

## INEOS STYROLUTION INDIA LIMITED

(Formerly: Styrolution ABS (India) Limited)

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

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### NOTICE OF POSTAL BALLOT

Dear Members,

**NOTICE** is hereby given that the board of directors of the Company at its meeting held on **11 November 2016** resolved to seek the shareholders consent to the following resolutions appended below, to be passed as **Special Resolution** through postal ballot including e- voting in accordance with the provisions of section 108,110 and other applicable provisions, if any, of the Companies Act, 2013,('the Act') read with the Companies (Management and Administration) Rules, 2014 ('the rules') including any statutory modification(s) or re-enactment(s) thereof for the time being in force, as also regulation 44 and other regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the regulations'). The proposed resolutions, explanatory statement pertaining to the resolutions proposed in this notice setting out all the material facts concerning to the resolutions and the reasons thereof along with the postal ballot form are enclosed for your kind consideration.

The board of directors at its meeting held on 11 November 2016 has appointed CS. Devesh A. Pathak of M/s. Devesh Vimal & Co., Practicing Company Secretaries, Vadodara, as scrutinizer for conducting the postal ballot / e- voting in a fair and transparent manner.

**Members are requested to carefully read the instructions which are printed on the postal ballot form and return the same duly completed in the attached pre-paid postage self-addressed envelope so as to reach, CS. Devesh Pathak, the scrutinizer on or before Tuesday, 24 January 2017. Your assent/dissent received at the address as mentioned on the envelope after Tuesday, 24 January 2017 would be strictly treated as if no reply has been received from you. No other form or photocopy of the form is permitted.**

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

#### **Electronic voting (e-voting):**

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

The scrutinizer will submit his report to the managing director or company secretary after completion of the scrutiny and the result of the voting by postal ballot will be announced by the managing director or company secretary of the Company by **Friday, 27 January 2017** at the registered office of the Company. The declaration by the managing director or company secretary as stated above shall be treated as declaration of results at a meeting of the shareholders as per the rules. The said results will also be intimated to both stock exchanges where the Company's shares are listed, published in the newspapers and uploaded on Company's website.

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

## **RESOLUTIONS**

### **Special business**

#### **I. To authorise board of directors to securitize the properties of the Company in favour of its lenders. / Creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.**

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

"Resolved that in supersession of the earlier resolutions passed by the Members in their meeting and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof), the memorandum and articles of association of the Company, consent of the Company be and is hereby granted to the board of directors of the Company (hereinafter referred to as the "Board") to sell, mortgage, dispose off and/or charge, in addition to the mortgages/hypothecations/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms and conditions as the Board may determine, on all or any of the moveable and/or immovable properties of the Company including but not limited to current assets, receivables, stocks, etc. of the Company and / or the interest held by the Company in all or any of the movable and / or immovable properties, both present and future and/or the whole or any part of the undertaking(s) of the Company, in favor of the lender(s), agent (s) and trustee(s) for securing the borrowing of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly Convertible Debentures and/or Non-Convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time subject to the limits of the Act, from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the agent(s)/ trustee(s), premium (if any) on redemption, all other costs, charges and expenses including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the loan agreement(s) /heads of agreement(s), debenture trust deed(s) or any other documents, entered into/to be entered into between the Company and the lender(s)/agent(s) and trustee(s)/trustee(s), in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the board of directors or committee thereof and the lender(s)/agent(s)/trustee(s) from time to time;

Resolved further that Mr. Sanjiv Vasudeva, managing director & chief executive officer, Mr. Bhupesh P. Porwal, whole-time director and chief financial officer and Mr. Haresh Khilnani, company secretary, head-legal and compliance, be and are hereby jointly and severally authorized to do all the acts and deeds necessary, expedient and incidental to give effect to this resolution".

#### **II. Payment of Commission to Independent Directors**

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

"Resolved that pursuant to the provisions of sections 149(9), 197 and other applicable provisions, if any of the Act and the rules thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), for a period of January 2016 to March 2016, a profit related commission of a sum not exceeding in aggregate 1% per annum or part thereof of the net profits of the Company for the aforesaid period, calculated in accordance with the provisions of section 198 of the Act, be paid and distributed, in addition to the sitting fees paid to them for attending the board / committee meetings, in such amounts or proportions and in such manner and in all respects as may be decided and determined by the board of directors of the Company, and such payments shall be made in respect of the profits of the Company for each financial year or part thereof, but subject to a maximum limit of ₹ 150,000 ( Rupees one lakh fifty thousand only ) for each independent director for the aforesaid period;

Resolved further that for subsequent period of three financial years starting from April 2016 and ending on March 2019, a profit related commission of a sum not exceeding in aggregate 1% per annum or part thereof of the net profits of the Company upon the discretion of the Board, calculated in accordance with the provisions of section 198 of the Act, be paid and distributed, in addition to the sitting fees paid to them for attending the board / committee meetings, amongst each of the existing independent directors of the Company, in such amounts or proportions and in such manner and in all respects as may be decided and determined by the board of directors of the Company, and such payments shall be made in respect of the profits of the Company for each financial year or part thereof, but subject to a maximum limit of ₹ 750,000 (Rupees seven lakhs fifty thousand only) per annum for each independent director with the liberty to the Board to increase upto a maximum limit of ₹ 900,000 (Rupees Nine lakhs only) per annum for each independent director;

Resolved further that Mr. Sanjiv Vasudeva, managing director & chief executive officer, Mr. Bhupesh P. Porwal, whole-time director and chief financial officer and Mr. Haresh Khilnani, company secretary, head-legal and compliance, be and are hereby jointly and severally authorized to do all the acts and deeds necessary, expedient and incidental to give effect to this resolution.”

**Registered Office:**

INEOS Styrolution India Limited  
6th Floor, ABS Tower, Old Padra Road,  
Vadodara - 390007, Gujarat  
Vadodara  
15 December 2016

On behalf of the board of directors

**Haresh Khilnani**  
Company Secretary, Head-Legal and  
Compliance

**Notes:**

- 1) The explanatory statement pursuant to section 102 of the Act setting out material facts is annexed hereto.
- 2) The notice is being sent to all the Members by registered post (and electronically by e-mail to those Members who have registered their e-mail ids with the depository participants or Company), whose names appear in the register of members / record of depositories as on **16 December 2016**.
- 3) Postal ballot and e-voting instructions are printed on the back side of the postal ballot form.
- 4) The e-voting period commences on **Monday, 26 December 2016** (9:00 a.m.) and ends on **Tuesday, 24 January 2017** (5.00 p.m.)
- 5) As per section 108 and 110 of the Act, read with Rule 20 and 22 of the rules, notice of postal ballot may be served on the Members, inter-alia, through electronic means. Members, who have registered their e-mail IDs with depositories or with the Company, are being sent this notice of postal ballot by e-mail and the Members who have not registered their e-mail IDs will receive notice of postal ballot along with postal ballot form through post. Members who have received postal ballot notice by e-mail and who wish to vote through physical form may download the form attached in the email or from the link **www.evoting.nsdl.com** or from the 'Investor Relations' section on the Company's website **www.ineosstyrolutionindia.com** and send the duly completed and signed form to the scrutinizer.
- 6) Members are requested not to send any other paper along with the postal ballot form in the enclosed postage prepaid self-addressed envelope as all the envelopes would be sent to the scrutinizer and any extraneous paper found in such envelope would be ignored by the scrutinizer and the Company would not be able to act on the same.

**Explanatory Statement pursuant to section 102 of the Companies Act, 2013**

**Item No. 1**

In terms of provisions of section 180 (1) (a) and other applicable provisions, if any, of the Act, the board of directors of the Company cannot except with the consent of the Company, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the shareholders is obtained by way of a special resolution.

In connection with the loan/credit facilities availed or to be availed by the Company, as and when required, through various sources for business purposes, the Company may be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favor of its lenders, for the purposes of securing the loan/credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of section 180 (1) (a) of the Act.

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

No director/key managerial personnel or their relatives shall be deemed to be interested or concerned financially or otherwise in the resolution.

**Item No. 2**

Section 197 of the Act provides that a director who is neither in the whole-time employment of the Company nor a managing director may be paid remuneration by way of commission, if the Company by special resolution, authorizes such payment. Corporate governance mandates appointing of independent directors who have requisite corporate management experience to effectively guide and advise the Company's functioning and growth. The independent directors with their experience in industry and business matters have been greatly contributing to deliberations and decisions specially relating to their functional expertise.

Accordingly, the board considers it appropriate to make the annual payment in the form of commission as set forth in Item No. 2 of the notice for approval of the members.

No director/key managerial personnel or their relatives except the independent directors shall be deemed to be interested or concerned financially or otherwise in the resolution.

**Registered Office:**

INEOS Styrolution India Limited  
6th Floor, ABS Tower, Old Padra Road,  
Vadodara - 390007, Gujarat  
Vadodara  
15 December 2016

On behalf of the board of directors

**Haresh Khilnani**  
Company Secretary, Head-Legal and  
Compliance