrolution India Limited	Non-Executive and Chairman
Mr. Sanjiv Vasudeva	INEOS Styrolution India Limited	Managing Director and CEO
Mr. Jal R. Patel	INEOS Styrolution India Limited Gujarat Gas Limited Elecon Engineering Company Limited Munjhal Auto Industries Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent
Mr. Anil Shankar	INEOS Styrolution India Limited	Non-Executive & Independent



Name of the Director	Name of the Listed Entity	Category of Directorship
Ms. Ryna Karani	INEOS Styrolution India Limited Reliance Communications Limited Prime Urban Development India Limited Reliance Infrastructure Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent
Mr. Nitankumar Duggal	INEOS Styrolution India Limited	Whole-time Director
Mr. Jit Teng Tan (Alternate to Mr. Stephen Mark Harrington)	INEOS Styrolution India Limited	Non-Executive & Non-Independent

The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Regulations.

### Appointment and Tenure

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members. In accordance with the provisions of the Act and the Articles of Association of the Company, all the Directors of the Company, except the Independent Directors, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of the Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations.
- The Independent Directors will serve a maximum of two terms of three years each, after the introduction of the Companies Act, 2013.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the Listing Regulations.
- In accordance, with the recently notified changes in the Listing Regulations, the Company shall ensure that the appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution.

### Board meetings procedure

The annual calendar of meetings is generally agreed upon at the beginning of each year or in the last Board meeting of the previous year. Board meetings are held once in every quarter. In addition to this, Board meetings are convened to transact special businesses, as and when necessary. The meetings are governed by a detailed agenda. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively, are circulated in advance to the Directors. The Managing Director and the CFO brief the Board at every meeting on the overall performance of the Company. The Board is briefed on all the relevant matters of the Company at its meeting. The important matters discussed at the meeting of the Audit Committee are also highlighted to the Board. The Board is free to recommend inclusions of any matter in the agenda for discussion.

## Number of Board meetings and the attendance of Directors during the financial year 2018-19

During the financial year 2018-19, five Board meetings were held on April 24, 2018, May 15, 2018, August 8, 2018, November 13, 2018 and February 12, 2019. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Attendance record of each of the Directors at the Board meetings during the financial year 18-19 and at the last annual general meeting are given below:

Name of Directors	Number of Board meeting held	Number of Board meeting attended	Attendance at last AGM
Mr. Stephen Mark Harrington	5	5	Yes
Mr. Sanjiv Vasudeva	5	5	Yes
Mr. Jal R. Patel	5	5	Yes
Mr. Anil Shankar	5	5	Yes
Ms. Ryna Karani	5	4	Yes
Mr. Nitankumar Duggal	5	4	Yes
Mr. Jit Teng Tan	5	1	No

## Profile of Directors seeking appointment / re-appointment / continuation of the appointment

The name of the Directors, who are proposed to be re-appointed / for continuation of the appointment, in the ensuing Annual General Meeting, are as per the details stated herein below. Further, the resolution(s) for their appointment / re-appointment / continuation of the appointment along with their profile/ necessary information have been appropriately included in the notice of AGM forming part of this annual report.

Mr. Stephen Mark Harrington	<p>Sections 152 (6) and (7)</p> <p>As per the provisions of the Act, two third of the Directors (excluding Independent Directors) should be retiring Directors. One third of these retiring Directors are required to retire every year and upon being eligible, they qualify for re-appointment.</p> <p>Accordingly, Mr. Stephen Mark Harrington retires by rotation and is eligible and has offered himself for re-appointment at the ensuing Annual General Meeting.</p>
Mr. Sanjiv Vasudeva	<p>Sections 196, 197 and 203 read with Schedule V</p> <p>Mr. Sanjiv Vasudeva was appointed as the Managing Director and CEO of the Company with effect from March 01, 2016 for a term of 3 years. Accordingly, his term as Managing Director and CEO has expired as on February 28, 2019.</p> <p>Vide resolutions passed at the meetings of Nomination and Remuneration Committee and subsequently of the Board of Directors of the Company, on February 12, 2019, Mr. Sanjiv Vasudeva was re-appointed as the Managing Director and CEO of the Company for the term of 3 years with effect from March 01, 2019, subject to approval of the shareholders at the ensuing AGM.</p>

Ms. Ryna Karani	<p>Sections 161, 149 and 160</p> <p>Ms. Ryna Karani was appointed as an Independent Woman Director on the Board of the Company with effect from May 16, 2016 for the first term of 3 years, which expired on May 15, 2019.</p> <p>Vide resolutions passed at the meetings of Nomination and Remuneration Committee and subsequently of the Board of Directors of the Company, on February 12, 2019, Ms. Ryna Karani was appointed as an Independent Woman Director for the second term of 3 years with effect from May 16, 2019, subject to approval of the shareholders at the ensuing AGM.</p> <p>Ms. Karani has been an Independent Additional Director since May 16, 2019 and in terms of provisions of Section 161 of the Act, she holds office as an Additional Director up to the date of the ensuing AGM of the Company and being eligible, offers herself for re-appointment.</p>
Mr. Anil Shankar	<p>Sections 149 and 160</p> <p>Mr. Anil Shankar was appointed as Independent Director on the Board of the Company with effect from August 12, 2016 for the first term of 3 years, which expires on August 11, 2019.</p> <p>Vide resolutions passed at the meetings of Nomination and Remuneration Committee and subsequently of the Board of Directors of the Company, on May 16, 2019, Mr. Anil Shankar is proposed to be appointed as an Independent Director for the second term of 3 years with effect from August 12, 2019, subject to approval of the shareholders at the ensuing AGM.</p>
Mr. Jal R. Patel	<p>Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations</p> <p>Mr. Jal R. Patel was appointed as an Independent Director on the Board of the Company for the second term of 3 years with effect from January 01, 2018 vide special resolution passed at the 44th AGM held on August 10, 2017. Mr. Patel has already attained the age of 75 years and his second term will expire on December 31, 2020.</p> <p>The Company would continue to seek his expertise and rich experience and in view of this and the amended SEBI LODR Regulations, a shareholders' approval is proposed to be obtained by way of a special resolution for the continuation of appointment of Mr. Jal R. Patel as an Independent Director. Accordingly, vide resolutions passed at the meetings of Nomination and Remuneration Committee and subsequently of the Board of Directors of the Company, on May 16, 2019, the continuation of appointment of Mr. Jal R. Patel as an Independent Director was approved and further recommended for shareholders' approval at the ensuing AGM.</p>

#### **Familiarization program for Independent Directors**

Independent Directors inducted to the Board have been introduced to our Company culture through appropriate orientation sessions and have been familiarized with their roles, rights, responsibility in the Company pursuant to Regulation 25 of the Listing Regulations. Presentations were made by the Managing Director and the members of Senior Management to provide an overview and to familiarize the Independent Directors with our operations. They were also introduced to our organizational structure, our services, company structure, constitution, Board procedures, matters reserved for the Board, and our major risks and risk management policy. The details of the familiarization program for the Independent Directors have been disclosed on the website of the Company at:

[https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en\\_US/Company/Familiarization Programme %20Independent Directors%20\\_2017.pdf](https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Familiarization_Programme_%20Independent_Directors%20_2017.pdf)

#### **Chart / Matrix setting out the skills/expertise/competence of the Board of Directors**

The Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the Board of INEOS Styrolution India Limited (Company). The Board of the Company has identified this matrix as a useful tool to assist with professional development initiatives.

## INEOS Styrolution India Limited

The Board comprises of diverse mix of expertise, backgrounds and competencies. Such qualifications includes specialized knowledge of Company's industry as well as experience in functional areas like Strategic Management, Risk Management, Business Organization etc. to name a few. The Board comprises of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organization.

Matrix of skills/expertise/competence of the Board of Directors is given below:

Skill Areas	Description
Strategy and strategic planning	Ability to think strategically, identify, critically assess strategic opportunities, threats and develop effective strategies in the context of the Company's objectives and priorities.
Policy development & evaluation	Ability to identify key issues and opportunities for the Company within the industry and develop and evaluate appropriate policies to define the parameters within which the organization should operate.
Financial performance	Ability to: <ul style="list-style-type: none"> <li>▪ Analyze key financial statements</li> <li>▪ Critically assess financial viability and performance</li> <li>▪ Contribute to strategic financial planning</li> <li>▪ Oversee budgets and the efficient use of resources</li> <li>▪ Oversee funding arrangements and accountability</li> </ul>
Risk and compliance management	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
Executive management	Ability to: <ul style="list-style-type: none"> <li>▪ Appoint and evaluate the performance of the CEO and senior executive managers</li> <li>▪ Oversee strategic human resource management including workforce planning, and employee and industrial relations; and oversee large scale organization change.</li> </ul>
Commercial experience	A broad range of commercial / business experience.
International business management	Knowledge of and experience in operations across geographies.
Community and stakeholder engagement	Ability to effectively engage and communicate with shareholders including the community influenced and affected by the Company's operations and devising strategies for creating value for them.
Integrity	A commitment to: <ul style="list-style-type: none"> <li>▪ Understand and fulfil the duties and responsibilities of a Director and maintain knowledge in this regard through professional development;</li> <li>▪ Acting in a transparent manner and declaring any activities or conduct that might be a potential conflict;</li> <li>▪ Maintaining Board confidentiality at all times.</li> </ul>
Commitment	A visible commitment to the purpose for which the Company has been established and operates and its ongoing success.
Leadership	Innate leadership skills including the ability to: <ul style="list-style-type: none"> <li>▪ Appropriately represent the organization</li> <li>▪ Set appropriate Board and organization culture</li> <li>▪ Take responsibility for decisions and actions</li> </ul>

### III. AUDIT COMMITTEE

#### Composition

The Audit Committee of the Board of Directors comprises of Independent Directors having expertise in accounting / financial management.

The constitution of the Audit Committee and attendance details during the financial year 2018-19 are given below:

Name of the Member	Designation and Category	No. of meetings held during the tenure of the Director	Attendance
Mr. Jal R. Patel	Chairperson, Independent Director	4	4
Mr. Anil Shankar	Member, Independent Director	4	4
Ms. Ryna Karani	Member, Independent Woman Director	4	3

During the financial year, the Audit Committee met four times on April 24, 2018, August 8, 2018, November 13, 2018 and February 12, 2019.

The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are permanent invitees to the meeting and attend and participate at the meetings of Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also communicates with the internal and external auditors separately, without the presence of the management representatives.

Mr. Haresh Khilnani, Company Secretary, acted as the Secretary to the Committee for first two meetings held before the date of his resignation i.e. August 21, 2018. Mr. Abhijaat Sinha, Head – Legal and Company Secretary acts as the Secretary to the Audit Committee with effect from March 29, 2019.

The Chairman of the Audit Committee, Mr. Jal R. Patel was present at the 45th Annual General Meeting of the Company held on August 9, 2018.

The Audit Committee is governed by the terms of reference, which are in compliance with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the Listing Regulations.

The terms of reference of the Audit Committee generally include examination of Financial Statements and Statutory Auditor's report thereon and discussion of any related issues with the Internal & Statutory Auditors and the management of the Company; approval or any subsequent modification of arrangements / transactions of the Company with related parties; evaluation of internal financial controls; evaluation of risk management system; review of Company's financial reporting processes and the disclosure of financial information to ensure that the Financial Statements are correct, sufficient and credible.

The Audit Committee mandatorily reviews the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions, (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the Statutory Auditor;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor

f. Statement of deviations:

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
- annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

## IV. STAKEHOLDERS' RELATIONSHIP AND GRIEVANCE COMMITTEE

### Composition

The Board has constituted a Stakeholders' Relationship and Grievance Committee to attend and redress the stakeholders' grievances and maintain harmonious relations with all stakeholders of the Company. During the financial year, the committee met four times on April 24, 2018, August 8, 2018, November 13, 2018 and February 12, 2019.

The constitution and the attendance details of the members of Stakeholders' Relationship and Grievance Committee during the financial year 2018-19 are given below:

Name of the Member	Designation and Category	No. of meetings held during the tenure of the Director	Attendance
Ms. Ryna Karani	Chairperson, Independent Woman Director	4	3
Mr. Jal R. Patel	Member, Independent Director	4	4
Mr. Stephen Mark Harrington	Member, Independent Director	4	4
Mr. Sanjiv Vasudeva	Member, Executive Director	4	4

The role of Stakeholders' Relationship Committee includes resolving the grievances of Members, ensuring expeditious share transfer process and evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company.

Mr. Haresh Khilnani, Company Secretary, was designated as the Compliance Officer of the Company, pursuant to the requirements of the Listing Regulations until his resignation on August 21, 2018. Upon his resignation, CS Amita Mistry was designated as Compliance Officer of the Company with effect from November 15, 2018.

During the financial year under review no complaints have been received through SEBI Complaints Redress System (SCORES). There were no investor complaints, which remained unresolved at the end of the year. The Company receives several requests, either directly or through its RTA, such as revalidation of dividend warrants, exchange of share certificates, issue of duplicate share certificates, transmission of shares, dematerialization of shares etc. and such requests are addressed and resolved within the prescribed timelines, subject to completion of required formalities by the shareholders.

Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company attends to all the grievances of the stakeholders. The details of complaints received, cleared and pending during the financial year 2018-19 are given as under:

Nature of Complaints	Received	Cleared	Pending
Non-receipt of Share Certificates duly transferred	-	-	-
Letters from SEBI / SCORES Site	-	-	-
Letters from Depositories	-	-	-
Letters from Ministry of Corporate Affairs	-	-	-
Letters from Stock Exchanges	-	-	-

There are no grievances of stakeholders' remaining unattended / unresolved and every effort is made at all levels to immediately redress stakeholders' grievances without delay.

## V. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### Composition

During the financial year, the committee met four times on April 24, 2018, August 08, 2018, November 13, 2018 and February 12, 2019. The constitution of the CSR Committee and attendance details during the financial year 2018-19 are given below:

Name of the Member	Designation and Category	No. of meetings held during the tenure of the director	Attendance
Mr. Anil Shankar	Chairman, Independent Director	4	4
Mr. Jal R. Patel	Member, Independent Director	4	4
Mr. Sanjiv Vasudeva	Member, Executive Director	4	4

The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

1. Formulation of a CSR policy which shall indicate activities to be undertaken by the Company.
2. Recommendation of the CSR policy to the Board.
3. Recommendation of the amount of expenditure to be incurred on the activities.
4. Monitor the policy from time to time as per the CSR policy.

The details of the CSR policy, CSR initiatives and activities undertaken during the year are given in the Annual Report on CSR activities in Annexure – II to Board Report.

## VI. NOMINATION AND REMUNERATION COMMITTEE

### Composition

Pursuant to provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, a 'Nomination and Remuneration Committee' of the Board has been constituted. During the financial year, the Committee met twice on August 08, 2018 and February 12, 2019.

The composition of the Nomination and Remuneration Committee and attendance details during the financial year 2018-19 was as follows:

Name of the Member	Designation and Category	No. of meetings held during the tenure of the director	Attendance
Mr. Jal R. Patel	Chairman, Independent Director	2	2
Mr. Stephen Mark Harrington	Member, Non - Executive Director	2	2
Mr. Anil Shankar	Member, Independent Director	2	2

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The terms of reference of the Committee are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations.

The terms of reference of the Committee include:

1. Formulation of the remuneration policy, for the Directors, Key Managerial Personnel and other employees
2. Formulation of criteria for evaluation of Independent Directors and the Board
3. Devising a policy on Board diversity
4. Identifying persons for Board and senior management positions.

The committee acts as a link amongst the management and the Board of Directors.

### VII. REMUNERATION TO DIRECTORS

#### Remuneration policy:

The Nomination and Remuneration Committee determines and recommends to the Board, the remuneration payable to Directors. All Board-level remuneration is approved by the shareholders and disclosed separately in the financial statements. Remuneration for the Executive Directors consists of a fixed component and a variable component. The annual remuneration of the Executive Directors is approved by the Nomination and Remuneration Committee and placed before the shareholders for their approval. The details of the remuneration policy adopted by the Company has been disclosed on the website of the Company at:

[https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en\\_US/Company/Nomination%20and%20Remuneration%20Policy%20%20REVISED%202017%20Aug.pdf](https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Nomination%20and%20Remuneration%20Policy%20%20REVISED%202017%20Aug.pdf)

The Managing Director & Chief Executive Officer of the Company is entitled to an annual variable pay each fiscal year, which is subject to achievement of certain fiscal year milestones by the Company, as determined by the Board. The profit related commission payable to the Independent Directors is limited to a fixed amount per year as determined and approved by the Board, the aggregate sum of which shall not exceed 1% of net profits of the Company for the year, calculated as per the provisions of the Act.

#### Remuneration to Executive Directors:

The Board of Directors, based on the recommendations of Nomination and Remuneration Committee of Directors, is authorised to decide the remuneration of the Executive Directors, subject to the approval of the members. The remuneration structure comprises of salary, perquisites, retirement benefits as per the law / rules, performance linked incentive (PLI) and commission.

The details of remuneration paid / payable to Mr. Sanjiv Vasudeva (Managing Director & CEO) and Mr. Nitankumar Duggal (Whole-time Director) for financial year 2018-19 is as under:

(Amount in INR)

Name & Designation	Sanjiv Vasudeva, Managing Director & CEO*	Nitankumar Duggal, Whole-time Director
Salary	17,213,741	6,972,357
Perquisites	NIL	NIL
Retiral benefits	812,028	389,340
Commission, bonus and performance linked incentives	7,298,000	1,095,269



Name & Designation	Sanjiv Vasudeva, Managing Director & CEO*	Nitankumar Duggal, Whole-time Director
Other benefits (medical plan)	10,000	10,000
Stock Options	NIL	NIL
Tax consulting and retirement management fees	NIL	NIL
Tax adjustments	NIL	NIL
Total	25,333,769	8,466,966
Tenure	3 years	3 years
From	March 01, 2019	August 31, 2017
To	February 28, 2022	August 31, 2020
Notice period	3 months	3 months
Equity shares of INR 10 held as on 31.03.2019	NIL	NIL

\*Mr. Sanjiv Vasudeva was re-appointed as Managing Director & CEO for a period of 3 years w.e.f. March 01, 2019, subject to approval of shareholders at the forthcoming AGM.

#### Remuneration to Non-Executive Directors:

Non-Executive Directors who are employees of INEOS group do not receive any remuneration from the Company.

As per shareholders' approval accorded on April 29, 2014 and through postal ballot on January 27, 2017, the Independent Directors of the Company are paid 'Sitting Fees' for attending Board / Committee Meetings and 'Profit Related Commission' based on performance of the Company and performance evaluation criteria set forth in the Nomination and Remuneration Policy.

The details of sitting fees for attending Board / Committee meetings and profit related commission paid to them during the financial year 2018-19 is as follows:

Details of remuneration paid / payable to Non-Executive and Independent Directors for FY 2018-19 is as under:

(Amount in INR)

Name of Directors	Commission	Sitting fees for Board / Committee meetings attended *	Total	No. of equity shares of INR 10 held as on March 31, 2019
Mr. Jal R. Patel	0#	520,000	520,000	NIL
Mr. Anil Shankar	0#	480,000	480,000	NIL
Ms. Ryna Karani	0#	310,000	310,000	NIL
<b>TOTAL</b>	<b>0#</b>	<b>1,310,000</b>	<b>1,310,000</b>	

\*Inclusive of TDS.

# No commission was paid to the Independent Directors in the current financial year due to losses.

#### Directors with materially significant related party transactions, pecuniary or business relationship with the Company.

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company at large.

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Apart from drawing sitting fees and commission, none of the Independent Directors have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board would affect the independence or judgment of Directors.

### VIII. RISK MANAGEMENT COMMITTEE (NON- MANDATORY COMMITTEE)

The Company has constituted a Risk Management Committee to assist the Board in fulfilling its corporate duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The Committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company.

The Risk Management Committee ('the Committee') is comprised of two members as follows:

Name(s) of the Member	Designation
Mr. Sanjiv Vasudeva	Chairperson
Mr. Sanjeev Madan	Member

The Committee met 2 times during the year on November 13, 2018 and February 12, 2019.

### IX. GENERAL BODY MEETINGS

Details of the last three AGM and details of special resolutions passed at the AGMs are given below:

Financial Year	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2015-16	43rd Annual General Meeting 'Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007.	Friday, August 12, 2016 11.30 a.m.	<ul style="list-style-type: none"><li>Appointment of Mr. Sanjiv Vasudeva as Managing Director and CEO of the Company.</li><li>Appointment of Mr. Bhupesh P. Porwal as Whole-time Director of the Company.</li><li>Appointment of Ms. Ryna Karani as an Independent Director of the Company.</li></ul>
2016-17	44th Annual General Meeting 'Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007.	Thursday, August 10, 2017 11.30 a.m.	<ul style="list-style-type: none"><li>Appointment of Mr. Jal R. Patel as Independent director of the Company.</li></ul>
2017-18	45th Annual General Meeting 'Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007	Thursday, August 09, 2018 11.30 a.m.	<ul style="list-style-type: none"><li>None.</li></ul>

All the resolutions set out in the respective notices were passed by the Shareholders.

During the financial year under review, no extra ordinary general meeting was held. No special resolutions were passed through postal ballot during the financial year ended March 31, 2019.

There is no proposal to pass any Special Resolution through Postal Ballot.

At the forthcoming Annual General Meeting, there are no special resolutions for which the Listing Regulations or the Act has recommended / mandated postal ballot.

**X. DISCLOSURES:**

- a) There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
  - a. The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee.
  - b. Transactions with related parties are disclosed under notes to accounts and in Form AOC-2 forming part of the Board's Report.
  - c. In accordance with the requirements of the Listing Regulations, the Company has formulated policy on related party transactions which the same has been put up on the website of the Company on following web link [https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en\\_US/Company/RPT%20Policy\\_2017%20Aug.pdf](https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/RPT%20Policy_2017%20Aug.pdf)
- b) There were neither instances of non-compliance nor have any penalties or strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- c) In line with the requirements of the Regulation 17(9) of the Listing Regulations, the Board reviewed the Management's perception of the risks facing the Company and measures taken to minimise the same.
- d) The Company has established a vigil mechanism to provide for the safeguards against victimization of Directors and employees who follow such mechanism and to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. The Board has approved a Whistle Blower Policy for establishment of vigil mechanism pursuant to provisions of Act and Regulation 22 of the Listing Regulations, as may be applicable and affirms that no person has been denied access to the Chairman of the Audit Committee and also to the Chairman of the Board of the Company. The policy adopted has been put up on the website of the Company on following web link: [https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en\\_US/Company/Whistleblower\\_Policy%20INEOS\\_2017.pdf](https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Whistleblower_Policy%20INEOS_2017.pdf)
- e) The Company is in full compliance with the mandatory requirements as contained in the Listing Regulations.
- f) The disclosures required pursuant to the provisions of Section II Part II of Schedule V of the Companies Act, 2013 in case of remuneration payable to the managerial personnel, where in any financial year, a company has no profits or its profits are inadequate, are provided in the Section VII of this Report pertaining to Remuneration to Directors.
- g) The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- h) To determine 'material subsidiary', the Company has adopted a 'Policy on Determination of Material Subsidiary' and the same is available on the website of the Company on the following web link: [https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en\\_US/Company/Material\\_subsidary\\_INEOS\\_2017.pdf](https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Material_subsidary_INEOS_2017.pdf)
- i) The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - a. Accordingly, an Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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b. The status of the Complaints received during the year are as under:

No. of complaints received during the financial year.	No. of complaints redressed during the financial year.	Any complaint remain unattended at the end of the financial year.	Remarks
0	0	0	There was no complaint received during the year.

j) The details of total fees for all services paid by the Company to the statutory auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, are stated below:

Firm Name	Nature of services	INR in Lakhs
Price Waterhouse CA LLP	Audit, Limited Review & Certification	47.41
PRICE WATERHOUSE & CO LLP	ECB Benchmarking & transfer pricing	18.85
Price Water House Coopers Private Limited	Engineering Study & Customs Appeal	20.55
<b>Total</b>		<b>86.81</b>

k) During the year under report, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

l) The Company does not have any long term debt instruments or any fixed deposit program or any scheme or proposal involving mobilization of funds, in India or abroad. Hence, no credit rating is obtained in relation to the same.

However, due to the working capital facilities that the Company utilizes from its bankers, a general credit rating is required to be obtained by the Company. Accordingly, the credit rating as received by the Company from Credit Rating Agency for Long term / short term bank facilities, as of March 31, 2019, is CARE AA, STABLE / CARE A1+.

m) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory authority during the year under report. The certificate from M/s Devesh Pathak & Associates, Practicing Company Secretaries, verifying and confirming the same, has already been obtained and is annexed to this report.

n) During the year under report, there is no incident / occasion where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

o) List of Commodity price risks and Commodity hedging activities is as under:

The Company faces commodity price risks such as foreign currency fluctuations, volatility in product / raw material prices etc. For risk mitigation, the Company usually enters into price formulas based on internationally accepted market price publications like IHS, ICIS & Platts etc..

The Company has not done any commodity hedging during financial year 2018-2019.

### XI. DISCRETIONARY REQUIREMENTS AS PER REGULATION 27(1) OF SEBI LISTING REGULATIONS (PART E OF SCHEDULE II):

(A) **The Board:** The Company does not maintain a separate office for the non-executive chairperson.

(B) **Audit Qualification:** There has been no audit qualification / modified opinions in the audit report by the Auditor for the Financial Year 2018-19.

(C) **Separate Posts of Chairman and Managing Director / CEO:** The posts of Chairman and Managing Director / CEO are held by two different individuals with vast experience and expertise.

(D) **Reporting of Internal Auditor:** The internal auditors of the Company submits report to the Audit Committee regularly.

### **Risk Management Framework**

The Board takes responsibility for the overall process of risk management in the organization and a Risk Management Committee has been formed. Your Company has integrated its risk monitoring procedures with the global INEOS policies. Through a detailed risk management programme, each functional head addresses opportunities and the attendant risks through a systematic approach aligned to the Company's objectives. This is also facilitated by internal audit. The results of the risk assessment and residual risks are presented to the senior management. The Audit Committee also reviews reports covering operational, financial and other business risk areas.

### **Code of Conduct**

The Company has in place a Code of Conduct framed specifically in compliance with the provisions of Regulation 17 of the Listing Regulations. The matters covered in this Code are of utmost importance to the Company, its shareholders, clients and business partners. The purpose of this Code is to articulate highest standards of honesty, integrity, ethical and law-abiding behavior. It also aims to encourage the observance of these standards to protect and promote the interest of shareholders, employees, customers, suppliers and creditors. It sets out the responsibility, accountability and report and investigate any reported violations of the Code or unethical or unlawful behavior.

The Code of Conduct applicable to Board members and key employees of the Company has been posted on the Company's website. For the year under review, all Board members and senior management personnel of the Company have confirmed their adherence to the provisions of the said Code. A certificate from the Managing Director & CEO to this effect is attached to this Report.

## **XII. CEO / CFO CERTIFICATE(S)**

The Managing Director and the Chief Financial Officer have submitted to the Board of Directors annual certification relating to financial reporting and internal controls, as required by Regulation 17(8) of the Listing Regulations, for the financial year ended March 31, 2019.

## **XIII. MEANS OF COMMUNICATION:**

Quarterly, half-yearly and annual results of the Company are published in leading English and vernacular newspapers viz. Business Standard and Vadodara Samachar. Additionally, the results, other important information and official news releases including presentations made for investors or analysts are also periodically updated on the Company's website viz. [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com)

The Company organizes investor conference calls to discuss its financial results every quarter where investors' queries are answered by the executive management of the Company. The investor presentations and the transcripts of the calls are also uploaded on the website of the Company.

Further, the related information is uploaded / submitted to stock exchanges (BSE Limited and National Stock Exchange of India Limited) on time to time basis.

Management Discussion and Analysis Report forms a part of this Annual Report.

### **SEBI Complaints Redress System (SCORES)**

A centralized web based complaints redress system created by SEBI serves as a centralized database of all complaints, enables uploading of action taken reports (ATRs) by the Company and online viewing by the investors of actions taken on the complaint and its current status.

### **Annual Report**

The Annual Report containing, *inter alia*, the Audited Financial Statements, Boards' Report, Auditors' Report and other important information is sent to the investors. Pursuant to the green initiative launched by the MCA, the Company also sends e-copies of the Annual Report to members who have registered for the same. The same are also available on the website of the Company.

## XIV. GENERAL SHAREHOLDER INFORMATION:

- 46th AGM (Date, Time and Venue): August 08, 2019 (Thursday) at 11.00 a.m. at “**CRYSTAL**”, 2nd Floor, Grand Mercure Vadodara Surya Palace, Sayajigunj, Vadodara – 390020, Gujarat
- Financial year: April 1 to March 31.  
The financial results will be approved as per the following tentative schedule:  
First Quarter: Second week of August, 2019  
Second Quarter: Second week of November, 2019  
Third Quarter: Second week of February, 2020  
Fourth Quarter: Second week of May, 2021
- Dividend for the year 2018-19: The Board of Directors of the Company has recommended a final dividend of Rs. 2.00 (20%) per equity share for the year ended on March 31, 2019. Dividend when declared at the Annual General Meeting will be paid to the Members, whose names appear on the register of members as on **August 01, 2019**.
- Corporate Identity Number (CIN): L25200GJ1973PLC002436
- ISIN for NSDL & CDSL: INE189B01011
- Listing on Stock Exchanges: BSE Limited (BSE)  
Scrip Code: 506222  
National Stock Exchange of India Limited (NSE) Scrip Symbol: INEOSSTYRO

Listing fees for the year 2019-20 have been paid to both the stock exchanges within stipulated time.

### • Distribution of shareholding as on March 31, 2019:

No. of shares ranging From – To			No. of Shareholders	% to Total	No. of Shares	% to Total
1	-	500	13,795	93.5444	1,227,209	6.98
501	-	1000	534	3.6211	405,104	2.30
1001	-	2000	219	1.4850	319,096	1.81
2001	-	3000	72	0.4882	178,018	1.01
3001	-	4000	28	0.1899	100,102	0.57
4001	-	5000	21	0.1424	95,048	0.54
5001	-	10000	36	0.2441	286,423	1.63
10001	-	Above	42	0.2848	14,974,625	85.15
<b>Total:</b>			<b>14,747</b>	<b>100.0000</b>	<b>17,585,625</b>	<b>100.00</b>

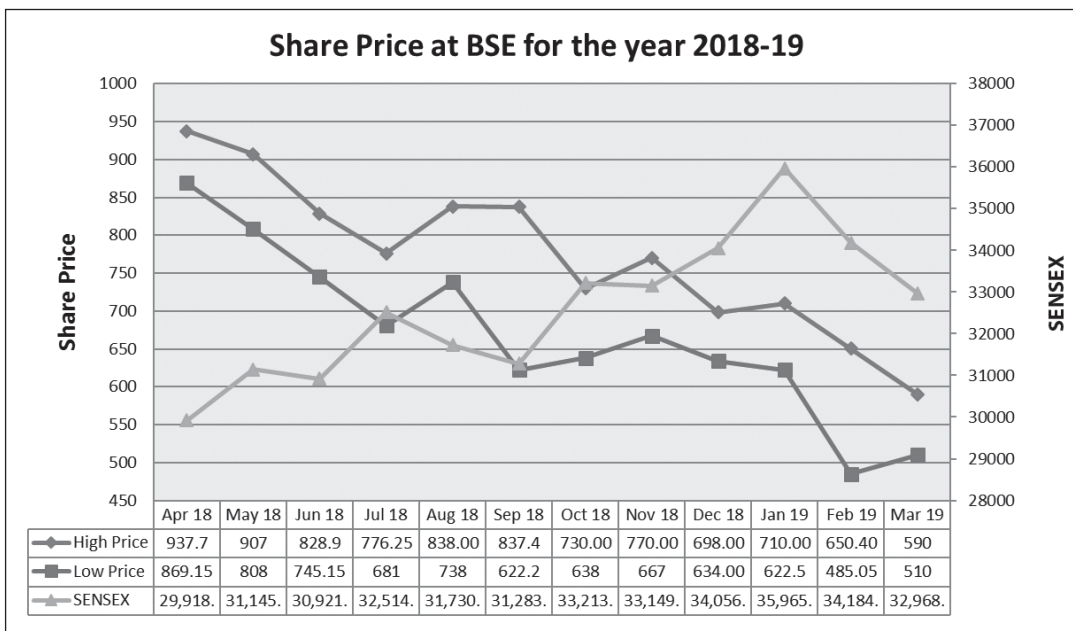
- Dematerialization of shares as on March 31, 2019:

Particulars	March 31, 2019		March 31, 2018	
	No. of shareholders	% to total	No. of shareholders	% to total
No. of Demat Shares				
- NSDL	16,419,419	93.37	16,488,768	93.76
- CDSL	980,055	5.57	896,004	5.10
No. of physical shares	186,151	1.06	200,853	1.14
<b>Total</b>	<b>17,585,625</b>	<b>100.00</b>	<b>17,585,625</b>	<b>100.00</b>

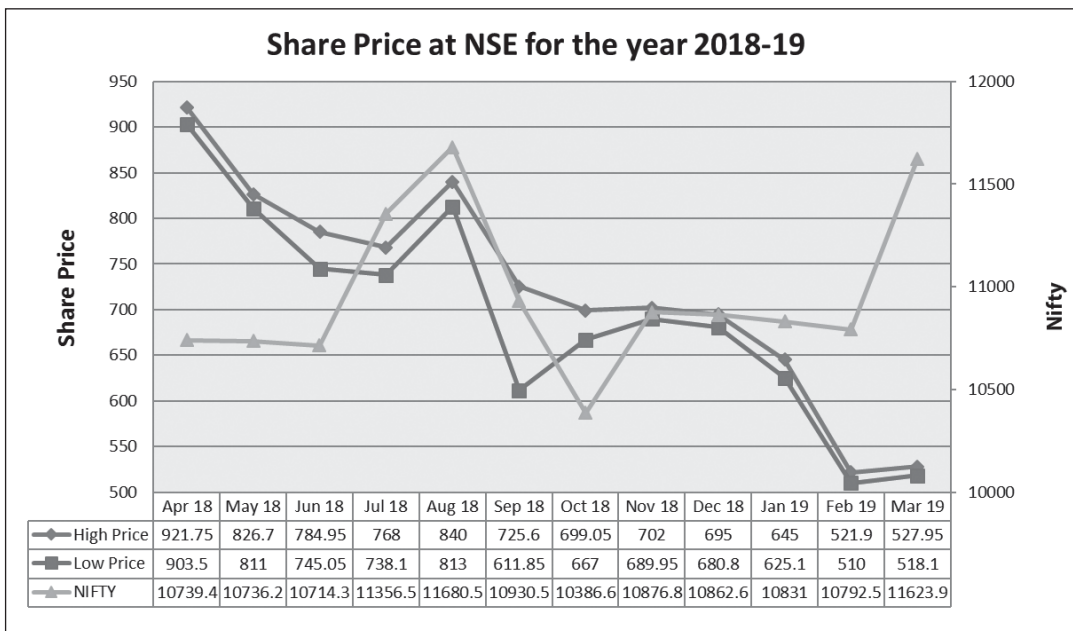
- Certificates, on half-yearly basis, pursuant to Regulation 40(9) of the Listing Regulations, have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company. A Company Secretary-in-practice carried out a reconciliation of share capital audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- High / low of market price of the Company's shares traded along with the volumes at BSE and NSE during the financial year 2018-19 is furnished below:

Month	BSE (SENSEX)				NSE (NIFTY)			
	High Price (INR)	Low Price (INR)	No. of Shares Traded	SENSEX	High Price (INR)	Low Price (INR)	No. of Shares Traded	NIFTY
18-Apr	937.70	869.15	6676	29918.40	921.75	903.50	60276	10739.35
18-May	907.00	808.00	24976	31145.80	826.70	811.00	131805	10736.15
18-Jun	828.90	745.15	7678	30921.61	784.95	745.05	61202	10714.30
18-Jul	776.25	681.00	16158	32514.94	768.00	738.10	88478	11356.50
18-Aug	838.00	738.00	30211	31730.49	840.00	813.00	183659	11680.50
18-Sep	837.40	622.20	21170	31283.72	725.60	611.85	80701	10930.45
18-Oct	730.00	638.00	10258	33213.13	699.05	667.00	58209	10386.60
18-Nov	770.00	667.00	16452	33149.35	702.00	689.95	74340	10876.75
18-Dec	698.00	634.00	39048	34056.83	695.00	680.80	41003	10862.55
19-Jan	710.00	622.50	7974	35965.02	645.00	625.10	55936	10830.95
19-Feb	650.40	485.05	25726	34184.04	521.90	510.00	98800	10792.50
19-Mar	590.00	510.00	12819	32968.68	527.95	518.10	87810	11623.90
<b>Total Shares Traded</b>			<b>219,146</b>				<b>1,022,219</b>	
<b>Average Shares Traded</b>			<b>18,262</b>				<b>85,185</b>	

Share performance of the Company in graphical comparison at BSE (Sensex):



Share performance of the Company in graphical comparison at NSE (Nifty):





- **Category wise shareholding as on March 31, 2019:**

Category	No. of shares	% of shareholding
<b>Promoters</b>		
- Indian Promoters	-	-
- Foreign Promoters		
INEOS Styrolution South East Asia Pte Ltd.	13,189,218	75.00
<b>Institutional Investors</b>		
- Mutual Funds / UTI	1,035,089	5.89
- Banks, Financial Institutions, Insurance Companies	5,760	0.03
- Foreign Portfolio Investors	121,456	0.69
Central Government / State Government (IEPF)	28,927	0.16
<b>Non-Institutions</b>		
- Corporate Bodies	476,255	2.71
- Indian Public	2,594,880	14.76
- NRIs / OCBs	91,340	0.52
- NBFC registered with RBI	1,660	0.01
- Any Others (Clearing Members)	41,040	0.23
<b>Grand Total</b>	<b>17,585,625</b>	<b>100.00</b>

- **Registrar and Share Transfer Agent**

Link Intime India Private Limited

B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.

Phone : +91 265 2356573

E-mail : [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

- **Share transfer system**

All the transfers received were processed by the Registrar and Share Transfer Agent and by secretarial department of the Company twice in a month or more depending on the volume of transfers. Share transfers were registered and returned within maximum of 15 days from the date of lodgment if documents are complete in all respect.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the proposed change coming into effect from April 1, 2019, Equity Shares of the Company are eligible for transfer only in Dematerialized form.

- **Exchange of share certificates**

The shareholders holding share certificates of Styrolution ABS (India) Limited, INEOS ABS (India) Limited, LANXESS ABS Limited, Bayer ABS Limited, ABS Industries Limited and / or ABS Plastics Limited are requested to surrender the same at the Company's registered office at 5th Floor, OHM HOUSE – II, OHM Business Park, Subhanpura, Vadodara –390 023, Gujarat, to get their share certificates with changed name of the Company i.e. INEOS Styrolution India Limited.
- **Unclaimed dividend and unclaimed shares**

Dividend declared for the year 2011 has been transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and accordingly no claim shall lie in respect thereof.

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) Suspense Account.

The shares transferred / to be transferred to IEPF Suspense Account, including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.

Pursuant to the provisions of Sections 124 and 125 of the Act, dividends which remain unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend account are required to be transferred to IEPF established by the Central Government. The details of unpaid dividend are placed on the website of the Company at <https://www.ineosstyrolutionindia.com>.

Members who have not encashed their dividend warrants towards the Final Dividend for the year ended March 31, 2012 or thereafter are requested to write to the Company's Registrar and Share Transfer Agent at the earliest.
- **Trading Window**

In accordance with the Code of Conduct for Prevention of Insider Trading adopted by the Company, the Company closes trading window for designated employees from time to time. As per policy, the trading window is generally closed from the last day of the close of the quarter for which financial results are prepared and opened after 48 hours of conclusion of Board meeting in which the financial results are approved. The trading window is also closed during and after occurrence of price sensitive events as per the Code for Prevention of Insider Trading.

- **The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments, and accordingly, the same are not likely to impact on equity as on March 31, 2019.**

- **Report on Corporate Governance**

The Company regularly submits to the stock exchanges, the report on corporate governance, as required, within the prescribed period.

- **Office of the Chairperson**

The Company has a non-executive chairperson.

- **Plant locations**

The Company's plants are located at Nandesari, Katol, Moxi and Dahej in Gujarat. Please refer page no. 1 of this Annual Report for the addresses of plant locations.

- **Address for correspondence**

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned above.

Shareholders may also contact CS Abhijaat Sinha, Head – Legal and Company Secretary, at the registered office of the Company for any assistance.

Email ID : [INSTY.secshare@ineos.com](mailto:INSTY.secshare@ineos.com)

Tel. No. +91 265 2303201-02 Fax. +91 265 2303203

Website : [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective depository participants.

# INEOS Styrolution India Limited

## CEO and CFO Certification

To  
**The Board of Directors**  
**INEOS Styrolution India Limited**

We, Sanjiv Vasudeva, Managing Director & Chief Executive Officer of the Company and Sanjeev Madan, Chief Financial Officer of the Company certify that:

- A. We have reviewed financial statements and the cash flow statement and all the notes on accounts for the year ended on March 31, 2019 and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended on March 31, 2019 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. i) There has not been any significant change in internal control over financial reporting during the year under reference;
- ii) Changes in accounting policies consequent to the implementation of the Indian Accounting Standards (Ind AS) have been appropriately disclosed in the financial statements and the impact thereof on the Company's financials is not material; and
- iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: May 16, 2019

Place: Vadodara

**Sanjiv Vasudeva**  
Managing Director and CEO

**Sanjeev Madan**  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of**

INEOS Styrolution India Limited  
5th Floor, OHM House II,  
OHM Business Park,  
Subhanpura,  
Vadodara - 390023

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of INEOS Styrolution India Limited having CIN: L25200GJ1973PLC002436 and having registered office at 5th Floor, OHM House II, OHM Business Park, Subhanpura, Vadodara - 390023 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority except Mr.    (DIN   ) who has been debarred/disqualified by    [give name of Statutory Authority and reason].

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Stephen Mark Harrington	07131679	18/05/2015
2.	Sanjiv Vasudeva	06570945	01/03/2016
3.	Nitankumar Vaidyaprakash Duggal	07872778	31/08/2017
4.	Jal Patel	00065021	29/12/2005
5.	Anil Shankar	02143156	12/08/2016
6.	Ryna Zaiwalla Karani	00116930	16/05/2016
7.	Jit Teng Tan	06466969	18/05/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Devesh Pathak & Associates**  
Practising Company Secretaries

Place: Vadodara  
Date: 16<sup>th</sup> May, 2019

**Devesh Pathak**  
FCS No. 4559  
CP No. 2306

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## INEOS Styrolution India Limited

### CERTIFICATE ON CORPORATE GOVERNANCE

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To,  
The Members of  
INEOS STYROLUTION INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance of INEOS STYROLUTION INDIA LIMITED ("the Company") for the year ended March 31, 2019, as stipulated in Regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of conditions of Corporate Governance is responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2019 as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Devesh Pathak & Associates**  
Practising Company Secretaries

Place: Vadodara  
Date: 16<sup>th</sup> May, 2019

**Devesh Pathak**  
FCS No. 4559  
CP No. 2306

## Annexure - II to the Boards' Report

### Report on Corporate Social Responsibility Activities

#### Brief Overview

INEOS Styrolution India Limited is committed to the INEOS Group's mission of delivering the best solutions, which includes creating a more inclusive and resource-efficient India as a responsible corporate citizen. The CSR policy adopted by the Company intends to contribute to the sustainable development of the society and environment.

The key focus areas under CSR activities for the Company are promoting education, preventive healthcare, infrastructural support, sanitation facilities, purification of water, rural development, community welfare and creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India.

#### Overview of projects/ programs undertaken:

Some of the key CSR initiatives undertaken by the Company during the year include:

- a) Promoting education, preventive healthcare, infrastructural support:
  - Educational assistance in the form of scholarships, stationery and study kits, education to street children, training to teachers and assistance to schools adopted by them.
  - Providing educational and infrastructural facilities for the development of street schools; building infrastructure such as roofs, sheds, washrooms, storage vaults, PA systems, play area etc. in primary schools located in the vicinity of Company's plants.
  - Providing special assistance to the schools of differently abled kids in the vicinity of the Company's office and plant.
- b) Sanitation facilities, purification of water etc.:
  - Contribution towards sustaining environment / water (installing water purification plants in government schools, water sewage plant in schools in vicinity of plant locations etc.)
- c) Community welfare:
  - Running of Mobile Health Unit, providing basic medical facilities in the villages in the vicinity of Company's plants.
  - Contribution to Bharat ke Vir, an initiative by Central Government to support Armed Forces and their families.

#### CSR Policy

The CSR policy adopted by the Company laying out the Company's philosophy on CSR is available on the website of the Company at the following link:

[https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en\\_US/Company/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%202018.pdf](https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%202018.pdf)

#### Composition of CSR committee

Name of the Director	Category of Directorship
Mr. Anil Shankar	- Independent Director, Chairman
Mr. Jal R. Patel	- Independent Director
Mr. Sanjiv Vasudeva	- Managing Director & CEO

## INEOS Styrolution India Limited

### Average net profit of the Company for the last three financial years

INR 8,966 lakhs

### Prescribed CSR Expenditure (two percent of the amount stated above)

INR 179.32 lakhs

### Details of CSR spent during the financial year

Total amount spent for the financial year: INR 103.83 Lakhs

Amount unspent, if any: INR 75.49 Lakhs

Manner in which the amount spent during the Financial Year 2018-19 is detailed below:

(Amount in INR Lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
<b>Conservation of water</b>							
1	Sujam Saflam	Conservation of water	In vicinity of Plant Location (Katol and Moxi)	3.00	3.00	3.00	Through Government of Gujarat
2	Donation of Water Purification system to Government School	Conservation of water	In vicinity of Plant Location (Moxi)	5.00	5.00	8.00	By Company
3	Donation for Water treatment plant to School for socially and economically deprived class	Conservation of water	In vicinity of Plant Location (Moxi)	13.00	13.00	21.00	By Company
<b>Promoting Education</b>							
4	Donation to school for specially abled	Promotion of education/ infrastructure facilities	In vicinity of Plant Location (Dahej)	2.00	2.00	23.00	By Company
5	Scholarship to students	Promotion of education	In Vadodara District	15.00	15.00	38.00	By Mahavir Foundation, Vadodara
6	Donation to school for specially abled	Promotion of education/ infrastructure facilities	Registered Office - Vadodara	3.00	3.00	41.00	By Company
7	Distribution of stationery to School Children	Promotion of education	In Vadodara District	0.60	0.60	41.60	By Company



(Amount in INR Lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
<b>Preventive Health Measures and community welfare</b>							
8	Running of Mobile Health Unit	Preventive Health Measures	In vicinity of plant locations (Katol, Moxi, Nandesari)	50.00 (40.00 - operational cost and 10.00 – cost of MHU)	32.02	73.62	By Deepak Foundation, Vadodara
9	Melamine set distribution	Community Welfare	In vicinity of all Plant locations	18.30	18.30	91.92	By Company
<b>Environmental Sustainability</b>							
10	Moxi Green Zone	Environmental Sustainability	In vicinity of Plant location (Moxi)	6.50	9.41	101.33	By Company
<b>Contribution to fund as established by Central Government</b>							
11	Donation to Bharat ke Vir	Contribution to fund as established by Central Government to support Armed Forces and their families	National level	2.50	2.50	103.83	By Company

**Reasons for not spending the amount specified in above:**

The amount required to be spent on CSR activities during the year ended March 31, 2019 in accordance with the provisions of Section 135 of the Act was INR 179.32 Lakhs and your Company had spent an amount of INR 103.83 Lakhs. The said amount was spent on the CSR activities undertaken by your Company mostly in the vicinity of its plants as well as around Vadodara, where the registered office and corporate office of your Company are located. The Company looks for appropriate and need worthy projects for allocation of the funds on a continuous basis. However, unfortunately, due to certain unprecedented events and due to lack of a dedicated resource for coordinating CSR activities, there was a shortfall in the amount spent on CSR activities during the year ended March 31, 2019. The Company considers CSR as a part of its corporate philosophy and will strive to ensure that the amounts are adequately spent to ensure compliance in true spirit.

**Responsibility statement:**

We hereby declare that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the CSR Committee

Vadodara  
May 16, 2019**Anil Shankar**  
Chairman, CSR Committee  
DIN: 02143156**Sanjiv Vasudeva**  
Managing Director  
DIN: 06570945

# INEOS Styrolution India Limited

## Annexure - III to the Boards' Report Statement of Disclosure of Remuneration

Pursuant to Section 197 of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. Ratio of the remuneration of each Executive Director to the Median remuneration of the Employees of the Company and Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary:

Name of Director / KMP	Designation	Ratio of remuneration of each Director / CFO / Company Secretary to median of remuneration of Employees	Percentage increase in remuneration (%)
Sanjiv Vasudeva	Managing Director & Chief Executive Officer	51.61	5.5
Nitankumar Vaidyaprakash Duggal	Whole-time Director	24.93	42
Sanjeev Madan	Chief Financial Officer	19.44	Not applicable
Abhijaat Akhilesh Sinha*	Head Legal & Company Secretary	09.37	Not applicable
Haresh Khilnani**	Company Secretary, Head – Legal & Compliance	07.45	07

\* Appointed w.e.f. March 29, 2019

\*\* Resigned w.e.f. August 21, 2018

### Note:

The Independent Directors of the Company are entitled to sitting fees and Commission, in accordance with the provisions of the Act and within the limits approved by the shareholders. Other Non-Executive Directors of the Company have opted not to accept any sitting fees and commission. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors' remuneration is therefore not considered for the above purpose.

- B. The percentage increase in the median remuneration of employees in the financial year: **24%**
- C. The number of permanent employees on the roll of the Company as on March 31, 2019: **457**
- D. Average percentile increase already made in the salaries of the employees other than the managerial personnel in last financial year and comparison with percentile increase in the managerial remuneration and justification thereof:
- The average increase in managerial remuneration was 14 % and for employees other than managerial personnel was 12 %.*
- E. Affirmation that the remuneration is as per Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid to the Directors and employees is as per the Remuneration Policy of the Company.

## Annexure IV to the Board's Report Form AOC- 2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of Companies (Accounts) Rules, 2014

**Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Act, including certain arm's length transactions under third proviso thereto:**

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2019, which were not at arm's length basis.

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019 are mentioned below:

Name(s) of the related party	Nature of relationship	Duration of the contracts	Salient terms	Amount (INR in Lakhs)	Date of approval by the Board
<b>Purchase of raw materials</b>					
INEOS Styrolution Korea Ltd.	Other related party	01 September 2012 ongoing	Based on transfer pricing guidelines	2,578.90	27-Oct-17, 29-Jan-18, 8-Aug-18 & 13-Nov-18
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	01 August 2013 ongoing	Based on transfer pricing guidelines	7,323.39	27-Oct-17 & 13-Nov-18
INEOS Styrolution Mexicana S.A. de	Other related party	01 June 2015 ongoing	Based on transfer pricing guidelines	492.35	27-Oct-17 & 13-Nov-18
INEOS Styrolution Europe GmbH	Other related party	01 March 2014 ongoing	Based on transfer pricing guidelines	3,483.26	27-Oct-17, 13-Nov-18 & 12-Feb-19
				<b>13,877.90</b>	
<b>Receiving of services (including reimbursements)</b>					
INEOS Styrolution APAC Pte. Ltd.	Holding Company	01 May 2012 ongoing	Based on transfer pricing guidelines	2,498.78	27-Oct-17 & 13-Nov-18
INEOS Styrolution Group GmbH	Other related party	01 January 2012 ongoing	Based on transfer pricing guidelines	2,529.74	27-Oct-17, 13-Nov-18 & 12-Feb-19
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	01 April 2018 ongoing	Based on transfer pricing guidelines	6.01	16-May-19
				<b>5,034.53</b>	
<b>Royalty</b>					
INEOS Styrolution Group GmbH	Other related party	01 April 2015 ongoing	Based on transfer pricing guidelines	249.39	27-Oct-17 & 13-Nov-18
				<b>249.39</b>	

## INEOS Styrolution India Limited

Name(s) of the related party	Nature of relationship	Duration of the contracts	Salient terms	Amount (INR in Lakhs)	Date of approval by the Board
<b>Rendering of services (including reimbursements)</b>					
INEOS Styrolution Korea Ltd.	Other related party	01 January 2013 ongoing	Based on transfer pricing guidelines	194.96	27-Oct-17, 8-Aug-18 & 13-Nov-18
INEOS Styrolution Group GmbH	Other related party	01 January 2013 ongoing	Based on transfer pricing guidelines	236.08	27-Oct-17 & 13-Nov-18
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	01 September 2013 ongoing	Based on transfer pricing guidelines	48.55	27-Oct-17 & 13-Nov-18
INEOS Styrolution APAC Pte. Ltd.	Holding Company	01 January 2013 ongoing	Based on transfer pricing guidelines	91.18	27-Oct-17, 8-Aug-18 & 13-Nov-18
INEOS Europe AG	Other related party	01 November 2016 ongoing	Based on transfer pricing guidelines	188.31	12-Feb-19
INEOS Technologies Limited	Other related party	01 November 2018 ongoing	Based on transfer pricing guidelines	19.85	12-Feb-19
				<b>778.93</b>	
<b>Sale of Goods</b>					
INEOS Styrolution Do Brasil Polimeros Ltda	Other related party	15 August 2018 ongoing	Based on transfer pricing guidelines	5.00	13-Nov-18
				<b>5.00</b>	
<b>ECB Loan Taken</b>					
INEOS Styrolution Group GmbH	Other related party	17 October 2017 ongoing	Based on transfer pricing guidelines	7,700.00	11-Nov-16
				<b>7,700.00</b>	
<b>Interest on ECB</b>					
INEOS Styrolution Group GmbH	Other related party	17 October 2017 onward	Based on transfer pricing guidelines	503.34	11-Nov-16
				<b>503.34</b>	

Requisite approvals have been taken for the related party transactions during the year.

For and on behalf of the Board

**Stephen Mark Harrington**

Chairman

DIN: 07131679

May 16, 2019  
Vadodara

## Annexure - V to the Boards' Report Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Pursuant to provisions of Section 134(3) (m) of the Act and Rule 8(3) of Companies (Accounts) Rules, 2014

### CONSERVATION OF ENERGY

#### A. Energy conservation measures taken:

- (i) Efforts have been initiated to improve overall equipment efficiency at all plants.
- (ii) Power factor has been maintained high throughout the year by proper monitoring of the capacitor banks at all plants.
- (iii) Recycle of steam condensate from dryer section at NAN has been resulting in the reduction of fuel and boiler feed water.
- (iv) Recycling of water has reduced the water consumption and generation of waste water at Nandesari plant.
- (v) Installation of screw air compressor with variable frequency drive has reduced the power consumption at all plants.
- (vi) Revamping of solvent recovery system has resulted in higher energy efficiency and reduction in waste generation at Katol.
- (vii) Changeover from CFL/MLL to LED lights for street lights has resulted in energy savings at Dahej, Nandesari & Moxi plants.
- (viii) Reduced energy consumption in conveying blower with energy efficient blower and change in the type of blower from triblower to twin lobe blower in Katol.
- (ix) Revamping of existing cooling tower by replacing conventional wooden type cooling tower by Mist type (fan less) cooling tower resulting in energy savings.

#### B. Steps taken by the Company for using alternate sources of Energy.

- (i) Fuel switch over from furnace oil to natural gas at Nandesari, Katol and Dahej plant has been implemented for cleaner environment and better energy efficiency.
- (ii) Green energy generation on wind farms, total of 40 WTG (Wind Turbine Generator) located in Gujarat.

#### C. Capital investment on energy conservation equipment.

The capital investment on energy conservation equipment for various projects amounts to around INR 23,500,000 (equivalent to approx. US \$ 336,000)

### TECHNOLOGY ABSORPTION

#### A. Efforts made towards technology absorption

The Company's R & D department is making constant efforts in absorbing and updating themselves with the technological advancements in the product portfolio of the Company.

#### B. Expenditure incurred on Research and Development

	Particulars	(INR in Lakhs)
a)	Capital	16.84
b)	Recurring	294.88
c)	Total	311.72
d)	Total R & D expenditure as a percentage of : Gross turnover	0.15%
	: Net turnover	0.15%

### FOREIGN EXCHANGE EARNINGS AND OUTGO

(INR in Lakhs)

Particulars	2018-19
Foreign Exchange earned in terms of actual inflow	866.39
Foreign Exchange outgo in terms of actual outflow (including value of imports on CIF basis)	169,796.75

# INEOS Styrolution India Limited

## Annexure - VI to the Boards' Report FORM NO. MGT- 9 – Extract of Annual Return

Pursuant to Section 92(3) of the Act and rule 12(1) of Companies (Management and Administration) Rules, 2014

### I. REGISTRATION & OTHER DETAILS:

CIN	L25200GJ1973PLC002436
Registration Date	07.12.1973
Name of the Company	INEOS Styrolution India Limited
Category/Sub-category of the Company	- Company Limited by Shares (Public Company)
	- Indian Non- Government Company
Address of the registered office & contact details	5th Floor, Ohm House-II, Ohm Business Park, Subhanpura Vadodara – 390 023, Gujarat, India Tel. No. +91 265 2303201-02 Fax. +91 265 2303203 E-mail: <a href="mailto:INSTY.secshare@styrolution.com">INSTY.secshare@styrolution.com</a> Website: <a href="http://www.ineosstyrolutionindia.com">www.ineosstyrolutionindia.com</a>
Whether listed company	Yes
Name, address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. B-102 & 103 Shangrila Complex, First Floor Opp. HDFC Bank Near Radhakrishna Char Rasta Akota, Vadodara -390020, Gujarat, India Tel. No.: +91 265 2356573 E-mail: <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a> Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Specialties	2013	74
2	Polystyrene	2013	26

### III. PARTICULARS OF HOLDING-SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	CIN	Subsidiary / Holding / Associate Company	% of shares held
1.	INEOS Styrolution APAC Pte. Ltd.	NA	Holding Company	75

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity)

i) Category-wise Share Holding:

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	-	-	-	-	-	-	-	-	-
[2]	Foreign	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Bodies Corporate	13189218	0	13189218	75.0000	13189218	0	13189218	75.0000	0.0000
	Sub Total (A)(2)	13189218	0	13189218	75.0000	13189218	0	13189218	75.0000	0.0000
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>13189218</b>	<b>0</b>	<b>13189218</b>	<b>75.0000</b>	<b>13189218</b>	<b>0</b>	<b>13189218</b>	<b>75.0000</b>	<b>0.0000</b>
<b>(B)</b>	<b>Public Shareholding</b>									
[1]	Institutions									
(a)	Mutual Funds / UTI	974038	1750	975788	5.5488	1033334	1750	1035084	5.8860	0.3372
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	128728	100	128828	0.7326	121356	100	121456	0.6907	0.0419
(f)	Financial Institutions / Banks	4540	2650	7190	0.0409	3060	2650	5710	0.0325	0.0084
(g)	Insurance Companies	0	50	50	0.0003	0	50	50	0.0003	0.0000
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)									
	UTI	0	5	5	0.0000	0	5	5	0.0000	0.0000
	Sub Total (B)(1)	1107306	4555	1111861	6.3226	1157750	4555	1162305	6.6094	0.2868

## INEOS Styrolution India Limited

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	25821	0	25821	0.1468	0	0	0	0.0000	0.1468
	Sub Total (B)(2)	25821	0	25821	0.1468	0	0	0	0.0000	0.1468
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1985839	192073	2177912	12.3846	1948122	177371	2125493	12.0865	0.2981
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	323748	0	323748	1.8410	334234	0	334234	1.9006	0.0596
(b)	NBFCs registered with RBI	0	0	0	0.0000	1660	0	1660	0.0094	0.0094
(c)	Employee Trust	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	IEPF	0	0	0	0.0000	28927	0	28927	0.1645	0.1645
	Hindu Undivided Family	116411	0	116411	0.6620	135153	0	135153	0.7685	0.1065
	Non Resident Indians (Non Repat)	47091	0	47091	0.2678	46272	0	46272	0.2631	0.0047
	Non Resident Indians (Repat)	67195	250	67445	0.3835	44818	250	45068	0.2563	0.1272
	Clearing Member	22701	0	22701	0.1291	41040	0	41040	0.2334	0.1043
	Bodies Corporate	499442	3975	503417	2.8627	472280	3975	476255	2.7082	0.1545
	Sub Total (B)(3)	3062427	196298	3258725	18.5306	3052506	181596	3234102	18.3906	0.1400
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>4195554</b>	<b>200853</b>	<b>4396407</b>	<b>25.0000</b>	<b>4210256</b>	<b>186151</b>	<b>4396407</b>	<b>25.0000</b>	<b>0.0000</b>
	<b>Total (A)+(B)</b>	<b>17384772</b>	<b>200853</b>	<b>17585625</b>	<b>100.0000</b>	<b>17399474</b>	<b>186151</b>	<b>17585625</b>	<b>100.0000</b>	<b>0.0000</b>
(C)	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total (A)+(B)+(C)</b>	<b>17384772</b>	<b>200853</b>	<b>17585625</b>	<b>100.0000</b>	<b>17399474</b>	<b>186151</b>	<b>17585625</b>	<b>100.0000</b>	



ii) Share Holding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	INEOS Styrolution APAC Pte. Ltd.	13,189,218	75.000	-	13,189,218	75.000	-	0.000

iii) Change in Promoters' Shareholding: **There was no change in the Promoters' shareholding during the year**

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	13,189,218	75.000	<b>13,189,218</b>	<b>75.000</b>
2.	Date wise Increase / Decrease in Promoters' Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	<b>No transactions during the year</b>			
3.	At the end of the year	13,189,218	75.000	<b>13,189,218</b>	<b>75.000</b>

iv) Shareholding pattern of top ten shareholders:

(Other than directors, promoters and holders of GDRs and ADRs):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
<b>1</b>	<b>RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND</b>						
	<b>At the beginning of the year</b>	<b>689023</b>	<b>3.9181</b>			<b>689023</b>	<b>3.9181</b>
	Transfer			25 May 2018	3111	692134	3.9358
	Transfer			19 Oct 2018	1138	693272	3.9423
	Transfer			26 Oct 2018	1609	694881	3.9514
	<b>At the end of the year</b>					<b>694881</b>	<b>3.9514</b>
<b>2</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES - VI</b>						
	<b>At the beginning of the year</b>	<b>175006</b>	<b>0.9952</b>			<b>175006</b>	<b>0.9952</b>
	Transfer			06 Apr 2018	1482	176488	1.0036
	Transfer			25 May 2018	50482	226970	1.2907
	Transfer			23 Nov 2018	(4610)	222360	1.2644
	Transfer			30 Nov 2018	(308)	222052	1.2627

## INEOS Styrolution India Limited

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
	Transfer			07 Dec 2018	(5710)	216342	1.2302
	Transfer			14 Dec 2018	(229)	216113	1.2289
	Transfer			04 Jan 2019	(327)	215786	1.2271
	Transfer			11 Jan 2019	(1000)	214786	1.2214
	Transfer			18 Jan 2019	(10000)	204786	1.1645
	Transfer			01 Mar 2019	469	205255	1.1672
	<b>At the end of the year</b>					<b>205255</b>	<b>1.1672</b>
<b>3</b>	<b>V C JHAVERI REALTY PVT. LTD.</b>						
	<b>At the beginning of the year</b>	<b>167101</b>	<b>0.9502</b>			<b>167101</b>	<b>0.9502</b>
	Transfer			10 Aug 2018	500	167601	0.9531
	<b>At the end of the year</b>					<b>167601</b>	<b>0.9531</b>
<b>4</b>	<b>IDFC HYBRID EQUITY FUND</b>						
	<b>At the beginning of the year</b>	<b>76188</b>	<b>0.4332</b>			<b>76188</b>	<b>0.4332</b>
	Transfer			06 Apr 2018	3613	79801	0.4538
	Transfer			12 Oct 2018	3850	83651	0.4757
	Transfer			25 Jan 2019	748	84399	0.4799
	<b>At the end of the year</b>					<b>84399</b>	<b>0.4799</b>
<b>5</b>	<b>DHANANJAY CHAMPAKLAL JHAVERI</b>						
	<b>At the beginning of the year</b>	<b>45558</b>	<b>0.2591</b>			<b>45558</b>	<b>0.2591</b>
	Transfer			15 Jun 2018	229	45787	0.2604
	Transfer			22 Jun 2018	2114	47901	0.2724
	Transfer			30 Jun 2018	1560	49461	0.2813
	Transfer			03 Aug 2018	706	50167	0.2853
	<b>At the end of the year</b>					<b>50167</b>	<b>0.2853</b>
<b>6</b>	<b>BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.</b>						
	<b>At the beginning of the year</b>	<b>50000</b>	<b>0.2843</b>			<b>50000</b>	<b>0.2843</b>
	<b>At the end of the year</b>					<b>50000</b>	<b>0.2843</b>
<b>7</b>	<b>IDBI SMALL CAP FUND</b>						
	<b>At the beginning of the year</b>	<b>33821</b>	<b>0.1923</b>			<b>33821</b>	<b>0.1923</b>
	Transfer			27 Apr 2018	9722	43543	0.2476
	Transfer			04 May 2018	256	43799	0.2491
	Transfer			11 May 2018	5000	48799	0.2775
	<b>At the end of the year</b>					<b>48799</b>	<b>0.2775</b>

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
<b>8</b>	<b>DIMENSIONAL EMERGING MARKETS VALUE FUND</b>						
	<b>At the beginning of the year</b>	<b>31624</b>	<b>0.1798</b>			<b>31624</b>	<b>0.1798</b>
	Transfer			25 May 2018	991	32615	0.1855
	<b>At the end of the year</b>					<b>32615</b>	<b>0.1855</b>
<b>9</b>	<b>ANAND RATHI GLOBAL FINANCE LIMITED</b>						
	<b>At the beginning of the year</b>	<b>100</b>	<b>0.0006</b>			<b>100</b>	<b>0.0006</b>
	Transfer			06 Jul 2018	(100)	0	0.0000
	Transfer			28 Dec 2018	1000	1000	0.0057
	Transfer			31 Dec 2018	93	1093	0.0062
	Transfer			04 Jan 2019	1397	2490	0.0142
	Transfer			11 Jan 2019	3361	5851	0.0333
	Transfer			18 Jan 2019	11634	17485	0.0994
	Transfer			25 Jan 2019	3945	21430	0.1219
	Transfer			15 Feb 2019	6688	28118	0.1599
	Transfer			22 Feb 2019	2050	30168	0.1715
	Transfer			01 Mar 2019	181	30349	0.1726
	Transfer			08 Mar 2019	550	30899	0.1757
	Transfer			15 Mar 2019	750	31649	0.1800
	<b>At the end of the year</b>					<b>31649</b>	<b>0.1800</b>
<b>10</b>	<b>THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY</b>						
	<b>At the beginning of the year</b>	<b>30905</b>	<b>0.1757</b>			<b>30905</b>	<b>0.1757</b>
	<b>At the end of the year</b>					<b>30905</b>	<b>0.1757</b>

## INEOS Styrolution India Limited

v) Shareholding of Directors and Key Managerial Personnel: Nil

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(INR in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,666.12	7,700.00	-	10,366.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.37	67.97	-	74.34
<b>Total (i+ii+iii)</b>	<b>2,672.49</b>	<b>7,767.97</b>	-	<b>10,440.46</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	7,267.56	8,829.86	-	16,097.42
• Reduction	-	-	-	-
<b>Net Change</b>	<b>7,267.56</b>	<b>8,829.86</b>	-	<b>16,097.42</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	9,940.05	16,400.00	-	26,340.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	197.83	-	197.83
<b>Total (i+ii+iii)</b>	<b>9,940.05</b>	<b>16,597.83</b>	-	<b>26,537.88</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(INR in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Sanjiv Vasudeva	Mr. Nitankumar Duggal	Total
		MD and CEO	WTD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	245.12	80.68	325.79
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit			
	- Others specify...			
5	Others, please specify			
	- Performance Bonus	57.98	10.95	68.93
	- Retirals	8.12	3.89	12.01
	- LTI (three years rolling period)	15.00	0.0	15.00
	- Medical Plan	0.10	0.10	0.2
	<b>Total (A)</b>	<b>253.34</b>	<b>84.67</b>	<b>338.01</b>
	Ceiling as per the Act	In accordance with the provisions of Section 197 read with Schedule V and subject to shareholders' approval.		

Note: Salary as per section 17(1) of the Income-tax Act, 1961 includes performance bonus and LTI.

### B. Remuneration to other Directors:

(INR in Lakhs)

Sr. No.	Particulars of remuneration	Name of Directors			Total Amount
		Jal R. Patel	Anil Shankar	Ryna Karani	
1.	<b>Independent directors</b>				
	Fee for attending board committee meetings	5.20	4.80	3.10	13.10
	Commission	-	-	-	- ##
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>5.20</b>	<b>4.80</b>	<b>3.10</b>	<b>13.10</b>
2	<b>Other Non- executive directors*</b>				
	Fee for attending board committee meetings				NA
	Commission				NA
	Others, please specify				NIL
	<b>Total (2)</b>				<b>NIL</b>
	<b>Total (B)=(1+2)</b>				<b>13.10</b>
	Total Managerial Remuneration				<b>338.01#</b>
	Overall Ceiling as per the Act	Overall ceiling as per Companies Act 2013 is not applicable to sitting fees.			

## INEOS Styrolution India Limited

##No commission was paid to the Independent Directors in the current financial year due to losses.

\*Mr. Stephen Mark Harrington and Mr. Jit Teng Tan, being non-executive directors of the Company, have opted not to accept any sitting fees and commission.

# Exclusive of sitting fees paid to independent directors.

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration Name	CFO	Company Secretary	Company Secretary	Total
		Sanjeev Madan	Haresh Khilnani*	Abhijaat Sinha**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.55	32.45	0.36	105.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	- Performance Bonus	0.00	1.80	0.00	1.80
	- Retirals	3.27	0.66	0.01	3.94
	- Medical Plan	0.1	0.1	0.1	0.30
	<b>Total</b>	<b>75.92</b>	<b>33.22</b>	<b>0.47</b>	<b>109.61</b>

\*The remuneration details for Mr. Haresh Khilnani are for his tenure from April 01, 2018 to August 21, 2018.

\*\* The remuneration details for Mr. Abhijaat Sinha are for his tenure from March 29, 2019 to March 31, 2019.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year under review, no penalties were levied against the Company, its Directors or any of its officers under the Act nor was there any punishment or compounding of offences against the Company, its directors or any of its officers.

# Annexure - VII to the Boards' Report

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
INEOS STYROLUTION INDIA LIMITED  
5th Floor, OHM House II,  
OHM Business Park,  
Subhanpura,  
Vadodara - 390023

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the INEOS STYROLUTION INDIA LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [presently: The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 2018
- (vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, **on test check basis, we further report that** the Company has complied with the following laws applicable specifically to the Company:
  1. The Environment (Protection) Act, 1986
  2. The Air (Prevention and Control of Pollution) Act, 1981
  3. The Water (Prevention and Control of Pollution) Act, 1974
  4. The Hazardous Wastes (Management and Handling) Rules, 1989
  5. Indian Boiler Regulations Act, 1950
  6. The Factories Act, 1948
  7. The Industrial Dispute Act, 1947
  8. The Payment Of Wages Act, 1936
  9. The Minimum Wages Act, 1948
  10. The Employees State Insurance Act, 1948
  11. The Employees' Provident Fund And Miscellaneous Provisions Act, 1952
  12. The Payment Of Bonus Act, 1965
  13. The Payment Of Gratuity Act, 1972
  14. The Contract Labour (Regulation and Abolition) Act, 1970
  15. The Maternity Benefit Act, 1961
  16. The Child Labour (Prohibition and Regulation) Act, 1986
  17. The Industrial Employment (Standing Orders) Act, 1946
  18. The Employees' Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923)
  19. The Apprentices Act, 1961
  20. The Equal Remuneration Act, 1976
  21. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd. Including The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

During the period under the review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

- a) The office of Company Secretary and Compliance Officer was vacant since, 21st August, 2018 due to resignation by the then Company Secretary and Compliance officer. However, the vacancies were filled up by appointment of Compliance Officer and Company Secretary on 15th November, 2018 and 29th March, 2019 respectively.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report (by way of information) that** during the audit period:

- (a) The Company has not issued any securities during the period under review and accordingly
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and
  - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

were not applicable during the audit period.

- (b) The Company has neither got delisted Equity Shares nor bought back any security of the Company and accordingly
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 2018

were not applicable during the audit period.

- (c) We have been informed by the Company that the minutes book of the Board meetings during the period from the year 2010 to 2017, minutes book of Nomination and Remuneration committee for the period from the year 2013 to year 2015 and other registers of the Company were stolen and a complaint has been lodged in the regard.

For **Devesh Pathak & Associates**  
Practising Company Secretaries

**CS Devesh A. Pathak**  
Sole Proprietor  
FCS No.: 4559  
CP No.: 2306

Date: 10<sup>th</sup> May, 2019  
Place: Vadodara

**Note:** This report is to be read with our letter of even date which is enclosed as forming integral part of this report.

10th May, 2019

To,  
The Members,  
INEOS STYROLUTION INDIA LIMITED  
5th Floor, OHM House II,  
OHM Business Park,  
Subhanpura,  
Vadodara - 390023

Ref: Secretarial Audit Report dated 10th May, 2019 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Devesh Pathak & Associates**  
Practising Company Secretaries

**CS Devesh A. Pathak**  
Sole Proprietor  
FCS No.: 4559  
CP No.: 2306

# INEOS Styrolution India Limited

## Independent Auditor's Report

To the Members of  
INEOS Styrolution India Limited

### Report on the audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of INEOS Styrolution India Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of litigation in respect of an Indirect Tax Matter</b></p> <p>(Refer to the accompanying note 1 (s) and 38 forming integral part of the Financial Statements)</p> <p>The Company had paid Countervailing Duty and Special Additional Duty through Duty Entitlement Pass-book (DEPB) in respect of import of raw materials during the period from January 2005 to December 2011, and had availed CENVAT credit of the same.</p> <p>The Principal Commissioner of Central Excise, Customs and Service Tax department disallowed part of the credit availed by the Company. The Company has filed an appeal to the CESTAT against the said disallowance and the matter is currently pending at CESTAT.</p>	<p>We have performed following procedures:</p> <ul style="list-style-type: none"><li>- Obtained an understanding from the management, evaluated the design and tested the operating effectiveness of the controls and the procedures adopted by the management in respect of assessment and quantification of likely outcome of the tax matters.</li><li>- Obtained details on the status of the litigation and updates during the current year and the Management's evaluation of the likely outcome.</li><li>- Obtained independent confirmation from the Management's tax expert, to confirm facts and circumstances of the matter and their assessment on the probability of the case settling in favour of the Company.</li></ul>

The Management in consultation with tax expert engaged by them, believes that the Company's contention has strong merits and in its judgement, material outflow of economic resources is unlikely. Accordingly, no provision has been recognised in the books and the same has been disclosed as a contingent liability in the financial statements.

The above matter has been considered as key audit matter due to involvement of significant management judgment to assess the probability of any material outflow of economic resources and whether a provision should be recognised.

- Involved auditors' experts to gain an understanding of the current status of the case and obtained their independent assessment on the likely outcome.

- Assessed the adequacy of the disclosures made by the Company in the financial statements.

Based on the above audit procedures performed, we did not find any significant exceptions in the Management's assessment of litigation.

**Other Information**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, Report on corporate governance and Management and discussion analysis report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of management and those charged with governance for the financial statements**

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.
  - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2019.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Pankaj Khandelia**

Partner

Membership Number: 102022

Place: Vadodara

Date: May 16, 2019

## Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the financial statements for the year ended March 31, 2019

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of INEOS Styrolution India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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**Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Pankaj Khandelia**

Partner

Membership Number: 102022

Place: Vadodara

Date: May 16, 2019

# INEOS Styrolution India Limited

## Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties other than self-constructed immovable properties (buildings), as disclosed in Note 2 -Property, plant and equipment and Note 14 – Asset classified as held for Sale to the financial statements, are held in the name or erstwhile name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 38 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	1,375.46	AY 2010-11 to AY 2015-16	Commissioner of Income Tax (Appeals)
The Central Sales Tax Act, 1956	Sales Tax	79.17	FY 2002-04	Joint Commissioner Commercial Tax, Gujarat
Value Added Tax Act, 2005	VAT	73.37	FY 2001-02 and FY 2015-16	Commissioner of Sales Tax (Appeals)
Value Added Tax Act, 2005	VAT	2.61	2014-15	Commissioner Sales Tax, Maharashtra
Value Added Tax Act, 2005	VAT	124.23	2014-15	Commissioner Sales Tax, Gujarat

Name of the statute	Nature of dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	9.86	June 2011 to December 2011	The Asst. Commissioner
The Central Excise Act, 1944	CVD Claimed as credit as per exemption under DEPB	8,022.17	January 2005 to December 2011	CESTAT
Finance Act, 1994	Service Tax	2,179.45	August 2008 to June 2016	CESTAT
Finance Act, 1994	Service Tax	13.05	December 2010 to June 2017	Commissioner Central Excise (Appeals)
Finance Act, 1994	Service Tax	1.32	April 2015 to March 2017	GST (Assistant Commissioner)
The Customs Tariff Act, 1975	Customs duty	37.35	FY 2011-12	CESTAT
The Customs Tariff Act, 1975	Customs duty	236.65	July-2008	CESTAT

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank as at the balance sheet date. The Company did not have any outstanding loans or borrowings to any financial institution or Government or debenture holder as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans, other than those that were raised and which remained unutilised during the year, have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Pankaj Khandelvia**

Partner

Membership Number: 102022

Place: Vadodara

Date: May 16, 2019

# INEOS Styrolution India Limited

## BALANCE SHEET

as at March 31, 2019

INR in Lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	20,027.72	21,373.39
(b) Capital Work-in-progress	2	9,599.67	1,528.63
(c) Financial assets			
(i) Investments	3	31.14	80.28
(ii) Loans	4	646.50	647.54
(iii) Other financial assets	5	25.84	24.29
(d) Non-current tax assets		2,070.21	1,078.51
(e) Other non-current assets	6	13,201.25	14,172.04
<b>Total non-current assets</b>		<b>45,602.33</b>	<b>38,904.68</b>
<b>2 Current assets</b>			
(a) Inventories	7	31,548.87	29,990.22
(b) Financial assets			
(i) Trade receivables	8	23,568.65	24,491.59
(ii) Cash and cash equivalents	9	4,540.45	4,009.24
(iii) Bank balance other than (ii) above	10	30.33	29.70
(iv) Loans	11	25.81	307.17
(v) Other financial assets	12	-	4.07
(c) Other current assets	13	6,658.08	7,608.52
(d) Asset classified as held for Sale	14	200.21	-
<b>Total current assets</b>		<b>66,572.40</b>	<b>66,440.51</b>
<b>TOTAL ASSETS</b>		<b>1,12,174.73</b>	<b>1,05,345.19</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	1,758.56	1,758.56
(b) Other equity	16	60,567.43	62,693.23
<b>Total Equity</b>		<b>62,325.99</b>	<b>64,451.79</b>
<b>Liabilities</b>			
<b>1 Non Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	8,900.00	2,300.00
(ii) Other financial liabilities	17	147.44	97.82
(b) Provisions	18	823.86	805.25
(c) Employee benefit obligations	19	394.61	369.89
(d) Deferred tax liabilities (net)	26	1,365.81	1,983.87
<b>Total non-current liabilities</b>		<b>11,631.72</b>	<b>5,556.83</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	16,346.06	8,093.40
(ii) Trade payables	21		
(a) Total outstanding dues of micro and small enterprises		102.31	110.73
(b) Total outstanding dues of creditors other than (ii) (a) above		18,579.95	25,231.53
(iii) Other financial liabilities	22	2,352.23	969.72
(b) Contract liabilities	23	97.57	-
(c) Employee benefit obligations	24	206.49	177.11
(d) Current tax liabilities		-	46.82
(e) Other current liabilities	25	532.41	707.26
<b>Total current liabilities</b>		<b>38,217.02</b>	<b>35,336.57</b>
<b>Total liabilities</b>		<b>49,848.74</b>	<b>40,893.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,12,174.73</b>	<b>1,05,345.19</b>

The above balance sheet should be read in conjunction with the accompanying notes

As per our attached report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N/N500016

**Pankaj Khandelia**  
Partner  
Membership No. 102022

**For and on behalf of the Board of Directors of**  
**INEOS Styrolution India Limited**

**Stephen Mark Harrington**  
Chairman  
DIN 07131679

**Sanjeev Madan**  
CFO

**Sanjiv Vasudeva**  
Managing Director & CEO  
DIN 06570945

**Abhijaat Sinha**  
Company Secretary

Place : Vadodara  
Date : May 16, 2019

Place : Vadodara  
Date : May 16, 2019

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Revenue from operations	27	2,09,053.33	1,95,068.55
II. Other income	28	1,312.81	691.72
<b>III. Total income (I+II)</b>		<b>2,10,366.14</b>	<b>1,95,760.27</b>
<b>IV. Expenses</b>			
Cost of materials consumed	29	1,79,588.32	1,43,239.30
Changes in inventories of finished goods and work-in-progress	30	(4,137.66)	3,452.18
Excise duty		-	5,534.55
Employee benefits expense	31	5,753.35	4,963.82
Finance costs	32	1,268.69	1,367.75
Depreciation and amortisation expense	2	2,692.17	2,535.90
Other expenses	33	27,049.38	24,353.67
<b>Total expenses (IV)</b>		<b>2,12,214.25</b>	<b>1,85,447.17</b>
<b>V. Profit before tax (III - IV)</b>		<b>(1,848.11)</b>	<b>10,313.10</b>
<b>VI. Tax expense:</b>	26		
Current tax		-	3,940.36
Deferred tax (credit) / charge		(601.38)	(249.80)
<b>Total tax expense (VI)</b>		<b>(601.38)</b>	<b>3,690.56</b>
<b>VII. (Loss) / Profit for the year (V - VI)</b>		<b>(1,246.73)</b>	<b>6,622.54</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	40	(47.74)	(44.25)
Income tax relating to remeasurements of defined benefit plans		16.68	15.31
<b>Total other comprehensive income, net of tax</b>		<b>(31.06)</b>	<b>(28.94)</b>
<b>IX. Total comprehensive income for the year (VII + VIII)</b>		<b>(1,277.79)</b>	<b>6,593.60</b>
<b>X. Earnings per equity share (Face Value INR 10 each)</b>	34		
Basic (INR)		(7.09)	37.66
Diluted (INR)		(7.09)	37.66

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N/N500016

**Pankaj Khandelia**  
Partner  
Membership No. 102022

**For and on behalf of the Board of Directors of  
INEOS Styrolution India Limited**

**Stephen Mark Harrington**  
Chairman  
DIN 07131679

**Sanjeev Madan**  
CFO

**Sanjiv Vasudeva**  
Managing Director & CEO  
DIN 06570945

**Abhijaat Sinha**  
Company Secretary

Place : Vadodara  
Date : May 16, 2019

Place : Vadodara  
Date : May 16, 2019

# INEOS Styrolution India Limited

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A Cash flow from operating activities :</b>			
Profit before tax		(1,848.11)	10,313.10
Adjustments for :			
Depreciation and amortisation expense	2	2,692.17	2,535.90
Interest Income on deposits	28	(36.01)	(8.02)
Interest Income - others	28	(209.05)	(408.24)
(Gain) / Loss on fair valuation of investment	33	13.55	5.07
Finance costs	32	1,268.69	1,367.75
Net exchange differences		10.84	89.97
(Gain) / Loss on sale of investment	33	7.60	-
Loss on property, plant and equipment sold/discarded (net)	33	130.75	211.27
Dividend on non-current quoted investment	28	-	(0.30)
Provision no longer required written back	28	(631.18)	-
Allowance for doubtful debts (net) (Refer Note 36)	33	-	155.27
		<u>3,247.36</u>	<u>3,948.67</u>
Operating profit before change in operating assets and liabilities		<b>1,399.25</b>	<b>14,261.77</b>
Adjustments for :			
(Increase)/decrease in inventories	7	(1,558.65)	1,963.05
(Increase)/decrease in trade receivables		1,469.50	(2,400.69)
(Increase)/decrease in bank balance other than cash and cash equivalents	10	(0.63)	(0.77)
(Increase)/decrease in loans	4, 11	282.40	(381.92)
(Increase)/decrease in other financial assets	5, 12	2.52	(5.59)
(Increase)/decrease in other non-current assets		1,004.18	(13,203.32)
(Increase)/decrease in other current assets	13	950.44	14,218.66
Increase/(decrease) in trade payables	21	(6,638.23)	6,423.03
Increase/(decrease) in contract liabilities	23	97.57	-
Increase/(decrease) in other financial liabilities		320.97	(1,622.05)
Increase/(Decrease) in provisions	18	70.61	330.05
Increase/(decrease) in employee benefit obligations		6.36	(5.52)
Increase/(decrease) in other current liabilities	25	(174.85)	323.16
		<u>(4,167.81)</u>	<u>5,638.09</u>
Cash (used in) / generated from operations		<b>(2,768.56)</b>	<b>19,899.86</b>
Taxes paid (net of refund)		(1,038.53)	(2,599.96)
Net cash (outflow) / inflow from operating activities		<b>(3,807.09)</b>	<b>17,299.90</b>
<b>B Cash flow from investing activities :</b>			
Payments for property, plant and equipment		(9,778.83)	(2,580.67)
Proceeds from disposal of property, plant and equipment		203.33	32.54
Proceeds from sale of investments		27.97	-
Interest Income on deposits		198.77	15.82
Interest Income - others	33	209.05	408.24
Dividend on non-current quoted investment	33	-	0.30
Net cash outflow from investing activities		<b>(9,139.71)</b>	<b>(2,123.77)</b>

## STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C Cash flow from financing activities :</b>			
Proceeds/(repayment) of current borrowings		8,273.93	(12,840.23)
Proceeds/(repayment) of non current borrowings		7,700.00	2,300.00
Interest paid		(1,648.54)	(1,362.94)
Dividend on equity shares (including dividend distribution tax)		(847.38)	(845.86)
Net cash inflow/(outflow) from financing activities		13,478.01	(12,749.03)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>531.21</b>	<b>2,427.10</b>
Cash and cash equivalents at the beginning of the year	9	4,009.24	1,582.14
Cash and cash equivalents at end of the year	9	<b>4,540.45</b>	<b>4,009.24</b>

### Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the IND AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Cash flow from operating activities includes INR 103.83 Lakhs (March 31, 2018: INR 112 Lakhs) being expenditure towards Corporate Social Responsibility.
- Net Debt Reconciliation

Particulars	Cash and cash equivalents	Non-current Borrowings*	Current Borrowings	Total
<b>Net debt as at March 31, 2018</b>	<b>4,009.24</b>	<b>(2,347.06)</b>	<b>(8,093.40)</b>	<b>(6,431.22)</b>
Cash flows	531.21	(7,700.00)	(8,273.93)	(15,442.72)
Interest expense	-	(503.34)	(1,268.69)	(1,772.03)
Interest paid	-	358.58	1,289.96	1,648.54
<b>Net debt as at March 31, 2019</b>	<b>4,540.45</b>	<b>(10,191.82)</b>	<b>(16,346.06)</b>	<b>(21,997.43)</b>

\* includes current maturities of Long Term Debt

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our attached report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N/N500016

**Pankaj Khandelia**  
Partner  
Membership No. 102022

Place : Vadodara  
Date : May 16, 2019

**For and on behalf of the Board of Directors of  
INEOS Styrolution India Limited**

**Stephen Mark Harrington**  
Chairman  
DIN 07131679

**Sanjeev Madan**  
CFO

**Sanjiv Vasudeva**  
Managing Director & CEO  
DIN 06570945

**Abhijaat Sinha**  
Company Secretary

Place : Vadodara  
Date : May 16, 2019

# INEOS Styrolution India Limited

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

INR in Lakhs

### (a) Equity share capital

Particulars	Note No.	Amount
<b>As at March 31, 2017</b>		1,758.56
Changes in Equity share capital during the year	15	-
<b>As at March 31, 2018</b>		1,758.56
Changes in Equity share capital during the year	15	-
<b>As at March 31, 2019</b>		1,758.56

### (b) Other equity

Particulars	Note No.	Reserves and surplus					
		Capital reserve	Securities premium Reserves	Surplus on capital reduction	General reserve	Retained earnings	Total
<b>Balance at March 31, 2017</b>		<b>0.14</b>	<b>4,328.39</b>	<b>134.39</b>	<b>5,155.95</b>	<b>47,327.39</b>	<b>56,946.26</b>
Profit for the year		-	-	-	-	6,622.54	6,622.54
Remeasurements of post-employment benefit obligation, net of tax	16	-	-	-	-	(28.94)	(28.94)
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>6,593.60</b>	<b>6,593.60</b>
<b>Transaction with owners in their capacity as owners:</b>	16	-	-	-	-	(846.63)	(846.63)
Dividend paid (including dividend distribution tax)							
<b>Balance at March 31, 2018</b>		<b>0.14</b>	<b>4,328.39</b>	<b>134.39</b>	<b>5,155.95</b>	<b>53,074.36</b>	<b>62,693.23</b>
(Loss) for the year		-	-	-	-	(1,246.73)	(1,246.73)
Remeasurements of post-employment benefit obligation, net of tax	16	-	-	-	-	(31.06)	(31.06)
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>(1,277.79)</b>	<b>(1,277.79)</b>
<b>Transaction with owners in their capacity as owners:</b>	16	-	-	-	-	(848.01)	(848.01)
Dividend paid (including dividend distribution tax)							
<b>Balance at March 31, 2019</b>		<b>0.14</b>	<b>4,328.39</b>	<b>134.39</b>	<b>5,155.95</b>	<b>50,948.56</b>	<b>60,567.43</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N500016

**Pankaj Khandelia**  
Partner  
Membership No. 102022

For and on behalf of the Board of Directors of  
INEOS Styrolution India Limited

**Stephen Mark Harrington**  
Chairman  
DIN 07131679

**Sanjeev Madan**  
CFO

**Sanjiv Vasudeva**  
Managing Director & CEO  
DIN 06570945

**Abhijaat Sinha**  
Company Secretary

Place : Vadodara  
Date : May 16, 2019

Place : Vadodara  
Date : May 16, 2019



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2019

### Background

INEOS Styrolution India Limited (the 'Company') is a public limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is engaged in manufacture, trading and sale of "Engineering Thermoplastics". The Company has manufacturing facilities at Nandesari, Moxi, Katol and Dahej and Research and Development centre at Moxi in Gujarat.

### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

##### (i) Compliance with Ind AS:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Schedule III to the Act.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

##### (ii) Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer note 35);
- assets held for sale – measured at lower of its carrying amount and fair value less costs to sell
- defined benefit plans – plan assets measured at fair value (refer note 40).

#### (b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 42 for segment information presented.

#### (c) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of the Company are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**(d) Revenue recognition**

The Company has adopted Ind AS 115 – Revenue from contracts with customers with effect from April 1, 2018 following the modified retrospective transition method as prescribed under the said Accounting Standard.

**a. The accounting policy pursuant to adoption of Ind AS 115 applicable for the year ended March 31, 2019 is as follows:**

**(i) Sale of goods**

The Company is engaged in manufacturing, trading and sale of 'Engineering Thermoplastics'. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price agreed with the customer, net of the estimated discounts based on discount agreements. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a credit term of 30-45 days, which is consistent with market practice.

Sale of goods does not involve warranty obligation or right to return.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**(ii) Financing components**

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

**b. The accounting policy as per Ind AS 18 – Revenue applicable for the comparative year ended March 31, 2018 is as follows:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, rate difference, value added taxes, goods and service tax and amounts collected on behalf of third parties.

The Company recognises sales at the point of transfer of significant risks and rewards of ownership to the customers. No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**(e) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Leases**

**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

**(g) Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(h) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(i) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

**(j) Inventories**

Raw materials, packing materials, stores and spares, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(k) Investments and other financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income as the case may be. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Statement of profit and loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of acquisition of financial assets carried at fair value through profit and loss are expensed in the Statement of profit and loss.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured subsequently at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity instruments : The Company subsequently measures all equity investments at fair value through Statement of Profit and Loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been an increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### (iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### (v) Income recognition

Interest income

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Dividends

Dividends are received from financial assets at fair value through profit or loss. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

**(l) Derivatives**

Derivatives are taken as the hedging instrument by the Company.

For derivatives taken against underlying asset/liability or that are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component and aligned forward element on reporting date.

Gains or losses relating to the effective portion of the change in the spot component and aligned forward element of the forward contracts are recognised in Statement of profit and loss.

**(m) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**(n) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods and estimated useful lives:**

Depreciation is calculated using the straight-line method over useful lives of assets as follows:

<b>Asset Category</b>	<b>Estimated useful life</b>
Lease hold land	99 Years
Leasehold Improvements	Lease term
Building, including temporary structure (*)	3-60 Years
Road (*)	10 Years
Plant & Machinery (*)	3-40 Years
Furniture & Fixtures (*)	6-16 Years
Office Equipment (*)	3-7 Years
Vehicles (*)	8-10 Years

(\*) Based on technical evaluation, the management believes that the useful life given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation and amortization methods and useful lives are reviewed periodically, including at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of profit and loss.

### (o) Non-Current Assets Classified as Held for sale

Non-current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the balance sheet.

### (p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid or not due for payment. The amounts are unsecured and are usually paid as per the agreed payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (q) Borrowings

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost. In case of foreign currency loan, any difference between the proceeds received and repayment amount is recognised in the Statement of profit and loss.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### (r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

**(s) Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each reporting period and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(t) Employee benefits**

**Short-term employee benefits obligations:**

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are classified as short-term employee benefits and are recognised in the Statement of Profit and Loss as an expense and are presented as current employee benefit obligations in the Balance sheet at the undiscounted amount on an accrual basis. Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

Termination benefits are recognised as an expense as and when incurred.

**Defined contribution plans**

Contributions to defined contribution schemes such as contribution to Provident Fund, Super annuation fund, Employees' State Insurance Corporation, and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income.

Non-current compensated absences: The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

### (u) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (w) Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

### (x) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off in lakhs as per the requirement of Schedule III, unless otherwise stated.

### (y) New Ind AS/amendments issued but not yet effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on March 30, 2019. These rules are effective from April 1, 2019. Relevant disclosures required by Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors for new Ind AS/amendments issued but not yet effective are as follows:

#### (i) Ind AS 116 - Leases

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company is in the process of assessing the detailed impact of Ind AS 116.

#### (ii) Ind AS 12, 'Income Taxes' - Appendix C, Uncertainty over Income Tax Treatments

The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Company is in the process of assessing the detailed impact of amendment to Ind AS 12.

**(iii) Ind AS 23 - Borrowing Costs**

The amendments clarifies that if a specific remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The Company's current practice is in line with these amendments and accordingly these amendments are not expected to have any material impact on its financial statements.

**(iv) Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Company is in the process of assessing the detailed impact of amendment to Ind AS 19.

**Critical estimates and judgments :**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Areas involving critical estimates and judgements are:

Estimated useful life of tangible assets - Refer Note 1 (n) and Note 2

Estimated defined benefit obligation - Refer Note 1 (t) and Note 40

Allowance for doubtful debts - Refer Note 1 (i), 1 (k) (iii) and Note 36 (i)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Note - 2

#### Property, Plant and Equipment - As at March 31, 2019

Particulars	Gross carrying amount				Depreciation				Net carrying amount
	Balance as at March 31, 2018	Additions	Deduction/ Adjustments\	Balance as at March 31, 2019	Balance as at March 31, 2018	Charge for the year	Deduction/ Adjustments\	Balance as at March 31, 2019	Balance as at March 31, 2019
Freehold land	85.49	-	-	85.49	-	-	-	-	85.49
Leasehold land	215.10	-	-	215.10	10.02	3.34	-	13.36	201.74
Building	5,741.42	75.22	(280.09)	5,536.55	904.95	456.84	(29.36)	1,332.43	4,204.12
Leasehold Improvements	-	63.62	-	63.62	-	5.67	-	5.67	57.95
Plant and machinery	22,172.63	1,351.54	(446.66)	23,077.51	6,212.62	2,064.47	(165.07)	8,112.02	14,965.49
Furniture and fixtures	75.59	194.76	(1.65)	268.70	27.38	31.54	(0.97)	57.95	210.75
Vehicles	66.27	-	(0.07)	66.20	35.79	7.19	(0.07)	42.91	23.29
Office equipments	589.79	195.01	(9.49)	775.31	382.14	123.12	(8.84)	496.42	278.89
<b>TOTAL</b>	<b>28,946.29</b>	<b>1,880.15</b>	<b>(737.96)</b>	<b>30,088.48</b>	<b>7,572.90</b>	<b>2,692.17</b>	<b>(204.31)</b>	<b>10,060.76</b>	<b>20,027.72</b>
Capital work in progress	1,528.63	9,951.19	(1,880.15)	9,599.67	-	-	-	-	9,599.67

#### Property, Plant and Equipment - As at March 31, 2018

Particulars	Gross carrying amount				Depreciation				Net carrying amount
	Balance as at March 31, 2017	Additions	Deduction/ Adjustments\	Balance as at March 31, 2018	Balance as at March 31, 2017	Charge for the year	Deduction/ Adjustments\	Balance as at March 31, 2018	Balance as at March 31, 2018
Freehold land	85.49	-	-	85.49	-	-	-	-	85.49
Leasehold land	215.10	-	-	215.10	6.68	3.34	-	10.02	205.08
Building	5,593.73	152.35	(4.66)	5,741.42	637.09	268.62	(0.76)	904.95	4,836.47
Plant and machinery	20,638.89	1,966.75	(433.01)	22,172.63	4,280.54	2,129.44	(197.36)	6,212.62	15,960.01
Furniture and fixtures	82.30	2.33	(9.04)	75.59	22.79	13.82	(9.23)	27.38	48.21
Vehicles	66.43	-	(0.16)	66.27	28.27	7.68	(0.16)	35.79	30.48
Office equipments	538.24	127.81	(76.26)	589.79	340.95	113.00	(71.81)	382.14	207.65
<b>TOTAL</b>	<b>27,220.18</b>	<b>2,249.24</b>	<b>(523.13)</b>	<b>28,946.29</b>	<b>5,316.32</b>	<b>2,535.90</b>	<b>(279.32)</b>	<b>7,572.90</b>	<b>21,373.39</b>
Capital work in progress	1,768.85	2,009.02	(2,249.24)	1,528.63	-	-	-	-	1,528.63

#### Notes

- Freehold Land aggregating INR 31.78 lakhs (March 31, 2018 - INR 31.78 lakhs), Leasehold Land having gross block of INR 211.63 lakhs (March 31, 2018 - INR 211.63 lakhs) and net block of INR 201.93 lakhs (March 31, 2018 - INR 205.27 lakhs), and buildings (excluding self constructed buildings on freehold land and including properties classified as asset held for sale) having gross block of INR 41.48 lakhs (March 31, 2018 - INR 41.48 lakhs) and net block of INR 34.95 lakhs (March 31, 2018 - INR 38.66 lakhs) are held in the erstwhile name of the Company. The Company has initiated the process of getting title deeds updated in its current name viz. INEOS Styrolution India Limited.
- Refer to note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress mainly comprises of new plant and machinery and building.
- Capital work-in-progress includes borrowing cost of INR 340.58 Lakhs (net of interest income of INR 162.76 Lakhs) (March 31, 2018 - INR 40.58 Lakhs (net of interest income of INR 7.81 Lakhs))
- Adjustments under buildings includes properties classified as Asset Held for Sale having Gross Block of INR 219.87 Lakhs (Net Block of INR 200.21 Lakhs) (Refer Note 14)

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note - 3</b>		
<b>Investments</b>		
<b>Investments in equity shares accounted at fair value through profit and loss (fully paid-up)</b>		
<b>Quoted</b>		
Equity shares of Bank of Baroda of face value INR 2 each fully paid- up (March 31, 2018: 25,000)	-	35.58
13,900 equity shares of Supreme Petrochem Ltd. of face value INR 10 each fully paid- up (March 31, 2018: 13,900)*	31.14	44.70
<b>Total</b>	<u>31.14</u>	<u>80.28</u>
Aggregate market value of quoted investments	<u>31.14</u>	<u>80.28</u>
<b>Total</b>	<u>31.14</u>	<u>80.28</u>
*These shares have been transferred to The Investor Education and Protection Fund. The Company is in the process of claiming the shares.		
<b>Note - 4</b>		
<b>Loans</b>		
<b>Non-current</b>		
Loan to employees	9.25	9.65
Security deposits for utilities and premises	637.25	637.89
<b>Total</b>	<u>646.50</u>	<u>647.54</u>
Breakup of security details		
- Considered good - secured	-	-
- Considered good - unsecured	646.50	647.54
- Which have significant increase in Credit Risk	-	-
- Credit - impaired	-	-
<b>Total</b>	<u>646.50</u>	<u>647.54</u>
<b>Note - 5</b>		
<b>Other financial assets</b>		
<b>Non- current</b>		
Bank deposits*	25.84	24.29
<b>Total</b>	<u>25.84</u>	<u>24.29</u>
* Bank deposit held by government authorities and held as lien under court order.		
<b>Note - 6</b>		
<b>Other assets</b>		
<b>Non- current</b>		
Balances with government authorities	12,263.01	13,267.19
Deposit *	250.00	250.00
Capital advances	688.24	654.85
<b>Total</b>	<u>13,201.25</u>	<u>14,172.04</u>
* Deposit given to Kandla Port Trust under the order of Honourable Gujarat High Court		

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note - 7</b>		
<b>Inventories *</b>		
Raw materials	11,448.78	16,383.96
Raw materials (goods-in-transit)	3,792.46	1,446.86
	<u>15,241.24</u>	<u>17,830.82</u>
Work-in-progress	5,012.03	4,474.59
Finished goods	8,675.55	5,783.20
Finished goods (goods-in-transit)	1,303.46	595.59
Stores and spares	1,163.10	1,186.67
Packing materials	153.49	119.35
<b>Total</b>	<u><u>31,548.87</u></u>	<u><u>29,990.22</u></u>
* At cost and net realisable value whichever is lower.		
* Refer Note 20 for inventories pledged as security for borrowings.		
* Write-downs / (write back) of inventories amounted to INR (120.74) Lakhs (March 31, 2018 — (16.35) Lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of finished goods and work-in-progress' in Statement of profit and loss.		
<b>Note - 8</b>		
<b>Trade receivables</b>		
- Considered good - secured	-	-
- Considered good - unsecured	23,568.65	24,491.59
- Which have significant increase in Credit Risk	-	-
- Credit - impaired	567.84	1,028.41
	<u>24,136.49</u>	<u>25,520.00</u>
Less: Allowance for doubtful debts (Refer Note 36 (i))	567.84	1,028.41
<b>Total</b>	<u><u>23,568.65</u></u>	<u><u>24,491.59</u></u>
Receivables from related parties (Refer Note 41)	95.24	89.26
Receivables from others	23,473.41	24,402.33
<b>Total</b>	<u><u>23,568.65</u></u>	<u><u>24,491.59</u></u>
<b>Note - 9</b>		
<b>Cash and cash equivalents</b>		
Balances with bank		
In current accounts	1,033.26	4,008.11
Deposits with maturity of less than three months	3,506.80	-
Cash on hand	0.39	1.13
<b>Total</b>	<u><u>4,540.45</u></u>	<u><u>4,009.24</u></u>
<b>Note - 10</b>		
<b>Bank balances other than Cash and cash equivalents above</b>		
<b>Earmarked balances with banks</b>		
In unclaimed dividend account	30.33	29.70
<b>Total</b>	<u><u>30.33</u></u>	<u><u>29.70</u></u>

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note - 11</b>		
<b>Loans</b>		
<b>Current</b>		
Loans to employees	25.81	30.78
Security deposits for utilities	-	276.39
<b>Total</b>	<u>25.81</u>	<u>307.17</u>
<b>Breakup of security details</b>		
- Considered good - secured	-	-
- Considered good - unsecured	25.81	307.17
- Which have significant increase in Credit Risk	-	-
- Credit - impaired	-	-
<b>Total</b>	<u>25.81</u>	<u>307.17</u>
<b>Note - 12</b>		
<b>Other financial assets</b>		
<b>Current</b>		
Derivative - Foreign Exchange Forward Contracts	-	4.07
<b>Total</b>	<u>-</u>	<u>4.07</u>
<b>Note - 13</b>		
<b>Other assets</b>		
<b>Current</b>		
Balance with government authorities	6,213.16	6,789.95
Advances for supply of goods	276.42	531.45
Advances to employees	0.94	0.38
Prepaid expenses	167.56	72.87
Other Receivables	-	213.87
<b>Total</b>	<u>6,658.08</u>	<u>7,608.52</u>
<b>Note - 14</b>		
<b>Asset classified as held for Sale</b>		
<b>Current</b>		
Asset classified as held for Sale*	200.21	-
	<u>200.21</u>	<u>-</u>

\* The Company's Board of directors have decided to sale certain commercial properties and residential properties located at Vadodara, Delhi and Bangalore. The Company is actively looking for prospective buyers and the sale is expected to be completed within one year. These assets are presented within total assets of the Specialities segment. (Refer Note 42). Out of the above, assets amounting to INR 34.95 Lakhs (March 31 2018 : Nil) are held in the erstwhile name of the Company. The Company has initiated the process of getting title deeds updated in its current name viz. INEOS Styrolution India Limited. (Also Refer Note 2(1))

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Note - 15

#### Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>				
Equity shares of INR 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
<b>Issued and subscribed share capital</b>				
Fully paid equity shares of INR 10 each	1,75,85,625	1,758.56	1,75,85,625	1,758.56
<b>Total share capital</b>		<b>1,758.56</b>		<b>1,758.56</b>

#### The Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	1,75,85,625	1,758.56	1,75,85,625	1,758.56
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>1,75,85,625</b>	<b>1,758.56</b>	<b>1,75,85,625</b>	<b>1,758.56</b>

#### a) Equity shares held by holding company

Name of shareholder	Relationship	As at March 31, 2019	As at March 31, 2018
INEOS Styrolution APAC Pte Ltd.	Holding company	1,31,89,218	1,31,89,218

#### b) Rights, preferences and restrictions attached to shares

#### Equity Shares

The Company has one class of equity share having a par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### c) Particulars of shareholders holding more than 5% equity shares in the company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Percentage	No. of shares	Percentage
INEOS Styrolution APAC Pte Ltd.	1,31,89,218	75.00%	1,31,89,218	75.00%

#### d) Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back during five years immediately preceding March 31, 2019.

No shares are allotted as bonus or allotted without receipt of cash and there has been no buy back of shares during the past five years.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

INR in Lakhs

**Note - 16**

**Other equity**

Particulars	Reserves and surplus					Total
	Capital reserve	Securities premium	Surplus on capital reduction	General reserve	Retained earnings	
<b>Balance at March 31, 2017</b>	<b>0.14</b>	<b>4,328.39</b>	<b>134.39</b>	<b>5,155.95</b>	<b>47,327.39</b>	<b>56,946.26</b>
Profit for the year	-	-	-	-	6,622.54	6,622.54
Other comprehensive income for the year						
Items of OCI recognised directly in retained earnings						
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(28.94)	(28.94)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>6,593.60</b>	<b>6,593.60</b>
<b>Transaction with owners in their capacity as owners:</b>						
Dividend paid on equity shares for the year 2016-17: [ INR 4 per share ]	-	-	-	-	(703.43)	(703.43)
Dividend Distribution Tax (DDT) on dividend paid	-	-	-	-	(143.20)	(143.20)
<b>Balance at March 31, 2018</b>	<b>0.14</b>	<b>4,328.39</b>	<b>134.39</b>	<b>5,155.95</b>	<b>53,074.36</b>	<b>62,693.23</b>
(Loss) for the year	-	-	-	-	(1,246.73)	(1,246.73)
Other comprehensive income for the year						
Items of OCI recognised directly in retained earnings						
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(31.06)	(31.06)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(1,277.79)</b>	<b>(1,277.79)</b>
<b>Transaction with owners in their capacity as owners:</b>						
Dividend paid on equity shares for the year 2017-18: [ INR 4 per share ]	-	-	-	-	(703.43)	(703.43)
Dividend Distribution Tax (DDT) on dividend paid	-	-	-	-	(144.58)	(144.58)
<b>Balance at March 31, 2019</b>	<b>0.14</b>	<b>4,328.39</b>	<b>134.39</b>	<b>5,155.95</b>	<b>50,948.56</b>	<b>60,567.43</b>

**Nature and purpose of reserves**

**Capital reserve**

Capital reserve is on account of profit on re-issue of forfeited Shares

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Surplus on capital reduction**

Surplus on capital reduction is created as per order no. O/14505/2004 dated June 24, 2004 passed by the Honourable High Court of Gujarat in Company Petition No. 60 of 2004.

**General reserve**

General reserve represents amounts appropriated out of retained earnings in accordance with the provisions of the Act.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note - 17</b>		
<b>Other financial liabilities</b>		
<b>Non-current</b>		
Employee payables	147.44	97.82
<b>Total</b>	<u>147.44</u>	<u>97.82</u>
<b>Note - 18</b>		
<b>Provisions</b>		
<b>Non-current</b>		
Provision for Litigations (Refer Note 44)	823.86	805.25
<b>Total</b>	<u>823.86</u>	<u>805.25</u>
<b>Note - 19</b>		
<b>Employee benefit obligations</b>		
<b>Non-current</b>		
Provision for compensated absences (Refer Note 40)*	394.61	369.89
<b>Total</b>	<u>394.61</u>	<u>369.89</u>
* The Compensated absences covers the liability for sick and earned leave.		
<b>Note - 20</b>		
<b>Borrowings</b>		
<b>Non-current</b>		
<b>Unsecured</b>		
External Commercial Borrowing from related party (Refer Note 22 and 41)	8,900.00	2,300.00
Total Non-current Borrowings	<u>8,900.00</u>	<u>2,300.00</u>
<b>Current</b>		
<b>Secured</b>		
Cash credit	3,440.05	-
Working capital loans	6,500.00	-
Buyers credit from bank	-	2,672.49
	<u>9,940.05</u>	<u>2,672.49</u>
<b>Unsecured</b>		
Working capital loans	6,406.01	5,420.91
	<u>6,406.01</u>	<u>5,420.91</u>
<b>Total Current Borrowings</b>	<u>16,346.06</u>	<u>8,093.40</u>
<b>Total Borrowings</b>	<u>25,246.06</u>	<u>10,393.40</u>

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Notes:

- 1) External Commercial Borrowing (ECB) loan is availed from a related party at a fixed interest rate of 8.90%, repayable in 7 half-yearly instalments beginning from December 31, 2019.
- 2) Cash credit facility is availed at a rate from 8.25% to 8.75% p.a. (March 31, 2018: 8.45% p.a.) during the year.
- 3) Buyers credit facility is taken towards purchase of raw material which has been covered under letter of credit limit and carries interest rate at 2.15% p.a. (March 31, 2018: 1.20% p.a. to 2.15% p.a.) during the year and is repayable within 60 days (March 31, 2018: 60 - 90 days) from the date of the credit is extended.
- 4) Working capital loans are taken for a duration of 1 to 60 days and carries interest rate from 7.55% p.a. to 8.81% p.a. (March 31, 2018 : 7.00% p.a. - 9.25% p.a.) during the year.
- 5) Unsecured borrowings from banks are guaranteed by INEOS Styrolution Group GmbH.
- 6) Secured borrowings from banks are secured by first charge on inventories and trade receivables.
- 7) Current borrowing includes interest accrued but not due amounting to INR 6.01 Lakhs (March 31, 2018 - 27.28 Lakhs).

### Particulars

	As at March 31, 2019	As at March 31, 2018
<b>Note - 21</b>		
<b>Trade payables</b>		
(a) Total outstanding dues of micro and small enterprises	102.31	110.73
(b) Total outstanding dues of creditors other than (a) above	18,579.95	25,231.53
<b>Total</b>	<b>18,682.26</b>	<b>25,342.26</b>
Trade payables to related parties (Refer Note 41)	1,750.37	2,650.07
Trade payables to others	16,931.89	22,692.19
<b>Total</b>	<b>18,682.26</b>	<b>25,342.26</b>

### Note:

#### Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006

(a) The principal amount and interest due thereon remaining unpaid to suppliers		
(i) Principal	94.99	110.73
(ii) Interest due thereon	0.14	-
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the year	362.17	-
(ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(c) (i) Interest accrued during the year, for all the delayed payments, as per the agreed terms.	-	-
(ii) Interest payable for the period of delay in making payment, as per the agreed terms.	-	-
(d) (i) Total Interest accrued during the year	7.32	-
(ii) Total Interest accrued during the year and remaining unpaid	7.32	-
(e) Further interest remaining due and payable for earlier years	-	-

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information and confirmation available with the Company as of March 31, 2019.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note - 22</b>		
<b>Other financial liabilities</b>		
<b>Current</b>		
Unclaimed dividend *	30.33	29.70
Employee related liabilities	844.99	606.97
Payables for capital goods	151.76	285.99
Current Maturity of Long Term Debt (ECB)**	1,291.82	47.06
Derivative - Foreign Exchange Forward Contracts	33.33	-
<b>Total</b>	<b><u>2,352.23</u></b>	<b><u>969.72</u></b>

\*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

\*\*Includes interest accrued but not due amounting to INR 191.82 Lakhs (March 31, 2018 : INR 47.06 Lakhs) (Refer Note 20 )

### Note - 23

#### Contract liabilities

Contract liabilities	97.57	-
<b>Total</b>	<b><u>97.57</u></b>	<b><u>-</u></b>

(i) Revenue recognised in relation to contract liabilities

Pursuant to adoption of Ind AS-115, Advance from customers which was hitherto grouped under 'Other current liabilities' have been disclosed as 'Contract liabilities'. Revenue recognised in the current year in respect of opening balance of contract liabilities amounted to INR 39.29 Lakhs.

There were no contract liabilities in relation to which performance obligation was satisfied in prior year.

### Note - 24

#### Employee benefit obligations

##### Current

Provision for gratuity (Refer Note 40)	137.44	128.32
Provision for compensated absences (Refer Note 40)*	69.05	48.79
<b>Total</b>	<b><u>206.49</u></b>	<b><u>177.11</u></b>

\* The Compensated absences covers the liability for sick and earned leave. The amount of INR 69.05 Lakhs (March 31, 2018 : INR 48.79 Lakhs) is presented as current, as the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

### Note - 25

#### Other liabilities

##### Current

Advance received from customers	-	39.29
Statutory dues	532.41	667.97
<b>Total</b>	<b><u>532.41</u></b>	<b><u>707.26</u></b>

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note - 26</b>		
<b>Current and deferred tax</b>		
<b>(a) Income tax expense</b>		
<b>(i) Current tax</b>		
Current income tax charge	-	3,940.36
<b>(ii) Deferred tax</b>		
Deferred tax relating to origination and reversal of temporary differences	(601.38)	(249.80)
Net loss/(gain) on remeasurements of defined benefit plans	(16.68)	(15.31)
<b>Income tax expense</b>	<b>(618.06)</b>	<b>3,675.25</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate of India for the year ended</b>		
<b>Accounting profit before income tax</b>	(1,848.11)	10,313.10
Statutory income tax rate	34.944%	34.608%
Tax at statutory income tax rate	<b>(645.80)</b>	<b>3,569.16</b>
<b>Tax effects of :</b>		
Income not subject to tax	-	(13.05)
Permanent disallowance	26.60	119.14
Difference in income tax rate	19.26	-
Others	(18.12)	-
	<b>27.74</b>	<b>106.09</b>
<b>Income tax expense</b>	<b>(618.06)</b>	<b>3,675.25</b>
<b>(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.</b>		

**(d) Deferred tax liabilities (net)**

Particulars	As at March 31, 2019	Charged/ (credited) to profit and loss/OCI	As at March 31, 2018	Charged/ (credited) to profit and loss/OCI	As at March 31, 2017
Property, plant and equipment	3,068.53	(235.37)	3,303.90	(166.20)	3,470.10
Provision for doubtful debts	(198.43)	157.48	(355.91)	(40.09)	(315.82)
Provision for gratuity	-	-	-	52.68	(52.68)
Provision for leave encashment	(162.02)	(17.12)	(144.90)	(21.66)	(123.24)
Amalgamation expense	(2.72)	2.67	(5.39)	2.69	(8.08)
Provision for contingency	(833.76)	(19.93)	(813.83)	(92.53)	(721.30)
Brought forward losses	(378.45)	(378.45)	-	-	-
(Decrease) / Increase in other deferred tax liabilities	(127.34)	(127.34)	-	-	-
<b>Deferred tax expense/(income)</b>	<b>-</b>	<b>(618.06)</b>	<b>-</b>	<b>(265.11)</b>	<b>-</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>1,365.81</b>	<b>-</b>	<b>1,983.87</b>	<b>-</b>	<b>2,248.98</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Reconciliation of deferred tax liabilities (net):

Particulars	Amount
<b>Opening Balance as of March 31, 2017</b>	<b>2,248.98</b>
Tax (income)/expense during the period recognised in P&L	(249.80)
Tax (income)/expense during the period recognised in OCI	(15.31)
<b>Closing balance as on March 31, 2018</b>	<b>1,983.87</b>
Tax (income)/expense during the period recognised in P&L	(601.38)
Tax (income)/expense during the period recognised in OCI	(16.68)
<b>Closing balance as on March 31, 2019</b>	<b>1,365.81</b>

#### Note:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note - 27</b>		
<b>Revenue from Operations</b>		
Revenue from contracts with customers		
- Sale of goods (including excise duty)*	2,08,784.05	1,95,010.88
<b>Other operating revenue</b>		
Commission income	269.28	57.67
<b>Total</b>	<b>2,09,053.33</b>	<b>1,95,068.55</b>

\* Revenue from operations for period up to June 30, 2017 include excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with the applicable Accounting Standard, GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable with previous year.

#### Disaggregation of revenue from contracts with customers

The Company derives revenue from transfer of goods at a point of time as follows :

#### Revenue from contracts with customers

- Sale of goods		
Within India		
Specialties	1,54,485.50	1,39,258.82
Polystyrene	54,214.75	54,360.10
Outside India		
Specialties	83.80	79.63
Polystyrene	-	1,312.33
	<b>2,08,784.05</b>	<b>1,95,010.88</b>

(Also Refer Note - 42)

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note - 28</b>		
<b>Other Income</b>		
Interest income		
On deposits	36.01	8.02
Others	209.05	408.24
Dividend on non-current quoted investment	-	0.30
Provision no longer required written back*	631.18	-
Miscellaneous income (net of expenses amounting to INR 201.63 Lakhs)	436.57	275.16
<b>Total</b>	<b><u>1,312.81</u></b>	<b><u>691.72</u></b>

\*includes Provision no longer required in respect of Doubtful Debts INR 234.75 Lakhs (March 31, 2018 : NIL) (Refer Note 36)

<b>Note - 29</b>		
<b>Cost of materials consumed</b>		
<b>Raw materials consumed:</b>		
Opening stock	17,830.82	16,592.25
Add: Purchases	1,75,519.05	1,43,473.29
Less: Closing stock	15,241.24	17,830.82
	<u>1,78,108.63</u>	<u>1,42,234.72</u>
<b>Packing materials consumed:</b>		
Opening stock	119.35	149.05
Add: Purchases	1,513.83	974.88
Less: Closing stock	153.49	119.35
	<u>1,479.69</u>	<u>1,004.58</u>
<b>Total</b>	<b><u>1,79,588.32</u></b>	<b><u>1,43,239.30</u></b>

<b>Note - 30</b>		
<b>Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening Stock :</b>		
Finished goods	6,378.79	10,567.76
Work-in-progress	4,474.59	3,737.80
	<u>10,853.38</u>	<u>14,305.56</u>
<b>Less:</b>		
<b>Closing Stock:</b>		
Finished goods	9,979.01	6,378.79
Work-in-progress	5,012.03	4,474.59
	<u>14,991.04</u>	<u>10,853.38</u>
<b>Total</b>	<b><u>(4,137.66)</u></b>	<b><u>3,452.18</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note - 31</b>		
<b>Employee benefit expense</b>		
Salaries and wages	4,964.85	4,210.60
Contribution to provident and other funds (Refer Note 40)	340.48	368.40
Staff welfare expenses	448.02	384.82
<b>Total</b>	<b><u>5,753.35</u></b>	<b><u>4,963.82</u></b>
<b>Note - 32</b>		
<b>Finance costs</b>		
Interest expenses*	1,245.20	914.00
Exchange differences regarded as an adjustment to borrowing costs	23.49	453.75
<b>Total</b>	<b><u>1,268.69</u></b>	<b><u>1,367.75</u></b>
* Interest Expenses are net of Interest Capitalised of INR 340.58 Lakhs (net of interest income of INR 162.76 Lakhs) (March 31, 2018 - INR 40.58 Lakhs (net of interest income of INR 7.81 Lakhs))		
<b>Note - 33</b>		
<b>Other Expenses</b>		
Power, Fuel and Water (net) (Refer Note 3 below)	6,596.83	6,247.42
Environment expenses	243.81	354.64
Consumption of stores and spares	957.50	662.95
Processing charges	2,680.66	1,615.37
Repair & Maintenance - Plant & Machinery and Building	1,049.07	1,058.67
Contractor Labour Charges	711.39	530.40
Freight and forwarding expenses	4,369.03	3,625.53
Commission	0.63	272.82
Corporate cost sharing expenses	4,163.63	3,787.56
Rent (Refer Note 43)	2,392.67	1,703.92
IT charges	678.41	626.33
Legal and professional charges	237.83	323.80
Royalty (Refer Note 41)	249.39	230.47
Foreign exchange fluctuation (net)	1,065.68	333.43
Insurance	199.12	158.77
Repair - Others	96.12	233.91
Rates and taxes	174.17	471.72
Payment to the Auditor (Refer Note 2 below)	47.41	43.25

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Allowance for doubtful debts (net) (Refer Note 36)	-	155.27
Expenditure on corporate social responsibility activities (Refer Note 1 below)	103.83	112.00
Commission and sitting fees to Directors (Refer Note 41)	13.10	37.70
Loss on property, plant and equipment sold/discarded (net)	130.75	211.27
Loss on fair value of investments	13.55	5.07
Travelling and conveyance expenses	502.59	522.45
Loss on Sale of Investment	7.60	-
Miscellaneous expenses	364.61	1,028.95
<b>Total</b>	<b><u>27,049.38</u></b>	<b><u>24,353.67</u></b>
1 As per Section 135 of the Companies Act, 2013, the Company was required to spend INR 179.32 Lakhs (March 31, 2018 : INR 141.74 Lakhs) towards corporate social responsibility activities. The Company has spent INR 103.83 Lakhs (March 31, 2018 : INR 112.00 lakhs) during the current financial year. The Company has spent following amounts which does not include any payment towards construction/ acquisition of asset during the year :		
Health care, nutrition, sanitation and safe drinking water	52.96	23.50
Education and vocational skill development	20.66	32.50
Contribution to Special purpose fund managed by government	2.51	-
Poverty alleviation, livelihood enhancement, environment and infrastructure	27.70	56.00
	<b><u>103.83</u></b>	<b><u>112.00</u></b>
2 <b>Payment to statutory auditors as:</b>		
Audit fees	25.00	25.00
Tax audit fees	4.00	4.00
Others (Limited review, certification etc.)	15.00	11.25
Out of pocket expenses	3.41	3.00
	<b><u>47.41</u></b>	<b><u>43.25</u></b>
3 The Company has installed Wind Turbine Generators (WTG) at Lamba, Dhank and Pransla in Gujarat. The Local Power Station of the Madhya Gujarat Vij Company Limited (MGVCL) grants credit for the power units generated by the WTG. Accordingly, the amount of Power and Fuel consumption disclosed is net of such credit given by MGVCL aggregating to INR 277.33 Lakhs (March 31, 2018 : INR 174.95 Lakhs).		
<b>Note - 34</b>		
<b>Earnings per share</b>		
i. (Loss) / Profit attributable to equity holders of the Company	<b><u>(1,246.73)</u></b>	<b><u>6,622.54</u></b>
ii. <b>Weighted average number of equity shares (In numbers)</b>		
Outstanding shares	1,75,85,625	1,75,85,625
	<b><u>1,75,85,625</u></b>	<b><u>1,75,85,625</u></b>
<b>Basic earnings per share (In INR)</b>	<b>(7.09)</b>	<b>37.66</b>
<b>Diluted earnings per share (In INR)</b>	<b>(7.09)</b>	<b>37.66</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Note - 35

#### Fair value measurements

##### A. Accounting classification and fair values

This section mentions the classification of financial instruments and explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2019

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	31.14	-	-	31.14	31.14	-	-	31.14
Non current loans	-	-	646.50	646.50	-	-	646.50	646.50
Other non current financial assets	-	-	25.84	25.84	-	-	25.84	25.84
Trade receivables	-	-	23,568.65	23,568.65	-	-	23,568.65	23,568.65
Cash and cash equivalents	-	-	4,540.45	4,540.45	-	-	4,540.45	4,540.45
Other bank balances	-	-	30.33	30.33	-	-	30.33	30.33
Current loans	-	-	25.81	25.81	-	-	25.81	25.81
	<b>31.14</b>	-	<b>28,837.58</b>	<b>28,868.72</b>	<b>31.14</b>	-	<b>28,837.58</b>	<b>28,868.72</b>
<b>Financial liabilities</b>								
Other non current financial liabilities	-	-	147.44	147.44	-	-	147.44	147.44
Current borrowings	-	-	16,346.06	16,346.06	-	-	16,346.06	16,346.06
Non Current borrowings	-	-	8,900.00	8,900.00	-	-	8,900.00	8,900.00
Trade payables	-	-	18,682.26	18,682.26	-	-	18,682.26	18,682.26
Derivative - Foreign Exchange Forward Contracts	33.33	-	-	33.33	-	33.33	-	33.33
Other financial liabilities	-	-	2,318.90	2,318.90	-	-	2,318.90	2,318.90
	<b>33.33</b>	-	<b>46,394.66</b>	<b>46,427.99</b>	-	<b>33.33</b>	<b>46,394.66</b>	<b>46,427.99</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

INR in Lakhs

As at March 31, 2018

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	80.28	-	-	80.28	80.28	-	-	80.28
Non current loans	-	-	647.54	647.54	-	-	647.54	647.54
Other non current financial assets	-	-	24.29	24.29	-	-	24.29	24.29
Trade receivables	-	-	24,491.59	24,491.59	-	-	24,491.59	24,491.59
Cash and cash equivalents	-	-	4,009.24	4,009.24	-	-	4,009.24	4,009.24
Other bank balances	-	-	29.70	29.70	-	-	29.70	29.70
Current loans	-	-	307.17	307.17	-	-	307.17	307.17
Derivative - Foreign Exchange Forward Contracts	4.07	-	-	4.07	-	4.07	-	4.07
	<b>84.35</b>	<b>-</b>	<b>29,509.53</b>	<b>29,593.88</b>	<b>80.28</b>	<b>4.07</b>	<b>29,509.53</b>	<b>29,593.88</b>
<b>Financial liabilities</b>								
Other non current financial liabilities	-	-	97.82	97.82	-	-	97.82	97.82
Current borrowings	-	-	8,093.40	8,093.40	-	-	8,093.40	8,093.40
Non Current borrowings	-	-	2,300.00	2,300.00	-	-	2,300.00	2,300.00
Trade payables	-	-	25,342.26	25,342.26	-	-	25,342.26	25,342.26
Other financial liabilities	-	-	969.72	969.72	-	-	969.72	969.72
	<b>-</b>	<b>-</b>	<b>36,803.20</b>	<b>36,803.20</b>	<b>-</b>	<b>-</b>	<b>36,803.20</b>	<b>36,803.20</b>

Note: There were no transfers between Level 1, Level 2 and Level 3 during the year.

**B. Measurement of fair values**

**i) Valuation techniques and significant unobservable inputs**

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values. Non-current security deposits are interest free deposits repayable on demand. Accordingly, the carrying value of the same has been considered as fair value. Difference between fair value of non-current borrowings carried at amortised cost and the carrying value is not considered to be material to the financial statement.

**ii) Levels 1, 2 and 3**

Level 1 : This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date.

All of the resulting fair value estimates are included in level 1 and 2.

### Note - 36

#### Financial risk management

##### Risk management framework

Financial Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a robust risk management framework to identify, monitor and minimize risks. As a process, the risk associated with each area are identified and prioritized based on severity, likelihood and effectiveness of current detection. Process owners are identified for each risk and metrics are developed for monitoring and reviewing the risk mitigation. Risk evaluation & assessments are reviewed by the CFO & Managing Director on a quarterly basis. This is constantly monitored by the Board.

The Company has exposure to the following risks arising from financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

In order to minimise any adverse effects of these on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact on the financial statements.

#### i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

##### Trade receivables

Trade receivables of the Company are typically unsecured and derived from sales made to a large number of independent customers. Customer credit risk is managed by the Company based on established policies, procedures and control relating to customer credit risk management. Before accepting any new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. Outstanding customer receivables are reviewed periodically.

The Company uses Expected Credit Loss (ECL) model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors, the Company's historical experience for customers and forward looking information.

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Trade receivables (net of allowance for doubtful debts)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables (net of allowance for doubtful debts)	23,568.65	24,491.59

### Statement of allowance for doubtful debts

Particulars	Amount
<b>Allowance for doubtful debts as on March 31, 2017</b>	<b>909.99</b>
Changes in allowance for doubtful debts	155.27
Bad Debt written off during the year	36.85
<b>Allowance for doubtful debts as on March 31, 2018</b>	<b>1,028.41</b>
Changes in allowance for doubtful debts	(234.75)
Bad Debt written off during the year	225.82
<b>Allowance for doubtful debts as on March 31, 2019</b>	<b>567.84</b>

### Other financial assets

The Company has mainly cash and cash equivalents, deposits with banks (PSU and high rated private banks) and government authorities, and security deposits for utilities with government bodies and reputed corporate entities, and for leasehold premises. These are periodically confirmed by respective parties.

### ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's cash flow management system ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

### As at March 31, 2019

Particulars	Contractual cash flows		
	Total	Less than 12 months	More than 12 months
<b>Financial liabilities</b>			
Other non current financial liabilities	147.44	-	147.44
Non - Current borrowings (including interest)	11,035.27	868.03	10,167.24
Current borrowings (including interest)	16,346.06	16,346.06	-
Trade payables	18,682.26	18,682.26	-
Other financial liabilities	2,352.23	2,352.23	-
<b>Total</b>	<b>48,563.26</b>	<b>38,248.58</b>	<b>10,314.68</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

As at March 31, 2018

Particulars	Contractual cash flows		
	Total	Less than 12 months	More than 12 months
<b>Financial liabilities</b>			
Other non current financial liabilities	97.82	-	97.82
Non - Current borrowings (including interest)	2,763.78	243.88	2,519.90
Current borrowings (including interest)	8,093.40	8,093.40	-
Trade payables	25,342.26	25,342.26	-
Other financial liabilities	969.72	969.72	-
<b>Total</b>	<b>37,266.98</b>	<b>34,649.26</b>	<b>2,617.72</b>

The gross outflows of the contractual undiscounted cash flows relating to derivative financial liabilities disclosed in the above table are held for risk management purposes and which are not usually settled before contractual maturity.

### iii) Market risk

Market risk is mainly driven by changes in economic and political environment across globe, fluctuation in foreign exchange rates and interest rates movement, which affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and current borrowings. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

#### 1. Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of payables and receivables in foreign currency. Since there is no material export sales, this is not perceived to be a major risk. Raw materials are mostly imported. The company has a policy to mitigate this risk by taking derivative contracts to protect against any adverse exchange rate fluctuation. This policy is reviewed on a periodic basis.

Company does not use derivative financial instruments for trading or speculative purposes.

#### (a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	USD	EUR	USD	EUR
<b>Financial assets</b>				
Trade receivables	56.44	51.36	59.07	53.25
<b>Net exposure to foreign currency risk (assets)</b>	<b>56.44</b>	<b>51.36</b>	<b>59.07</b>	<b>53.25</b>
<b>Financial liabilities</b>				
Foreign currency loan (Buyers credit)	-	-	2,666.12	-
Trade payables	9,106.82	451.27	19,482.13	815.31
Less:				
<b>Derivative liability:</b>				
Foreign exchange forward contracts	(3,750.77)	-	(16,621.64)	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>5,356.05</b>	<b>451.27</b>	<b>5,526.61</b>	<b>815.31</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

INR in Lakhs

**(b) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit after tax	
	As at March 31, 2019	As at March 31, 2018
<b>USD sensitivity *</b>		
INR/USD - Increase by 3%	(103.43)	(107.26)
INR/USD - Decrease by 3%	103.43	107.26
<b>EUR sensitivity *</b>		
INR/EUR - Increase by 2%	(5.20)	(9.97)
INR/EUR - Decrease by 2%	5.20	9.97

\* Holding all other variables constant

**2. Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of variable interest bearing liabilities because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing liabilities will fluctuate because of fluctuations in the interest rates. Current borrowing comprise of working capital loans for an average tenure of 1 to 60 days, and buyers credit for an average tenure of 60 days.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	16,346.06	8,093.40
<b>Total borrowings</b>	<b>16,346.06</b>	<b>8,093.40</b>

As at the end of reporting period, the Company has the following variable rate borrowings outstanding:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Weighted average interest rate (%)	Balance (INR in lakhs)	% of total loans	Weighted average interest rate (%)	Balance (INR in lakhs)	% of total loans
Cash Credit and Working Capital Loan	8.68%	16,346.06	100%	7.95%	5,420.91	67%
Buyers Credit	-	-	0%	2.15%	2,672.49	33%
<b>Net exposure to cash flow interest rate risk</b>		<b>16,346.06</b>			<b>8,093.40</b>	

An analysis by maturities is provided in note 20 above.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	As at March 31, 2019	As at March 31, 2018
Interest rates - increase by 50 basis points*	53.17	26.46
Interest rates - decrease by 50 basis points*	(53.17)	(26.46)

\* Holding all other variables constant

### Note - 37

#### Capital Management

The primary objective of the Company's capital management is to maximise shareholder's value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total equity.

For the purposes of the Company's capital management, the Company considers the following components of its balance sheet to be managed as capital: Total equity as shown in the Balance Sheet includes Share capital, General reserve, Retained earnings, Securities premium and Capital reserve. Total debt includes current debt plus non-current debt (including current maturities of long term debt).

The Company's adjusted net debt to equity ratio at March 31, 2019 and March 31, 2018 are as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings (including interest accrued)	26,537.88	10,440.46
Less : Cash and cash equivalents	4,540.45	4,009.24
Adjusted net debt	21,997.43	6,431.22
Total equity	62,325.99	64,451.79
Adjusted net debt to adjusted equity ratio	0.35	0.10

### Note - 38

#### Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Claims against the Company not acknowledged as debts</b>		
1 Income tax	1,667.44	2,162.64
2 Excise duty and service tax (including DEPB matter*)	10,498.32	2,744.32
3 Custom duty	353.62	501.02
4 Sales tax	184.20	272.95
5 Others	136.68	468.62
<b>Total</b>	<b>12,840.26</b>	<b>6,149.55</b>

The above matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favor and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement/decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as illustrated above.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

INR in Lakhs

**\* DEPB Matter**

In respect of imports of raw materials during the period January 2005 to December 2011 for consumption at one of its plant, the Company paid CVD and SAD through DEPB and availed CENVAT credit of the same.

In respect of said imports, credit is available only if payments are made through DEPB scrips issued under Exim Policy 2004-09 and not for DEPB scrips issued under Exim Policy 2002-07

The department had contended that the Company had made payments through DEPB scrips issued under Exim Policy 2002-07 and not for DEPB scrips issued under Exim Policy 2004-09, and issued SCNs.

The Company on its part has contended that the payment has been made through DEPB scrips issued under Exim Policy 2004-09 in respect of said imports. While the Company is not in a position to present the DEPB scrips, it maintains that the Bill of Entries have been finally assessed by Customs at the Port of Import and they indicated the applicable notification therein.

The Principal Commissioner of Central Excise, Customs and Service Tax adjudicated the matter and disallowed the credit, and imposed interest and penalties. In this respect, the Company had filed a petition in High Court for which the Company received an order in November 2017, whereby the cases was remitted back to the Principal Commissioner. The matter was heard afresh by the Principal Commissioner, and passed an order disallowing credit of INR 1,247.63 lakhs (being amount for which the Company could not present DEPB scrips and was not certain whether the scrips were issued under Exim Policy 2004-09 or not) from total contested amount of INR 7,990.97 lakhs in May 2018. Penalty amounting to INR 124.76 lakhs was imposed by the adjudicating authority. Against this the Company has made appeal to CESTAT. The department has filed an appeal against the order of the Principal Commissioner allowing credit of INR 6,743.35 lakhs (being amount for which Bill of Entries were available / SCN related to period of purchase of raw material after April 1, 2007) to the Company.

Management believes that their contention has strong merits and in its judgement, the outcome of the matter is probable. The Management has accordingly disclosed the amount as a contingent liability.

**Impact of recent Judgement on Provident Fund**

With reference to the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, the aforesaid matter is not likely to have a significant impact as per initial assessment by management and accordingly, no provision has been made in these Financial Statements.

**Note - 39**

**Capital commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance)	4,979.96	4,028.12

**Note - 40**

**Employee benefit obligations**

**I Defined Contribution plan**

Contribution to defined contribution plan, recognised as expenses for the year are as under:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to provident fund	216.50	218.97
Employer's contribution to superannuation fund	37.93	44.49
Employer's contribution to employee's state insurance	4.31	4.13



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Provident Fund

Contributions are made to employees provident fund organization in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation.

### Superannuation Fund

Contributions are made to Life Insurance Corporation of India for eligible employees at the rate of 15% of basic salary as per superannuation scheme of the Company."

### Employee's State Insurance

Contributions are made to ESI Corporation for all eligible employees at rate of 4.75% of ESI wage as per the definition under the ESI Act.

## II Defined benefit plan

### (i) Funded

#### Gratuity

The employee's gratuity fund schemes managed by Trusts are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>March 31, 2017</b>	<b>998.84</b>	<b>(846.64)</b>	<b>152.20</b>
Current service cost	77.78	-	77.78
Interest expense/(income)	66.92	(58.92)	8.00
<b>Total amount recognised in profit and loss</b>	<b>144.70</b>	<b>(58.92)</b>	<b>85.78</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(4.68)	(4.68)
(Gain)/Loss from change in financial assumptions	(41.76)	-	(41.76)
(Gain)/Loss from change in demographic assumptions	-	-	-
Experience (gains)/losses	90.69	-	90.69
<b>Total amount recognised in other comprehensive income</b>	<b>48.93</b>	<b>(4.68)</b>	<b>44.25</b>
Employer contributions	-	(153.91)	(153.91)
Benefit payments	(59.89)	59.89	-
<b>March 31, 2018</b>	<b>1,132.58</b>	<b>(1,004.26)</b>	<b>128.32</b>
Current service cost	87.71	-	87.71
Interest expense/(income)	79.74	(73.37)	6.37
<b>Total amount recognised in profit and loss</b>	<b>167.45</b>	<b>(73.37)</b>	<b>94.08</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(1.72)	(1.72)
(Gain)/Loss from change in financial assumptions	17.58	-	17.58
(Gain)/Loss from change in demographic assumptions	-	-	-
Experience (gains)/losses	31.88	-	31.88
<b>Total amount recognised in other comprehensive income</b>	<b>49.46</b>	<b>(1.72)</b>	<b>47.74</b>
Employer contributions	-	(132.71)	(132.71)
Benefit payments	(193.92)	193.93	0.01
<b>March 31, 2019</b>	<b>1,155.57</b>	<b>(1,018.13)</b>	<b>137.44</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended March 31, 2019

INR in Lakhs

The net liability disclosed above relates to funded plans are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	1,155.57	1,132.58
Fair value of plan assets	(1,018.13)	(1,004.26)
<b>Deficit of Gratuity plan</b>	<b>137.44</b>	<b>128.32</b>

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
a. Discount rate (per annum)	7.35%	7.55%
b. Estimated rate of return on Plan Assets (per annum)	7.35%	7.55%
c. Rate of escalation in salary (per annum)	8.00%	8.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks and historical results of return on plan assets.

**Sensitivity analysis**

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2019	
	Increase	Decrease
Discount rate (0.5% movement)	(43.13)	45.95
Salary growth rate (0.5% movement)	45.13	(42.76)

Particulars	As at March 31, 2018	
	Increase	Decrease
Discount rate (0.5% movement)	(39.28)	41.76
Salary growth rate (0.5% movement)	41.38	(39.29)

**Risk exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan asset is investment in LIC group gratuity plan where income from plan is managed by fund manager of LIC and is subject to market risk. Any shortfall is contributed to the fund by the Company. The Company intends to maintain the above investment in the continuing years.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are INR 137.44 Lakhs.

The weighted average duration of the defined benefit obligation is 7.73 years (2017-18: 7.70 years). The expected maturity analysis of gratuity is as follows:

Particulars	Less than a year	Between 1 - 5 year	Over 5 year	Total
Defined benefit obligation (gratuity)				
As at March 31, 2019	99.62	384.78	671.17	1,155.57
As at March 31, 2018	152.77	378.33	601.48	1,132.58

### (ii) Unfunded

#### Compensated absences

The Actuarial liability for compensated absences as at year ending March 31, 2019 is INR 463.66 Lakhs (INR 418.68 Lakhs as at March 31, 2018). Current year charge is included in Employee benefit expense (Refer Note 31).

### Note - 41

#### Related party transactions

The names of related parties with relationship and transactions with them:

#### A Relationship:

##### I Shareholders where control exists:

##### Ultimate Holding Company

**INEOS Limited \***

Isle of Man

##### Holding Company

holds 75.00% of the equity share capital  
(also refer Note 15(a))

**INEOS Styrolution APAC Pte Ltd.**

Singapore

##### II Where transactions have taken place

##### Fellow subsidiaries

**INEOS Styrolution Korea Ltd**

Korea

**INEOS Styrolution (Thailand) Co., Ltd.**

Thailand

**INEOS Styrolution Group GmbH**

Germany

**INEOS Styrolution Europe GmbH**

Frankfurt am Main, Germany

**INEOS Styrolution Mexicana S.A de**

Napoles, Mexico

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### INEOS Europe AG

Switzerland

### INEOS Technologies Limited

United Kingdom

### INEOS Styrolution Do Brasil Polimeros Ltda

Sao Paulo, Brazil

### III Key management personnel:

Particulars	Designation
Mr. Stephen Mark Harrington *	Chairman
Mr. Sanjiv Vasudeva	Managing Director
Mr. Nitán Duggal	Whole Time Director (w.e.f. August 31, 2017)
Mr. Bhupesh P. Porwal*	Whole Time Director and CFO (up to August 31, 2017)
Mr. Sanjeev Madan	Chief Financial Officer (w.e.f. January 29, 2018)
Mr. Jal R. Patel	Independent Director
Mr. Anil Shankar	Independent Director
Ms. Ryna Karani	Independent Director

\* No transactions during the current year.

### IV Key management personnel compensation:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	383.34	353.25
Long-term employee benefits	15.00	19.70
Post-employment benefits *	15.28	12.87
Commission and sitting fees to independent directors	13.10	37.70
<b>Total compensation</b>	<b>426.73</b>	<b>423.52</b>

\* Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

### V Other related parties

Post employment benefit plan of  
INEOS Styrolution India Limited

INEOS Styrolution India Employees Gratuity Fund  
INEOS Styrolution India Limited Super Annuation Scheme  
INEOS Styrolution India Limited EGGAS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Note - 41

#### Related party transactions

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total
<b>1 Purchase of raw materials</b>						
INEOS Styrolution Korea Ltd	-	2,578.90	2,578.90	-	2,516.95	2,516.95
INEOS Styrolution (Thailand) Co., Ltd.	-	7,323.39	7,323.39	-	6,695.84	6,695.84
INEOS Styrolution Mexicana S.A. de	-	492.35	492.35	-	21.03	21.03
INEOS Styrolution Europe GmbH	-	3,483.26	3,483.26	-	1,855.63	1,855.63
	-	13,877.90	13,877.90	-	11,089.45	11,089.45
<b>2 Receiving of services (including reimbursements)</b>						
INEOS Styrolution APAC Pte. Ltd.	2,498.78	-	2,498.78	2,170.96	-	2,170.96
INEOS Styrolution Group GmbH	-	2,529.74	2,529.74	-	2,271.88	2,271.88
[Includes INR 188.94 Lakhs capitalized during the year (March 31, 2018: INR 10.62 Lakhs)]						
INEOS Styrolution (Thailand) Co., Ltd.	-	6.01	6.01	-	-	-
	2,498.78	2,535.75	5,034.53	2,170.96	2,271.88	4,442.84
<b>3 Royalty</b>						
INEOS Styrolution Group GmbH	-	249.39	249.39	-	230.47	230.47
	-	249.39	249.39	-	230.47	230.47
<b>4 Rendering of services (including reimbursements)</b>						
INEOS Styrolution Korea Ltd	-	194.96	194.96	-	27.13	27.13
INEOS Styrolution Group GmbH	-	236.08	236.08	-	198.09	198.09
INEOS Styrolution (Thailand) Co., Ltd.	-	48.55	48.55	-	6.08	6.08
INEOS Styrolution APAC Pte. Ltd.	91.18	-	91.18	93.89	-	93.89
INEOS Europe AG	-	188.31	188.31	-	152.01	152.01
INEOS Technologies Limited	-	19.85	19.85	-	-	-
	91.18	687.75	778.93	93.89	383.31	477.20
<b>5 Sale of Goods</b>						
INEOS Styrolution (Thailand) Co., Ltd.	-	-	-	-	10.96	10.96
INEOS Styrolution Do Brasil Polimeros Ltda	-	5.00	5.00	-	-	-
	-	5.00	5.00	-	10.96	10.96
<b>6 Interest on ECB</b>						
INEOS Styrolution Group GmbH	-	503.34	503.34	-	48.39	48.39
	-	503.34	503.34	-	48.39	48.39
<b>7 ECB Loan Taken</b>						
INEOS Styrolution Group GmbH	-	7,700.00	7,700.00	-	2,300.00	2,300.00
	-	7,700.00	7,700.00	-	2,300.00	2,300.00
<b>8 Dividend payment</b>						
INEOS Styrolution APAC Pte. Ltd.	527.57	-	527.57	527.57	-	527.57
	527.57	-	527.57	527.57	-	527.57

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

Particulars	As at March 31, 2019			As at March 31, 2018		
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total
<b>9 Outstanding Balances</b>						
<b>Balances of Trade payables</b>						
INEOS Styrolution Europe GmbH	-	-	-	-	311.12	311.12
INEOS Styrolution APAC Pte. Ltd.	463.98	-	463.98	94.58	-	94.58
INEOS Styrolution Korea Ltd	-	269.10	269.10	-	446.79	446.79
INEOS Styrolution (Thailand) Co., Ltd.	-	600.16	600.16	-	1,212.01	1,212.01
INEOS Styrolution Group GmbH	-	417.13	417.13	-	585.57	585.57
	463.98	1,286.39	1,750.37	94.58	2,555.49	2,650.07
<b>Balances of Corporate guarantee</b>						
INEOS Styrolution Group GmbH	-	32,500.00	32,500.00	-	32,500.00	32,500.00
	-	32,500.00	32,500.00	-	32,500.00	32,500.00
<b>Balances of Borrowings</b>						
INEOS Styrolution Group GmbH (Refer Note 4 below)	-	10,191.82	10,191.82	-	2,347.06	2,347.06
	-	10,191.82	10,191.82	-	2,347.06	2,347.06
<b>Balance of Trade receivables</b>						
INEOS Styrolution Group GmbH	-	54.84	54.84	-	67.32	67.32
INEOS Styrolution APAC Pte. Ltd.	3.77	-	3.77	8.22	-	8.22
INEOS Styrolution Korea Ltd	-	17.71	17.71	-	1.84	1.84
INEOS Europe AG	-	14.40	14.40	-	10.49	10.49
INEOS Styrolution (Thailand) Co., Ltd.	-	0.60	0.60	-	1.39	1.39
INEOS Technologies Limited	-	3.92	3.92	-	-	-
	3.77	91.47	95.24	8.22	81.04	89.26

### Terms and conditions

- 1 All transactions entered into with related parties as defined under the Companies Act, 2013 and regulation 23 of the Listing Obligation and Disclosure Requirement Regulations 2015, during the financial year were in the ordinary course of business and on an arm's length basis. Suitable disclosures, as required by the Ind AS - 24, have been made in the notes to the financial statements.
- 2 Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- 3 All outstanding balances are unsecured and are repayable in cash.
- 4 Includes interest accrued of INR 191.82 Lakhs (March 31, 2018 : INR 47.06 Lakhs) (Refer Note 22)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Note - 42

#### Segment information

##### (a) Description of segments and principle activities

Segment Reporting in financial results: Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker (CODM), as represented by Chairman, Managing Director and CFO, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segment.

##### (b) Details for reportable segments as required by Ind AS 108 is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>1. Segment revenue</b>		
(Revenue from operations)		
Revenue from contracts with customers		
(a) Specialties	1,54,838.58	1,39,396.12
(b) Polystyrene	54,214.75	55,672.43
<b>Total</b>	<b>2,09,053.33</b>	<b>1,95,068.55</b>
Less : Inter segment revenue	-	-
<b>Revenue from operations</b>	<b>2,09,053.33</b>	<b>1,95,068.55</b>
<b>2. Segment results</b>		
(Segment profit before interest and tax)		
(a) Specialties	2,839.95	11,209.24
(b) Polystyrene	(2,639.28)	423.74
<b>Total</b>	<b>200.67</b>	<b>11,632.98</b>
Add/(Less): (i) Finance cost	(1,268.69)	(1,367.75)
(ii) Interest income	245.06	416.26
(iii) Other unallocable expenditure (net of income)	(1,025.15)	(368.39)
<b>Profit before tax</b>	<b>(1,848.11)</b>	<b>10,313.10</b>
<b>3. Segment assets</b>		
a. Specialties	85,196.70	75,907.06
b. Polystyrene	23,526.26	25,931.97
c. Unallocated	3,451.77	3,506.16
<b>Total segment assets</b>	<b>1,12,174.73</b>	<b>1,05,345.19</b>
<b>4. Segment liabilities</b>		
a. Specialties	25,195.32	23,111.09
b. Polystyrene	6,635.14	7,391.61
c. Unallocated	18,018.28	10,390.70
<b>Total segment liabilities</b>	<b>49,848.74</b>	<b>40,893.40</b>

# INEOS Styrolution India Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### (c) Information about products and services

The Company manufactures and sells ABS, SAN and Polystyrene i.e. "Engineering Thermoplastics". These products have the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position.

Based on the CODM, segments are bifurcated into Specialties and Polystyrene. Specialties include ABS and SAN.

### (d) Information about geographical areas

The Company does not have geographical distribution of revenue hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

### (e) Information about major customers

None of the entity's external customers account for 10 per cent or more of the Company's revenue.

#### Note - 43

##### Leases :

Certain premises and equipments are obtained on cancellable and non-cancellable operating leases that are renewable either at the option of lessor or lessee, or both. Further, there are no subleases. Lease rentals debited to Statement of Profit and Loss for the year is INR 2,392.67 Lakhs (March 31, 2018 : INR 1,703.92 Lakhs).

The future minimum lease rentals payable at the balance sheet date in respect of non-cancellable operating leases are as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	753.95	754.35
Later than one year and not later than five years	2,271.36	3,025.31
Later than five years	-	-

#### Note - 44

##### Movement in Provisions

Movements in provision for litigation during the financial year, is set out below :

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year	805.25	475.20
Less: Utilised / Written back during the year	(118.69)	-
Add : Provision made during the year	137.30	330.05
Balance as at the end of the year	823.86	805.25

#### Note - 45

##### Changes in accounting policies:

This note explains the impact of the adoption of Ind AS 115 Revenue from Contracts with Customers on the Company's financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2019

INR in Lakhs

### Impact on the financial statements

The Company applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the Company has to recognise the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 1, 2018. Comparative prior period is not to be adjusted. Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). However, the Company elected to apply the standard to all contracts as at April 1, 2018.

There was no impact on the Company's retained earnings as at April 1, 2018 on account of adoption of Ind AS 115. Pursuant to adoption of Ind AS-115, Advance from customers which was hitherto grouped under 'Other current liabilities' have been disclosed as 'Contract liabilities'.

### **Note - 46**

#### **Events occurring after the reporting period**

The proposed dividend on Equity shares at INR 2 per share is recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

### **Note - 47**

#### **Previous year figures**

The previous year figures have been re-grouped and re-arranged wherever necessary to conform with current years' classification.

As per our attached report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N/N500016

**Pankaj Khandelia**  
Partner  
Membership No. 102022

Place : Vadodara  
Date : May 16, 2019

**For and on behalf of the Board of Directors of  
INEOS Styrolution India Limited**

**Stephen Mark Harrington**  
Chairman  
DIN 07131679

**Sanjeev Madan**  
CFO

**Sanjiv Vasudeva**  
Managing Director & CEO  
DIN 06570945

**Abhijaat Sinha**  
Company Secretary

Place : Vadodara  
Date : May 16, 2019



**PROXY FORM**

**INEOS Styrolution India Limited**

CIN: L25200GJ1973PLC002436

Registered Office: 5th Floor, OHM HOUSE – II, OHM Business Park,  
Subhanpura, Vadodara –390 023.

Tele : + 91 265 2303201 / 02 Fax No: + 91 265 2303203

E mail : [INSTY.secshare@ineos.com](mailto:INSTY.secshare@ineos.com) Website: [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com)

**46th Annual General Meeting - August 08, 2019 at 11:00 a.m.**

<b>Name of the Member(s)</b>	:	<input type="text"/>
<b>Registered Address</b>	:	<input type="text"/>
<b>E-mail ID</b>	:	<input type="text"/>
<b>Folio No./ Client ID</b>	:	<input type="text"/>
<b>DP ID</b>	:	<input type="text"/>

I/ We, being the Member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint:

Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

*Or failing him/ her*

Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

*Or failing him/ her*

Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 46th Annual General Meeting of the Company, to be held on Thursday, August 08, 2019, at 11:00 a.m. at "CRYSTAL", 2nd Floor, Grand Mercure Vadodara Surya Palace, Sayajigunj, Vadodara – 390020, India and at any adjournment thereof in respect of such resolutions as are indicated on following page:

# INEOS Styrolution India Limited

Resolution Number	Resolution	Vote (Optional, see Note 2)		
		No. of shares		
		For	Against	Abstain
<b>Ordinary business</b>				
1.	Adoption of the audited Financial Statements of the Company for the year ended on March 31, 2019 together with the reports of the Board of Directors and of Auditors thereon.			
2.	Approval of Dividend of INR 2/- per equity share for the F.Y. ended on March 31, 2019.			
3.	Appointment of director in place of Mr. Stephen Mark Harrington (DIN: 07131679), who retires by rotation and, being eligible, offers himself for re-appointment.			
<b>Special Business</b>				
4.	Appointment of Ms. Ryna Karani (DIN: 00116930) as an Independent Woman Director of the Company.			
5.	Re-appointment of Anil Shankar (DIN: 02143156) as an Independent Director of the Company.			
6.	Continuation of directorship of Mr. Jal Patel (DIN: 00065021), who has attained the age of seventy five years, as an Independent Director.			
7.	Re-appointment of and payment of remuneration to Mr. Sanjiv Vasudeva (DIN: 06570945) as Managing Director & CEO of the Company for the period of 3 years w.e.f. March 01, 2019.			
8.	Confirmation & Waiver of recovery of excess remuneration paid to Mr. Sanjiv Vasudeva, Managing Director & CEO of the Company.			
9.	Approval of remuneration for Mr. Nitankumar Duggal, Whole-time Director of the Company and waiver of recovery of excess remuneration paid.			
10.	Payment of Commission to Independent Directors			
11.	Payment of remuneration to the Cost Auditors of the Company for the Financial Year 2019-20.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy Holder(s)

**Affix  
Revenue  
Stamp**

## Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

**Attendance Slip  
INEOS Styrolution India Limited**

CIN: L25200GJ1973PLCOO2436

Registered Office: 5th Floor, OHM HOUSE – II, OHM Business Park,  
Subhanpura, Vadodara – 390 023

Tele : + 91 265 2303201 / 02 Fax NO: + 91 265 2303203

E mail : [INSTY.secshare@ineos.com](mailto:INSTY.secshare@ineos.com) Website: [www.ineosstyrolutionindia.com](http://www.ineosstyrolutionindia.com)

**46th Annual General Meeting - August 08, 2019 at 11:00 am.**

Registered Folio No./ DP ID No./ Client ID No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of Shares held:

--	--	--	--	--	--	--	--	--	--

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company.

I hereby record my presence at the 46th Annual General Meeting of the Company on Thursday, August 08, 2019 at 11.00 a.m. at "CRYSTAL", 2nd Floor, Grand Mercure Vadodara Surya Palace, Sayajigunj, Vadodara – 390020, Gujarat.

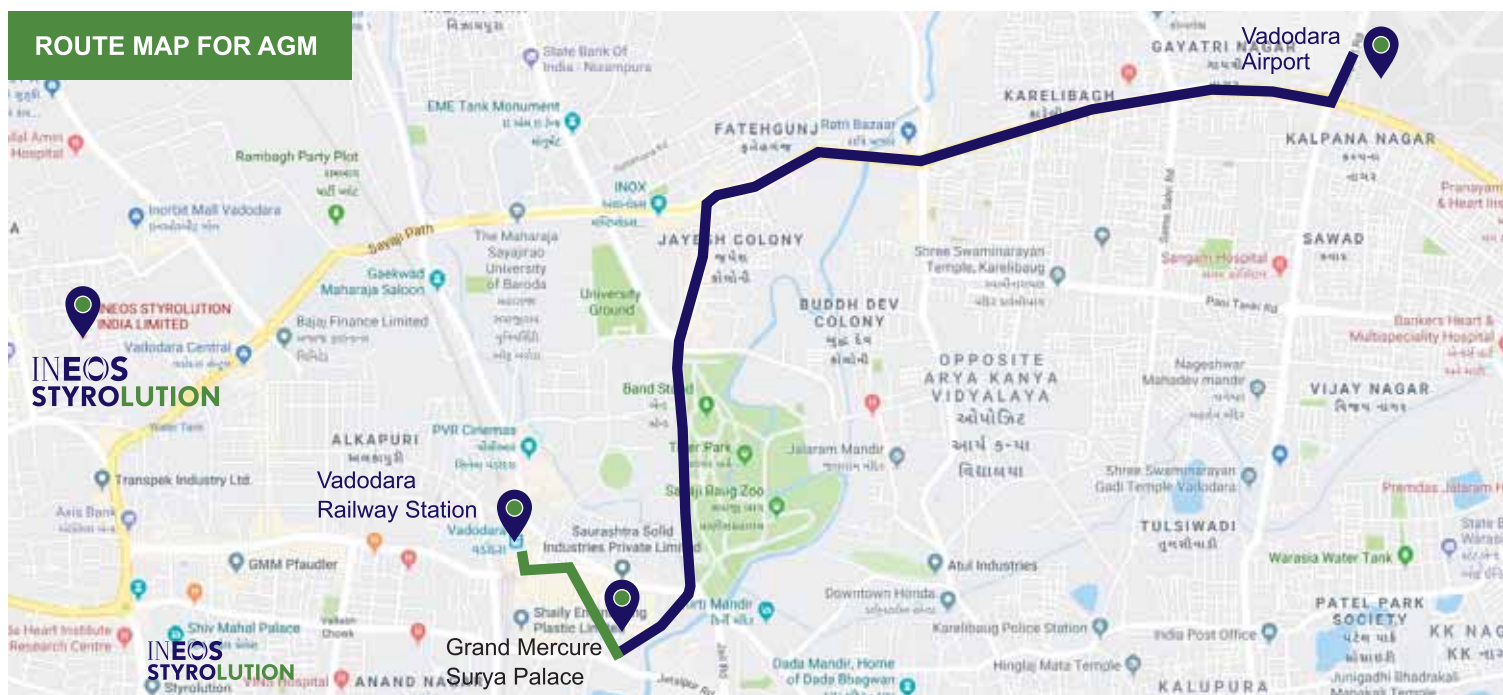
\_\_\_\_\_  
Name of the Member/ Proxy  
(in Block Letters)

\_\_\_\_\_  
Signature of the Member/ Proxy

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.*



# ROUTE MAP FOR AGM



## ANNUAL GENERAL MEETING VENUE



GRAND MERCURE  
VADODARA SURYA PALACE

'Grand Mercure Surya Palace',  
Sayajiganj, Opp. Parsi Agiary, Vadodra 390007, Gujarat.

Day & Date : Thursday, 8 August 2019  
Time : 11.00 a.m

**INEOS Styrolution India Limited**

**Registered Office**

5th Floor, Ohm House-II,  
Ohm Business Park, Subhanpura,  
Vadodara – 390 023,  
Gujarat, India  
Tel: 91 265 2303230  
Fax: 91 265 2303203

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**STYROLUTION**

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