

44th Annual Report

April 2016 - March 2017



INEOS
STYROLUTION

Driving Success. Together.

CARE BEYOND BOUNDARIES

The Corporate Social Responsibility (CSR) committee plans and approves sustainable community outreach activities and initiatives based on core themes - education for all, skill development, preventive healthcare and community welfare. This year, the company strengthened its bond with the community through several CSR activities. They include distributing pressure cookers among villagers, improving health and sanitation facilities in rural schools, providing school infrastructure, learning and recreational aids to school children as well as merit scholarship awards to students from financially challenged families, donating skill development machinery at industrial training institutes and financial support to schools for children with special needs.



SPEARHEADING STYRENICS IN INDIA

INEOS Styrolution India Limited (formerly known as Styrolution ABS (India) Ltd.) is the number one producer of Absolac® (ABS) and Absolan® (SAN) in India. ABS is a plastic resin produced from acrylonitrile, butadiene and styrene, used for manufacturing home appliances, automobiles, consumer durables and machinery. Absolan® (SAN) is a polymerized plastic resin produced from styrene and acrylonitrile. It is mainly used for products such as lighting, stationery, novelties, refrigerators and cosmetic packing. With 40 years of pioneering experience, INEOS Styrolution India Limited has been the most preferred supplier to our customers. We take immense effort in analyzing and understanding our customers' requirements to offer innovative solutions that enhance the quality of their products. Our commitment to offer best-in-class products and customized solutions has put us in the number one position. We are committed to work hand-in-hand with our customers to drive success together.

Effective 31 March 2016, Styrolution India Private Limited has merged to become INEOS Styrolution India Limited.

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 solutions, 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, Packaging and Toys / Sports / Leisure. In 2016, sales were at 4.5 billion euros. INEOS Styrolution employs approximately 3,200 people and operates 16 production sites in nine countries.

PLANTS IN INDIA

Nandesari



Katol



Moxi



Dahej

5 YEARS STATISTICAL INFORMATION

(INR in Lakhs)

YEAR NO. OF MONTHS	2016-17(#) 12	2015-16(#) 12	2014-15(^) 15	2013(^) 12	2012(^) 12
Equity share capital	1,758.6	1,758.6	1,758.6	1,758.6	1,758.6
Other equity	56,946.3	50,909.5	48,622.0	45,966.3	41,744.5
Total equity	58,704.8	52,668.1	50,380.6	47,724.9	43,503.0
Borrowings - long term	-	-	-	-	-
Funds employed	58,704.8	52,668.1	50,380.6	47,724.9	43,503.0
Net worth per equity (Rs.)	333.8	299.5	286.5	271.4	247.4
Current ratio	1.8	1.7	1.6	1.8	2.7
INCOME AND PROFITS					
Sale of goods	1,62,819.5	1,72,925.2	1,46,172.0	1,11,184.0	98,875.0
Profit Before Tax (PBT)	10,029.6	6,024.6	5,173.2	7,742.4	9,309.9
Tax	3,101.6	(358.4)	1,670.9	2,692.1	2,996.9
Profit for the year ⁽¹⁾	6,928.0	6,383.0	3,502.3	5,050.3	6,313.0
Earning per share (Rs.)	39.4	36.3	19.9	28.7	35.9
Dividend per share (Rs.)	4.0	4.0	4.0	4.0	4.0
Return on net worth	11.8%	12.1%	7.0%	10.6%	14.5%

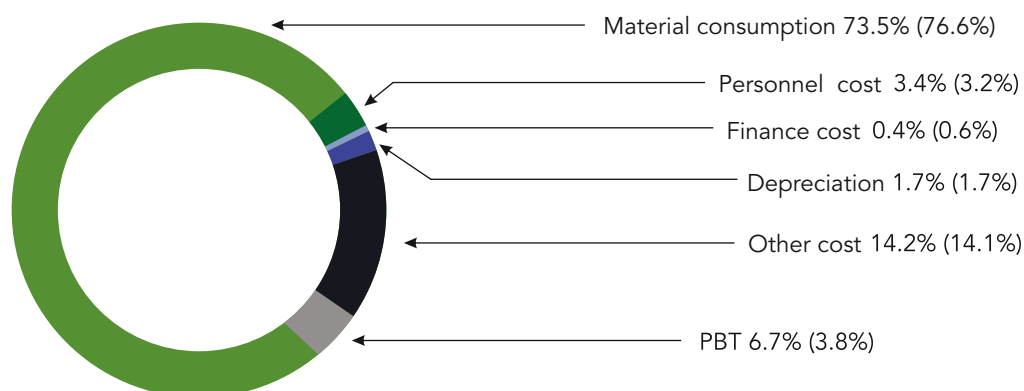
(#) FY 2016-17 results have been prepared based on IND AS.

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 2012, 2013 and 2014-15 is profit after tax as per previous IGAAP, while 2015-16 and 2016-17 profit is before other comprehensive income.

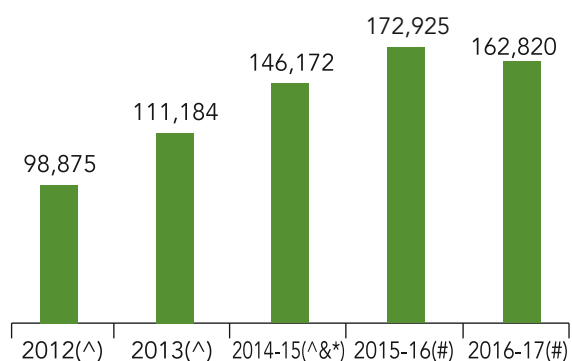
Distribution of Income



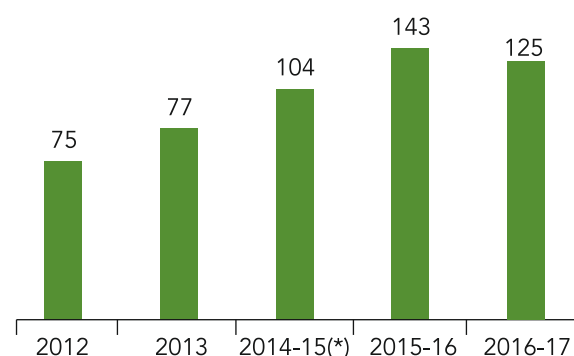
Bracket denotes previous year's figures

(INR in Lakhs)

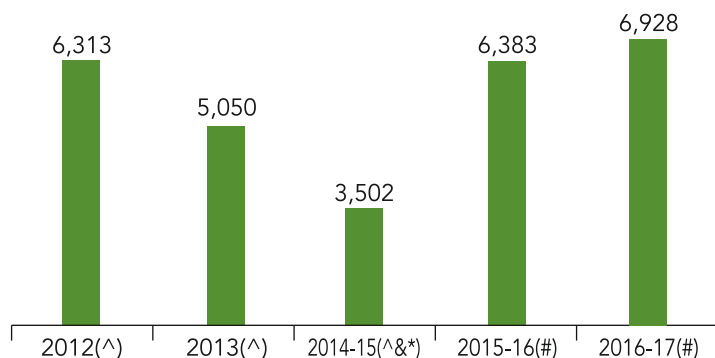
Sale of goods



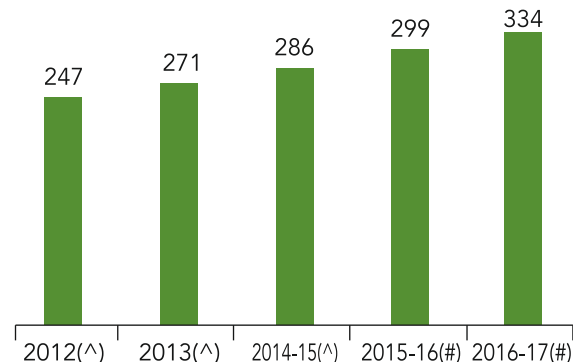
Sales volume (KT)



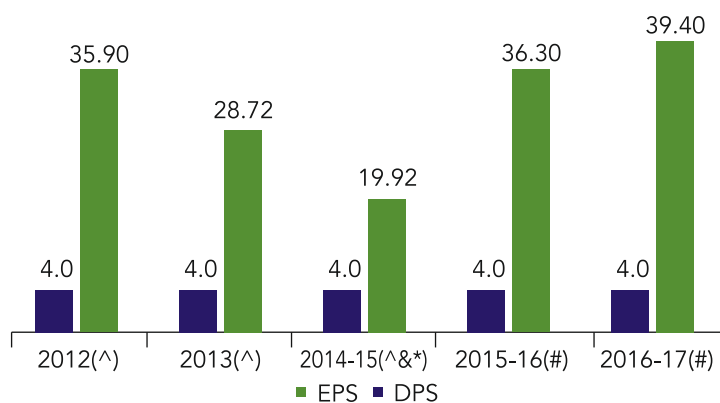
Profit ⁽¹⁾



Book value per share (INR)



Earning per share & dividend per share (INR)



(*) 2014-15 results are for 15 months.

(#) 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 2012, 2013 and 2014-15 is profit after tax as per previous IGAAP, while 2015-16 and 2016-17 profit is before other comprehensive income.

BOARD OF DIRECTORS



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.



Sanjiv Vasudeva

Sanjiv Vasudeva is the Managing Director and Chief Executive Officer of INEOS Styrolution India Limited. He has a proven record of accomplishment 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 ten years in The Netherlands with G.E. Plastics in quality/ Six Sigma, product management and manufacturing. He is a chemical engineering graduate from MS University of Baroda



Bhupesh P. Porwal

Bhupesh P. Porwal is the Whole-time Director and CFO of INEOS Styrolution India Limited. He has vast exposure in process, engineering, packaging, petrochemicals and the consultancy sector. He directs the company's financial affairs, drives financial and business strategies, investor relations and raises funds in a cost-effective manner. He enjoys practicing lean management, developing and implementing ideas to accomplish bottom-line results, elevating business growth, maximizing profits through designing, implementing and enhancing SAP/ EVA Systems ensuring zero financial leakage. He has worked in various capacities at leading companies including Piramal Glass Limited, Transformers and Rectifiers India Limited, Blue Star Limited, Time Packaging Limited and M. M. Gupta & Co. He also shares his knowledge as a guest lecturer at various colleges and institutions. He is a certified Chartered Accountant, a gold-medalist in MBA (Finance) and a law graduate from MLS University, Udaipur



Jal R. Patel

Jal R. Patel has 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 Limited, a company which he had joined as Chief Accountant and there on went on to be its Managing Director, Vice Chairman and later Chairman. He is an Independent Director in several reputed public companies, including Gujarat Gas Company Limited, ABC Bearings Limited, Elecon Engineering India Limited. He is an Advisor to the Goradia Group of Companies, Vadodara, which is predominantly in the oral consumer care business. He is a Past President and Managing Committee member of the Federation of Gujarat Industries, and has been a Past President and Governing body member of the Gujarat Employers' organization. He is past Chairman and member (Board of governors), United Way of Vadodara. He is a member and trustee in various trusts and social organizations in and around Vadodara. He is a Chartered Accountant and Company Secretary by qualification.



Ryna Karani

Ryna Karani specializes in corporate commercial transactions, joint ventures, real estate and advises on general corporate law. This includes advising on mergers and acquisitions, joint ventures, private equity and investment funds across 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 establishment of branch/ liaison offices. She advises clients on infrastructure projects including submission and preparation of RFPs, finalizing tenders, drafting and negotiating concession agreements and related documents. A large part of her practice also includes banking and finance (including project finance). She regularly advises clients on loan transactions (both rupee and external commercial borrowings), including drafting and negotiating loan agreements, security and other related documents. She is also on the board of (amongst other) Reliance Infrastructure Ltd. and Reliance Defence and Engineering Ltd. Karani completed her B.A. L.L.B from Mumbai University. She is a partner at ALMT Law firm in Mumbai.



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 36 years in various multinationals in the areas of financial management, taxation, commercial management, human resources, Forex management and IT. He has served on the Boards of Motorola and Polaroid India. During his last assignment, he was the member of the Board of Directors and CFO of SIEMENS Healthcare. He has completed his Masters degree in finance and international business from Bowling Green State University, Ohio, USA.



Jit Teng Tan

Jit Teng Tan is Regional Vice President, Finance of INEOS Styrolution APAC Pte. Limited, Singapore. He has extensive experience in managing regional financial operations, including statutory and group reporting, tax expertise, compliance and governance initiatives, budgeting, and business controlling and analyses. He has also worked as Director, Regional Audit Asia-Pacific, with BASF South East Asia Pte. Ltd. from August 1997 to May 2004. As a regional internal auditor, he managed the regional internal audit function, formulating and implementing audits to review and enhance the effectiveness and efficiency of internal controls over regional businesses and organization processes. He also headed a 'functional efficiency' regional project strategically improve how regional functions in BASF are organised and aligned to enhance business transparency and profitability. In addition, he was involved with BASF's regional Human Resource Development function from 2005 to 2006. He has held several positions between 1991 and 1997 such as financial analyst at Hewlett Packard, Singapore, internal auditor at 3M Asia-Pacific and internal auditor at Singapore Bus Service. He has completed his Master's degree in Business Administration (MBA), University of Hull, England and Bachelor's degree in Economics, Macquarie University, Australia.



Haresh Khilnani

Haresh Khilnani is the Company Secretary, Head - Legal & Compliance of INEOS Styrolution India Limited since September 2013. He has over 16 years of diversified experience in secretarial and legal department of reputed multinational and listed companies. He has worked with companies such as SIEMENS for over seven years in similar functions. He is a Fellow of the Institute of Company Secretaries of India, has an MBA in Finance and a Certificate in contract management from the Indian Institute of Management (IIM), Ahmedabad as well as a postgraduate degree in law.

PRODUCT PROFILE



ABSOLAC® (ABS)

Absolac® is a plastic resin produced from acrylonitrile, butadiene and styrene. It is a widely used intermediary product. Its applications range from home appliances to automobile interiors and exteriors, to consumer durables to office equipment.



ABSOLAN® (SAN)

Absolan® is also a polymerized plastic resin produced from styrene and acrylonitrile. Its main applications are in lighting, stationery and novelties, electrical appliances, and cosmetic packing.



GPPS

General purpose polystyrene are transparent polymers that are suitable for injection molding or extrusion applications to produce end-products such as toys, CD cases, hangers, plastic cups, IT equipment, jewel boxes, disposable medical products, bath accessories and garden equipment.



HIPS

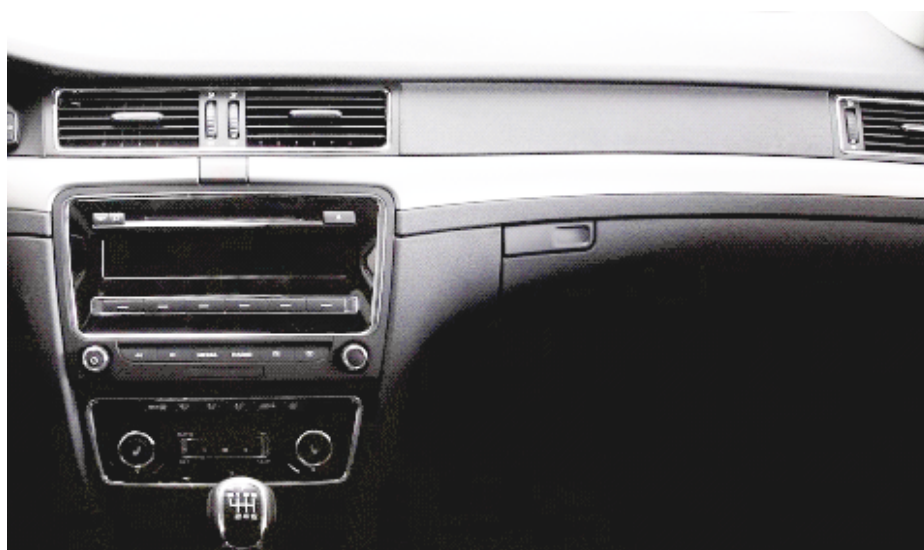
As opposed to general purpose polystyrene, high-impact polystyrene contains rubber and is used in the manufacture of technically challenging applications that require impact resistance, ranging from single-use yogurt cups to durable refrigerator liners.

THE POWER OF STYRENICS

As the world evolves and embraces new technologies to make lives simpler, processes smoother, machines more efficient, gadgets sleeker and the environment safer, styrenics products are drawing global attention as a preferred product of choice to drive business and functional needs. An array of product options, each with unique capabilities, offers our customers and consumers the desired solution across diverse market segments.

AUTOMOBILES (four-wheelers)

From functional consoles, light casings, rear-view mirrors, cabin parts, glove boxes, bar covers to aesthetic front grills, mirror housings, door trims and molding covers, our styrenics solutions are eco-friendly and cost-efficient, while at the same time offering a premium look and feel for four-wheelers.



AUTOMOBILES (two-wheelers)

From the visual appeal of impact-resistant body parts to the functionality of front lamp casings, lightweight moldings, toolboxes, and brake light casings, styrenics solutions provide cutting-edge applications for high-quality design and performance.





CONSTRUCTION

Modern construction techniques, architectural styles and energy-efficient structures rely on styrenics solutions for decking, siding, fencing, railing, storm doors, door panels and door lites, exterior trims, windows and window profiles, solar panels, windmills and more.



ELECTRONICS

Our broad and versatile styrenics solutions can be applied across many end-products including computers and monitors, printers, scanners, game consoles, home entertainment, small kitchen appliances, cell phones, electric shavers, GPS devices, as well as antennae and communication systems.

THE POWER OF STYRENICS

HEALTHCARE

Our medical-grade styrenics solutions have made it possible to produce high-quality and low-cost infusion drip chambers, laboratory devices, mouthpieces, masks, catheters, inhaler housings, injection pens, laryngoscopes, airways, diagnostic devices as well as other healthcare products.



HOUSEHOLD

Styrenics solutions touch everyday lives with appealing and functionally elegant appliances including refrigerators, water containers, white goods control panels, electric toothbrushes, shavers, vacuum cleaners and coffee machines.





PACKAGING

Rigid food packaging, flexible packaging films, stretch hood films, shrink sleeves and cosmetic containers are all made possible by special styrenics formulations that extend the shelf life of the products, at the same time retaining flavor and aroma.



TOYS, SPORTS & LEISURE

Desired color and molding, easy form-setting, impact resistance, high tensile strength and durability are some styrenics solutions that deliver a range of toys, sports gear and leisure equipment such as helmets, building blocks, figurines, ski decoration films, gardening equipment, caravan doors and sidings.

Board of Directors

Mr. Stephen Mark Harrington	Chairman
Mr. Sanjiv Vasudeva	Managing Director and Chief Executive Officer
Mr. Bhupesh P. Porwal	Whole-time Director and Chief Financial Officer
Mr. Jal R. Patel	Independent Director
Mr. Anil Shankar	Independent Director
Ms. Ryna Karani	Independent Director
Mr. Jit Teng Tan	Alternate to Mr. Harrington

Key Managerial Personnel

Mr. Sanjiv Vasudeva	Managing Director and Chief Executive Officer
Mr. Bhupesh P. Porwal	Whole-time Director and Chief Financial Officer
Mr. Haresh Khilnani	Company Secretary, Head - Legal and Compliance

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

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, Opp. HDFC Bank First Floor,
Near Radhakrishna Char Rasta Akota, Vadodara, Gujarat-390020
Phone No.: 91 265 2356573, 2356794
E-mail: vadodara@linkintime.co.in
Website: www.linkintime.co.in

Bankers

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

INEOS Styrolution India Limited

Registered Office

6th Floor, ABS Towers, Old Padra Road, Vadodara - 390 007, Gujarat
Phone No: 91 265 2303201, 2303202
Fax: 91 265 2303203
Website: www.ineosstyrolutionindia.com
E-mail: secshare@styrolution.com
CIN: L25200GJ1973PLC002436

Nandesari Plant

51, GIDC Industrial Estate, Nandesari - 391 340, Dist. Vadodara, Gujarat
Phone No.: 91 265 2840319, 2840285, 2840559, 2841010
Fax: 91 265 2840827

Moxi Plant and R & D Centre

Sankarda-Bhadarva Road, Post : Poicha - 391 350, Tal.: Savli, Dist.: Vadodara, Gujarat.
Phone No.: 91 2667 244350, 244370, 244380
Fax: 91 2667 244340

Katol Plant

Halol-Kalol Road, Katol -389 330, Taluka Kalol, Dist. Panchmahal, Gujarat
Phone No.: 91 2676 235980, 235891, 235802, 235803.
Fax : 91 2676 235518

Dahej Plant

Dahej Village, Vaghra Taluka, Dist.: Bharuch - 392 130
Phone No.: 912641 273301, 256571, 256572, 256573
Fax: 91 2641 256022

Kandla Storage Terminal

Plot No 8, Old Kandla, Gujarat - 370210
Phone No.: 91 2836 270393
Fax: + 91-2836-270657

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INEOS Styrolution India Limited

NOTICE

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

Notice is hereby given that the 44th annual general meeting (AGM) of the Members of **INEOS Styrolution India Limited** will be held on **Thursday, 10 August 2017** at **11.30 a.m.** at '**Chandarva Hall**', **WelcomHotel, R.C. Dutt Road, Alkapuri, Vadodara 390 007** to transact the following business:

Ordinary business:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31 March 2017, including the audited balance sheet as at 31 March 2017, 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 a dividend of INR 4/- per equity share for the year ended on 31 March 2017.
3. To appoint a director in place of Mr. Stephen Mark Harrington (DIN: 07131679), who retires by rotation and, being eligible, seeks re-appointment.
4. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and pursuant to the approval of Members at the 43rd annual general meeting, the appointment of **Messrs Price Waterhouse Chartered Accountants LLP**, Chartered Accountants (Firm Registration Number: 012754N/N500016) as statutory auditors of the Company, be and is, hereby ratified to hold office as such from the conclusion of this annual general meeting till the conclusion of the next annual general meeting, on such remuneration as may be decided by the board of directors of the Company from time to time;

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

Special business:

To consider and, if thought fit, to pass, the following resolutions:

5. **Appointment of Mr. Anil Shankar as an Independent Director of the Company.**

As an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Act and the rules framed there under and regulation 17 of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'the Listing Regulations') (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with schedule IV to the Act, Mr. Anil Shankar (DIN: 02143156), who was appointed as an additional director of the Company pursuant to section 161(1) of the Act to hold office upto the next annual general meeting and who has submitted a declaration of independence under section 149(6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act, proposing his candidature for the office of Independent Director, be and is, hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of three consecutive years w.e.f 12 August 2016;

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

6. Appointment of Mr. Jal R. Patel as an Independent Director of the Company.

As an **Ordinary Resolution:**

“Resolved that pursuant to sections 149,152 and other applicable provisions, if any, of the Act and the rules framed there under and regulation 17 of the Listing Regulations (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with schedule IV to the Act, Mr. Jal R. Patel (DIN 00065021) who has submitted a declaration of independence under section 149(6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act, proposing his candidature for the office of Independent Director, be and is, hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of three consecutive years w.e.f 01 January 2018;

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

7. Payment of remuneration to the Cost Auditors of the Company for the FY 2017-18.

As an **Ordinary Resolution:**

“Resolved that pursuant to the provisions of section 148 and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the cost auditors appointed by the board of directors of the Company, Messrs 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 31 March 2018, be paid a remuneration of INR 365,500 (Rupees Three lakhs sixty five thousand five hundred only) per annum plus applicable service tax and out of pocket expenses that may be incurred during the course of audit;

Resolved further that the board of directors (including its Committee thereof) or the company secretary of the Company, be and are, hereby 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 :

6th floor, ABS Towers,
Old Padra Road,
Vadodara-390007
Gujarat, India

16 June 2017
Vadodara

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

Haresh Khilnani
Company Secretary, Head - Legal & Compliance

Notes:

1. The explanatory statement pursuant to section 102 of the Act with respect to the special business set out in the Notice is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF / ITSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 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 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 organisation.

INEOS Styrolution India Limited

3. Corporate Members intending to send their authorised 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 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed in the annual report.
5. Members / proxies / authorised representatives should bring the duly filled **Attendance Slip** enclosed herewith to attend the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed on **04 August 2017**.
7. Members are requested to notify immediately any change in their address, 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 Folio No.
8. 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 whose names appear on the Register of Members as on **03 August 2017** and those whose names appear as beneficial owners as at the close of the business hours on **03 August 2017** as per the details to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited for this purpose
9. 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 2016-17 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 2016-17 are being sent by the permitted mode.
10. With a view to using natural resources responsibly, we request shareholders to register / update their email address with their Depository Participant(s) to enable the Company to send communications electronically.
11. Members may note that the notice of the 44th AGM and the ANNUAL REPORT 2016-17 will be available on the company's website, www.ineosstyrolutionindia.com. The physical copies of the documents will also 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 AGM. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at secshare@styrolution.com.
12. 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 of 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.
13. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details to their depository participant (DP) in case of holdings in dematerialised form or to M/s. Link Intime India Pvt. Ltd in case of holdings in physical form, mentioning your correct reference folio number. In line with the Listing Regulations (effective 1st December, 2015), for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to Link Intime India Pvt. Ltd.
14. Pursuant to the provisions of section 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 2010 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 ended	Date of Declaration of Dividend	Due date for transfer to IEPF
2010	5-May-11	9-June-18
2011	24-Apr-12	30-May-19
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

Further, Members are requested to note that unpaid / unclaimed dividend for the year 2009 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, as per section 124 of the Act, be transferred to the Investor Education and Protection Fund.

15. 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.
16. Members / proxies / authorized representatives attending the meeting are requested to bring their copy of annual report with them at the meeting and deliver the enclosed attendance slip at the entrance of the meeting hall.
17. Profile of the directors being appointed / re-appointed as required under regulation 36 of the Listing Regulations:

Name of Directors	Mr. Stephen Mark Harrington	Mr. Anil Shankar	Mr. Jal R. Patel
Nationality	British	Indian	Indian
Date of Birth	29.07.1968	14.09.1953	17.09.1937
Date of Appointment	18.05.2015	12.08.2016	29.12.2005
Experience (Yrs.)	27 years	37 years	52 years
Expertise in specific functional areas	Strategic Business managements, sales and marketing.	Financial Management, Taxation, Commercial, Human Resources, Forex Management	Strategic Business Management, Finance and Banking.
Qualification	BSC(Hons) in Chemistry from University of Hull, United Kingdom	Chartered Accountant, Masters in Finance and International Business from Bowling Green State University, Ohio, USA	Chartered Accountant, Company Secretary
Disclosure of relationship between directors inter se	No relationship inter se	No relationship inter se	No relationship inter se
Directorship held in other public companies in India	None	None	Gujarat Gas Limited, ABC Bearings Limited, Elecon Engineering Co. Limited, Munjal Auto Industries Limited.
Membership of committees held in other public companies in India	None	None	Gujarat Gas Limited, ABC Bearings Limited, Elecon Engineering Co. Limited
No. of equity shares held in the Company	Nil	Nil	Nil

18. ROUTE MAP SHOWING DIRECTIONS TO REACH TO THE VENUE OF THE 44TH AGM IS GIVEN AT THE END OF THIS ANNUAL REPORT.

19. E-voting :

In compliance with section 108 of the Act read with prevailing 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 service facility arranged by National Securities Depository Limited (NSDL). The facility for voting, through ballot paper, will also be made available at the AGM and the Members attending the AGM who have not already 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:

PROCESS FOR MEMBERS OPTING FOR E-VOTING

a) In case of Members receiving e-mail from NSDL

- (i) Open internet browser by typing the URL: <http://www.evoting.nsd.com>.
- (ii) For Members whose e-mail addresses have been registered: open the attached PDF file "ineosstyrolution.e-voting.pdf" giving your DP ID / Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User ID" and "Password for e-voting". If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
- (iii) Click on "Shareholder - Login".
- (iv) Insert your User ID and password as initial password as mentioned in step (ii) above and login. In case you are already registered with NSDL, you can use your existing User ID and password for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

After successful login, you can change the password with new password of your choice.

- (v) "Password Change" menu appears. Change the password with the new password of your choice with minimum 8 digits / characters or combination thereof. Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
- (vi) Home page of "e-voting" opens. Click on "e-voting - Active Voting Cycles".
- (vii) Select "EVEN" (E-Voting Event Number) of INEOS Styrolution India Limited for casting your votes in favour of or against the resolution. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end of voting period i.e. upto **5 P.M. on 09 August 2017**, whichever is earlier.
- (viii) Now you are ready for "e-voting" as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

-
- (x) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the scrutinizer through email at 'maildeveshpathak@rediffmail.com' with a copy marked to evoting@nsdl.co.in.

b) In case of Members receiving physical copy

- (i) User ID and initial password is provided on the Form.
- (ii) Please follow all steps from Sl. No. a (ii) to (ix) above, to cast vote.
- c) In case of any queries, you may refer the frequently asked questions (FAQs) for shareholders and e-Voting User manual for shareholders available at the "Downloads" section of www.evoting.nsdl.com or call NSDL toll free no: 1800-222-990

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

d) Other Instructions:

- (i) The e-voting period commences on **07 August 2017** (9.00 a.m. IST) and ends on **09 August 2017** (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. **03 August 2017** may cast their vote electronically. The e-voting module shall be disabled by NSDL or 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.
- (ii) Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the notice of AGM and holds shares as of the cut-off date i.e. **03 August 2017**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot User Details / Password' or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
- (iii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **03 August 2017**.
- (iv) CS Devesh A. Pathak, Practising Company Secretary (Membership No. FCS 4559), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (v) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the chairman shall, with the assistance of the scrutinizer, order voting through ballot paper for all those Members who are present but have not cast their votes electronically using the remote e-voting facility.
- (vi) The scrutinizer will, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter will unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company, and will make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the company secretary of the Company or any other person authorised by him in writing who shall countersign the same.

(vii) The results declared along with the scrutinizer's report will be communicated to the BSE Ltd. and National Stock Exchange of India Ltd. and also will be placed on the Company's website www.ineosstyrolutionindia.com and on the website of NSDL immediately after the result is declared by the company secretary or any other person authorised by him.

EXPLANATORY STATEMENT

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

Item No. 5

Your directors at its meeting held on 11 August 2016 have appointed Mr. Anil Shankar as an additional director w.e.f 12 August 2016 to hold office upto ensuing Annual General Meeting.

As per the provisions of section 149(4) of the Act and regulation 17 of Listing Regulations, every listed company shall have at least 1/3rd of its total number of directors as independent directors and section 149(6) of the Act and regulation 16(1)(b) of Listing Regulations, lays down the criteria for independence.

Mr. Anil Shankar, additional director of the Company, has furnished declaration to the Company under section 149(7) of the Act, confirming that he meets the criteria prescribed for independent directors under section 149(6) of the Act as well as regulation 16(1)(b) of the Listing Regulations.

In the opinion of the board, the appointee is a person of integrity, 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.

In terms of section 149(11) of the Act, an independent director can hold office for two terms of 5 consecutive years each on the board of the company.

Accordingly, it is proposed to appoint Mr. Anil Shankar, as independent director of the Company for a period of three (3) consecutive years with effect from 12 August 2016. Notice as required under section 160 of the Act, has been received from as Member of the Company proposing his candidature as an independent director of the Company.

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

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

Item No. 6

Your directors at its meeting held on 26 May 2017 have recommended to the shareholders appointment of Mr. Jal R. Patel as an independent director of the Company for a term of 3 years w.e.f 1 January 2018.

As per the provisions of section 149(4) of the Act and regulation 17 of the Listing Regulations, every listed company shall have at least 1/3rd of its total number of directors as independent directors and section 149(6) of the Act and regulation 16(1)(b) of Listing Regulations, lays down the criteria for independence.

Mr. Jal R. Patel has furnished declaration to the Company under section 149(7) of the Act, confirming that he meets the criteria prescribed for independent directors under section 149(6) of the Act as well as regulation 16(1)(b) of the Listing Regulations.

In the opinion of the board, the appointee is a person of integrity, 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.

In terms of section 149(11) of the Act, an independent director can hold office for two terms of up to 5 consecutive years each on the board of the company.

Accordingly, it is proposed to appoint Mr. Jal R. Patel, as independent director of the Company for a period of three (3) consecutive years with effect from 1 January 2018. Notice as required under section 160 of the Act, has been received from the Member of the Company proposing his candidature as an independent director of the Company.

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

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

Item No. 7

The board, on the recommendation of the audit committee, has approved the appointment of Messrs 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 31 March 2018.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be determined by the Members of the Company. Accordingly, consent of the Members is sought by way of an ordinary resolution as set out at item no. 7 of the notice for approval of the remuneration payable to the cost auditors for the financial year 2017-18.

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

None of the directors or key managerial personnel or their relatives are in any way concerned or interested, financially or otherwise, in the resolution at item no. 7 of this notice.

Registered office :

6th floor, ABS Towers,
Old Padra Road,
Vadodara-390007
Gujarat, India

16 June 2017
Vadodara

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

Haresh Khilnani
Company Secretary, Head - Legal & Compliance

BOARDS' REPORT

Dear Members,

Your directors take pleasure in presenting the 44th annual report of your Company together with audited financial statements for the year ended on 31 March 2017.

FINANCIAL PERFORMANCE

The financial performance of your Company for the year ended 31 March 2017 is highlighted below:

(INR in Lakhs)

Particulars	2016-17	2015-16
Period	12 months	12 months
Revenue from Operations	166,918.41	177,533.88
Other Income	406.76	274.45
Profit before Tax	10,029.59	6,024.60
Tax Expense	3,101.61	(358.40)
Profit for the year	6,927.98	6,383.00
Other Comprehensive Income	(44.58)	(67.26)
Total Other Comprehensive Income for the year	6,883.40	6,315.74
Retained Earnings		
Opening Balance	41,290.62	36,527.09
<i>Add:</i>		
Total comprehensive income for the year	6,883.40	6,315.74
<i>Less:</i>		
Dividends including dividend tax	(846.63)	(846.63)
Transfer to General Reserve	-	(627.68)
Depreciation transfer for fixed assets	-	(77.90)
Closing Balance	47,327.39	41,290.62
EPS (Basic) (in INR)	39.40	36.30
EPS (Diluted) (in INR)	39.40	36.30

The above figures are extracted from the financial statements of the Company as per Indian Accounting Standards (Ind AS). For the purpose of transition, the Company has followed the guidance prescribed in Ind AS 101, First time adoption of Indian Accounting Standards, with 1 April 2015 as the transition date and IGAAP as the previous GAAP.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs vide its notification in the Official Gazette dated 16 February 2015, notified Ind AS applicable to certain class of Companies. Ind AS replaced the existing Indian GAAP prescribed under section 133 of the Companies Act ('the Act') read with rule 7 of the Companies (Account) Rules, 2014. For INEOS Styrolution, Ind AS is applicable from 1 April 2016 with the transitional date as 1 April 2015 and IGAAP as the previous GAAP.

The reconciliation and description of the effect of transition from Indian GAAP to Ind AS has been provided in Note No. 43 in the notes to account of the financial statements of the Company.

OPERATING HIGHLIGHTS

Revenues

The overall sales turnover of your Company decreased to INR 1,669 crores from INR 1,775 crore in the previous year,

this was mainly due to the lower sales volume on account of demonetisation in November and December 2016. Your Company's total income (including other income) was placed at INR 1,673 crores for the financial year 2016-17.

PROFITS

Your Company's Profit before tax (PBT) increased by about 66.45% to INR 100 crores from INR 60 crores in the previous year; whilst Profit after tax (PAT) (before Other Comprehensive Income) increased by about 9% to INR 69 crores from INR 64 crores. This increase in PBT was mainly driven by competitive pricing, better margins and inventory gain.

DIVIDEND

Considering the performance, and to appropriately reward the Members while conserving resources to meet future financial requirements, the board of directors recommends a dividend of INR 4/- per equity share of INR 10 each (40%). This dividend is subject to the approval of the Members at the forthcoming annual general meeting and if approved, Members whose name appear on the register of Members on 3 August 2017 will be entitled to dividend. In the previous year the Company paid a dividend of INR 4/- per equity share of INR 10/- each of the Company.

SUBSIDIARY, ASSOCIATE COMPANIES AND JV COMPANIES

The Company does not have any subsidiary companies, joint venture or associate companies 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

➤ **Appointments/ Re-appointments**

At the 44th annual general meeting (AGM) following appointments / re-appointments are being proposed:

1. Mr. Stephen Mark Harrington retires by rotation and being eligible, offers himself for re-appointment in terms of the Articles of Association of the Company. A brief resume of Mr. Harrington is given separately in the notice convening AGM. Your Directors recommend his appointment for the Members' approval.
2. On the recommendations of nomination and remuneration committee, Mr. Anil Shankar, non-executive and independent director has been appointed by the board as an additional director with effect from 12 August 2016. A brief resume of Mr. Anil Shankar is given separately in the notice convening AGM. Your directors recommend his appointment as an independent director of the Company for the Members' approval.
3. Mr. Jal R. Patel, non-executive and independent director has been reappointed by the board as an independent director for a term of three years with effect from 1 January 2018. A brief resume of Mr. Jal R. Patel is given separately in the notice convening AGM. Your directors recommend his reappointment as an independent director of the Company for the Members' approval.

➤ **Retirement/ Resignations**

Following directors resigned / retired from their office of directorship in the Company:

Mr. Sharad Kulkarni resigned as an independent director of the Company effective 12 August 2016. The board thanked him for providing valuable guidance to the Company during his tenure.

➤ **Key Managerial Personnel**

Mr. Sanjiv Vasudeva, managing director and chief executive officer, Mr. Haresh Khilnani, company secretary, head – legal and compliance and Mr. Bhupesh P. Porwal, whole-time director and chief financial officer are the key managerial personnel of the Company as on 31 March 2017.

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 report on corporate governance.

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Jal R. Patel, Mr. Anil Shankar and Ms. Ryna Karani were the independent directors of the Company as on 31 March 2017.

The board of directors of the Company hereby confirms that all the independent directors duly appointed by the Company have given the declaration to the effect that they meet the criteria of independence as provided under section 149(6) of the Act.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations 2015, 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. 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, 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 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; and
- 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.
- 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 consists 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.

DEPOSITS

The Company has not accepted any deposit, within the meaning of section 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

Particulars of loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the financial statements provided in this annual report.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of section 124 and 125 of the Act, the unpaid and unclaimed dividend pertaining to the year ended on 31 December 2009 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.

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 2015, a detailed report on corporate governance along with the auditors' certificate thereon forms part of this report as **Annexure – I**. A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis Report, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of section 135 of the Act, the Company has constituted a 'Corporate Social Responsibility Committee (CSR)' 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 31 March 2017 in accordance with the provisions of section 135 of the Act was INR 124.40 lakhs and your Company had spent INR 124.27 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 shortfall in the amount spent on CSR activities during the year on 31 March 2017 was due to lack of proper and need worthy sources for allocation of the funds.

REMUNERATION POLICY

The details of the remuneration policy adopted by the board of directors of the Company are mentioned in the corporate governance report.

A statement of disclosure of remuneration pursuant to section 197 of the Act read with rule 5(1) and rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as **Annexure – III** forming part of this report.

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 Company are mentioned in the corporate governance report.

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**

PARTICULARS OF CONTRACTS AND AGREEMENTS MADE WITH RELATED PARTIES TRANSACTIONS

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, which may have a potential conflict with the interests of the Company at large.

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.

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 thereunder 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.

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.

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.

Audit committee of the board of directors, comprising 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.

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 fire fighting. 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 thereunder 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 Messrs 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 subject to ratification by the Members every year at the annual general meeting. Based upon the declaration on their eligibility, consent and terms of engagement, your directors propose ratification of their appointment in the 44th annual general meeting until the conclusion of the 45th annual general meeting of the Company.

AUDITORS' REPORT

The observations made by the auditors in their report read with the relevant notes as given in the notes to the financial statement for the year ended 31 March 2017 are self- explanatory and are devoid of any reservation, qualification or adverse remarks.

SECRETARIAL AUDITOR

Messrs Devesh Vimal & Co., Practising Company Secretaries, Vadodara were appointed to conduct the secretarial audit of the Company for the financial year 2016-17, required under section 204 of the Act and rules framed thereunder. The secretarial audit report received from them is annexed as **Annexure - VII**.

COST AUDITORS

The board of directors, on recommendation of the audit committee, has appointed Messrs Kailash Sankhlecha and Associates, (Firm's registration no. 100221), Cost Accountants, as cost auditors of the Company, for the financial year 2017-18, 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 conveying the annual general meeting of the Company.

A resolution seeking Member's ratification for the remuneration payable to the cost auditors for the financial year 2017-18 forms part of the notice of the 44th annual general meeting of the Company and the same is recommended for your consideration and approval.

A certificate from them has been received to the effect that their appointment as cost auditors of the Company, if made, would be in accordance with the limits specified under of section 141 of the Act and rules framed thereunder.

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.

VIGIL MECHANISM

As per the provisions of section 177(9) of the Act read with regulation 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 whistleblower policy are provided in the report on corporate governance forming part of this report.

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 year remained cordial.

The Company has drawn up a comprehensive human resource strategy (the "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 will be put in place. An employee survey together with a top leadership workshop was also 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 are being set-up across all functions by the respective heads of departments to enhance the knowledge and competencies of our employees. 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, are in progress.

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 an integral part of this 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 consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

16 June 2017
Vadodara

Stephen Mark Harrington
Chairman

Annexure - I to the Boards' Report Corporate Governance Report

(Pursuant 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 31 March 2017.

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 has consistently practiced 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

Your board of directors has a primary role of trusteeship to protect and enhance 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 currently comprises of seven directors (including 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").

As on date of this report, the board of directors comprises of 7 directors, including 3 independent directors and an alternate director. The chairman of the Company is a non- executive chairman. The board believes that the current size is appropriate, based on the present circumstances.

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 holds shares of the Company as on 31 March 2017. The necessary disclosure regarding the committee position has been made by the directors are given herein below:

Composition of the board and directorships held as on 31 March 2017

Name of directors	Category	Other directorships in India*	DIN	No. of other board committees in India**	
				Member	Chairperson
Mr. Stephen Mark Harrington	Non-Executive and Chairman	–	07131679	–	–
Mr. Sanjiv Vasudeva	Managing Director and CEO.	–	06570945	–	–
Mr. Jal R. Patel	Non-Executive & Independent	4	00065021	2	3
Mr. Anil Shankar (Appointed w.e.f. 12 August 2016)	Non-Executive & Independent	–	02143156	–	–

INEOS Styrolution India Limited

Name of directors	Category	Other directorships in India*	DIN	No. of other board committees in India**	
				Member	Chairperson
Ms. Ryna Karani (Appointed w.e.f. 16 May 2016)	Non-Executive & Independent	2	00116930	3	0
Mr. Bhupesh P. Porwal (Appointed w.e.f. 16 May 2016)	Whole-time Director & CFO	–	07509097	–	–
Mr. Jit Teng Tan, (Alternate to Mr. Harrington)	Non-Executive & Non-Independent	–	06466969	–	–

Note: (1) None of the directors are related to each other.

(2) During the financial year under review, Mr. Ravindra Kulkarni & Ms. Anke Frankenberger resigned w.e.f. 16 May 2016 and Mr. Sharad Kulkarni resigned from the Company w.e.f. 12 August 2016.

* No. of other directorships include directorship held in other Indian public limited companies as on 31 March 2017.

** Includes only audit committee and stakeholders' relationship and grievance committee of public limited companies as on 31 March 2017.

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 briefs 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 2016-17.

During the financial year 2016-17, four board meetings were held on 16 May 2016, 11 August 2016, 11 November 2016 and 09 February 2017.

Attendance record of each of the directors at the board meetings during the financial year 2016-17 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	4	4	Yes
Mr. Sanjiv Vasudeva	4	4	Yes
Mr. Jal R. Patel	4	4	Yes
Mr. Anil Shankar	2*	2	Yes
Ms. Ryna Karani	3*	3	Yes
Mr. Bhupesh P. Porwal	3*	3	Yes
Mr. Ravindra Kulkarni	1*	1	No
Mr. Sharad Kulkarni	2*	2	Yes
Dr. Anke Frankenberger	1*	1	No

*Meetings held during their tenure.

Profile of directors seeking appointment / re-appointment

As per the provisions of the Companies Act, 2013 ("the Act"), two third of the directors should be retiring directors. One third of these retiring directors are required to retire every year and upon being eligible they qualify for reappointment.

- Mr. Stephen Mark Harrington retires at the ensuing AGM and being eligible has offered himself for re-appointment.
- Mr. Anil Shankar seeks consent of the shareholders for his appointment as an independent director of the Company.
- Mr. Jal R. Patel seeks consent of the shareholders for his appointment as an independent director of the Company.

The resolutions for their appointment / re-appointment along with their profile have been appropriately included in the notice of AGM forming part of this annual report.

Familiarisation program for independent directors

Independent directors inducted to the board are introduced to our Company culture through appropriate orientation sessions and are familiarised with their roles, rights, responsibility in the Company pursuant to regulation 25 of the Listing Regulations. Presentations are made by managing director and senior management to provide an overview and to familiarize the new non-executive directors with our operations. They are also introduced to our organisation structure, our services, group structure and subsidiaries, constitution, board procedures, matters reserved for the board, and our major risks and risk management policy. The details for the same have been disclosed on the website of the Company at http://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Familiarization_Programme_%20Independent_Directors.pdf

III. AUDIT COMMITTEE MEETINGS

Composition

During the financial year, audit committee met four times. These were on 16 May 2016, 11 August 2016, 11 November 2016 and 09 February 2017. The committee comprises of independent directors having expertise in accounting / financial management.

The constitution of the audit committee and attendance details during the financial year 2016-17 are given below:

Name	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	2	2
Ms. Ryna Karani	Member, Independent Director	3	3

The managing director, chief financial officer, statutory auditors and internal auditors are permanent invitees to the meeting, and had attended & participated at the meetings of committee. CS. Haresh Khilnani, company secretary, head – legal and compliance is the secretary to the committee.

The chairperson of the audit committee, Mr. Jal R. Patel was present at the 43rd Annual General Meeting of the Company held on 12 august 2016.

Terms of reference

The terms of reference of the audit committee are covering the matters specified for audit committee under regulation 18 read with Part C of Schedule II to the Listing Regulations and section 177 of the Act, which are mainly as follows:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Review 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 auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- 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).
 - annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of regulation 32(7).

IV. STAKEHOLDERS' RELATIONSHIP AND GRIEVANCE COMMITTEE

Composition

The board has constituted this committee to attend and redress the stakeholders' grievances and to maintain harmonious relations with all stakeholders of the Company. During the financial year, the committee met four times i.e. on 16 May 2016, 11 August 2016, 11 November 2016 and 09 February 2017.

The constitution of the stakeholders' relationship and grievance committee and attendance details during the financial year 2016-17 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. Sanjiv Vasudeva	Member, Executive Director	4	4

The Committee was reconstituted after 31 March 2017 and thereby Ms. Ryna Karani was appointed as the Chairperson of the committee. Mr. Jal R. Patel, Mr. Sanjiv Vasudeva and Mr. Stephen Mark Harrington were appointed as members of this committee.

CS. Hareesh Khilnani, company secretary, head – legal and compliance is the compliance officer pursuant to the requirements of the Listing Regulations.

During the financial year under review no complaints were received via SEBI Complaints Redress System (SCORES). Thus there were no investor complaints which remained unresolved at the end of the year.

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 2016-17 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 as every effort is made at all levels to immediately redress stakeholders' grievances without delay.

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

During the financial year, the committee met four times on 16 May 2016, 11 August 2016, 11 November 2016 and 09 February 2017.

The constitution of the committee and attendance details during the financial year 2016-17 are given below:

Name of the Member	Designation and Category	No. of meetings held during the tenure of the Director	Attendance
Mr. Anil Shankar	Chairperson, Independent Director	2	2
Mr. Jal R. Patel	Member, Independent Director	4	4
Mr. Sanjiv Vasudeva	Member, Executive Director	4	4

The Committee is primarily responsible for formulating and recommending to the board of directors, a corporate social responsibility (CSR) policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

CS. Haresh Khilnani, company secretary, head- legal and compliance acts as the secretary to the committee.

VI. NOMINATION AND REMUNERATION COMMITTEE

Composition

Pursuant to provisions of section 178 of the Act and regulation 19 of the Listing Regulations, 'Nomination and Remuneration Committee' of the board was constituted. During the financial year, the committee met on 16 May 2016.

The composition of the nomination and remuneration committee and attendance details during the financial year 2016-17 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	Chairperson, Independent Director	1	1
Mr. Stephen Mark Harrington	Member, Non - Executive Director	1	1
Mr. Anil Shankar	Member, Independent Director	-	-

Besides having access to all required information within the company, the committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The committee acts as a link amongst the management and the board of directors. The committee shall act in accordance with the terms of reference as set out under clause a of part D of schedule II of the Listing Regulations read with section 178 of the Act which shall, inter alia, include;

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. Devising a policy on diversity of board of directors;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent 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 director is approved by the nomination and remuneration committee and placed before the shareholders at the shareholders' meeting. The details of the remuneration policy adopted by the Company has been disclosed on the website of the Company at http://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Nomination_Remuneration_Policy.pdf.

The chief executive officer and managing director 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 sum of which shall not exceed 1% of our net profits for the year, calculated as per the provisions of the Act.

Remuneration to executive director:

The board of directors on the recommendations of nomination and remuneration committee of directors is authorised to decide the remuneration of the whole-time directors, subject to the approval of the Members and central government, if required. The remuneration structure comprises of salary, perquisites, retirement benefits as per the law / rules, performance linked incentive (PLI) and commission.

Details of remuneration paid / payable to Mr. Sanjiv Vasudeva (Executive- Managing Director & CEO) and Mr. Bhupesh P. Porwal (Whole-time Director & CFO) for FY 2016-17 is as under:

(Amount in INR)

Name & Designation	Sanjiv Vasudeva, Managing Director & CEO (Appointed w.e.f 1 March 2016)	Bhupesh P. Porwal, Whole-time Director & CFO (Appointed w.e.f 16 May 2016)
Salary	15,041,331	5,028,376
Perquisites	180,000	Nil
Retiral benefits	702,000	224,676
Commission, bonus and performance linked incentives	7,226,230	2,500,713
Stock Options	Nil	Nil
Tax consulting and retirement management fees	Nil	Nil
Tax adjustments	Nil	Nil
Total	23,149,561	7,753,765
Tenure	3 years	3 years
From	1 March 2016	16 May 2016
To	28 February 2019	15 May 2019
Notice period	3 months	3 months
Equity shares of INR 10 held as on 31.03.2017	Nil	Nil

Remuneration to non-executive director:

As per shareholders' approval accorded on 29 April 2014 and through postal ballot on 27 January 2017, 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 2016-17 was as follows:

Details of remuneration paid / payable to non-executive and independent directors for FY 2016-17 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 31 March 2017.
Mr. Sharad Kulkarni	600,000	100,000	700,000	-
Mr. Jal R. Patel	600,000	285,000	885,000	-
Mr. Ravindra Kulkarni	600,000	50,000	650,000	-
Mr. Anil Shankar	-	150,000	150,000	-
Ms. Ryna Karani	-	160,000	160,000	-

**Exclusive of TDS.

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.

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) (as on 31 March 2017)

Risk management committee ('the committee') is comprised of two members as follows:

Name(s) of the Member	Designation
Mr. Sanjiv Vasudeva	Chairperson
Mr. Bhupesh P. Porwal	Member

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.

CS. Hareesh Khilnani, company secretary, head-legal and compliance acts as the secretary to the committee.

IX. GENERAL BODY MEETINGS

Details of the last three AGM and details of the resolutions passed by Postal Ballot:

Financial Year	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2013	41st Annual General Meeting ABS Towers, Old Padra Road, Vadodara 390007	Tuesday, 29 April 2014 11.30 a.m.	- Commission to independent directors.
2014-15	42nd Annual General Meeting ABS Towers, Old Padra Road, Vadodara 390007	Tuesday, 04 August 2015 11.30 a.m.	- Reappointment of Mr. Chi as managing director of the Company. - Approval to material related party transactions.
2015-16	43rd Annual General Meeting 'Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007.	Friday, 12 August 2016 11.30 a.m.	- Appointment of Mr. Sanjiv Vasudeva as managing director and CEO of the Company. - Appointment of Mr. Bhupesh P. Porwal as WTD of the Company. - Appointment of Ms. Ryna Karani as an independent director of the Company.

During the financial year under review, no extra ordinary general meeting was held.

Postal Ballot conducted during the financial year for according the approval of the shareholders to the following items

Special resolutions passed by the Members by way of postal ballot including e-voting pursuant to section 108, 110 of the Act read with rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, as also regulation 44 and other regulations, if any of the Listing Regulations.

- i. "To authorise board of directors to securitize the properties of the Company in favor of its lenders / creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings"

Name of Scrutinizer	CS. Devesh A. Pathak
Date of Report of Scrutinizer	27 January 2017
Date of declaration of results / Date of approval of Members	27 January 2017
Particulars	Number of Votes
Valid Votes	14,091,485
In favour	14,012,813
Percentage (%)	99.44
Against	78,672
Percentage (%)	0.56
Invalid Votes	2,402

ii. "Payment of Commission to independent directors of the Company"

Name of Scrutinizer	CS. Devesh A. Pathak
Date of Report of Scrutinizer	27 January 2017
Date of Declaration of results / Date of approval of Members	27 January 2017
Particulars	Number of Votes
Valid Votes	14,092,148
In favour	14,078,923
Percentage (%)	99.91
Against	13,225
Percentage (%)	0.09
Invalid Votes	1,939

Procedure adopted for Postal Ballot:

In terms of section 110 of the Act read with the rules, shareholders' consent was sought for the aforesaid by way of Postal Ballot. CS. Devesh A Pathak, practicing company secretary was appointed as a scrutinizer for carrying out the postal ballot process. Report of the scrutinizer was uploaded on the website of the company as well as timely submitted to the stock exchanges.

X. DISCLOSURES:

- There were no materially significant related party transactions entered into by the Company with its promoters, directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed under notes to accounts and in Form AOC-2 forming part of the board's report.
- During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- The Company has established 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 whistle blower policy / 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 : http://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Whistlerblower_Policy.pdf
- 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 http://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Related_Party_Transactions.pdf.
- The Company has adopted and complied with all the mandatory requirements of corporate governance as mandated under the provisions of Listing Regulations. Some of the non-mandatory requirements have also been complied with.

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

- The Board:** The Company does not maintain a separate office for the non-executive chairperson.
- Audit Qualification:** There has been no audit qualification / modified opinions in the audit report by the auditor for the financial year 2016-17.

(C) **Separate Posts of Chairman and CEO:** The chairman and managing director are two separate 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. Your Company has integrated its risk monitoring procedures with the global styrolution 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 the subject code 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, our 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.

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 for the financial year ended 31 March 2017 as required under the provisions of Listing Regulations.

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.

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 call 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.

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system, which serves as a centralized database of all complaints, enables uploading of action taken reports (ATRs) by the concerned companies 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, consolidated financial statements, directors' (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:

- **44th AGM :
Date, Time and Venue** 10 August, 2017 (Thursday) at 11.30 a.m. at ‘Chandarva Hall’, WelcomHotel, R.C. Dutt Road, Alkapuri, Vadodara 390 007
- **Financial year** 1 April to 31 March

The financial results will be adopted as per the following tentative schedule :

First Quarter: Second week of August 2017
Second Quarter: Second week of November 2017
Third Quarter: First week of February 2018
Fourth Quarter: Second week of May 2018
- **Dividend for the year 2016-17** The board of directors of the Company has recommended a final dividend of INR 4 (@40%) per equity share for the year ended on 31 March 2017. Dividend when declared at the annual general meeting will be paid to the Members, whose names appear on the register of Members as on **03 August 2017**.
- **Date of book closure** 04 August 2017
- **Dividend Payment date** 14 August 2017
- **Corporate Identity Number (CIN)** L25200GJ1973PLC002436
- **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 2017-18 have been paid to both the stock exchanges within stipulated time.

• **Distribution of shareholding as on 31 March 2017**

No. of shares ranging From – To	No. of Shareholders	% to Total	No. of Shares	% to Total
1 - 500	12,337	92.01	1,252,583	7.12
501 - 1000	571	4.26	438,285	2.49
1001 - 2000	260	1.94	377,543	2.15
2001 - 3000	98	0.73	247,269	1.41
3001 - 4000	34	0.26	119,934	0.68
4001 - 5000	30	0.22	135,558	0.77
5001 - 10000	44	0.33	337,596	1.92
10001 & above	34	0.25	14,676,857	83.46
Total:	13,408	100.000	17,585,625	100.000

- Dematerialization of shares as on 31 March 2017:

Particulars	31 March 2017		31 March 2016	
	No. of Shareholders	% to Total	No. of Shares	% to Total
No. of Demat Shares				
- NSDL	16,192,994	92.08	16,279,331	92.57
- CDSL	1,154,661	6.57	1,061,224	6.03
No. of Physical Shares	237,970	1.35	245,070	1.40
Total	17,585,625	100.00	17,585,625	100.00

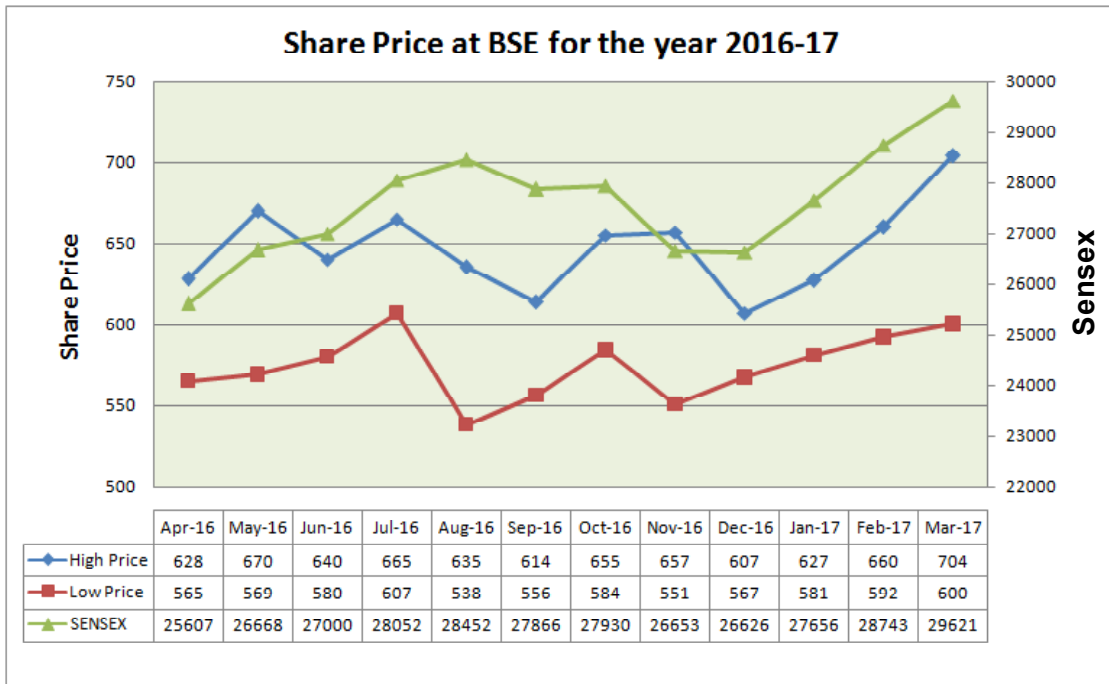
- ISIN for NSDL & CDSL INE189B01011

Reconciliation of Share Capital Audit Pursuant to regulation 40(9) of the Listing Regulations, certificates, on half-yearly basis, 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).

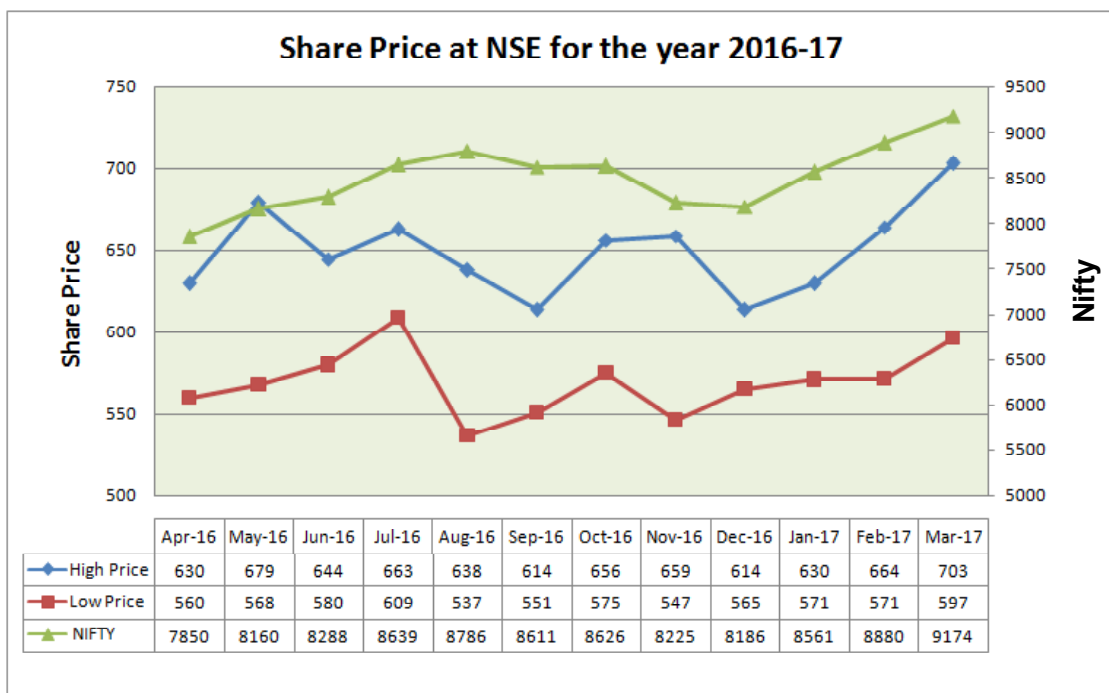
- High / low of market price of the Company's shares traded along with the volumes at BSE and NSE during the financial year 2016-17 is furnished below:

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
Apr-16	628.00	565.00	19,745	25,606.62	630.00	560.00	51,793	7849.80
May-16	670.00	569.00	123,786	26,667.96	679.00	568.00	288,452	8160.10
Jun-16	640.00	580.00	49,620	26,999.72	644.40	580.00	118,563	8287.75
Jul-16	664.75	607.00	50,628	28,051.86	663.00	609.00	132,843	8638.50
Aug-16	635.00	538.00	90,372	28,452.17	638.00	536.55	218,971	8786.20
Sep-16	613.75	556.00	48,677	27,865.96	613.95	551.00	126,619	8611.15
Oct-16	655.20	584.05	50,079	27,930.21	656.00	575.00	116,275	8625.70
Nov-16	656.90	550.50	56,961	26,652.81	659.00	546.60	116,815	8224.50
Dec-16	607.00	567.05	17,742	26,626.46	613.95	565.10	33,818	8185.80
Jan-17	626.95	581.00	71,770	27,655.96	630.00	571.00	98,767	8561.30
Feb-17	660.00	592.10	36,820	28,743.32	664.00	571.30	161,345	8879.60
Mar-17	703.95	600.30	79,870	29,620.5	703.00	596.50	254,246	9173.75
Total Shares Traded			696,070		1,718,507			
Average Shares Traded			58,006		143,209			

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 31 March 2017:**

Category	No. of shares	% of Shareholding
Promoters		
- Indian Promoters	-	-
- Foreign Promoters: INEOS Styrolution South East Asia Pte Ltd.	13,189,218	75.0000
Institutional Investors		
- Mutual Funds / UTI	743,222	4.2263
- Banks, Financial Institutions, Insurance Companies	7,078	0.0403
- Foreign Portfolio Investors	74,311	0.4225
Non- Institutions		
- Corporate Bodies	506,346	2.8793
- Indian Public	2,865,692	16.2956
- NRIs / OCBs	138,527	0.7878
- Any Others (Clearing Members)	61,231	0.3482
Grand Total	17,585,625	100.0000

- **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, 2356794
Fax : 2356791, E-mail : vadodara@linkintime.co.in
- **Share transfer system** All the transfers received are processed by the registrar and share transfer agent and are processed twice in a month or more depending on the volume of transfers. Share transfers are registered and returned within maximum of 15 days from the date of lodgment if documents are complete in all respect.
- **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 6th Floor, ABS Towers, Old Padra Road, Vadodara – 390007 to get their share certificates with changed name of the Company i.e. INEOS Styrolution India Limited. However the share certificates with the name Styrolution ABS (India) Limited are also good for delivery in the market.
- **Unclaimed dividend** Dividend declared for the year 2009 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.

- **Bank details for the purpose of dividend** Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI centers by crediting the dividend amount to the bank accounts of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under RBI centers, who have not furnished requisite information and who wish to avail of the NECS facility to receive dividend from the Company, may furnish the information to the Company or Link Intime India Private Limited, the registrar and share transfer agent. The Members holding shares in electronic form may furnish the information to their depository participants, for receiving dividend through NECS mechanism.
- **Trading Window** In accordance with the code of conduct for prevention of insider trading adopted by the Company, Company closes trading window for designated employees from time to time. As per policy, trading window is closed from the third 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.
- **Outstanding GDRs / ADRs / Warrants or any convertible instruments, likely to impact on equity as on 31 March 2017:** Not issued.
- **Report on Corporate Governance** The Company regularly submits to the stock exchanges, within the prescribed period, quarterly reports on corporate governance in hard copy and additionally electronically to the BSE & NSE.
- **Office of the Chairperson** The Company has a non-executive chairperson.
- **Plant locations** The Company's plants are located at Nandesari, Dahej, Katol and Poicha (Moxi) 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. Haresh Khilnani, company secretary, head - legal and compliance, at the registered office of the Company for any assistance.

Email ID : secshare@styrolution.com
Tel. No. +91 265 2303201-02 Fax. +91 265 2303203
Website : www.ineosstyrolutionindia.com

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

CEO and CFO Certification

To
The Board of Directors
INEOS Styrolution India Limited

We, Sanjiv Vasudeva, managing director and chief executive officer of the Company and Bhupesh P. Porwal, chief financial officer of the Company, to the best of our knowledge and belief, certify that:

- A.** We have reviewed financial statements and the cash flow statement and all the notes on accounts for the year ended on 31 March 2017;
- (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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the audit committee;
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 26 May 2017
Place: Delhi

Mr. Sanjiv Vasudeva
Managing Director and CEO

Mr. Bhupesh P. Porwal
Chief Financial Officer

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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, 2017, 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, 2017 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 Vimal & Co.
Practising Company Secretaries

Date: 26 May 2017
Place: Vadodara

CS Devesh A. Pathak
Partner
FCS No. 4559
CP No. 2306

MANAGEMENT DISCUSSION AND ANALYSIS

INEOS is the 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 commendable progress in its reform oriented action since it came to power in 2014. The year 2017 promises healthy growth of Indian economy. The government thrust on development of rural and agricultural sectors, continued investments in infrastructure projects, implementation of GST and diminishing negative impacts of demonetisation will accelerate economic growth leading to growth in demand of your Company's products.

The amalgamation of Styrolution India Private Limited (transferor Company) with the Company (transferee Company) w.e.f 31 March 2016, have made your directors confident that the it would enable appropriate consolidation of the activities of the transferor company and the transferee company with more efficient utilisation of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters.

The Company has successfully implemented its organizational changes from product oriented to an Industry focused organization which has further strengthened the Company's market position in our focus industries. Your directors strongly feel that with these new changes, the Company can further augment its presence in the automotive, construction, healthcare, household and electrical industries.

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

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.

Products

Your Company products including product of the amalgamated entity viz. General Purpose Poly Styrene and High Impact Poly Styrene, ABSOLAN and ABSOLAC continue to have a preferred market status amongst user industries such as Automotive, Construction, Healthcare, Household and Electronics. With the acquisition of K Resin by INEOS Styrolution in Korea , we will now be in a position of promoting K resin (SBC) in India. The successful launch of new products 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.

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. With best-in-class production technology, advanced R&D skills, Company is perfectly equipped to ensure the highest level of quality, efficiency and innovation.

Economic 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.

In India, while the mood somewhat changed from excitement to pragmatism, the economy remained on healthy growth path till last quarter of 2016. The Indian economy advanced 6.1 percent year-on-year in the first quarter of 2017, slowing sharply from a 7 percent expansion in the previous period and well below market expectations of 7.1 percent. It is the lowest growth rate since the last quarter of 2014, due to a slowdown in consumer spending and a drop in investment, following the demonetization program started in November of 2016. In addition, the government changed the GDP base year for 2011-2012 from 2004-2005. The same change was made earlier for industrial production and wholesale prices indexes, with adjustments in the weights of the different industries. Considering the April 2016-March 2017 period, the economy advanced 7.1 percent, in line with the official estimate but below 8 percent in the previous year.

The Government's 'Make in India' program aimed at facilitating investment, foster innovation, enhance skill development and protect intellectual property is expected to generate new opportunities.

Risks management report

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 under the guidance of the managing director. Very high ranking risks are deliberated at the board level and mitigating 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; &
- 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 every quarter internally 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.

Internal Control Systems and their adequacy

Your Company's internal 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 safe guarded 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

Financial performance and review of operations form part of the directors' 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. We believe that the quality and level of service that our employees deliver is satisfactory.

As at 31 March 2017, the Company employed 520 employees, consisting of both permanent and employees on contract basis. Our culture and reputation as a leader in the ABS 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.

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, Company is continually working 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

16 June 2017
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 - II to the Boards' Report
Report on Corporate Social Responsibility**

1. Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

INEOS Styrolution India Limited is committed to the Styrolution 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 are to support rural development; promoting education; providing sanitation and purification of water; infrastructure; 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 during the year include:

- Educational assistance in the form of scholarships, 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 in and around Vadodara.
- Distribution of pressure cookers to the families located in the vicinity of Company's plants.

Web link to the CSR Policy of the Company:

http://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/CSR_Policy.pdf

2. Composition of CSR committee

- | | |
|---------------------|-------------------------------------|
| Mr. Anil Shankar | - Independent Director, Chairperson |
| Mr. Jal R. Patel | - Independent Director |
| Mr. Sanjiv Vasudeva | - Managing Director & CEO |

3. Average net profit of the company for the last three financial years: INR 6,220.00 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : INR 124.40 lakhs

5. Details of CSR Spent during the financial year:

- Total amount spent for the financial year: INR 124.27 lakhs
- Amount unspent, if any: INR 0.13 lakhs
- Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or of her (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
1.	Distribution of pressure cookers.	Poverty alleviation	Families located in the villages near by the Company plant	3,059,000	3,059,000	3,059,000	Implementing agency- Mahavir Foundation Trust
2.	Development of street schools.	Education and Infrastructure facilities	Street schools located in and around Vadodara	300,000	300,000	300,000	Implementing agency- Mahavir Foundation Trust
3.	Installation of Cameras in the city	Infrastructure Support	Old Padra Road, Akota and Alkapuri area of Vadodara City.	200,000	200,000	200,000	Implementing agency- AMPM Security Services Private Limited.
4.	Providing medical facilities to elder persons and treatment of critical illness.	Health	Vadodara	300,000	300,000	300,000	Implementing agency- Hari Om Seva Trust
5.	Support to intellectually disabled children and adults.	Health and Upliftment of Disabled persons	Vadodara	200,000	200,000	200,000	Implementing agency- Special Education Society
6.	Contribution for purchase of basic facilities for betterment of traffic in Vadodara.	Infrastructure Support	Vadodara	500,000	500,000	500,000	Implementing agency Vadodara Traffic Education Trust.
7.	Providing educational, facilities and facilities for upliftment of educational standards.	Education	Vadodara	500,000	500,000	500,000	Implementing agency: Navbharat Educational Trust, Vadodara
8.	Purchase of fire fighting vehicle	Infrastructure Support	Katol	2,268,100	2,268,100	2,268,100	Implementing agency: Ambala Coach Builders Trust
9.	Providing infrastructure facilities to schools located in the vicinity of Company plant.	Infrastructure Support	Bhadarva and Nandesari area schools	1,500,000	1,500,000	1,500,000	Implementing agency- Mahavir Foundation Trust
10.	Civil works for schools located near Company plant.	Infrastructure Support	Nandesari and Moxi area schools	1,300,000	1,300,000	1,300,000	Implementing agency- Mahavir Foundation Trust
11.	Development of Dadi Chainani School	Education	Vadodara	100,000	100,000	100,000	Implementing agency- Mahavir Foundation Trust
12.	Providing scholarships and supporting educational activities	Education	Vadodara	1,500,000	1,500,000	1,500,000	Implementing agency- Mahavir Foundation Trust
13.	Purchase of equipment, providing infrastructural facilities and setting up of RO Plant.	Infrastructure Support	Industrial Training Institute in Savli and Dasrath.	700,000	700,000	700,000	Direct

6. Reasons for not spending the amount specified in 5 above:

The Company has medium/ long-term plans in scaling up the above mentioned activities in a structured and controlled manner to ensure maximum impact. Consequently, the Company is confident of meeting the objectives as mentioned in section 135 of the Act in the forthcoming years.

7. Subject to the above, the CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

**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

Disclosures as per rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each director, chief financial officer and company secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17.

Sr. No.	Name of Director/ KMP and Designation	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Sanjiv Vasudeva Managing Director and Chief Executive Officer. <i>(Mr. Myung Suk Chi resigned as Managing Director and CEO w.e.f 1 March 2016)</i>	-31.72	31.69
2.	Mr. Haresh Khilnani Company Secretary, Head Legal and Compliance	11.29	7.25
3.	Mr. Bhupesh P. Porwal Whole-time Director and Chief Financial Officer	11.50	11.38

Note:

The independent directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. Other non-executive directors of the Company 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.

- The percentage increase in the median remuneration of employees for the financial year was around 6.22%.
- The Company had 463 permanent employees on the rolls of Company as on 31 March 2017.
- Average percentage increase in remuneration of employees and remuneration of managerial personnel was in the tune of 12%.
- It is affirmed that the remuneration is as per the remuneration policy of the Company.

Disclosures as per rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Disclosures as required under section 134 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended, forms part of this report. However, pursuant to the provisions of section 136 of the Companies Act, 1956, this report is being sent to all shareholders of the Company excluding the aforesaid information and the said particulars will be made available at the registered office of the Company. The Members interested in obtaining such particulars may write to the company secretary at the registered office of the Company.

Annexure - IV to the Boards' 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 31 March 2017 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 31 March 2017 is mention below;

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

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
Purchase of raw materials					
INEOS Styrolution Korea Ltd.	Other related party	September 1, 2012 ongoing	Based on transfer pricing guidelines	1,609.07	04 Feb 2016 & 11 Nov 2016
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	August 1, 2013 ongoing	Based on transfer pricing guidelines	4,616.17	04 Feb 2016 & 11 Nov 2016
INEOS Styrolution Mexicana S.A. de	Other related party	June 1, 2015 ongoing	Based on transfer pricing guidelines	162.27	04 Feb 2016 & 11 Nov 2016
INEOS Styrolution Europe GmbH	Other related party	March 1, 2014 ongoing	Based on transfer pricing guidelines	845.91	04 Feb 2016 & 11 Nov 2016
				7,233.42	
Receiving of services					
INEOS Styrolution APAC Pte. Ltd.	Holding Company	May 1, 2012 ongoing	Based on transfer pricing guidelines	2,114.85	04 Feb 2016 & 11 Nov 2016
INEOS Styrolution Group GmbH	Other related party	Jan 1, 2012 ongoing	Based on transfer pricing guidelines	2,144.05	04 Feb 2016 & 11 Nov 2016
				4,258.90	
Royalty					
INEOS Styrolution Group GmbH	Other related party	April 1, 2015 ongoing	Based on transfer pricing guidelines	168.30	04 Feb 2016 & 11 Nov 2016
				168.30	
Rendering of services					
INEOS Styrolution Korea Ltd	Other related party	Jan 1, 2013 ongoing	Based on transfer pricing guidelines	24.55	04 Feb 2016 & 11 Nov 2016
INEOS Styrolution Group GmbH	Other related party	Jan 1, 2013 ongoing	Based on transfer pricing guidelines	150.00	04 Feb 2016 & 11 Nov 2016
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	September 1, 2013 ongoing	Based on transfer pricing guidelines	3.24	04 Feb 2016 & 11 Nov 2016
INEOS Styrolution APAC Pte. Ltd.	Holding Company	Jan 1, 2013 ongoing	Based on transfer pricing guidelines	105.73	04 Feb 2016 & 11 Nov 2016
				283.52	

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 of SAN, Rubber & Compounding plants.
- (ii) Power factor has been maintained high throughout the year by proper monitoring of the capacitor banks at Nandesari, Moxi and Katol plant.
- (iii) Continued use of steam condensate recovered from dryer section has resulted in the reduction of fuel and boiler feed water in Nandesari plant.
- (iv) Recycling of mother liquor in CWD section has reduced the water consumption and waste water at Nandesari plant.
- (v) Installation of ultra filtration plant prior to R.O. plant reducing the chemical consumption and water consumption in the process of generation of DM Water at Nandesari.
- (vi) Installation of screw Air Compressor with variable frequency drive has reduced the power consumption at Katol plant.
- (vii) Green energy generation on wind farms, total of 40 WTG (Wind Turbine Generator) located in Gujarat state.

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

- (i) Fuel switch over from furnace oil to natural gas has been finalized as a part of energy conservation and cost saving measures at Katol plant.

C. Capital investment on energy conservation equipment's.

Nil

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	18.30
b)	Recurring	185.20
c)	Total	203.50
d)	Total R & D expenditure as a percentage of : Gross turnover	0.13%
	: Net turnover	0.14%

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the financial year 2016-17:

Particulars	(INR In Lakhs)
Foreign exchange earned in terms of actual inflow	283.50
Foreign Exchange outgo in terms of actual outflow (including value of imports on CIF basis)	98,330.90

Annexure - VI to the Boards' Report

FORM NO. MGT- 9

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

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March 2017

Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & 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 - Indian Non- Government Company
Address of the Registered office & contact details	6th Floor, ABS Towers, Old Padra Road, Vadodara -390 007, Gujarat. Tel.No.: +91 265 2303201/02 Fax No: +91 265 2303203 E mail: secshare@styrolution.com Website: www.ineosstyrolutionindia.com
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, Gujarat-390020 Tel. No.: +91 265 2356573 / 2356794 E mail: vadodara@linkintime.co.in Website : www.linkintime.co.in

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	70
2	Polystyrene	2013	28

III. PARTICULARS OF HOLDING-SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name of the Company	CIN	Subsidiary / Holding Company	% of Shares Held
NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

INEOS Styrolution India Limited

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corp.	13,189,218	-	13,189,218	75.000	13,189,218	-	13,189,218	75.000	0.000
c) Institutions									
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	13,189,218	-	13,189,218	75.000	13,189,218	-	13,189,218	75.000	0.000
Total shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	13,189,218	-	13,189,218	75.000	13,189,218	-	13,189,218	75.000	0.000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	964,308	1,800	966,108	5.494	740,067	1,800	741,867	4.219	(1.275)
b) Banks / FI	2,936	2,650	5,586	0.032	4,378	2,650	7,028	0.039	0.007
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	0	50	50	0.000	0	50	50	0.000	0
g) Foreign Institutes/ Portfolio Investors	76,400	100	76,500	0.435	74,211	100	74,311	0.423	(0.012)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
UTI	-	1,355	1,355	0.008	0	1,355	1,355	0.008	0.000
Sub-total (B)(1):-	1,043,644	5,955	1,049,599	5.969	818,656	5,955	824,611	4.689	(1.280)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	448,800	5,375	454,175	2.582	500,971	5,375	506,346	2.879	0.297
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR 1 lakh	2,048,670	232,990	2,281,660	12.974	2,188,239	225,890	2,414,129	13.728	0.754
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	302,216	0	302,216	1.719	316,146	0	316,146	1.798	0.079
c) Others (specify)									-
HUF	135,800	0	135,800	0.772	135,417	0	135,417	0.770	(0.002)
Non Resident Indians (Repat)	67,595	750	68,345	0.389	87,284	750	88,034	0.501	0.112
Non Resident Indians (Non-Repat)	59,034	0	59,034	0.336	50,493	0	50,493	0.288	(0.049)
Clearing Members	45,578	0	45,578	0.259	61,231	0	61,231	0.348	0.089
Sub-total (B)(2):-	3,107,693	239,115	3,346,808	19.031	3,339,781	232,015	3,571,796	20.311	1.280
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4,151,337	245,070	4,396,407	25.000	4,158,437	237,970	4,396,407	25.000	0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	17,340,555	245,070	17,585,625	100.00	17,347,655	237,970	17,585,625	100.00	0.000

(ii) Shareholding of Promoter-

SN	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 (please specify, if there is No change): No change

SN	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
1	INEOS STYROLUTION APAC PTE. LTD.	13,189,218	75.000	01 Apr 2016	-	-	13,189,218	75.000
	At the end of the year			31 Mar 2017			13,189,218	75.000

INEOS Styrolution India Limited

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
1	RELIANCE CAPITAL TRUSTEE CO. LTD - A/C RELIANCE SMALL CAP FUND	922,196	5.2440	01 Apr 2016	-	-	922,196	5.2440
		-	-	06 May 2016	Sale	(11,531)	910,665	5.1785
		-	-	13 May 2016	Sale	(27,588)	883,077	5.0216
		-	-	20 May 2016	Sale	(36,416)	846,661	4.8145
		-	-	27 May 2016	Sale	(867)	845,794	4.8096
		-	-	17 Jun 2016	Sale	(825)	844,969	4.8049
		-	-	24 Jun 2016	Sale	(6,593)	838,376	4.7674
		-	-	11 Nov 2016	Sale	(24,298)	814,078	4.6292
		-	-	18 Nov 2016	Sale	(6,936)	807,142	4.5898
		-	-	02 Dec 2016	Sale	(1,281)	805,861	4.5825
		-	-	13 Jan 2017	Sale	(79,233)	726,628	4.1319
		-	-	20 Jan 2017	Sale	(5,972)	720,656	4.0980
		-	-	17 Feb 2017	Sale	(3,774)	716,882	4.0765
		-	-	03 Mar 2017	Sale	(99)	716,783	4.0760
		-	-	10 Mar 2017	Sale	(23,688)	693,095	3.9413
	At the end of the year	-	-	31 Mar 2017	-	-	693,095	3.9413
2.	V C JHAVERI REALTY PVT LTD	113,336	0.6445	01 Apr 2016			113,336	0.6445
				08 Apr 2016		8,543	121,879	0.6931
		-	-	20 May 2016	Purchase	2,025	123,904	0.7046
		-	-	27 May 2016	Purchase	4,450	128,354	0.7299
		-	-	30 Jun 2016	Purchase	2,300	130,654	0.7430
		-	-	15 Jul 2016	Purchase	2,567	133,221	0.7576
		-	-	22 Jul 2016	Purchase	3,533	136,754	0.7776
		-	-	05 Aug 2016	Purchase	3,200	139,954	0.7958
		-	-	12 Aug 2016	Purchase	1,900	141,854	0.8066
		-	-	09 Sep 2016	Purchase	3,000	144,854	0.8237
		-	-	16 Sep 2016	Purchase	319	145,173	0.8255
		-	-	23 Sep 2016	Purchase	204	145,377	0.8267
		-	-	30 Sep 2016	Purchase	10,548	155,925	0.8867
		-	-	07 Oct 2016	Purchase	5,084	161,009	0.9156
		-	-	14 Oct 2016	Sale	(286)	160,723	0.9139
		-	-	28 Oct 2016	Purchase	69	160,792	0.9143
		-	-	30 Dec 2016	Purchase	293	161,085	0.9160
		-	-	13 Jan 2017	Purchase	4,707	165,792	0.9428
	At the end of the year	-	-	31 Mar 2017	-	-	165,792	0.9428
3.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	0	0.000	01 Apr 2016	-	-	0	0.000
		-	-	13 Jan 2017	Purchase	50,000	50,000	0.2843
	At the end of the year	-	-	31 Mar 2017	-	-	50,000	0.2843

SN	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
4.	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES I	42,112	0.2395	01 Apr 2016	-	-	42,112	0.2395
		-	-	31 Mar 2017	Purchase	4,860	46,972	0.2671
	At the end of the year	-	-	31 Mar 2017	-	-	46,972	0.2671
5.	DHANANJAY CHAMPAKLAL JHAVERI	30,219	0.1718	01 Apr 2016	-	-	30,219	0.1718
		-	-	03 Jun 2016	Purchase	1,114	31,333	0.1782
		-	-	24 Jun 2016	Purchase	2,800	34,133	0.1941
				22 Jul 2016	Purchase	100	34,233	0.1947
				05 Aug 2016	Purchase	500	34,733	0.1975
				12 Aug 2016	Purchase	1,300	36,033	0.2049
				19 Aug 2016	Purchase	2,000	38,033	0.2163
				02 Sep 2016	Purchase	400	38,433	0.2185
				09 Sep 2016	Purchase	751	39,184	0.2228
				16 Sep 2016	Purchase	500	39,684	0.2257
				30 Sep 2016	Purchase	1,136	40,820	0.2321
				07 Oct 2016	Purchase	300	41,120	0.2338
				21 Oct 2016	Purchase	286	41,406	0.2355
				28 Oct 2016	Purchase	600	42,006	0.2389
				11 Nov 2016	Purchase	476	42,482	0.2416
				18 Nov 2016	Purchase	1,100	43,582	0.2478
	At the end of the year	-	-	31 Mar 2017	-	-	43,582	0.2478
6.	DINESH H TOLANI	22,200	0.1262	01 Apr 2016	-	-	22,200	0.1262
		-	-	08 Apr 2016	Purchase	80	22,280	0.1267
		-	-	22 Apr 2016	Purchase	720	23,000	0.1308
		-	-	06 May 2016	Purchase	1,000	24,000	0.1365
		-	-	27 May 2016	Purchase	1,000	25,000	0.1422
		-	-	05 Aug 2016	Sale	(5,000)	20,000	0.1137
		-	-	26 Aug 2016	Purchase	1,000	21,000	0.1194
		-	-	02 Sep 2016	Purchase	1,000	22,000	0.1251
		-	-	28 Oct 2016	Purchase	3,000	25,000	0.1422
		-	-	18 Nov 2016	Purchase	658	25,658	0.1459
		-	-	25 Nov 2016	Purchase	1,342	27,000	0.1535
		-	-	13 Jan 2017	Purchase	1,000	28,000	0.1592
		-	-	20 Jan 2017	Purchase	2,000	30,000	0.1706
	At the end of the year	-	-	31 Mar 2017	-	-	30,000	0.1706
7.	DIMENSIONAL EMERGING MARKETS VALUE FUND	29,326	0.1668	01 Apr 2016	-	-	29,326	0.1668
	At the end of the year	-	-	31 Mar 2017	-	-	29,326	0.1668

INEOS Styrolution India Limited

SN	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
8.	GOVINDLAL M PARIKH	27,926	0.1588	01 Apr 2016	-	-	27,926	0.1588
	At the end of the year	-	-	31 Mar 2017	-	-	27,926	0.1588
9.	CHETAN B UPADHYAY	9,000	0.0512	01 Apr 2016	-	-	9,000	0.0512
		-	-	17 Jun 2016	Purchase	3,000	12,000	0.0682
		-	-	29 Jul 2016	Purchase	1,349	13,349	0.0759
				05 Aug 2016	Purchase	2,851	16,200	0.0921
				19 Aug 2016	Purchase	100	16,300	0.0927
				26 Aug 2016	Purchase	6,700	23,000	0.1308
				13 Jan 2017	Purchase	1,000	24,000	0.1365
				20 Jan 2017	Purchase	500	24,500	0.1393
				10 Feb 2017	Sale	(100)	24,400	0.1387
				03 Mar 2017	Purchase	3,000	27,400	0.1558
	At the end of the year	-	-	31 Mar 2017	-	-	27,400	0.1558
10.	BHUPENDRA CHAMPAKLAL JHAVERI	10,569	0.0601	01 Apr 2016	-	-	10,569	0.0601
		-	-	08 Apr 2016	Purchase	266	10,835	0.0616
		-	-	20 May 2016	Purchase	2,000	12,835	0.0730
		-	-	27 May 2016	Purchase	1,150	13,985	0.0795
		-	-	03 Jun 2016	Purchase	250	14,235	0.0809
		-	-	30 Jun 2016	Purchase	2,800	17,035	0.0969
		-	-	05 Aug 2016	Purchase	100	17,135	0.0974
		-	-	12 Aug 2016	Purchase	1,267	18,402	0.1046
				02 Sep 2016	Purchase	600	19,002	0.1081
				09 Sep 2016	Purchase	2,704	21,706	0.1234
				16 Sep 2016	Purchase	2,017	23,723	0.1349
				11 Nov 2016	Purchase	23	23,746	0.1350
				27 Jan 2017	Purchase	2,145	25,891	0.1472
	At the end of the year	-	-	31 Mar 2017	-	-	25,891	0.1472

(v) Shareholding of Directors and Key Managerial Personnel: **NIL**

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	16,940.59	0	16,940.59
ii) Interest due but not paid	0	40.34	0	40.34
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	16,980.93	0	16,980.93

(INR In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
* Addition	0	3,905.62	0	3,905.62
* Reduction	0	0	0	
Net Change	0	3,905.62	0	3,905.62
Indebtedness at the end of the financial year				
i) Principal Amount	0	20,865.42	0	20,865.42
ii) Interest due but not paid	0	21.13	0	21.13
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	20,886.55		20,886.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(INR In Lakhs)

SN.	Particulars of Remuneration	Mr. Sanjiv Vasudeva MD and CEO	Mr. Bhupesh P. Porwal WTD and CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	139.75	50.32	190.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	Nil	0.40
	(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			
	- as % of profit			
	- Others specify...	Nil	Nil	Nil
5	Others, please specify			
	- Performance Bonus	31.20	12.08	43.28
	- Retirals	18.61	6.62	25.23
	- LTI (three years rolling period)	48.00	7.45	55.45
	- Medical Plan	0.10	0.10	0.20
	Total (A)	237.95	76.56	314.51
	Ceiling as per the Act	As per the limits of the Act and as approved by the Central Government.		

B. Remuneration to other directors

(INR In Lakhs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Jal Patel	Ravindra Kulkarni	Sharad Kulkarni	Anil Shankar	Ryna Karani	
1.	Independent directors						
	Fee for attending board committee meetings	2.85	0.50	1.00	1.50	1.60	7.45
	Commission	6.00	6.00	6.00	-	-	18.0
	Others, please specify	-	-	-	-	-	-
	Total (1)	8.85	6.50	7.00	1.50	1.60	25.45
2	Other Non- executive directors*						
	Fee for attending board committee meetings						NA
	Commission						NA
	Others, please specify						NIL
	Total (2)						NIL
	Total (B)=(1+2)						25.45
	Total Managerial Remuneration						208.46[#]
	Overall Ceiling as per the Act	Overall ceiling as per Companies Act 2013 is not applicable to sitting fees.					

* 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

(INR In Lakhs)

Sr.	Particulars of Remuneration	Company Secretary	Total
No.	Name	Haresh Khilnani	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.07	32.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	- as % of profit	Nil	Nil
	- others, specify...	Nil	Nil
5	Others, please specify		
	- Performance Bonus	6.41	6.41
	- Retirals	4.03	4.03
	- Medical Plan	0.10	0.10
	Total	42.62	42.62

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 Companies Act 2013 nor was there any punishment or compounding of offences against the Company, its directors or any of its officers.

Annexure - VII to Boards' Report
Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2017

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

To,
The Members,
INEOS STYROLUTION INDIA LIMITED
[Formerly : Styrolution ABS (India) Limited]
6th Floor, ABS Towers, Old Padra Road,
Vadodara, Gujarat – 390 007

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, 2017 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, 2017 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;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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, 1998;
- (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

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.

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, 2009 and
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - 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, 1998 were not applicable during the audit period.
- (c) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India mandatorily applicable during the audit period were complied with.
- (d) The Company has complied with the SEBI (Prohibition of Insider Trading) Regulations, 2015 enacted in repealment of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

-
- (e) It appears in the Master Data of the Company on MCA Portal that the Company has defaulted in filing of Annual Return and Balance sheet for the financial year 2013-14. In the regard, we have been informed by the Company that the Company had been following calendar year as a Financial Year till 2013 and requisite Balance sheet and Annual Return for the financial year 2013 were also duly filed with the Registrar of Companies. However, in view of enforcement of Section 2(41) of the Companies Act, 2013 effective from 1st April, 2014, inter alia the company was required align its financial year ending on 31st March within 2 years i.e. by 31st March, 2016. Accordingly, the Company extended its subsequent financial year commenced form 1st January, 2014 upto 31st March, 2015 (instead of usual practice of the Company to end on 31st December every year) in compliance of law. The company has also duly filed requisite Balance sheet and annual return. Thus, there was neither financial year 2013-14 in compliance of law nor the Company was required to file any Balance sheet nor Annual Return and accordingly the Company has not defaulted in filing the same. They have also informed us that the Company is taking up the matter with MCA for correction of Master data.

Date: 26 May 2017
Place: Vadodara

For Devesh Vimal & Co.
Practising Company Secretaries

CS Devesh A. Pathak
Partner
FCS No.4559
CP No.: 2306

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

26 May 2017

To,
The Members,
INEOS STYROLUTION INDIA LIMITED
[Formerly : Styrolution ABS (India) Limited]
6th Floor, ABS Towers, Old Padra Road,
Vadodara, Gujarat – 390 007

Ref: Secretarial Audit Report dated 26th May, 2017 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 Vimal & Co.
Practising Company Secretaries

CS Devesh A. Pathak
Partner

FCS No. 4559
CP No.: 2306

Independent Auditors' Report

To the Members of INEOS Styrolution India Limited

(Formerly known as Styrolution ABS (India) Limited)

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of **INEOS Styrolution India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by 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, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Independent Auditors' Report (Continued)

Other Matter

9. The comparative financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor who had audited the statutory financial statements for the years ended March 31, 2016 and March 31, 2015. The predecessor auditor has expressed an unmodified opinion on the comparative financial information and the opening balance sheet vide report dated May 26, 2017.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Note 35;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management – Refer Note 42.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Place: Mumbai
Date: May 26, 2017

Uday Shah
Partner
Membership Number: 046061

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(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, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of INEOS Styrolution India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 control over financial reporting 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Independent Auditors' Report (Continued)

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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

Uday Shah
Partner

Place: Mumbai
Date: May 26, 2017

Membership Number: 046061

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the Ind AS financial statements as of and for the year ended March 31, 2017

- 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 on fixed assets to the Ind AS financial statements, are held in the name of the Company (INEOS Styrolution India Limited), except for the following:

Name of entity on the title deed	Category of Asset	Total Number of Agreements	Net Block Value (in INR Lakhs)
INEOS ABS (India) Limited (*)	Freehold Land	1	24.87
ABS (Industries) Limited (*)	Building	1	13.59
ABS Plastics Limited (**)	Building	2	5.79
Lanxess ABS Limited (***)	Building	3	21.94
Lanxess ABS Limited	Leasehold Land	1	131.96
Styrolution India Private Limited	Leasehold Land	1	76.46
Total		9	274.61

(*) The Company is in process of transferring property in their name.

(**) Out of two buildings above, for one building the Company is in process of transferring it on their name and for the other building the Company is in the process of complying with the terms of the lease cum sale agreement so as to execute the final sale agreement and obtain the right to ownership.

(***) Out of three buildings, the Company is in process of transferring one building it on their name.

- ii. The physical verification of inventory excluding goods-in-transit and stocks lying 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. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under Section 185 of the Act. In respect of investments made in body corporates by the Company, the provisions of Section 186 of the Act has been complied with.
- 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.

INEOS Styrolution India Limited

- 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 generally regular in depositing undisputed statutory dues in respect of Sales Tax, Service Tax, value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance Income Tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of value added 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, as at March 31, 2017 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 Central Sales Tax Act, 1956	Sales Tax	57.39	2001-02	Commissioner of Sales Tax (Appeals)
The Central Sales Tax Act, 1956 Tax	Sales Tax	121.39	2002-03, 2003-04 and 2011-12	Joint Commissioner Commercial Tax
The Central Excise Act, 1944	Service Tax	147.21	Nov-2015 to June-2016	CESTAT, Ahmedabad
The Central Excise Act, 1944	Service Tax	8.97	March-2014 to January-2015	Asst. Commissioner Central Excise (A), Surat
The Central Excise Act, 1944	Service Tax	198.89	January-2006 to June-2016	Commissioner of Central Excise (A), Surat
The Central Excise Act, 1944	Service Tax	8.28	September-2004 to December 2004	Joint Commissioner Excise, Surat
The Central Excise Act, 1944	Service Tax	683.77	April-2011 to October-2015	CESTAT, Mumbai
The Central Excise Act, 1944	Excise Duty	18.81	October-2005 to June-2015	CESTAT, Ahmedabad
The Central Excise Act, 1944	Excise Duty	48.34	August-2010 to June-2015	Joint Commissioner Excise, Ahmedabad
The Customs Tariff Act, 1975	Customs Duty claimed as credit as per exemption under DEPB Scheme	7,776.06	January-2005 to December-2011	CESTAT, Ahmedabad
The Customs Tariff Act, 1975	Customs duty	39.28	2011-12	CESTAT, Ahmedabad
The Income Tax Act, 1961	Income Tax	7.68	2005-06 to 2009-10	ITAT, Ahmedabad
The Income Tax Act, 1961	Income Tax	316.10	2008-09, 2011-12 and 2012-13	Commissioner (Appeals), Vadodara
The Income Tax Act, 1961	Income Tax	452.79	2008-09 to 2011-12	Commissioner (Appeals), Mumbai

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 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 Ind AS financial statements as required under Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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

Uday Shah
Partner

Place: Mumbai
Date: May 26, 2017

Membership Number: 046061

INEOS Styrolution India Limited

BALANCE SHEET

as at March 31, 2017

INR in Lakhs

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	2	21,903.86	24,121.48	26,533.68
(b) Capital work in progress	2	1,768.85	213.23	19.83
(c) Financial assets				
(i) Investments	3	85.35	51.94	49.98
(ii) Loans	4	10.25	7.90	7.77
(iii) Other financial assets	5	556.64	555.88	565.52
(d) Non-current tax assets	23	2,584.99	2,963.17	1,964.42
(e) Other non-current assets	6	393.16	315.52	321.31
Total non-current assets		27,303.10	28,229.12	29,462.51
2 Current assets				
(a) Inventories	7	32,003.46	19,227.56	21,180.02
(b) Financial assets				
(i) Trade receivables	8	22,750.56	22,400.60	26,455.81
(ii) Cash and cash equivalents	9	1,582.14	2,450.52	1,988.11
(iii) Bank balance other than (ii) above	10	28.93	26.82	24.83
(iv) Loans	11	24.73	23.84	27.08
(c) Other current assets	12	21,827.18	20,163.44	21,178.39
Total current assets		78,217.00	64,292.78	70,854.24
TOTAL ASSETS		105,520.10	92,521.90	100,316.75
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	13	1,758.56	1,758.56	1,758.56
(b) Other equity	14	56,946.26	50,909.49	45,518.28
Total Equity		58,704.82	52,668.05	47,276.84
2 Non-current liabilities				
(a) Financial liabilities	15	163.41	113.43	56.65
(b) Provisions	16	52.00	52.00	52.00
(c) Employee benefit obligations	17	382.32	305.90	226.15
(d) Deferred tax liabilities (net)	23	2,248.98	1,815.43	2,250.65
Total non-current liabilities		2,846.71	2,286.76	2,585.45
3 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	20,886.55	16,980.94	16,961.36
(ii) Trade payables	19	16,676.99	15,709.35	29,666.25
(iii) Other financial liabilities	20	5,688.14	4,339.32	3,080.89
(b) Employee benefit obligations	21	125.95	106.94	137.99
(c) Current tax liabilities	23	212.91	-	-
(d) Other current liabilities	22	378.03	430.54	607.97
Total current liabilities		43,968.57	37,567.09	50,454.46
Total liabilities		46,815.28	39,853.85	53,039.91
TOTAL EQUITY AND LIABILITIES		105,520.10	92,521.90	100,316.75

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

Uday Shah
Partner
Membership No. 046061

Place : Delhi
Date : May 26, 2017

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

Stephen Mark Harrington
Chairman

Sanjiv Vasudeva
Managing Director & CEO

Bhupesh P. Porwal
Whole-time Director and CFO

Jal R. Patel
Director

Ryna Karani
Director

Anil Shankar
Director

Hareesh Khilnani
Company Secretary

Place : Delhi
Date : May 26, 2017

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I. Revenue from operations	24	166,918.41	177,533.88
II. Other income	25	406.76	274.45
III. Total income (I+II)		167,325.17	177,808.33
IV. Expenses			
Cost of materials consumed	26	116,520.25	123,123.88
Changes in inventories of finished goods and work-in-progress	27	(7,231.73)	(1,611.18)
Excise duty		18,683.65	19,143.55
Employee benefits expense	28	5,036.91	5,040.24
Finance costs	29	610.65	981.08
Depreciation and amortisation expense	2	2,527.04	2,720.72
Other expenses	30	21,148.81	22,385.44
Total expenses (IV)		157,295.58	171,783.73
V. Profit before tax (III - IV)		10,029.59	6,024.60
VI. Tax expense:	23		
Current tax		2,957.14	1,455.20
MAT credit (entitlement)		-	(1,455.20)
Deferred tax (credit) / charge		457.14	(358.40)
Tax expense relating to earlier years		668.55	-
MAT credit (entitlement) relating to earlier years		(981.22)	-
Total tax expense (VI)		3,101.61	(358.40)
VII. Profit for the year (V - VI)		6,927.98	6,383.00
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(68.17)	(102.85)
Income tax relating to remeasurements of defined benefit plans		23.59	35.59
Total other comprehensive income, net of tax		(44.58)	(67.26)
IX. Total comprehensive income for the year (VII + VIII)		6,883.40	6,315.74
X. Earnings per equity share	31		
Basic		39.40	36.30
Diluted		39.40	36.30

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

Uday Shah
Partner
Membership No. 046061

Place : Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
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Director

Anil Shankar
Director

Haresh Khilnani
Company Secretary

Place : Delhi
Date : May 26, 2017

INEOS Styrolution India Limited

STATEMENT OF CASH FLOWS

for the year ended March 31, 2017

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
A Cash flow from operating activities :			
Profit before tax		10,029.59	6,024.60
Adjustments for :			
Depreciation and amortisation expense	2	2,527.04	2,720.72
Interest Income on deposits	25	(11.86)	(9.57)
Interest Income - others	25	(126.82)	(81.20)
Gain on fair valuation of investment	25	(33.41)	(2.21)
Finance costs	29	610.65	981.08
Profit on disposal of property, plant and equipment (net)	25	(22.11)	-
Loss on property, plant and equipment sold/discarded (net)	30	-	50.75
Dividend on non-current quoted investment	25	-	(0.80)
Dividend on current unquoted investment	25	-	(0.60)
Allowance for doubtful debts (net)	30	51.96	707.32
Gain on sale of shares	25	-	(0.50)
		<u>2,995.45</u>	<u>4,364.99</u>
Operating profit before change in operating assets and liabilities		13,025.04	10,389.59
Adjustments for :			
(Increase)/decrease in inventories	7	(12,775.90)	1,952.46
(Increase)/decrease in trade receivables		(401.92)	3,347.89
(Increase)/decrease in bank balance other than cash and cash equivalents	10	(2.11)	(1.99)
(Increase)/decrease in loans	4, 11	(3.24)	3.11
(Increase)/decrease in other financial assets	5	(0.76)	9.64
(Increase)/decrease in other non-current assets		(247.52)	(27.39)
(Increase)/decrease in other current assets	12	(1,663.74)	1,014.95
Increase/(decrease) in trade payables	19	967.64	(13,956.90)
Increase/(decrease) in other financial liabilities		1,368.41	1,346.73
Increase/(decrease) in employee benefit obligations		27.26	(54.15)
Increase/(decrease) in other current liabilities	22	(52.51)	(177.43)
		<u>(12,784.39)</u>	<u>(6,543.08)</u>
Cash generated from operations		240.65	3,846.51
Taxes paid (net of refund)		(2,053.38)	(998.75)
Net cash inflow/(outflow) from operating activities		(1,812.73)	2,847.76
B Cash flow from investing activities :			
Payments for property, plant and equipment		(1,681.81)	(720.22)
Proceeds from disposal of property, plant and equipment		37.04	48.09
Proceeds from sale of investments		500.00	1,400.75
Payments for purchase of investments		(500.00)	(1,400.00)
Interest Income on deposits	25	11.86	9.57
Interest Income - others	25	126.82	81.20
Dividend on non-current quoted investment	25	-	0.80
Dividend on current unquoted investment	25	-	0.60
Net cash outflow from investing activities		(1,506.09)	(579.21)

STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
C Cash flow from financing activities :			
Proceeds/(repayment) of current borrowings		3,924.81	(17.37)
Interest paid		(629.85)	(944.13)
Dividend on equity shares (including dividend distribution tax)		(844.52)	(844.64)
Net cash inflow/(outflow) from financing activities		2,450.44	(1,806.14)
Net increase/(decrease) in cash and cash equivalents		(868.38)	462.41
Cash and cash equivalents at the beginning of the year		2,450.52	1,988.11
Cash and cash equivalents at end of the year		1,582.14	2,450.52

Notes :

- 1 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.
- 2 Cash flow from operating activities includes Rs. 124.27 Lakhs (March 31, 2016: Rs. 85.43 Lakhs) being expenditure towards Corporate Social Responsibility.

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

Uday Shah
Partner
Membership No. 046061

Place : Delhi
Date : May 26, 2017

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

Stephen Mark Harrington
Chairman

Sanjiv Vasudeva
Managing Director & CEO

Bhupesh P. Porwal
Whole-time Director and CFO

Jal R. Patel
Director

Ryna Karani
Director

Anil Shankar
Director

Haresh Khilnani
Company Secretary

Place : Delhi
Date : May 26, 2017

INEOS Styrolution India Limited

STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended March 31, 2017

INR in Lakhs

(a) Equity share capital

Particulars	Note No.	Amount
As at April 1, 2015		1,758.56
Changes in Equity share capital during the year	13	-
As at March 31, 2016		1,758.56
Changes in Equity share capital during the year	13	-
As at March 31, 2017		1,758.56

(b) Other equity

Particulars	Reserves and surplus					
	Capital reserve	Securities premium reserve	Surplus on capital reduction	General reserve	Retained earnings	Total
Balance at April 1, 2015	0.14	4,328.39	134.39	4,528.27	36,527.09	45,518.28
Profit for the year	-	-	-	-	6,383.00	6,383.00
Other comprehensive income for the year	-	-	-	-	(67.26)	(67.26)
Total comprehensive income for the year	-	-	-	-	6,315.74	6,315.74
Depreciation transfer for Fixed assets (Refer Notes 2 and 23)	-	-	-	-	(77.90)	(77.90)
Transfer to General reserve	-	-	-	627.68	(627.68)	-
Transaction with owners in their capacity as owners:						
Dividend paid (including dividend distribution tax)	-	-	-	-	(846.63)	(846.63)
Balance at March 31, 2016	0.14	4,328.39	134.39	5,155.95	41,290.62	50,909.49
Profit for the year	-	-	-	-	6,927.98	6,927.98
Other comprehensive income for the year	-	-	-	-	(44.58)	(44.58)
Total comprehensive income for the year	-	-	-	-	6,883.40	6,883.40
Transaction with owners in their capacity as owners:						
Dividend paid (including dividend distribution tax)	-	-	-	-	(846.63)	(846.63)
Balance at March 31, 2017	0.14	4,328.39	134.39	5,155.95	47,327.39	56,946.26

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

Uday Shah
Partner
Membership No. 046061

Place : Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
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Ryna Karani
Director

Anil Shankar
Director

Haresh Khilnani
Company Secretary

Place : Delhi
Date : May 26, 2017

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 was previously registered as Styrolution ABS (India) Limited and changed its name on 18 March, 2016 pursuant to special resolution passed by the shareholders of the company through Postal Ballot (including e-voting) on 25 February 2016 and subsequent approval from Registrar of Companies, Gujarat. 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.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements has been restated to comply with Ind AS.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 43 for an explanation of how the transition from previous GAAP (hereinafter referred to as 'IGAAP') to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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 32);
- defined benefit plans – plan assets measured at fair value (refer note 37).

(b) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

(c) Revenue recognition

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 and amounts collected on behalf of third parties. Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not.

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.

Interest income is recognised in the time proportion basis taking into account the amount invested and rate of interest. Indent Commission income is recognised on accrual basis. Revenue in respect of other claims is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(d) 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 substantially 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 recognised 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.

(e) 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 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.

(f) 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

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.

(g) 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.

(h) Trade receivables

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

(i) Inventories

Raw Materials, Packing Materials and Stores and Spares are valued at weighted average cost after taking credit for CENVAT and including Customs duty, wherever applicable and Goods-in-transit at cost to date.

Work-in-progress and finished goods stock is valued at cost or net realisable value whichever is lower. 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 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. Goods-in-transit are valued at cost to date.

(j) 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.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

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.

(k) 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.

(l) 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.

(m) 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.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment. (Refer Note 2A)

Depreciation methods and estimated useful lives:

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

Asset category	Estimated useful life	
Lease hold land	99	Years
Building (*)	30	Years
Road (*)	10	Years
Plant & Machinery (*)	19-21	Years
Furniture & Fixtures (*)	6-16	Years
Office Equipment (*)	3-5	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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

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.

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

(n) 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.

(o) 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.

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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.

(q) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

(r) Employee benefits

Current 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 current 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.

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

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

Defined contribution plans

Contributions to defined contribution schemes such as contribution to Provident Fund, Super annuation fund, Employees' State Insurance Corporation, National Pension Scheme 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Note - 2

Property, Plant and Equipment - As at 31st March 2016

Particulars	Gross carrying amount				Depreciation/amortisation				Net carrying amount
	Balance* as at April 1, 2015	Additions	Deduction/ Adjustments	Balance as at March 31, 2016	Adjustment (Refer Note 2A)	Charge for the year	Deduction/ Adjustments	Balance as at March 31, 2016	Balance as at March 31, 2016
Freehold land	85.49	-	-	85.49	-	-	-	-	85.49
Leasehold land	215.10	-	-	215.10	-	3.34	-	3.34	211.76
Building	5,512.35	81.08	(0.43)	5,593.00	33.96	335.79	(0.02)	369.73	5,223.27
Plant and machinery	20,175.84	348.46	(101.70)	20,422.60	-	2,199.88	(9.97)	2,189.91	18,232.69
Furniture and fixtures	46.15	34.28	(0.17)	80.26	-	9.73	(0.01)	9.72	70.54
Vehicles	66.43	-	-	66.43	-	19.14	-	19.14	47.29
Office equipments	432.32	62.67	(6.90)	488.09	85.17	152.84	(0.36)	237.65	250.44
TOTAL	26,533.68	526.49	(109.20)	26,950.97	119.13	2,720.72	(10.36)	2,829.49	24,121.48
Capital work in progress	19.83	718.62	(525.22)	213.23	-	-	-	-	213.23

*The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e. April 1, 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note 2A for the gross block value and the accumulated depreciation on April 1, 2015 under IGAAP.

Property, Plant and Equipment - As at March 31, 2017

Particulars	Gross carrying amount				Depreciation/amortisation				Net carrying amount
	Balance as at April 1, 2016	Additions	Deduction/ Adjustments	Balance as at March 31, 2017	Balance as at April 1, 2016	Charge for the year	Deduction/ Adjustments	Balance as at March 31, 2017	Balance as at March 31, 2017
Freehold land	85.49	-	-	85.49	-	-	-	-	85.49
Leasehold land	215.10	-	-	215.10	3.34	3.34	-	6.68	208.42
Building	5,593.00	0.73	-	5,593.73	369.73	267.36	-	637.09	4,956.64
Plant and machinery	20,422.60	271.00	(54.71)	20,638.89	2,189.91	2,130.52	(39.89)	4,280.54	16,358.35
Furniture and fixtures	80.26	2.04	-	82.30	9.72	13.07	-	22.79	59.51
Vehicles	66.43	-	-	66.43	19.14	9.13	-	28.27	38.16
Office equipments	488.09	50.58	(0.43)	538.24	237.65	103.62	(0.32)	340.95	197.29
TOTAL	26,950.97	324.35	(55.14)	27,220.18	2,829.49	2,527.04	(40.21)	5,316.32	21,903.86
Capital work in progress	213.23	1,879.61	(323.99)	1,768.85	-	-	-	-	1,768.85

Notes

- Buildings include office premises at Mumbai amounting to INR 3.75 Lakhs (Previous Year INR 3.75 Lakhs) the title whereof are not yet clear. The Company has filed a Civil suit against the vendor for title.
- Plant and Machinery includes gross carrying amount of INR 16.84 Lakhs being the Company's share of an asset jointly owned with another company.
- Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress mainly comprises of new plant and machinery under installation at Nandesari and Moxi sites.
- With effect from April 1, 2015, considering the requirements of Schedule II of the Act, the management has reassessed the remaining useful life of its fixed assets based on an internal technical evaluation. Accordingly, INR 119.13 Lakhs has been adjusted in the opening reserves of the Company in respect of such assets whose useful life had become Nil as at that date (also deferred tax credit amounting to INR 41.23 Lakhs on those assets has been adjusted to opening reserves) and the additional depreciation for the year ended March 31, 2016 on assets whose useful life has been reassessed is INR 112.25 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Note 2A

Property, Plant and Equipment - Gross amount as at April 1, 2015 under IGAAP

Particulars	Gross Block (At Cost)			Accumulated Depreciation			Net Block
	As at April 1, 2015	On account of amalgamation (Refer Note 43 C (i))	After amalgamation	As at April 1, 2015	On account of amalgamation (Refer Note 43 C (i))	After amalgamation	After amalgamation
Tangible Assets:							
Freehold land	85.49	-	85.49	-	-	-	85.49
Leasehold land	171.43	91.31	262.74	34.17	13.47	47.64	215.10
Building	6,345.89	1,543.40	7,889.29	1,525.50	851.44	2,376.94	5,512.35
Plant and machinery	36,204.55	15,822.31	52,026.86	20,033.06	11,817.96	31,851.02	20,175.84
Furniture and fixtures	438.07	52.80	490.87	391.92	52.80	444.72	46.15
Vehicles	216.24	36.65	252.89	161.51	24.95	186.46	66.43
Office equipments	749.98	316.05	1,066.03	410.58	223.13	633.71	432.32
Total	44,211.65	17,862.52	62,074.17	22,556.74	12,983.75	35,540.49	26,533.68
Capital work in progress	19.83	-	19.83	-	-	-	19.83

Particulars

As at March 31, 2017 As at March 31, 2016 As at April 1, 2015

Note - 3

Investments

Investments in equity shares accounted at fair value through profit and loss (fully paid-up)

Quoted

25,000 equity shares of Bank of Baroda of INR 2 each fully paid-up (March 31, 2016: 25,000; April 1, 2015: 25,000)	43.24	36.75	40.88
13,900 equity shares of Supreme Petrochem Ltd. of INR 10 each fully paid-up (March 31, 2016: 13,900; April 1, 2015: 13,900)	42.11	15.19	8.85
	85.35	51.94	49.73

Un - quoted

1,000 shares of Co-operative Bank of Baroda Limited at INR 25 each	-	-	0.25
	-	-	0.25
Total	85.35	51.94	49.98

Aggregate book value of quoted investments	85.35	51.94	49.73
Aggregate market value of quoted investments	85.35	51.94	49.73
Aggregate value of unquoted investments	-	-	0.25
Total	85.35	51.94	49.98

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note - 4			
Loans			
Non-current			
Unsecured, considered good			
Loan to employees	10.25	7.90	7.77
Total	10.25	7.90	7.77
Note - 5			
Other financial assets			
Non- current			
Security deposits for utilities and premises	537.81	537.05	546.69
Bank deposits*	18.83	18.83	18.83
Total	556.64	555.88	565.52
* Bank deposit held by government authorities and held as lien under court order.			
Note - 6			
Other assets			
Non- current			
Balances with government authorities	67.80	70.28	42.89
Deposit *	250.00	-	-
Capital advances	75.36	245.24	278.42
Total	393.16	315.52	321.31
* Deposit given to Kandla Port Trust under the order of Honourable Gujarat High Court.			
Note - 7			
Inventories *			
Raw materials	14,926.04	6,501.49	10,097.13
Raw materials (goods-in-transit)	1,716.40	4,840.40	4,868.51
	16,642.44	11,341.89	14,965.64
Work-in-progress	3,737.80	1,928.85	1,827.77
Finished goods	10,567.76	5,144.98	3,634.88
Stores and spares	906.41	704.60	654.83
Packing materials	149.05	107.24	96.90
Total	32,003.46	19,227.56	21,180.02
* Goods in transit at cost to date and others at cost or net realizable value whichever is lower.			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note - 8			
Trade receivables			
Considered good - secured	-	175.61	-
Considered good - unsecured	22,750.56	22,224.99	26,455.81
Considered doubtful - unsecured	909.99	858.03	150.71
	<u>23,660.55</u>	<u>23,258.63</u>	<u>26,606.52</u>
Less: Allowance for doubtful debts (Refer note 33 (i))	909.99	858.03	150.71
	<u>22,750.56</u>	<u>22,400.60</u>	<u>26,455.81</u>
Total	<u>22,750.56</u>	<u>22,400.60</u>	<u>26,455.81</u>
Receivables from related parties (Refer Note 38)	59.29	177.90	134.29
Receivables from others	22,691.27	22,222.70	26,321.52
Total	<u>22,750.56</u>	<u>22,400.60</u>	<u>26,455.81</u>
Note - 9			
Cash and cash equivalents			
Balances with bank			
In current accounts	1,580.99	2,448.75	1,429.15
Cheques on hand	-	-	557.28
Cash on hand	1.15	1.77	1.68
Total	<u>1,582.14</u>	<u>2,450.52</u>	<u>1,988.11</u>
Note - 10			
Bank balances other than cash and cash equivalents above			
Earmarked balances with banks			
In unclaimed dividend account	28.93	26.82	24.83
Total	<u>28.93</u>	<u>26.82</u>	<u>24.83</u>
Note - 11			
Loans			
Current			
(Unsecured, Considered good)			
Loans to employees	24.73	23.84	27.08
Total	<u>24.73</u>	<u>23.84</u>	<u>27.08</u>
Note - 12			
Other assets			
Current			
Balance with government authorities			
CENVAT receivables	19,907.11	18,101.96	18,431.66
VAT receivables	688.38	1,115.69	1,360.74
Advances for supply of goods	1,169.26	800.60	1,163.78
Advances to employees	4.35	28.44	30.97
Prepaid expenses	58.08	116.75	191.24
Total	<u>21,827.18</u>	<u>20,163.44</u>	<u>21,178.39</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Note - 13

Equity share capital

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised share capital						
Equity shares of INR 10 each	50,000,000	5,000.00	50,000,000	5,000.00	50,000,000	5,000.00
Issued and subscribed share capital						
Fully paid equity shares of INR 10 each	17,585,625	1,758.56	17,585,625	1,758.56	17,585,625	1,758.56
Total share capital		1,758.56		1,758.56		1,758.56

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	17,585,625	1,758.56	17,585,625	1,758.56	17,585,625	1,758.56
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	17,585,625	1,758.56	17,585,625	1,758.56	17,585,625	1,758.56

a) Equity shares held by holding company

Name of shareholder	Relationship	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Ineos Styrolution APAC Pte Ltd. (formerly known as Styrolution South East Asia Pte Ltd.)	Holding company	13,189,218	13,189,218	13,189,518

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, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Perce- ntage	No. of shares	Perce- ntage	No. of shares	Perce- ntage
INEOS Styrolution APAC Pte Ltd. (formerly known as Styrolution South East Asia Pte Ltd.)	13,189,218	75.00%	13,189,218	75.00%	13,189,518	75.002%

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, 2017.

No shares are allotted as bonus or allotted without receipt of cash during past five years and there has been no buy back of shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

e) Pursuant to the Open Offer of Styrolution South East Asia Pte Ltd, Singapore ('SSE') which closed on March 3, 2015, SSE received 300 shares from the public. As a result thereof, the total shareholding of SSE as on March 31, 2015 was increased to 13,189,518 equity shares (75.002%). SSE needed to divest 0.002% (300 shares only) of the Company's equity share capital by March 12, 2016 through various methods allowed by SEBI. In order to raise the public shareholding to 25%, Company had applied to SEBI for granting approval for sale of 300 shares by the SSE, through one or multiple transactions on the floor of the stock exchanges in the normal window to meet minimum public shareholding norms which was approved by SEBI vide its letter dated April 20, 2015. In compliance with SEBI guidelines, SSE has sold off these 300 shares on June 9, 2015, thereby bringing its holding back to 75%.

Note - 14

Other equity

Particulars	Reserves and surplus					Total
	Capital reserve	Securities premium reserve	Surplus on capital reduction	General reserve	Retained earnings	
Balance at April 1, 2015	0.14	4,328.39	134.39	4,528.27	36,527.09	45,518.28
Profit for the year	-	-	-	-	6,383.00	6,383.00
Other comprehensive income for the year	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(67.26)	(67.26)
Total comprehensive income for the year	-	-	-	-	6,315.74	6,315.74
Depreciation adjustment as per schedule II of Companies Act, 2013 (Refer Notes 2 and 23)	-	-	-	-	(77.90)	(77.90)
Transfer to General reserve	-	-	-	627.68	(627.68)	-
Transaction with owners in their capacity as owners:						
Dividend paid on equity shares for the year [2014-15: INR 4 per share]	-	-	-	-	(703.43)	(703.43)
Dividend Distribution Tax (DDT) on dividend paid	-	-	-	-	(143.20)	(143.20)
Balance at March 31, 2016	0.14	4,328.39	134.39	5,155.95	41,290.62	50,909.49
Profit for the year	-	-	-	-	6,927.98	6,927.98
Other comprehensive income for the year	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(44.58)	(44.58)
Total comprehensive income for the year	-	-	-	-	6,883.40	6,883.40
Transfer to General reserve	-	-	-	-	-	-
Transaction with owners in their capacity as owners:						
Dividend paid on equity shares for the year [2015-16: INR 4 per share]	-	-	-	-	(703.43)	(703.43)
Dividend Distribution Tax (DDT) on dividend paid	-	-	-	-	(143.20)	(143.20)
Balance at March 31, 2017	0.14	4,328.39	134.39	5,155.95	47,327.39	56,946.26

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve 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 24 June 2004 passed by the Honourable High Court of Gujarat in Company Petition No. 60 of 2004.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note - 15			
Other financial liabilities			
Non-current			
Deposits received	25.00	25.00	25.00
Employee payables	138.41	88.43	31.65
Total	163.41	113.43	56.65
Note - 16			
Provisions			
Non-current			
Provision for contingencies *	52.00	52.00	52.00
Total	52.00	52.00	52.00
* There is no movement during 2015-16 and 2016-17.			
Note - 17			
Employee benefit obligations			
Non-current			
Provision for gratuity (Refer Note 37)	74.41	32.64	-
Provision for compensated absences (Refer Note 37)*	307.91	273.26	226.15
Total	382.32	305.90	226.15
* The Compensated absences covers the liability for sick and earned leave.			
Note - 18			
Borrowings			
Current			
Secured			
Cash credit	2,838.81	-	-
Buyers credit from bank	11,096.76	-	-
	13,935.57	-	-
Unsecured			
Working capital loans	3,501.57	7,101.88	12,650.35
Buyers credit from bank	3,449.41	9,879.06	4,311.01
	6,950.98	16,980.94	16,961.36
Total	20,886.55	16,980.94	16,961.36

Notes:

- Cash credit facility is availed in a range of 8.45% to 9.75%.
- Buyers credit facility is taken towards purchase of raw material which has been covered under letter of credit limit and carries interest rate of 0.60% to 1.22% (March 31, 2016: 0.56% to 1.00%; April 1, 2015: 1.25% to 2.00%) and is generally repayable within 30 - 90 days (March 31, 2016: 30 - 120 days; April 1, 2015: 60 days) from the date of extending credit.
- Working capital loans are repayable with an average tenure of 2 - 18 days. Interest is payable at 9.01% - 9.70% (March 31, 2016 : 9.53% - 9.90%; April 1, 2015 : 9.76% - 9.87%)
- Unsecured borrowing facilities are guaranteed by INEOS Styrolution Group GmbH.
- Secured borrowings from banks are secured by first charge on inventories and trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note - 19			
Trade payables			
Trade payables to related parties (Refer Note 38)	2,212.57	2,077.44	23,974.24
Trade payables to others	14,464.42	13,631.91	5,692.01
Total	<u>16,676.99</u>	<u>15,709.35</u>	<u>29,666.25</u>

Note:
Details of Dues to Micro, Small and Medium Enterprises as defined under MSMED Act, 2006

(a) The principal amount and interest due thereon remaining unpaid to suppliers			
(i) Principal	45.60	40.11	26.67
(ii) Interest due thereon	-	0.02	-
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the year	-	90.57	-
(ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(c) (i) Normal interest accrued during the year, for all the delayed payments, as per the agreed terms.	-	-	-
(ii) Normal interest payable for the period of delay in making payment, as per the agreed terms.	-	-	-
(d) (i) Total Interest accrued during the year	-	1.30	-
(ii) Total Interest accrued during the year and remaining unpaid	-	1.30	-
(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 available with the Company. This has been relied upon by the Auditors.

Note - 20
Other financial liabilities

Current			
Unclaimed dividend *	28.93	26.82	24.83
Employee related liabilities	1,062.54	824.53	645.29
Payables for capital goods	318.73	290.45	323.96
Accrued expenses	3,185.98	2,647.93	1,967.34
Derivative liability	1,091.96	549.59	119.47
Total	<u>5,688.14</u>	<u>4,339.32</u>	<u>3,080.89</u>

*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.

Note - 21
Employee benefit obligations

Current			
Provision for gratuity (Refer Note 37)	77.78	64.36	53.55
Provision for compensated absences (Refer Note 37)*	48.17	42.58	84.44
Total	<u>125.95</u>	<u>106.94</u>	<u>137.99</u>

* The Compensated absences covers the liability for sick and earned leave. The amount of INR 48.17 Lakhs (March 31, 2016: INR 42.58 Lakhs; April 1, 2015: INR 84.44 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note - 22			
Other liabilities			
Current			
Advance received from customers	68.54	125.20	217.23
Statutory dues	309.49	305.34	390.74
Total	378.03	430.54	607.97

Note - 23

Current and deferred tax

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Income tax expense		
(i) Current tax		
Current income tax charge	2,957.14	1,455.20
Adjustments of current tax for prior periods	668.55	-
(ii) Deferred tax		
Deferred tax relating to origination and reversal of temporary differences	457.14	(358.40)
Net loss/(gain) on remeasurements of defined benefit plans	(23.59)	(35.59)
(iii) MAT credit (entitlement)		
MAT credit (entitlement) during the year	-	(1,455.20)
MAT credit (entitlement) relating to earlier years	(981.22)	-
Income tax expense	3,078.02	(393.99)
(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate of India for the year ended		
Accounting profit before income tax	10,029.59	6,024.60
Statutory income tax rate	34.608%	34.608%
Tax at statutory income tax rate of 34.608%	3,471.04	2,084.99
Tax effects of :		
Income not subject to tax		
Utilisation of brought forward losses	(170.50)	-
MAT credit (entitlement)	(981.22)	(1,455.20)
Deferred tax asset for the year	-	(393.99)
Prior period expense / (income)	668.55	-
Permanent disallowance	90.15	-
Difference in income tax rate		(629.79)
	(393.02)	(2,478.98)
Income tax expense	3,078.02	(393.99)

- (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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

(d) Non-current tax assets

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	2,963.17	1,964.42
Add: Tax paid in advance, net of provisions during the year	(378.18)	998.75
Closing balance	2,584.99	2,963.17

(e) Current tax liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	-	-
Add: Current tax payable for the year	2,957.14	-
Less: Taxes paid	(2,744.23)	-
Closing balance	212.91	-

(f) Deferred tax liabilities (net)

Particulars	As at March 31, 2017	Charged/ (credited) to profit and loss/OCI	As at March 31, 2016	Charged/ (credited) to profit and loss/OCI	As at April 1, 2015
Property, plant and equipment	3,470.10	(172.40)	3,642.50	667.48	2,975.02
Investments in quoted instruments	-	-	-	-	-
Provision for doubtful debts	(315.82)	(18.87)	(296.95)	(271.79)	(25.16)
Provision for gratuity	(52.68)	(19.11)	(33.57)	(29.10)	(4.47)
Provision for leave encashment	(123.24)	(13.93)	(109.31)	(48.22)	(61.09)
Amalgamation expense	(8.08)	2.70	(10.78)	(10.78)	-
Provision for contingency	(721.31)	(39.55)	(681.76)	(86.19)	(595.57)
Brought forward losses	-	676.05	(676.05)	(676.05)	-
Fair valuation of derivatives	-	18.65	(18.65)	19.43	(38.08)
Deferred tax expense/(income)	-	433.55	-	(435.22)	-
Net deferred tax (assets)/liabilities	2,248.98	-	1,815.43	-	2,250.65

Reconciliation of deferred tax liabilities (net):

Particulars	Amount
Opening Balance as of April 1, 2015	2,250.65
Tax (income)/expense during the period recognised in P&L	(358.40)
Tax (income)/expense during the period recognised in OCI	(35.59)
Tax impact of depreciation adjusted in Reserves on account of change in useful life as per Companies Act 2013	(41.23)
Closing balance as on March 31, 2016	1,815.43
Tax (income)/expense during the period recognised in P&L	457.14
Tax (income)/expense during the period recognised in OCI	(23.59)
Closing balance as on March 31, 2017	2,248.98

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Note - 24		
Revenue from Operations		
Sale of goods (including excise duty)	162,819.51	172,925.24
Other operating revenue		
Commission income	51.84	65.46
Sale of raw material	4,047.06	4,543.18
Total	166,918.41	177,533.88
Note - 25		
Other Income		
Interest income (net)		
On deposits	11.86	9.57
Others	126.82	81.20
Dividend on non-current quoted investment	-	0.80
Dividend on current unquoted investment	-	0.60
Gain on sale of shares	-	0.50
Gain on fair value of investments	33.41	2.21
Profit on disposal of property, plant and equipment (net)	22.11	-
Rental income	0.30	-
Miscellaneous income	212.26	179.57
Total	406.76	274.45
Note - 26		
Cost of materials consumed		
Raw materials consumed:		
Opening stock	11,341.89	14,965.64
Add: Purchases	120,971.33	118,560.93
Less: Closing stock	16,642.44	11,341.89
	115,670.78	122,184.68
Packing materials consumed:		
Opening stock	107.24	96.90
Add: Purchases	891.28	949.54
Less: Closing stock	149.05	107.24
	849.47	939.20
Total	116,520.25	123,123.88
Note - 27		
Changes in inventories of finished goods and work-in-progress		
Opening Stock :		
Finished goods	5,144.98	3,634.88
Work-in-progress	1,928.85	1,827.77
	7,073.83	5,462.65

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Less:		
Closing Stock:		
Finished goods	10,567.76	5,144.98
Work-in-progress	3,737.80	1,928.85
	<u>14,305.56</u>	<u>7,073.83</u>
Total	<u>(7,231.73)</u>	<u>(1,611.18)</u>
Note - 28		
Employee benefit expense		
Salaries and wages	4,353.95	4,400.36
Contribution to provident and other funds (Refer Note 37)	355.60	315.83
Staff welfare expenses	327.36	324.05
Total	<u>5,036.91</u>	<u>5,040.24</u>
Note - 29		
Finance costs		
Interest expenses	610.65	981.08
Total	<u>610.65</u>	<u>981.08</u>
Note - 30		
Other Expenses		
Advertisements and publicity	13.54	13.33
Allowance for doubtful debts (net)	51.96	707.32
Bank charges and other financial charges	179.11	150.26
Commission	749.17	801.15
Communication expenses	49.93	44.42
Consumption of stores and spares	617.98	309.33
Corporate cost sharing expenses	3,723.97	3,817.58
Directors' sitting fees	7.45	8.78
Donations	0.69	0.70
Environment expenses	184.24	137.59
Expenditure on corporate social responsibility activities (Refer Note 1 below)	124.27	85.43
Foreign exchange fluctuation (net)	1,636.10	2,209.42
Freight and forwarding expenses	2,879.81	3,158.54
Insurance	190.05	186.28
IT charges	509.95	467.14
Legal and professional charges	311.41	423.32
Loss on property, plant and equipment sold/discarded (net)	-	50.75
Payment to the Auditor (Refer Note 2 below)	55.35	65.41
Power and fuel (net) (Refer Note 3 below)	5,113.80	5,822.39
Printing and stationery	32.93	29.52
Processing charges	732.77	691.31

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rates and taxes	199.66	131.40
Rent (Refer Note 40)	307.15	294.20
Repair - Buildings	35.36	26.44
Repair - Others	244.57	162.45
Repair - Plant and machinery	1,150.88	770.61
Royalty	168.30	186.24
Travelling and conveyance expenses	471.13	389.24
Water charges	74.38	63.07
Miscellaneous expenses	1,332.90	1,181.82
Total	21,148.81	22,385.44
<p>1 As per Section 135 of the Companies Act, 2013, the Company was required to spend INR 124.40 Lakhs (Previous year: INR 148.68 Lakhs) towards corporate social responsibility activities. The Company has spent INR 124.27 Lakhs (Previous year: INR 85.43 lakhs) during the current financial year. The Company has spent following amounts during the year :</p>		
Health care, nutrition, sanitation and safe drinking water	3.00	15.00
Education and vocational skill development	43.00	26.00
Poverty alleviation, livelihood enhancement and infrastructure support	78.27	44.43
	124.27	85.43
<p>2 Payment to statutory auditors as:</p>		
Audit fees	34.00	44.00
Tax audit fees	4.00	4.50
Others (Limited review, certification etc.)*	14.00	14.20
Out of pocket expenses*	3.35	2.71
	55.35	65.41
<p>* Payment to statutory auditors for the year ended March 31, 2017 includes fees paid to previous auditors for limited review and certification (INR 5.00 Lakhs) and out of pocket expenses (INR 0.35 Lakhs).</p>		
<p>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 324.93 Lakhs (Previous year: INR 435.31 Lakhs).</p>		
Note - 31		
Earnings per share		
i. Profit attributable to equity holders of the Company	6,927.98	6,383.00
ii. Weighted average number of ordinary shares (In numbers)		
Outstanding shares	1,75,85,625	1,75,85,625
	1,75,85,625	1,75,85,625
Basic earnings per share (In INR)	39.40	36.30
Diluted earnings per share (In INR)	39.40	36.30

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Note - 32

Fair value measurements

A. Accounting classification and fair values

As at March 31, 2017

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
Financial assets								
Investments	85.35	-	-	85.35	85.35	-	-	85.35
Non current loans	-	-	10.25	10.25	-	-	10.25	10.25
Other non current financial assets	-	-	556.64	556.64	-	-	556.64	556.64
Trade receivables	-	-	22,750.56	22,750.56	-	-	22,750.56	22,750.56
Cash and cash equivalents	-	-	1,582.14	1,582.14	-	-	1,582.14	1,582.14
Other bank balances	-	-	28.93	28.93	-	-	28.93	28.93
Current loans	-	-	24.73	24.73	-	-	24.73	24.73
	85.35	-	24,953.25	25,038.60	85.35	-	24,953.25	25,038.60
Financial liabilities								
Other non current financial liabilities	-	-	163.41	163.41	-	-	163.41	163.41
Current borrowings	-	-	20,886.55	20,886.55	-	-	20,886.55	20,886.55
Trade payables	-	-	16,676.99	16,676.99	-	-	16,676.99	16,676.99
Derivative financial liabilities	1,091.96	-	-	1,091.96	-	1,091.96	-	1,091.96
Other financial liabilities	-	-	4,596.18	4,596.18	-	-	4,596.18	4,596.18
	1,091.96	-	42,323.13	43,415.09	-	1,091.96	42,323.13	43,415.09

As at March 31, 2016

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
Investments	51.94	-	-	51.94	51.94	-	-	51.94
Non current loans	-	-	7.90	7.90	-	-	7.90	7.90
Other non current financial assets	-	-	555.88	555.88	-	-	555.88	555.88
Trade receivables	-	-	22,400.60	22,400.60	-	-	22,400.60	22,400.60
Cash and cash equivalents	-	-	2,450.52	2,450.52	-	-	2,450.52	2,450.52
Other bank balances	-	-	26.82	26.82	-	-	26.82	26.82
Current loans	-	-	23.84	23.84	-	-	23.84	23.84
	51.94	-	25,465.56	25,517.50	51.94	-	25,465.56	25,517.50
Financial liabilities								
Other non current financial liabilities	-	-	113.43	113.43	-	-	113.43	113.43
Current borrowings	-	-	16,980.94	16,980.94	-	-	16,980.94	16,980.94
Trade payables	-	-	15,709.35	15,709.35	-	-	15,709.35	15,709.35
Derivative financial liabilities	549.59	-	-	549.59	-	549.59	-	549.59
Other financial liabilities	-	-	3,789.73	3,789.73	-	-	3,789.73	3,789.73
	549.59	-	36,593.45	37,143.04	-	549.59	36,593.45	37,143.04

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

As at April 1, 2015

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
Financial assets								
Investments (Refer Note (1) below)	49.73	-	0.25	49.98	49.73	-	0.25	49.98
Non current loans	-	-	7.77	7.77	-	-	7.77	7.77
Other non current financial assets	-	-	565.52	565.52	-	-	565.52	565.52
Trade receivables	-	-	26,455.81	26,455.81	-	-	26,455.81	26,455.81
Cash and cash equivalents	-	-	1,988.11	1,988.11	-	-	1,988.11	1,988.11
Other bank balances	-	-	24.83	24.83	-	-	24.83	24.83
Current loans	-	-	27.08	27.08	-	-	27.08	27.08
	49.73	-	29,069.37	29,119.10	49.73	-	29,069.37	29,119.10
Financial liabilities								
Other non current financial liabilities	-	-	56.65	56.65	-	-	56.65	56.65
Current borrowings	-	-	16,961.36	16,961.36	-	-	16,961.36	16,961.36
Trade payables	-	-	29,666.25	29,666.25	-	-	29,666.25	29,666.25
Derivative financial liabilities	119.47	-	-	119.47	-	119.47	-	119.47
Other financial liabilities	-	-	2,961.42	2,961.42	-	-	2,961.42	2,961.42
	119.47	-	49,645.68	49,765.15	-	119.47	49,645.68	49,765.15

Notes:

- (1) Investment amounting INR 0.25 lakhs has not been fair valued as the same is immaterial as compared to total investments.
(2) There were no transfers 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.

On account of materiality and in absence of sufficient information for determination of fair value of investments in equity shares of INR 0.25 lakhs, the Company has not fair valued the same.

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 included in Level 3.

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 - 33

Financial risk management

Risk management framework

Financial Risk Evaluation and Management is an ongoing process within the Organization. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

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 of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

Trade receivables of the Company are generally unsecured. The Company performs ongoing credit evaluations of its customers' financial conditions and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business through internal evaluation. The allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Company has no concentration of credit risk as the customer base is geographically distributed in India.

Trade receivables (net of allowance for doubtful debts)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables (net of allowance for doubtful debts)	22,750.56	22,400.60	26,455.81

Statement of allowance for doubtful debts

Particulars	Amount
Allowance for doubtful debts as on April 1, 2015	150.71
Changes in allowance for doubtful debts	707.32
Allowance for doubtful debts as on March 31, 2016	858.03
Changes in allowance for doubtful debts	51.96
Allowance for doubtful debts as on March 31, 2017	909.99

Other financial assets

The Company has mainly cash and cash equivalents, deposits with banks (PSU and high rated private banks) and government authorities as other financial assets. These are having periodically confirmed from respective parties.

Note - 33

Financial risk management

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

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 and exclude the impact of netting agreements.

As at March 31, 2017

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
Financial liabilities				
Other non current financial liabilities	163.41	163.41	-	163.41
Current borrowings	20,886.55	20,886.55	20,886.55	-
Trade payables	16,676.99	16,676.99	16,676.99	-
Other financial liabilities	5,688.14	5,688.14	5,688.14	-
Total	43,415.09	43,415.09	43,251.68	163.41

As at March 31, 2016

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
Financial liabilities				
Other non current financial liabilities	113.43	113.43	-	113.43
Current borrowings	16,980.94	16,980.94	16,980.94	-
Trade payables	15,709.35	15,709.35	15,709.35	-
Other financial liabilities	4,339.32	4,339.32	4,339.32	-
Total	37,143.04	37,143.04	37,029.61	113.43

As at April 1, 2015

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
Financial liabilities				
Other non current financial liabilities	56.65	56.65	-	56.65
Current borrowings	16,961.36	16,961.36	16,961.36	-
Trade payables	29,666.25	29,666.25	29,666.25	-
Other financial liabilities	3,080.89	3,080.89	3,080.89	-
Total	49,765.15	49,765.15	49,708.50	56.65

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 closed out before contractual maturity.

Note - 33

Financial instruments – Fair values and risk management

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

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, 2017				As at March 31, 2016				As at April 1, 2015			
	USD	EUR	SGD	JPY	USD	EUR	SGD	JPY	USD	EUR	SGD	JPY
Financial assets												
Trade receivables	52.01	39.10	-	-	11.28	141.70	-	-	15.04	-	-	-
Net exposure to foreign currency risk (assets)	52.01	39.10	-	-	11.28	141.70	-	-	15.04	-	-	-
Financial liabilities												
Foreign currency loan (Buyers credit)	14,526.60	-	-	-	9,870.33	-	-	-	1,036.31	-	-	-
Trade payables	13,882.09	184.64	-	8.93	13,202.48	624.83	-	-	25,922.25	4,561.92	3.19	9.02
Less:												
Derivative liability:												
Foreign exchange forward contracts												
Forward contract with underlying	(5,881.57)	-	-	-	(6,319.59)	-	-	-	(17,751.82)	-	-	-
Exposure covered under past performance contract	(21,261.20)	-	-	-	(9,406.71)	-	-	-	(3,568.54)	-	-	-
Net exposure to foreign currency risk (liabilities)	1,265.92	184.64	-	8.93	7,346.52	624.83	-	-	5,638.21	4,561.92	3.19	9.02

(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, 2017	As at March 31, 2016	As at April 1, 2015
USD sensitivity *			
INR/USD - Increase by 3%	(23.81)	(143.90)	(110.31)
INR/USD - Decrease by 3%	23.81	143.90	110.31
EUR sensitivity *			
INR/EUR - Increase by 2%	(1.90)	(6.32)	(59.66)
INR/EUR - Decrease by 2%	1.90	6.32	59.66
SGD sensitivity *			
INR/SGD - Increase by 2%	-	-	(0.04)
INR/SGD - Decrease by 2%	-	-	0.04
JPY sensitivity *			
INR/JPY - Increase by 2%	(0.12)	-	(0.12)
INR/JPY - Decrease by 2%	0.12	-	0.12

* 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

rates. Current borrowing comprise of working capital loans for an average tenure of 2 to 18 days, and buyers credit for an average tenure of 30-90 days.

(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, 2017	As at March 31, 2016	As at April 1, 2015
Variable rate borrowings	20,886.55	16,980.94	16,961.36
Total borrowings	20,886.55	16,980.94	16,961.36

As at the end of reporting period, the Company has the following variable rate borrowings outstanding:

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Weighted average interest rate (%)	Balance (INR in lakhs)	% of total loans	Weighted average interest rate (%)	Balance (INR in lakhs)	% of total loans	Weighted average interest rate (%)	Balance (INR in lakhs)	% of total loans
Bank overdrafts, Cash Credit, Demand Loan	8.31%	6,340.38	30%	9.64%	7,101.88	42%	9.68%	12,650.35	75%
Buyers Credit	1.10%	14,546.17	70%	0.83%	9,879.06	58%	0.65%	4,311.01	25%
Net exposure to cash flow interest rate risk		20,886.55			16,980.94			16,961.36	

An analysis by maturities is provided in note 18 above.

(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, 2017	As at March 31, 2016	As at April 1, 2015
Interest rates - increase by 50 basis points*	68.29	55.52	55.46
Interest rates - decrease by 50 basis points*	(68.29)	(55.52)	(55.46)

* Holding all other variables constant

Note - 34

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 General reserve, Retained earnings, Share capital, Securities premium reserve and Surplus on capital reduction. Total debt includes current debt plus non-current debt.

The Company's adjusted net debt to equity ratio at March 31, 2017 and March 31, 2016 are as follows.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings	20,886.55	16,980.94	16,961.36
Less : Cash and cash equivalents	1,582.14	2,450.52	1,988.11
Adjusted net debt	19,304.41	14,530.42	14,973.25
Total equity	58,704.82	52,668.05	47,276.84
Adjusted net debt to adjusted equity ratio	0.33	0.28	0.32

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Note - 35

Contingent liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Claims against the Company not acknowledged as debts			
1 Income tax	773.39	1,704.22	292.94
2 Excise duty and service tax	8,890.33	275.04	80.56
3 Custom duty	39.28	39.28	-
4 Sales tax	187.40	216.62	72.62
5 Others	134.23	134.23	76.81
Total	10,024.63	2,369.39	522.93

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.

Note - 36

Capital commitments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance)	372.06	66.05	77.72

Note - 37

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, 2017	For the year ended March 31, 2016
Employer's contribution to provident fund	192.58	175.19
Employer's contribution to superannuation fund	90.52	77.72
Employer's contribution to employee's state insurance	3.09	2.64

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 nor 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 to all eligible employees at rate of 4.75% of ESI wage as per the definition under the ESI Act.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

II Defined benefit plan

(i) Funded

Gratuity

The employee's gratuity fund scheme managed by a Trust is 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
April 01, 2015	766.51	(712.96)	53.55
Current service cost	56.00	-	56.00
Interest expense/(income)	61.33	(57.05)	4.28
Total amount recognised in profit and loss	117.33	(57.05)	60.28
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(1.94)	(1.94)
(Gain)/Loss from change in financial assumptions	86.75	-	86.75
(Gain)/Loss from change in demographic assumptions	(0.44)	-	(0.44)
Experience (gains)/losses	18.48	-	18.48
Total amount recognised in other comprehensive income	104.79	(1.94)	102.85
Employer contributions	-	(119.68)	(119.68)
Benefit payments	(123.46)	123.46	-
March 31, 2016	865.17	(768.17)	97.00
Current service cost	64.35	-	64.35
Interest expense/(income)	64.15	(59.09)	5.06
Total amount recognised in profit and loss	128.50	(59.09)	69.41
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	8.92	8.92
(Gain)/Loss from change in financial assumptions	55.20	-	55.20
(Gain)/Loss from change in demographic assumptions	-	-	-
Experience (gains)/losses	4.05	-	4.05
Total amount recognised in other comprehensive income	59.25	8.92	68.17
Employer contributions	-	(82.39)	(82.39)
Benefit payments	(54.08)	54.08	-
March 31, 2017	998.84	(846.65)	152.19

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of funded obligations	998.84	865.17	766.51
Fair value of plan assets	(846.65)	(768.17)	(712.96)
Deficit of Gratuity plan	152.19	97.00	53.55

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a. Discount rate (per annum)	7.05%	7.80%	8.00%
b. Estimated rate of return on Plan Assets (per annum)	7.05%	7.80%	6.36% to 8.26%
c. Rate of escalation in salary (per annum)	8.00%	8.00%	6.5% to 8%

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, 2017	
	Increase	Decrease
Discount rate (0.5% movement)	(37.37)	39.80
Salary growth rate (0.5% movement)	39.14	(37.11)

Particulars	As at March 31, 2016	
	Increase	Decrease
Discount rate (0.5% movement)	(31.71)	33.71
Salary growth rate (0.5% movement)	33.41	(31.71)

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.

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.

A large portion of assets in 2017 consists of insurance funds, although the Company also invests in corporate bonds and special deposit scheme. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 are INR 152.19 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

The weighted average duration of the defined benefit obligation is 7.62 years (2015-16: 7.56 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, 2017	99.19	337.87	561.78	998.84
As at March 31, 2016	85.51	308.12	471.54	865.17

(ii) Unfunded

Compensated absences

The Actuarial liability for compensated absences as at year end is INR 356.08 Lakhs (INR 315.84 Lakhs as at March 31, 2016; INR 310.59 Lakhs as at April 1, 2015). Current year charge is included in Employee benefit expense (Refer Note 28).

Note - 38

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

INEOS AG * (up to December 31, 2016)

Switzerland

Holding Company

holds 75.00% of the equity share capital
(also refer Note 3(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 SALES U.K. LIMITED

Great Britain

INEOS EUROPE AG

Switzerland

* No transactions during the periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

III Key management personnel:

Particulars	Designation
Mr. Stephen Mark Harrington *	Chairman (w.e.f. May 18, 2015)
Mr. Hyung Tae Chang *	Chairman (up to May 17, 2015)
Mr. Sanjiv Vasudeva	Managing Director (w.e.f. March 1, 2016)
Mr. Myung Suk Chi	Managing Director (up to February 29, 2016)
Mr. Bhupesh P. Porwal	Whole Time Director (w.e.f. May 16, 2016) and CFO
Mr. Jal R. Patel	Independent Director
Mr. Anil Shankar	Independent Director (w.e.f. August 12, 2016)
Ms. Ryna Karani	Independent Director (w.e.f. May 16, 2016)
Mr. Sharad M. Kulkarni	Independent Director (up to August 11, 2016)
Mr. Ravindra Kulkarni	Independent Director (up to May 15, 2016)

* No transactions during the periods.

IV Key management personnel compensation:

Particulars	As at March 31, 2017	As at March 31, 2016
Short-term employee benefits	277.27	437.42
Long-term employee benefits	20.70	87.73
Post-employment benefits *	9.27	47.18
Commission and sitting fees to independent directors	29.95	26.70
Total compensation	337.19	599.03

* 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

Particulars	As at March 31, 2017			As at March 31, 2016		
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total
1 Purchase of raw materials						
INEOS SALES U.K. LIMITED	-	-	-	-	1,765.14	1,765.14
INEOS EUROPE AG	-	-	-	-	1,671.88	1,671.88
INEOS Styrolution Korea Ltd	-	1,609.07	1,609.07	-	1,452.53	1,452.53
INEOS Styrolution APAC Pte. Ltd.	-	-	-	43,701.46	-	43,701.46
INEOS Styrolution (Thailand) Co., Ltd.	-	4,616.17	4,616.17	-	1,933.86	1,933.86
INEOS Styrolution Mexicana S.A. de	-	162.27	162.27	-	26.68	26.68
INEOS Styrolution Europe GmbH	-	845.91	845.91	-	1,067.44	1,067.44
	-	7,233.42	7,233.42	43,701.46	7,917.53	51,619.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	As at March 31, 2017			As at March 31, 2016		
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total
2 Receiving of services						
INEOS Styrolution APAC Pte. Ltd.	2,114.85	-	2,114.85	2,260.40	-	2,260.40
INEOS Styrolution Group GmbH [Includes INR 25.62 Lakhs capitalized during the year (March 31, 2016: NIL)]	-	2,144.05	2,144.05	-	2,024.32	2,024.32
	2,114.85	2,144.05	4,258.90	2,260.40	2,024.32	4,284.72
3 Royalty						
INEOS Styrolution Group GmbH	-	168.30	168.30	-	186.24	186.24
	-	168.30	168.30	-	186.24	186.24
4 Rendering of services						
INEOS Styrolution Korea Ltd	-	24.55	24.55	-	31.47	31.47
INEOS Styrolution Group GmbH	-	150.00	150.00	-	137.38	137.38
INEOS Styrolution (Thailand) Co., Ltd.	-	3.24	3.24	-	2.95	2.95
INEOS Styrolution APAC Pte. Ltd.	105.73	-	105.73	31.04	-	31.04
	105.73	177.79	283.52	31.04	171.80	202.84
5 Dividend payment						
INEOS Styrolution APAC Pte. Ltd.	527.57	-	527.57	527.57	-	527.57
	527.57	-	527.57	527.57	-	527.57

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total
6 Outstanding Balances									
Balances of Trade payables									
INEOS Styrolution Europe GmbH	-	75.31	75.31	-	57.88	57.88	-	118.43	118.43
INEOS Styrolution APAC Pte. Ltd.	496.46	-	496.46	627.46	-	627.46	18,884.42	-	18,884.42
INEOS Styrolution Korea Ltd	-	397.50	397.50	-	326.86	326.86	-	142.74	142.74
INEOS Styrolution Mexicana S.A. de	-	40.62	40.62	-	-	-	-	-	-
INEOS Styrolution (Thailand) Co., Ltd.	-	1,024.68	1,024.68	-	466.57	466.57	-	-	-
INEOS Styrolution Group GmbH	-	178.00	178.00	-	598.67	598.67	-	4,828.65	4,828.65
	496.46	1,716.11	2,212.57	627.46	1,449.98	2,077.44	18,884.42	5,089.82	23,974.24
Balances of Corporate guarantee									
INEOS Styrolution Group GmbH	-	32,500.00	32,500.00	-	30,801.18	30,801.18	-	30,964.09	30,964.09
	-	32,500.00	32,500.00	-	30,801.18	30,801.18	-	30,964.09	30,964.09
Balance of Trade receivables									
INEOS Styrolution Group GmbH	-	41.24	41.24	-	156.47	156.47	-	-	-
INEOS Styrolution APAC Pte. Ltd.	13.84	-	13.84	13.65	-	13.65	5.87	-	5.87
INEOS Styrolution Korea Ltd	-	2.43	2.43	-	7.44	7.44	-	3.16	3.16
INEOS EUROPE AG	-	-	-	-	-	-	-	118.92	118.92
INEOS Styrolution (Thailand) Co., Ltd.	-	1.78	1.78	-	0.34	0.34	-	6.34	6.34
	13.84	45.45	59.29	13.65	164.25	177.90	5.87	128.42	134.29

Terms and conditions

- 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

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.

Note - 39

Segment information

(a) Description of segments and principal 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, 2017	As at March 31, 2016
1. Segment revenue		
(Revenue from operations)		
(a) Specialties	116,833.34	119,417.76
(b) Polystyrene	45,986.17	53,507.48
(c) Others	4,098.90	4,608.64
Total	166,918.41	177,533.88
Less : Inter segment revenue	-	-
Revenue from operations	166,918.41	177,533.88
2. Segment results		
(Segment profit before interest and tax)		
(a) Specialties	11,175.63	7,838.98
(b) Polystyrene	739.10	966.13
(c) Others	283.90	329.24
Total	12,198.63	9,134.35
Add/(Less): (i) Finance cost	(610.65)	(981.08)
(ii) Interest income	138.98	92.67
(iii) Other unallocable expenditure (net of income)	(1,697.37)	(2,221.34)
Profit before tax	10,029.59	6,024.60
3. Segment assets		
a. Specialties	71,566.02	60,808.44
b. Polystyrene	29,440.17	26,167.31
c. Unallocated	4,513.91	5,546.15
Total segment assets	105,520.10	92,521.90
4. Segment liabilities		
a. Specialties	15,863.52	14,269.44
b. Polystyrene	4,059.30	4,885.86
c. Unallocated	26,892.46	20,698.55
Total segment liabilities	46,815.28	39,853.85

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

(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 - 40

Operating lease:

The break-up of total minimum lease payments for non-cancellable operating lease due as on March 31, 2017; March 31, 2016 and April 1, 2015, entered into by the Company are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	202.16	95.02	58.54
Later than one year and not later than five years	41.76	79.25	103.86
Later than five years	-	-	-

Rental expense relating to operating leases

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Minimum lease payments	307.15	294.20
Total rental expenses related to operating leases	307.15	294.20

Note - 41

Events occurring after the reporting period

The proposed dividend on Equity shares at INR 4 per share is recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note - 42

Disclosures on specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 are as under:

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on November 08, 2016*	0.91	2.92	3.83
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	0.91	-	0.91
Closing cash in hand as on December 30, 2016	-	1.27	1.27

* Including amounts given as imprest and advances.

The information in relation of other denomination is given in respect of balance as on November 08, 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

INR in Lakhs

Note - 43**Note - Transition to Ind AS:**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards as per Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed**Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per IGAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment (including capital work-in-progress) at their IGAAP carrying value.

B. Mandatory exceptions

Below are the key mandatory exceptions used in preparation of these financial statements:

I Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' or 'the end of the comparative period presented in the entity's first Ind AS financial statements', as the case may be, should be consistent with estimates made for the same date in accordance with IGAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

The Company's Ind AS estimates as on the transition date are consistent with the estimates made under IGAAP as on this date. Key estimates considered in preparation of these financial statements that were not required under the IGAAP is listed below:

- Fair valuation of financial instruments carried at FVTPL.
- Fair valuation of derivative contracts

II Classification and measurement of financial assets

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement and hence, classification and measurement needs to be done on the basis of facts and circumstances existing as on the transition date. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

C. Reconciliation of equity as at April 1, 2015

Particulars	Foot note ref.	Amount as per regrouped IGAAP	Impact of the scheme of amalgamation (Note 43 C (i))	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment		21,654.91	4,878.77	-	26,533.68
(b) Capital work-in-progress		19.83	-	-	19.83
(c) Financial Assets					
(i) Investments	(iii)	10,103.97	(10,098.31)	44.32	49.98
(ii) Loans		7.77	-	-	7.77
(iii) Other financial assets		450.88	114.64	-	565.52
(d) Non-current tax assets		1,875.35	89.07	-	1,964.42
(e) Other non-current assets		283.01	38.30	-	321.31
Total non-current assets		34,395.72	(4,977.53)	44.32	29,462.51

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	Foot note ref.	Amount as per regrouped IGAAP	Impact of the scheme of amalgamation (Note 43 C (i))	Effects of transition to Ind AS	Amount as per Ind AS
<u>Current Assets</u>					
(a) Inventories		16,241.28	4,938.74	-	21,180.02
(b) Financial Assets					
(i) Trade receivables		20,228.28	6,227.53	-	26,455.81
(ii) Cash and cash equivalents		476.07	1,512.04	-	1,988.11
(iii) Bank balance other than (ii) above		24.83	-	-	24.83
(iv) Loans		25.68	1.40	-	27.08
(c) Other current assets	(v)	11,438.83	10,025.01	(285.45)	21,178.39
Total current assets		48,434.97	22,704.72	(285.45)	70,854.24
TOTAL ASSETS		82,830.69	17,727.19	(241.13)	1,00,316.75
<u>EQUITY AND LIABILITIES</u>					
<u>Equity</u>					
(a) Equity share capital		1,758.56	-	-	1,758.56
(b) Other equity	(ii), (vii)	48,622.01	(3,922.73)	819.00	45,518.28
Total equity		50,380.57	(3,922.73)	819.00	47,276.84
<u>Non-current liabilities</u>					
(a) Financial liabilities					
(i) Other financial liabilities		-	56.65	-	56.65
(b) Provisions		52.00	-	-	52.00
(c) Employee benefit obligations		127.62	98.53	-	226.15
(d) Deferred tax liabilities (net)	(vii)	2,288.73	-	(38.08)	2,250.65
Total non-current liabilities		2,468.35	155.18	(38.08)	2,585.45
<u>Current liabilities</u>					
(a) Financial liabilities					
(i) Borrowings		10,961.19	6,000.17	-	16,961.36
(ii) Trade payables		14,706.75	14,959.50	-	29,666.25
(iii) Other financial liabilities	(v)	3,062.83	193.48	(175.42)	3,080.89
(b) Provisions	(ii)	846.63	-	(846.63)	-
(c) Employee benefit obligations		61.84	76.15	-	137.99
(d) Current tax liabilities		-	-	-	-
(e) Other current liabilities		342.53	265.44	-	607.97
Total current liabilities		29,981.77	21,494.74	(1,022.05)	50,454.46
Total liabilities		32,450.12	21,649.92	(1,060.13)	53,039.91
Total Equity and Liabilities		82,830.69	17,727.19	(241.13)	1,00,316.75

The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Reconciliation of equity as at March 31, 2016

Particulars	Foot note ref.	Amount as per regrouped IGAAP	Impact of the scheme of amalgamation (Note 43(i))	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment		24,121.48	-	-	24,121.48
(b) Capital work-in-progress		213.23	-	-	213.23
(c) Financial Assets					
(i) Investments	(iii)	5.41	-	46.53	51.94
(ii) Loans		7.90	-	-	7.90
(iii) Other financial assets		555.88	-	-	555.88
(d) Non-current tax assets		2,963.17	-	-	2,963.17
(e) Other non-current assets		315.52	-	-	315.52
Total non-current assets		28,182.59	-	46.53	28,229.12
Current Assets					
(a) Inventories		19,227.56	-	-	19,227.56
(b) Financial Assets					
(i) Trade receivables		22,400.60	-	-	22,400.60
(ii) Cash and cash equivalents		2,450.52	-	-	2,450.52
(iii) Bank balance other than (ii) above		26.82	-	-	26.82
(iv) Loans		23.84	-	-	23.84
(c) Other current assets	(v)	20,211.88	-	(48.44)	20,163.44
Total current assets		64,341.22	-	(48.44)	64,292.78
TOTAL ASSETS		92,523.81	-	(1.91)	92,521.90
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital		1,758.56	-	-	1,758.56
(b) Other equity	(ii), (vii)	50,051.56	-	857.93	50,909.49
Total equity		51,810.12	-	857.93	52,668.05
Non-current liabilities					
(a) Financial liabilities					
(i) Other financial liabilities		113.43	-	-	113.43
(b) Provisions		52.00	-	-	52.00
(c) Employee benefit obligations		305.90	-	-	305.90
(d) Deferred tax liabilities (net)	(vii)	1,834.08	-	(18.65)	1,815.43
Total non-current liabilities		2,305.41	-	(18.65)	2,286.76

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	Foot note ref.	Amount as per regrouped IGAAP	Impact of the scheme of amalgamation (Note 43(i))	Effects of transition to Ind AS	Amount as per Ind AS
Current liabilities					
(a) Financial liabilities					
(i) Borrowings		16,980.94	-	-	16,980.94
(ii) Trade payables		15,709.35	-	-	15,709.35
(iii) Other financial liabilities	(v)	4,333.88	-	5.44	4,339.32
(b) Provisions	(ii)	846.63	-	(846.63)	-
(c) Employee benefit obligations		106.94	-	-	106.94
(d) Current tax liabilities		-	-	-	-
(e) Other current liabilities		430.54	-	-	430.54
Total current liabilities		38,408.28	-	(841.19)	37,567.09
Total liabilities		40,713.69	-	(859.84)	39,853.85
Total Equity and Liabilities		92,523.81	-	(1.91)	92,521.90

The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Foot note ref.	Amount as per regrouped IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations	(iv)	158,390.33	19,143.55	177,533.88
Other income	(iii)	272.24	2.21	274.45
Total income		158,662.57	19,145.76	177,808.33
Expenses				
Cost of materials consumed		123,123.88	-	123,123.88
Changes in inventories of finished goods and work-in-progress		(1,611.18)	-	(1,611.18)
Excise duty	(iv)	-	19,143.55	19,143.55
Employee benefits expense	(vi)	5,143.09	(102.85)	5,040.24
Finance costs		981.08	-	981.08
Depreciation and amortisation expense		2,720.72	-	2,720.72
Other expenses	(v)	22,441.59	(56.15)	22,385.44
Total expenses		152,799.18	18,984.55	171,783.73
Profit before tax		5,863.39	161.21	6,024.60
Tax expense:				
Current tax		1,455.20	-	1,455.20
Deferred tax (credit) / charge	(vii)	(1,868.62)	55.02	(1,813.60)
Profit for the year		6,276.81	106.19	6,383.00
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	(vi)	-	(102.85)	(102.85)
Income tax relating to remeasurements of defined benefit plans	(vii)	-	35.59	35.59
Total comprehensive income for the period		6,276.81	38.93	6,315.74

The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	Note	As at March 31, 2016	As at March 31, 2015
IGAAP equity (A)		51,810.12	50,380.57
Amalgamation of Styrolution India Private Limited	(i)	-	(3,922.73)
Adjusted equity		51,810.12	46,457.84
Ind AS adjustments			
Proposed dividend and tax thereon	(ii)	846.63	846.63
Effects of measuring financial instruments on derivative contracts at fair value	(v)	(35.23)	(71.95)
Actuarial gains and losses on post employment retirement benefits (net of tax)	(vi)	67.26	-
Gain on fair value of investments	(iii)	46.53	44.32
Total Adjustments accounted through profit and loss (B)		925.19	819.00
Other comprehensive income			
Actuarial gains and losses on post employment retirement benefits (net of tax)	(vi)	(67.26)	-
Total Adjustments accounted through OCI (C)		(67.26)	-
Total impact on account of Ind AS adjustments (D) = (B) + (C)		857.93	819.00
Equity after Ind AS adjustments (E) = (A) + (D)		52,668.05	47,276.84

Notes to the reconciliation:

(i) Amalgamation of SIPL with SAI

Styrolution India Private Limited (SIPL), a wholly owned subsidiary of the Company, incorporated with the main object to manufacture Polystyrene, was amalgamated into the Company pursuant to the Scheme of Amalgamation (hereinafter referred to as "Scheme"), as on and from April 1, 2015 being the appointed date pursuant to the approval of Board of Directors and shareholders of the Company and sanctioned by the Honorable High Court of Gujarat vide its order dated February 26, 2016, which was filed with Registrar of Companies on March 31, 2016.

The Company has followed the pooling of interest method as provided in the scheme. As provided in the scheme, accounting has been done from the appointed date. Assets aggregating to Rs. 27,826.67 Lakhs, liabilities aggregating to Rs. 21,649.92 Lakhs, surplus on capital reduction of Rs. 134.39 Lakhs and deficit of Rs. 112.10 Lakhs were taken over at their respective book values. On cancellation of investments made by the Company in Styrolution India Private Limited against its share capital as on the appointed date, the resultant deficit of Rs. 3,945.02 Lakhs has been debited to General Reserve.

Particulars	Amount
ASSETS	
Property, Plant and Equipment	4,878.77
Investments	1.17
Other financial assets	114.64
Non-current tax assets	89.07
Other non-current assets	38.30
Inventories	4,938.74
Trade receivables	6,227.53
Cash and cash equivalents	1,512.04
Loans	1.40
Other current assets	10,025.01
TOTAL ASSETS (A)	27,826.67

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

Particulars	Amount
LIABILITIES	
Other financial liabilities	56.65
Employee benefit obligations	98.53
Borrowings	6,000.17
Trade payables	14,959.50
Other financial liabilities	193.48
Employee benefit obligations	76.15
Other current liabilities	265.44
TOTAL LIABILITIES (B)	21,649.92
Net Assets taken over (A-B)	6,176.75
Less:	
Cancellation of investment made by the company	(10,099.48)
Surplus on capital reduction	(134.39)
Deficit in statement of profit and loss	112.10
Resultant deficit debited to General Reserve	(3,945.02)

(ii) Proposed dividend and tax thereon

Under IGAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly the liability for proposed dividend of INR 846.63 Lakhs as at March 31, 2016 and on the transition date included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

(iii) FVTPL financial assets

Under IGAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTPL investments. At the transition date, difference between the fair value and IGAAP carrying amount has been recognised in Statement of profit and loss.

(iv) Accounting for excise duty on sale of goods

Under IGAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty which is considered as an expense. Thus sale of goods for the financial year 2015-16 under Ind AS has increased by INR 19,143.55 with a corresponding increase in other expense. This adjustment has no impact on the total equity on the transition date as well as March 31, 2016.

(v) Accounting for forward contracts

Under IGAAP, the Company accounted for the forward contracts on imports based on AS 11. The premium paid was amortised over the life of the contract. At each reporting date, the difference between the spot rates was accounted through the statement of profit and loss. Under Ind AS 21, the forward contracts have been designated as FVTPL. Premium paid has been expensed.

(vi) Actuarial gains and losses on post employment retirement benefits

Under Ind AS, 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 instead of profit or loss. Under IGAAP, these remeasurements were forming part of the profit or loss for the year. This adjustment has no impact on the total equity on the transition date as well as March 31, 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2017

INR in Lakhs

(vii) Deferred tax

Adjustments routed through OCI or adjusted in reserves has been appropriately done with deferred tax impact, as applicable.

As per our attached report of even date.

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

Uday Shah
Partner
Membership No. 046061

Place : Delhi
Date : May 26, 2017

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

Stephen Mark Harrington
Chairman

Sanjiv Vasudeva
Managing Director & CEO

Bhupesh P. Porwal
Whole Time Director and CFO

Jal R. Patel
Director

Ryna Karani
Director

Anil Shankar
Director

Haresh Khilnani
Company Secretary

Place : Delhi
Date : May 26, 2017

PROXY FORM

INEOS Styrolution India Limited

CIN: L25200GJ1973PLC002436

Registered Office: 6th Floor, ABS Towers, Old Padra Road, Vadodara – 390007.

Tele : + 91 265 2303201 / 02 Fax No: + 91 265 2303203

E mail : secshare@styrolution.com Website: www.ineosstyrolutionindia.com

44th Annual General Meeting - 10 August 2017 at 11:30 a.m.

Name of the Member(s)	:	<input type="text"/>
Registered Address	:	<input type="text"/>
E-mail ID	:	<input type="text"/>
Folio No./ Client ID	:	<input type="text"/>
DP ID	:	<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 44th Annual General Meeting of the Company, to be held on Thursday, 10 August 2017, at 11:30 a.m. at 'Chandarva Hall', WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara -390007, India and at any adjournment thereof in respect of such resolutions as are indicated below.

INEOS Styrolution India Limited

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of the audited Financial Statements of the Company for the year ended on 31 March 2017 together with the reports of the Board of Directors and of Auditors thereon.			
2	Approval of dividend of INR 4 per equity share for the F.Y. ended on 31 March 2017			
3	Appointment of director in place of Mr. Stephen Mark Harrington, who retires by rotation and, being eligible, seeks re-appointment.			
4	Ratification of appointment of Messrs Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration Number: 012754N/N500016), as Statutory Auditors of the Company from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting.			
Special Business				
5	Appointment of Mr. Anil Shankar as an Independent Director of the company.			
6	Appointment of Mr. Jal R. Patel as an Independent Director of the company.			
7	Approval of remuneration to Messrs Kailash Sankhlecha and Associates (Firm's Registration No. 100221), the Cost Auditors of the Company for the FY 2017-18.			

Signed this _____ day of _____ 2017.

Signature of shareholder

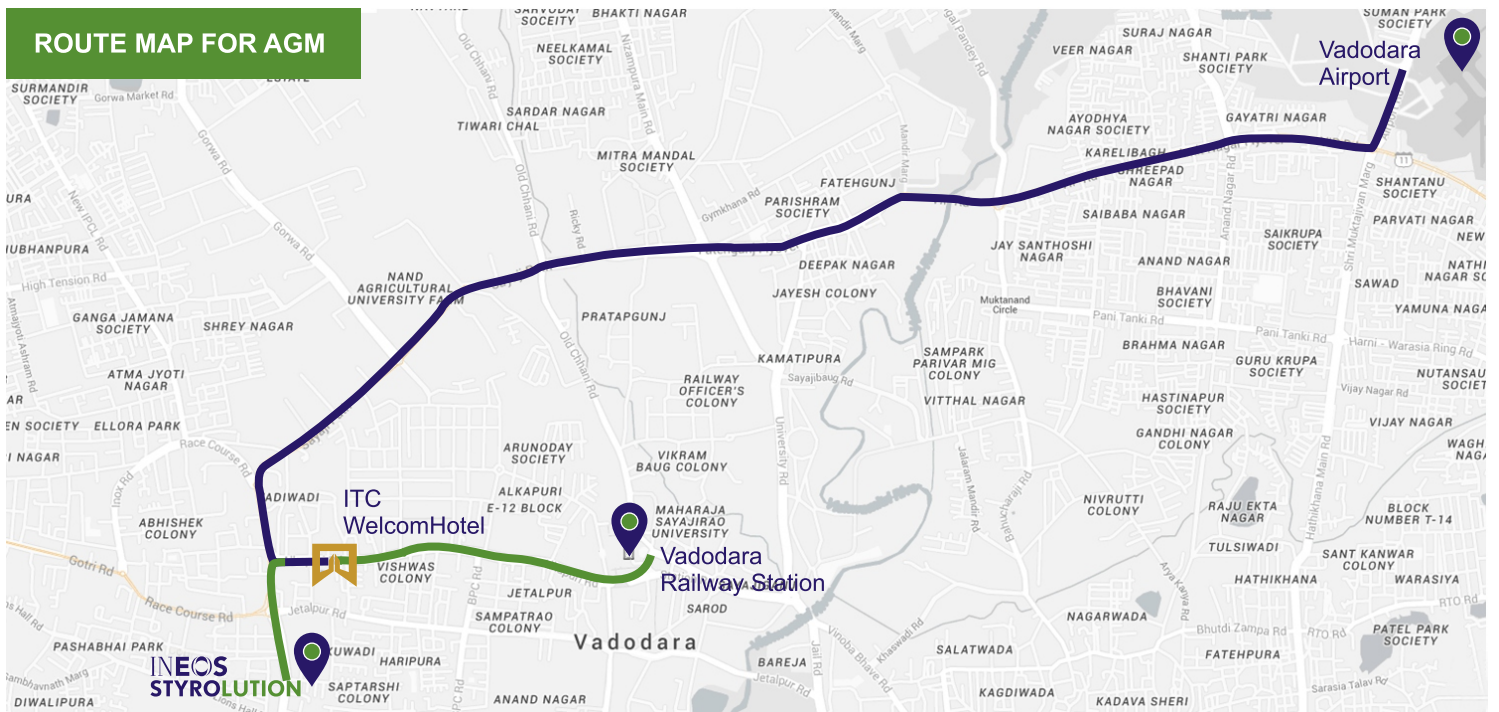
Signature of proxy holder(s)

**Affix a
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.

ROUTE MAP FOR AGM



AGM VENUE



'Chandarva Hall',
R. C. Dutt Road, Alkapuri, Vadodara 390007, Gujarat.

Day & Date : Thursday, 10 August 2017
Time : 11.30 a.m

INEOS Styrolution India Limited

Registered Office

6th Floor, ABS Towers,
Old Padra Road, Vadodara - 390 007,
Gujarat, India.
Tel: 91 265 230 3201/ 02
Fax: 91 265 230 3203

INEOS
STYROLUTION

Driving Success. Together.