

16 August 2016

To,

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, 'G' Block,
Bandra- Kurla Complex,
Bandra ('E)
Mumbai 400 051

BSE Limited
Dept. DSC_CRD
Phiroze Jeejeebhoy Towers,
Dalal Street
Bandra ('E)
Mumbai 400 001

Stock code No. **INEOSSTYRO**

Stock code No. **506222**

Subject: 43rd Annual Report of the Company for the financial year 2015-16

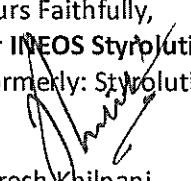
Dear Sir,

With reference to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, please find enclosed herewith "43rd Annual Report" of the Company for the financial year ended on 31 March 2016 duly approved and adopted by the members of the Company in the Annual General Meeting held on 12 August 2016.

Kindly take the above information on your records.

Thanking you.

Yours Faithfully,
For **INEOS Styrolution India Limited**
(Formerly: Styrolution ABS (India) Limited)


Haresh Khilnani
Company Secretary, Head – Legal & Compliance

43rd Annual Report

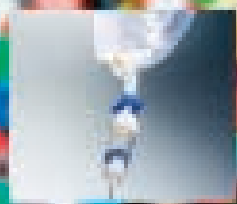
April 2015 - March 2016



INEOS
STYROLUTION

Driving Success. Together.

SPEARHEADING STYRENICS IN INDIA



INEOS Styrolution India Limited (formerly known as Styrolution ABS (India) Ltd.) is the leader and number one producer of ABSOLAC (ABS) in India. ABS is a plastic resin produced from Acrylonitrile, Butadiene & Styrene, used for manufacturing of home appliances, automobiles, consumer durables and business machines. The company is also a leading manufacturer of ABSOLAN (SAN) which is a polymerized plastic resin produced from Styrene & Acrylonitrile, and mainly used for products such as lightings, stationeries, novelties, refrigerators and cosmetic packing. Effective March 31, 2016, Styrolution India Pvt. Ltd. has merged with INEOS Styrolution India Ltd., bringing the Polystyrene business to the company's product portfolio.

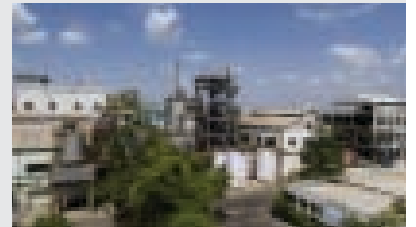
With 40 years of pioneering experience INEOS Styrolution India Limited has been the most preferred supplier to our esteemed customers. We take immense effort in analyzing and understanding our customer's requirements to offer innovative solutions that enhances quality of their products. Our commitment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

Our parent company, INEOS Styrolution is the leading, global styrenics supplier with a focus on styrene monomer, polystyrene, ABS Standard and styrenic specialties. With world-class production facilities and more than 85 years of experience, INEOS Styrolution helps its customers succeed by offering the best possible solution, designed to give them a competitive

edge in their markets. The company provides styrenic applications for many everyday products across a broad range of industries, including automotive, electronics, household, construction, healthcare, toys/sports/leisure, and packaging. In 2015, sales were at 5 billion euros. INEOS Styrolution operates 15 production sites in nine countries.

PLANTS IN INDIA

Nandesari



Katol

Moxi



Dahej

5 YEARS STATISTICAL INFORMATION

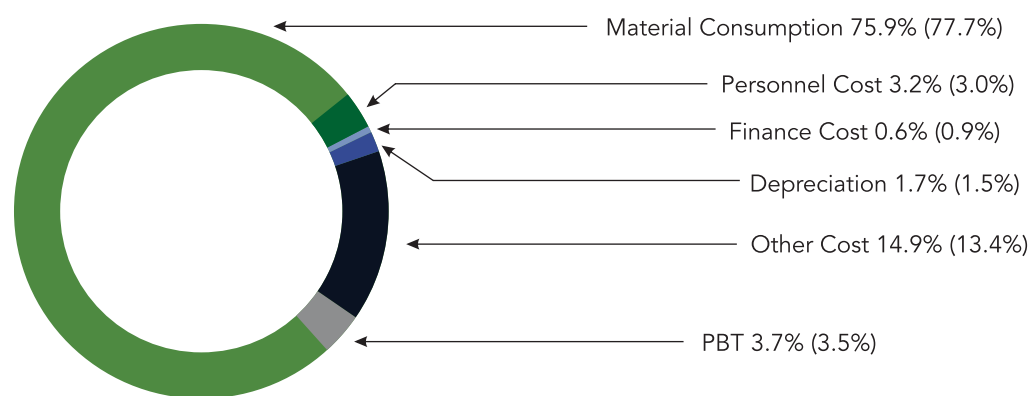
(Rs. in lakhs)

YEAR NO OF MONTHS	2015-16** 12	2014-15* 15	2013 12	2012 12	2011 12
SOURCES OF FUNDS					
Share Capital	1,758.6	1,758.6	1,758.6	1,758.6	1,758.6
Reserves	50,051.6	48,622.0	45,966.3	41,744.5	36,249.0
Net-Worth	51,810.1	50,380.6	47,724.9	43,503.0	38,007.5
Borrowings- Long Term	-	-	-	-	-
Funds Employed	51,810.1	50,380.6	47,724.9	43,503.0	38,007.5
INCOME AND PROFITS					
Net Sales	155,094	146,172	111,184	98,875	82,546
Gross Operating Profit	9,565.2	8,570.5	9,127.8	10,670.8	9,142.2
Profit Before Tax	5,863.4	5,173.2	7,742.4	9,309.9	7,748.3
Tax	-413.4	1,670.9	2,692.1	2,996.9	2,351.7
Profit After Tax	6,276.8	3,502.3	5,050.3	6,313.0	5,396.6
Dividend Per Share (Rs)	4.0	4.0	4.0	4.0	4.0
Retained Earnings	5,240.2	2,655.7	4,221.9	5,495.5	4,581.8
Return on Net worth	12.1%	7.0%	10.6%	14.5%	14.2%
OTHER DATA					
Gross Fixed Assets	62,464.9	44,231.5	40,511.7	35,217.9	33,471.9
Net Worth per equity (Rs)	294.6	286.5	271.4	247.4	216.1
Current Ratio	1.7	1.6	1.8	2.7	2.4

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

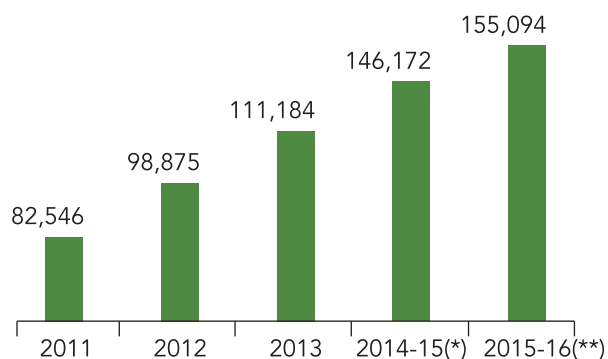
(**) 2015-16 results are for merged entity.

Distribution of Income

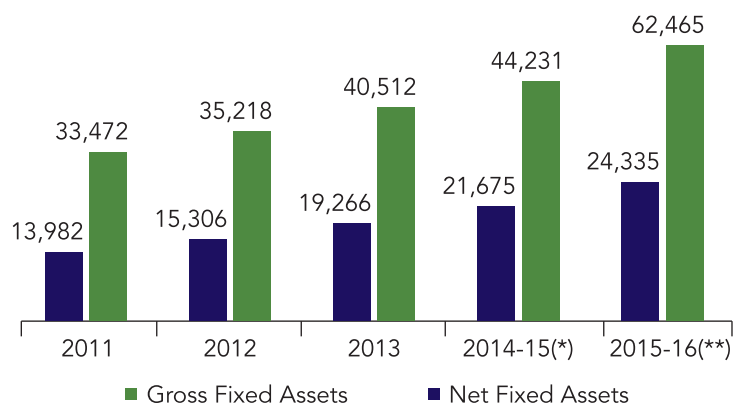


(Rs. in lakhs)

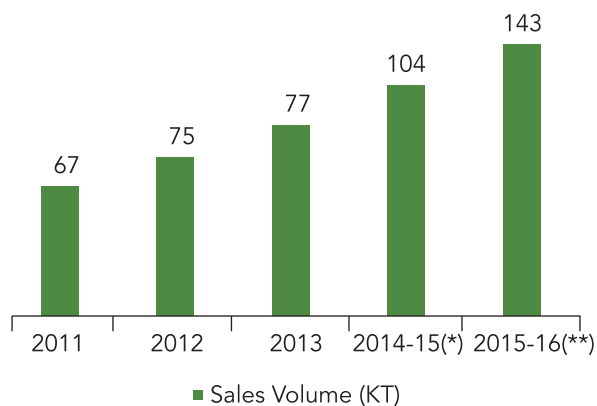
Net Sales



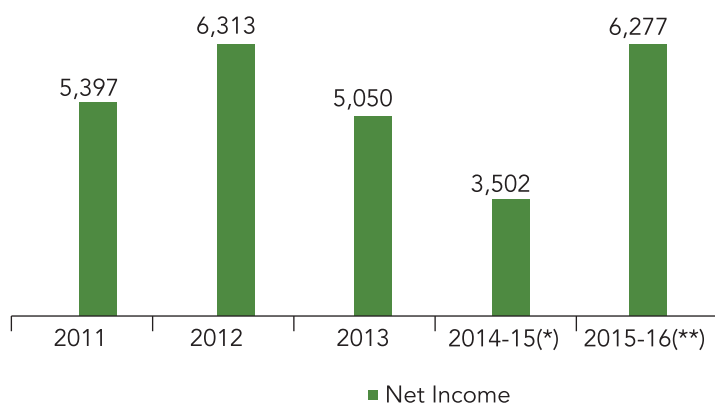
Gross & Net Fixed Assets



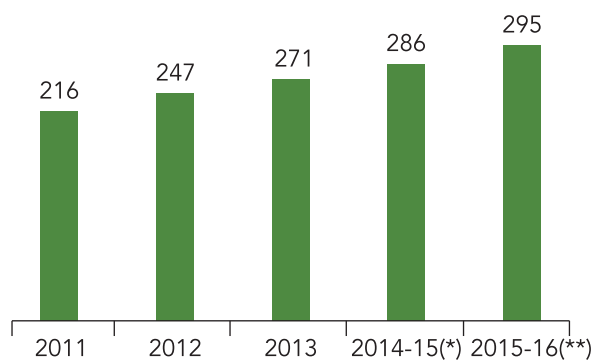
Sales Volume (KT)



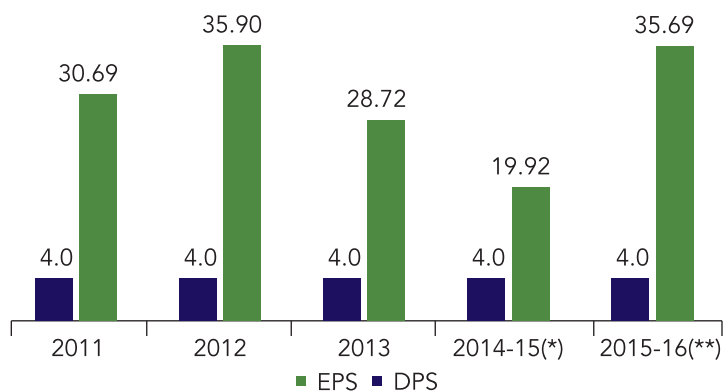
Net Income



Book Value per Share (INR)



Earning per share & Dividend per share (INR)



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

(**) 2015-16 results are for merged entity.

BOARD OF DIRECTORS



Mr. Stephen Mark Harrington

Mr. Stephen Mark Harrington holds a degree from Hull University, United Kingdom. During his 26-year career, Mr. Harrington has held various commercial roles at INEOS, and previously worked for ICI and Unilever. Since April 2015, he is appointed 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.



Mr. Sanjiv Vasudeva

Mr. Sanjiv Vasudeva is a Chemical Engineering graduate from MS University of Vadodara. Mr. Vasudeva is the Managing Director and CEO, INEOS Styrolution India Ltd. He has a proven track record in leadership, general management and operation 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 of G.E Plastics, Singapore. He is a certified Master Black Belt- Six Sigma having spent 10 years in The Netherlands with G.E.Plastics in Quality/Six Sigma, Product Management and Manufacturing.



Mr. Bhupesh P. Porwal

Mr. Bhupesh P. Porwal is a certified Chartered Accountant, a gold-medalist in MBA (Finance) & a law graduate from MLS University, Udaipur. In addition to being CFO of INEOS Styrolution India Ltd., he has been appointed as an Additional Director and Whole-time director. Mr. Porwal has vast exposure in process, engineering, packaging, petrochemicals & consultancy sector to direct company's financial affairs, drive financial & business strategies, investor relations, raising funds in cost effective manner, tax optimization & general management areas. He enjoys practicing lean management, develop & implement ideas to accomplish bottom-line results, elevate business growth, maximize profits through designing, implementing and enhancing SAP/ EVA Systems ensuring zero financial leakage. He has worked in various capacities at leading corporates including Piramal Glass Ltd., Transformers and Rectifiers India Ltd., Blue Star Ltd., Time Packaging Ltd. and M. M. Gupta & Co. He also shares his knowledge as a visiting faculty at various colleges and institutions and is a member of professional bodies like ICAI & IIA.



Mr. Jal Patel

Mr. Jal Patel is a Chartered Accountant and Company Secretary by qualification, having varied experience in the field of Finance / Commercial and Corporate Administration. He is a highly respected Industrialist and has retired as the Chairman of FAG Bearings India Ltd, a company which he had joined as Chief Accountant and thereon went on to be its Managing Director, Vice Chairman and then Chairman. He is an Independent Director in several reputed public companies, including Gujarat Gas Company Ltd, ABC Bearings Ltd, Elecon Engineering India Ltd and others. He is an Advisor to Goradia group of Companies, Vadodara, which is predominantly in the oral consumer care business. He is a Past President and Managing Committee member of Federation of Gujarat Industries and has also been a Past President and Governing Body Member of Gujarat Employers' organization. He is past Chairman and Member, Board of Governors, United Way of Vadodara. He holds membership and is a Trustee in various Trusts and Social Organizations in and around Vadodara.



Mr. Sharad Kulkarni

Mr. Sharad M. Kulkarni holds a Degree in Engineering (B.E.) from University of Pune. He is also a Fellow of the Institute of Engineers, India. He was also a Fellow of Institution of Management, UK and Fellow of Institute of Directors, UK. Mr. Kulkarni is a Business Advisor and Management Consultant. He is on the Board of several Indian and International companies and is associated with several NGOs and Educational Trusts. He has held senior positions of CEO and President with major International and Indian Corporate entities during his career span of more than 52 years. His area of expertise covers Business Development, International Alliance Management, Strategic Planning, Management and Technology Institutions of Learning and Corporate Governance



Ms. Ryna Karani

Ms. Ryna Karani has completed her B.A L.L.B From Mumbai University and is a partner at ALMT Law firm in Mumbai. she has rich experience of over 23 years in corporate law matters. Ms. Karani specializes in corporate commercial transactions, joint ventures, real estate and advices on general corporate law. Her practice includes advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions including cross border transactions. She has advised and assisted a number of foreign clients in establishing a presence in India through incorporations of companies and/or establishment of branch/liaison offices. She advises clients on infrastructure projects including submission and preparation of RFPs, finalising tenders, drafting and/or negotiating concession agreements and related documents. A big 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 the loan agreements, security and other related documents. She is also on the board of Reliance Infrastructure Ltd. and Reliance Defence and Engineering Ltd.



Mr. Jit Teng Tan

Mr. Jit Teng Tan has done his Masters of Business Administration (MBA), University of Hull, Singapore and Bachelor of Economics, Macquarie University, Sydney, Australia. Mr. Tan is Vice President, Finance of INEOS Styrolution APAC Pte. Ltd, Singapore. He has extensive experience in the area of direct control and coordination of regional activities in daily operation, best practices in process and functions, governance, budgeting, reporting and analytical aspects of the Styrenics business in Asia Pacific. He has also worked as Director, Regional Audit Asia Pacific, Singapore, during 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 on the effectiveness and efficiency of internal controls in regional businesses and organizations. He also headed a "Functional Efficiency" regional project to assess the effectiveness of all regional functions. He has held several positions during 1991 – 1997 such as a Financial Analyst to Hewlett Packard, Singapore, Internal Auditor in 3M Asia Pacific and an Internal Auditor in Singapore Bus Service.



Mr. Haresh Khilnani

Mr. Haresh Khilnani is a qualified Company Secretary of INEOS Styrolution India Limited. He has over 16 years enriching and diversified experience in Secretarial / Legal department of reputed multinational and listed companies. He has worked with companies like SIEMENS for over 7 years in the past in similar functions. He is Fellow member of Institute of Company Secretaries of India, MBA (Finance), Certificate in Contract Management from IIM – Ahmedabad, Post graduate in Law. He also heads Legal and Compliance matters of the Company since 2013.

PRODUCT PROFILE



ABSOLAC (ABS)

Absolac is plastic resin produced from Acrylonitrile, Butadiene & Styrene. It is a widely used intermediary product. Its applications ranges from home appliances to Automobile and consumer durables to business machines



ABSOLAN (SAN)

Absolan is also a polymerized plastic resin which is produced from Styrene & Acrylonitrile. It has its main applications in the Lightings, Stationeries and novelties, Refrigerators and cosmetic packing



GPPS

General Purpose Polystyrene is made from a styrene monomer polymer through a process of suspension. It is perfect for usage in moulds with end products such as toys, CD cases, hangers, and plastic cups, IT equipment, jewel boxes, disposable medical products, bath accessories and garden equipment



HIPS

As opposed to General Purpose Polystyrene, the High Impact Polystyrene contains rubber and is used in the making of products that must be impact resistant and the transparency is less than with GPPS. The material has a standard flow, is glossy but less than GPPS, is crack resistant and is used in injection moulding. Applications include that of sheets for freezers.

THE POWER OF STYRENICS

As the world evolves and embraces new technologies towards making lives simpler, processes smoother, machines more efficient, gadgets and gizmos sleeker and the environment safer, styrenic products are drawing global attention as a preferred product of choice to drive the business and utility needs. An array of product variants; each with its unique capability offers the desired solution across diverse market segments.

AUTOMOBILES (4-wheeler)

From functional consoles, light-casings, rear-view mirrors, cabin parts, glove boxes, bar covers to the aesthetic front grills, mirror housings, door trims and molding covers... styrenic solutions provide the look-and-feel factor to fall in love with a 4-wheeler in first glance.



AUTOMOBILES (2-wheeler)

From dynamism of impact resistant body parts to utility of front lamp casing, light weight moldings, toolbox, break light casings and more... styrenic solutions are rewriting the laws of motorcycling design and performance.





CONSTRUCTION

Modern construction practices, architectural styles and energy efficient structures bank on styrenic solutions for decking, siding, fencing, railing, storm doors, door panels and door lites, exterior trim, windows and window profiles, solar panels, windmills and more



ELECTRONICS

Step into the future with styrenic solutions in body of PCs and monitors, printers and scanners, game consoles, audio/video/photo devices, small kitchen appliances, cell phones and other portable devices, electric shavers, GPS devices, antenna and communication systems.

THE POWER OF STYRENICS

HEALTHCARE

Medical grade styrenic solutions have made it possible for low cost production of infusion drip chambers, laboratory products, mouth pieces, masks, catheters, inhaler housings, injection pens, laryngoscopes, airways, diagnostic devices and other health care items.



HOUSEHOLD

Styrenic solutions touch everyday lives with appealing and functionally elegant refrigerators, water containers, white goods control panels, tooth brushes, shavers, vacuum cleaners, coffee machines and more.





PACKAGING

Rigid food packaging, flexible packaging films, stretch hood films, shrink sleeves, cosmetic containers are all made possible by special styrenic formulations that keep food items protected, retaining the flavour, aroma and moistness.



TOYS, SPORTS & LEISURE

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

INEOS Styrolution India Limited

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. Sharad M. Kulkarni	Independent Director
Mr. Jal R. Patel	Independent Director
Ms. Ryna Karani	Independent Director
Mr. Jit Teng Tan	Alternate Director 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. Sharad M. Kulkarni Chairman Mr. Jal R. Patel Ms. Ryna Karani	Mr. Jal R. Patel Chairman Mr. Sanjiv Vasudeva Mr. Sharad M. Kulkarni	Mr. Jal R. Patel Chairman Mr. Sharad M. Kulkarni Ms. Ryna Karani Mr. Stephen Mark Harrington	Mr. Jal R. Patel Chairman Mr. Sanjiv Vasudeva

Statutory Auditors

M/s. B S R & Co. LLP, Mumbai

Registrar and Share Transfer Agent

M/s Link Intime India Private Limited
B-102 & 103, Shangrila Complex, First Floor,
Near Radhakrishna Char Rasta Akota, Vadodara, Gujarat-390020
Phone No.: 91 265 2356573
Fax No: 91 265 2356791
E mail: vadodara@linkintime.co.in

Bankers

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

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@ineosstyrolution.com

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 273318, 256 021
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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Notice

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

Notice is hereby given that the 43rd annual general meeting (AGM) of the Members of **INEOS Styrolution India Limited** will be held **on Friday, 12 August 2016 at 11.30 a.m. at 'Chandarva Hall', WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007, Gujarat** 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 2016, including the audited balance sheet as at 31 March 2016, the statement of profit and loss for the year ended on that date and the reports of the board of directors ('the board') and of auditors thereon.
2. To declare a dividend of Rs. 4/- per equity share for the year ended on 31 March 2016.
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), Messrs Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm registration number: 012754N/N500016), be and are hereby appointed as statutory auditors of the Company to hold office for a term of four years from the conclusion of this 43rd annual general meeting (subject to ratification of such appointment by the members at every annual general meeting) till the conclusion of the 47th annual general meeting of the Company, in place of Messrs B S R & Co. LLP, Chartered Accountants (Firm registration number: 101248W/W100022), the retiring auditors of the Company, 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 of the Company (including any committee thereof), be and is, hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Special business:

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

5. **Appointment of Mr. Sanjiv Vasudeva as a retiring director of the Company.**

As an Ordinary Resolution:

“Resolved that Mr. Sanjiv Vasudeva (DIN: 06570945), who was appointed as an additional director of the Company w.e.f 1 March 2016 by the board of directors to hold office upto the date of this annual general meeting

under section 161(1) of the Act, who is eligible for appointment and in respect of whom the Company has received a requisite notice under section 160 of the Act, in writing, proposing his candidature for the office of director, be and is, hereby appointed as a director of the Company liable to retire by rotation;

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

6. Appointment of Mr. Sanjiv Vasudeva as Managing Director and Chief Executive Officer of the Company.

As a **Special Resolution**:

“Resolved that pursuant to the provisions of sections 196, 197 & 203 read with schedule V and other applicable provision(s), if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Act, and subject to the approval of central government, and such other approvals / permissions, if any, the Company hereby accords its approval to the appointment of Mr. Sanjiv Vasudeva as the managing director and chief executive officer of the Company (MD and CEO) for a period of 3 years with effect from 1 March 2016 to 28 February 2019 (both days inclusive), on the terms and conditions including those relating to remuneration as set out under item No. 6 of the statement setting out the material facts annexed to this notice, with liberty to the board of directors (including any committee thereof) to alter and vary any terms and conditions including increase in remuneration in such manner as may be agreed to between Mr. Vasudeva and the board from time to time;

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

7. Appointment of Mr. Bhupesh P. Porwal as a retiring director of the Company.

As an **Ordinary Resolution**:

“Resolved that Mr. Bhupesh P. Porwal (DIN: 07509097), who was appointed as an additional director of the Company w.e.f 16 May 2016 by the board of directors to hold office upto the date of this annual general meeting under section 161(1) of the Act, who is eligible for appointment and in respect of whom the Company has received a requisite notice under section 160 of the Act, in writing, proposing his candidature for the office of director, be and is, hereby appointed as a director of the Company liable to retire by rotation;

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

8. Appointment of Mr. Bhupesh P. Porwal as Whole-time Director of the Company.

As a **Special Resolution**:

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

the appointment of Mr. Bhupesh P. Porwal as the whole-time director of the Company for a period of three years with effect from 16 May 2016, on the terms and conditions including those relating to remuneration as set out under item No. 8 of the statement setting out the material facts annexed to this notice, with liberty to the board of directors (including any committee thereof) to alter and vary any terms and conditions including increase in remuneration in such manner as may be agreed to between Mr. Porwal and the board from time to time; Resolved further that the board of directors of the Company (including any committee thereof), be and is, hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

9. Appointment of Ms. Ryna Karani 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 'Listing Regulations') (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act, Ms. Ryna Karani (DIN: 00116930), additional director of the Company, in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act, in writing, proposing her 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 16 May 2016;

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

10. Related Party Transactions.

As an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of regulation 23 of the Listing Regulations and in accordance with the applicable provisions of the Act read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company, be and is, hereby accorded to following related party transactions during the period from 1 April 2015 to 31 March 2016:

Sr. No.	Name of the related party	Relationship	Maximum value of transactions (In Rs. lakhs)
1.	INEOS Styrolution APAC Pte. Limited (Purchase of Styrene Monomere)	Holding Company	43,701.46
2.	INEOS Styrolution APAC Pte. Limited (Receiving of services)	Holding Company	2,260.40
3.	INEOS Styrolution APAC Pte. Limited (Rendering of services- commission)	Holding Company	31.04

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

11. Payment of remuneration to the Cost Auditors of the Company for the FY 2016-17.

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), Messrs Kailash Sankhlecha and Associates, Cost Accountants (Firm's registration no. 100221) appointed as cost auditors by the board of directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31 March 2017, be paid a remuneration of Rs. 340,000 (Rupees three lakhs forty thousand 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 of the Company (including its committee thereof), be and is 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

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

Haresh Khilnani
Company Secretary, Head – Legal and Compliance

13 June 2016
Vadodara

Notes:

1. The statement pursuant to section 102 of the Act with respect to the special business set out in the notice is annexed.
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 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 organization.

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.
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 **6 August 2016**.
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 Link Intime India Pvt. Ltd., the Company's registrar and share 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 **5 August 2016**.
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 2015-16 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 2015-16 are being sent by the permitted mode.
10. With a view to using natural resources responsibly, we request shareholders to 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 43rd AGM and the annual report 2015-16 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@ineosstyrolutionindia.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 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 Link Intime India Pvt. Ltd in case of holdings in physical form, mentioning your correct reference folio number. As per the Listing Regulations, 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 and the 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 2009 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	Tentative date for transfer to IEPF
2009	27-Apr-10	1-Jul-17
2010	5-May-11	9-Jul-18
2011	24-Apr-12	29-Jun-19
2012	26-Apr-13	30-Jun-20
2013	29-Apr-14	3-Jul-21
2014-15	04-Aug-15	8-Oct-22

Further, members are requested to note that unpaid / unclaimed dividend for the year 2008 has been transferred to IEPF as on 8 June 2016. 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 205A of the Companies Act, 1956 (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. Sanjiv Vasudeva	Mr. Bhupesh P. Porwal	Ms. Ryna Karani	Mr. Stephen Mark Harrington
Nationality Date of birth Date of Appointment Experience (Yrs.)	Indian 27/02/1968 01/03/2016 24 years	Indian 21/10/1967 16/05/2016 26 years	Indian 09/09/1967 16/05/2016 22 years	British 29/07/1968 18/05/2015 26years
Expertise in specific functional areas	Manufacturing operations, Quality/Six Sigma, Product management, Marketing, Sales & General management.	Financial & Tax management, Treasury, Business Excellence / Six Sigma & General management areas	Advising in M&A, Joint ventures, infrastructure projects, project finance, negotiating agreements	Strategic business managements, sales & marketing.
Qualification	Bachelor of Chemical Engineering, MS University, Vadodara Certified Master Black belt at General Electric (The Netherlands)	Bachelor of Commerce, Chartered Accountant, M.B.A (Finance), L.L.B (Taxation), Certified Six Sigma Green Belt	Bachelor of Arts, L.L.B	Bsc (Hons) in Chemistry, University of Hull, United Kingdom
Directorship held in other public companies in India	None	None	-Reliance Infrastructure Limited -BSES Yamuna Power Ltd. -BSES Rajdhani Power Ltd. -Reliance Defence and Engineering Ltd.	None
Membership of committees held in other public companies in India	None	None	-Reliance Infrastructure Limited (ACM,Risk Management, ESOP, CSR) -Reliance Defence and Engineering Ltd. (ACM, Risk Management, CSR, SRGC and NRC) -BSES Yamuna Power Limited and BSES Rajdhani Power Limited (ACM)	None
No. of equity shares held in the Company	None	None	None	None

18. 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.nsdl.com>.
- (ii) For Members whose e-mail addresses have been registered: open the attached PDF file "INEOSstyrolution.pdf" giving your 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".
- (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.
- (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. up to **5 P.M. on 11 August 2016**, 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 on +91 22 2499 4600.

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 **9 August 2016 (9.00 a.m. IST)** and ends on **11 August 2016 (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. **5 August 2016** 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. 5 August 2016, 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' 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 **5 August 2016**
- (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 chairman or a 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. as 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 chairman or any other person authorised by the chairman.

19. SPECIAL NOTE :

Messrs B S R & Co. LLP, Chartered Accountants (Firm registration no. 101248W/W100022) retiring auditors have, vide their letter dated 5 May 2016, expressed their unwillingness to be re-appointed as statutory auditors of the Company and it is proposed to appoint Messrs Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm registration no.012754N/N500016) as statutory auditors of the Company who have given their consent, to be appointed as statutory auditors and have confirmed that their appointment, if made, would be in compliance with the provisions of sections 139 and 141 of the Act and rules framed there under as applicable. The board recommends their appointment as statutory auditors of the Company.

STATEMENT PURSUANT TO SECTION 102(1) OF THE ACT

Item no. 5

Your directors at its meeting held on 4 February 2016 have appointed Mr. Sanjiv Vasudeva as an additional director to hold office upto ensuing annual general meeting.

Your directors recommend appointment of Mr. Vasudeva as Director liable to retire by rotation for whom requisite notice pursuant to section 160 of the Act has been received. Your approval is sought to the resolution as appearing in item no. 5 of the accompanying notice by way of ordinary resolution.

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

Item no. 6

Mr. Sanjiv Vasudeva is an Indian national and having over 24 years of industry experience. He holds a bachelor degree in chemical engineering from Maharaja Sayajirao University, Vadodara. He is also a certified master black belt at General Electric (The Netherlands).

Considering his knowledge and professional experience of various aspects relating to the Company's affairs and long business experience, the board of directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Vasudeva should be available to the Company for a period of 3 years with effect from 1 March 2016 to 28 February 2019.

In terms of the provisions of the Act and the articles of association of the Company, the nomination and remuneration committee of the board and the board of directors have, at their respective meeting held on 4 February 2016, appointed him as managing director and chief executive officer of the Company for a term of three years with effect from 1 March 2016 to 28 February 2019 (both the days inclusive) on the terms and conditions set out below subject to the approval of the shareholders:

- **BASIC SALARY**

Appointment of Mr. Sanjiv Vasudeva as a managing director, for a period of three years from 1 March 2016 to 28 February 2019 (both the days inclusive) on a salary not exceeding of Rs. 130.00 lacs per annum.

- **PERQUISITES & ALLOWANCES**

In addition to the salary, Mr. Vasudeva, as managing director, shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; provision of a Company car with driver and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the board of directors and Mr. Vasudeva, such perquisites and allowances subject to maximum of Rs. 12.75 lacs per annum.

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

- **PROVIDENT FUND, SUPERANNUATION / ANNUITY FUND**

Company's contribution to provident fund and superannuation or annuity fund and other retirals to the extent these either singly or together are not taxable under the Income-tax Act. Gratuity as per the rules of the Company.

- **PERFORMANCE INCENTIVES**

In addition to the salary and perquisites, the appointee would be entitled to such performance incentives in any financial year as may be determined by the board of directors of the Company or recommendation of nomination and remuneration committee having regard to the performance of the Company not exceeding Rs. 62.80 lakhs per annum.

Aforesaid remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) shall not exceed the overall limits laid down in section 196 and 197 of the Act, including any statutory modification(s) or enactment(s) thereof i.e. not exceeding 10% of the net profits as computed under section 198 of the Act. However, if the aforesaid remuneration exceeds the limits, the Company shall pay remuneration in line with limits mentioned in section 196 and 197 of the Act / Schedule V of the Act till the approval of central government is obtained.

- **MINIMUM REMUNERATION**

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

The board of directors may, subject to the approval of shareholders at the general meeting and other requisites authorities, if any, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Vasudeva including the monetary value thereof, upto the limits, prescribed in that behalf under or pursuant to the Act or any statutory amendment(s), modification(s) or re-enactment

thereof from time to time in force and/ or the guidelines in case of managerial remuneration issued by the Government of India, the Ministry of Corporate Affairs, from time to time, from the date the statutory amendment(s), modification(s) or re-enactment(s) and/ or the guidelines come into force.

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

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

The above may be treated as an abstract of the terms of agreement between the Company and Mr. Vasudeva pursuant to Section 190 of the Act. The board of directors accordingly recommends the resolution set out at the item no. 6 of the accompanying notice for the approval of the shareholders of the company.

Your approval is sought to the resolution as appearing in item no. 6 of the accompanying notice by way of special resolution.

The draft agreement relating to the appointment of Mr. Vasudeva as managing director is open for inspection on any working day between 11.00 a.m. to 1.00 p.m. except Saturdays - Sundays, at the registered office of the Company till the date of AGM. None of the directors / key managerial personnel and their relatives except Mr. Vasudeva who shall be deemed to be interested or concerned financially or otherwise in the said resolution.

Item no. 7

Your directors at its meeting held on 16 May 2016 have appointed Mr. Bhupesh P. Porwal, CFO of the Company as an additional director to hold office upto ensuing annual general meeting.

Your directors recommend appointment of Mr. Porwal as director liable to retire by rotation for whom requisite notice pursuant to section 160 of the Act has been received. Your approval is sought to the resolution as appearing in item no. 7 of the accompanying notice by way of ordinary resolution.

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

Item no. 8

Mr. Bhupesh P. Porwal is an Indian national and having over 26 years of industry experience. He is a fellow member of the Institute of Chartered Accountants of India, MBA (Finance), Law Graduate and also a certified six sigma green belt,

In terms of the provisions of the Act and the articles of association of the Company, the nomination and remuneration committee of the board and the board of directors have, at their respective meeting held on 16 May 2016, appointed him as a whole-time director of the Company for a term of three years with effect from 16 May 2016 to 15 May 2019 (both the days inclusive) on the terms and conditions set out below subject to the approval of the shareholders:

- **BASIC SALARY**

Appointment of Mr. Porwal as whole-time director for a period of three years from 16 May 2016 on a salary not exceeding of Rs. 45.13 lacs per annum.

- **PROVIDENT FUND, SUPERANNUATION / ANNUITY FUND**

Company's contribution to provident fund and superannuation or annuity fund and other retirals to the extent these either singly or together are not taxable under the Income-tax Act. Gratuity as per the rules of the Company.

- **PERFORMANCE INCENTIVES**

In addition to the salary and perquisites, the appointee would be entitled to such performance incentives in any financial year as may be determined by the board of directors of the Company or recommendation of nomination and remuneration committee having regard to the performance of the Company not exceeding Rs. 19.70 lakhs per annum.

Aforesaid remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) shall not exceed the overall limits laid down in section 196 and 197 of the Act, including any statutory modification(s) or enactment(s) thereof i.e. not exceeding 10% of the net profits as computed under section 198 of the Act. However, if the aforesaid remuneration exceeds the limits, the Company shall pay remuneration in line with limits mentioned in section 196 and 197 of the Act / Schedule V of the Act till the approval of central government is obtained.

- **MINIMUM REMUNERATION**

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

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

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

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

INEOS Styrolution India Limited

The above may be treated as an abstract of the terms of agreement between the Company and Mr. Porwal pursuant to section 190 of the Act. The board of directors accordingly recommends the resolution set out at the Item no. 8 of the accompanying notice for the approval of the shareholders of the Company.

Information pursuant to part II section II (iv) of schedule V of the Act is set out as below:

I. General Information	
Nature of Industry	INEOS Styrolution is the leader and number one producer of ABSOLAC (ABS) in India. ABS is a plastic resin produced from Acrylonitrile, Butadiene & Styrene, used for manufacturing of home appliances, automobiles, consumer durables and business machines. The Company is also a leading manufacturer of ABSOLAN (SAN) which is a polymerized plastic resin produced from Styrene & Acrylonitrile, and mainly used for products such as lightings, stationeries, novelties, refrigerators and cosmetic packing.
Date or expected date of commencement of commercial production	The Company's plants are already operational.
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospects	Not Applicable.
Financial performance based on given indicators	Please refer balance sheet, statement of profit and loss, cash flow statement and notes to accounts given in this annual report.
Foreign investments or collaborations, if any	Please refer notes to accounts given in this annual report.
ii. Information about the appointee:	Mr. Sanjiv Vasudeva Mr. Bhupesh P. Porwal
Background details, past remunerations, recognition or awards, job profile and his suitability, remuneration proposed	Please refer item no. 6 and 8 of statement pursuant to section 102(1) of the Act of this notice and report on corporate governance given in this annual report.

ii. Information about the appointee:	Mr. Sanjiv Vasudeva	Mr. Bhupesh P. Porwal
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be with respect to the country of his origin)	Increased complexities & intricacies involved in today's business strategies, more particularly its survival, in today's thermoplastics industry, companies have had started recognizing its social responsibility towards rewarding its managerial personnel who have not only contributed significantly but also have adhered to the compliance of various laws of land and comprehensive global policies of its group. The basis of such remuneration to Mr. Vasudeva and Mr. Porwal is to recognize their achievements, experience and benefits that Company can derive from them. The remuneration offered to Mr. Vasudeva and Mr. Porwal is the most suitable in today's market scenario. Further details with regard to the size of the Company can be referred in the financials and director's report of this annual report.	
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL	
iii. Other information		
Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms.	Please refer management discussion and analysis report given in this annual report.	
iv. Disclosures		
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc., of all the directors, details of fixed component and performance linked incentives along with the performance criteria and service contracts, notice period, severance fees.	Please refer item no. 6 and 8 of statement pursuant to section 102(1) of the Act of this notice and report on corporate governance given in this annual report.	
Stock option details, if any, and whether the same has been issued at a discount as well as the period over such accrued and over which exercisable.	Not applicable	

Your approval is sought to the resolution as appearing in item no. 8 of the accompanying notice by way of special resolution.

The draft agreement relating to the appointment of Mr. Porwal as whole-time director is open for inspection on any working day between 11.00 a.m. to 1.00 p.m. except Saturdays - Sundays, at the registered office of the Company till the date of AGM.

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

Item no. 9

Your directors at its meeting held on 16 May 2016 have appointed Ms. Ryna Karani as an additional director 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. Moreover, in terms of section 149(1) of the Act and regulation 17(1) of Listing Regulations, the company shall have atleast one woman director.

Ms. Ryna Karani, additional director of the Company, has furnished declaration to the Company under section 149(7) of the Act, confirming that she meets the criteria prescribed for independent directors under section 149(6) of the Act as well as regulation 16 (1) (b).

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 Ms. Karani, as independent director of the Company for a period of three consecutive years with effect from 16 May 2016, as set out at Item No. 9. Notice as required under section 160 of the Act, has been received from her proposing her candidature as an independent director of the Company.

Upon the approval of the members of the Company on the said resolution, the appointment shall be formalized by way of issuance of the letter of appointment by the Company to the said independent director.

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

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

Item no.10

Transactions carried out by the Company with its related parties as specified in the resolutions appearing in item no. 10 of the accompanying notice are in the ordinary course of business and at arm's length basis. Accordingly the provisions of section 188 (1) of the Act would not apply to any of the transactions entered into by the Company.

However, pursuant to regulation 23 of the Listing Regulations, all material related party transactions to the aforesaid contracts require the approval of the shareholders of the Company by way of an ordinary resolution. As per the provisions of the Listing Regulations, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material related party transactions is sought from the shareholders.

The subjected contracts / arrangements / transactions were approved by the audit committee meetings held during the year and recommended by the board of directors to the shareholders of the Company for their approval. None of the directors / key managerial personnel of the Company and their relatives, except Mr. Stephen Mark Harrington, is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 10 of the notice.

Item no. 11

The board of directors of the Company, 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 2017. 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. 11 of the notice for ratification of the remuneration amounting to Rs. 340,000/- per annum plus applicable service tax and out of pocket expenses payable to the cost auditors for the financial year 2016-17.

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. 11 of this Notice.

Registered office :

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

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

Haresh Khilnani
Company Secretary, Head – Legal and Compliance

13 June 2016
Vadodara

Directors' Report

Dear Members,

Your directors take pleasure in presenting the 43rd annual report of your Company together with audited financial statements for the year ended on 31 March 2016.

FINANCIAL PERFORMANCE

The financial performance of your Company for the year ended 31 March 2016 is highlighted below:

(Rs. in lakhs)

Particulars	2015-16	2014-15
Period	12 months	15 months
Sales and other operating income	179,811.40	164,540.98
Other income	272.24	470.02
Total income	180,083.64	165,011.00
Gross profit before interest, depreciation & tax	9,565.19	8,570.48
Less : Interest	981.08	1,264.99
Less: Depreciation	2,720.72	2,132.28
Profit before tax	5,863.39	5,173.21
Less: Provision for tax	1455.20	211.68
Less : MAT credit (entitlement)	(1,455.20)	-
Less: Reversal of earlier years tax expense	-	(206.57)
Less: Provision for deferred tax	(413.42)	1,665.79
Net profit after tax	6,276.81	3,502.31
Add: Balance of profit brought forward	35,820.19	33,514.74
Amount available for appropriation	42,097.00	37,017.05
Appropriations:		
Proposed dividend	703.43	703.43
Tax on proposed dividend	143.20	143.20
Depreciation adjustment as per schedule II of Act	77.90	-
Amount transferred pursuant to the scheme of amalgamation	112.10	-
Transfer to general reserve	627.68	350.23
Balance of profit carried forward	40,432.69	35,820.19
EPS (basic)	35.69	19.92
EPS (diluted)	35.69	19.92

The previous financial year 2014-15 was of fifteen months from 1 January 2014 to 31 March 2015. Moreover the Hon'ble High Court of Gujarat vide its order dated 26 February 2016 has sanctioned the scheme of amalgamation between Styrolution India Pvt. Ltd (SIN) and the Company with effect from 1 April 2015, appointed date. The amalgamation was completed on 31 March 2016, and effective said date SIN stands dissolved without winding up. **Consequently the results for the quarter and year ended 31 March 2016 are strictly not comparable to the results of the corresponding previous periods.**

OPERATING HIGHLIGHTS

REVENUES

The overall sales turnover of your Company increased to Rs. 1,798 crores from Rs. 1,645 crore in the previous period, at a growth rate of 9.30%. This was mainly due to increase in sales volume and pricing. Your Company's total income (including other income) was placed at Rs. 1,800 crore for the financial year 2015-16 registering a growth rate above 9%.

PROFITS

Your Company's profit before tax (PBT) increased by 11.54% to Rs. 58 crores compared to previous period PBT of Rs. 52 crores; whilst profit after tax (PAT) increased by 77% to Rs. 62 crores compared to the previous periods' PAT of Rs. 35 crores.

The increase in the PAT was mainly due to the savings in tax expenses on availing the MAT credit which is on account of amalgamation of Styrolution India Private Limited with the Company. Your Company continues to be a market leader in ABS sales.

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 Rs. 4/- per equity share of Rs.10 each (40%). This dividend is subject to the approval of the members at the forthcoming annual general meeting. In the previous year the Company paid a dividend of Rs. 4/- per equity share of Rs.10/- each of the Company.

The register of members and share transfer books shall remain closed on 6 August 2016.

CHANGE OF NAME OF THE COMPANY

In order to reflect the identity of the Company as an INEOS Group Company, the board of directors of the Company at their meeting held on 4 November 2015 approved the proposal for change of name of the Company to 'INEOS Styrolution India Limited' or any other name as may be approved by the Registrar of Companies, Gujarat.

The Company after getting the requisite approval of stock exchanges and registrar of companies accorded the approval of the shareholders through postal ballot and e-voting for change of name of the Company.

Thereafter on the application being made by the Company, the central government approved the change of name of the Company to “**INEOS Styrolution India Limited**” w.e.f 18 March 2016.

SUBSIDIARY, ASSOCIATE COMPANIES AND JV COMPANIES

At the beginning of the financial year, Styrolution India Private Limited was the wholly owned subsidiary of the Company, which was amalgamated with the Company during the year.

Significant and material orders passed by the regulators or courts

Amalgamation of Styrolution India Private Limited (SIN) (wholly-owned subsidiary) with the company.

The board of directors of your Company at its meeting held on 3 August 2015 had approved the proposal of amalgamation of SIN with the Company, (Appointed date: 1 April 2015) subject to the requisite approvals from the Members/Creditors and other statutory and regulatory authorities, with an intent of aligning the business operations undertaken by both the Companies enabling efficient utilisation of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. The same will also result, inter alia, advantages of integration of the operations of the said companies, including better resource management and reduction of working capital requirements and create better generation of synergies and further strengthen Styrolution's presence in the Indian market. Both companies are part of INEOS Group, the world's leading producer in Styrenics.

Hon'ble High Court of Gujarat sanctioned the scheme of amalgamation (appointed date: 1 April 2015) of 'Styrolution India Private Limited' with 'the Company and their respective shareholders and creditors by passing an order on 26 February 2016. The said order has been registered with Registrar of Companies, Gujarat on 31 March 2016 and accordingly, the Scheme has become effective from 31 March 2016. Hence, the Company does not have any subsidiary, joint venture or associate Company incorporated in India, as on 31 March 2016.

CHANGES IN DIRECTORATE AND KEY MANAGERIAL PERSONNEL

Appointments/ Re-appointments

At the 43rd annual general meeting (AGM) following appointments / re-appointments are being proposed:

1. On the recommendations of nomination and remuneration committee, the board appointed Mr. Sanjiv Vasudeva, executive and non-independent director, as an additional director, managing director and CEO of the Company and as a key managerial personnel of the Company effective from 1 March 2016. A brief resume of Mr. Vasudeva is given separately in the notice convening AGM. Your directors recommend his appointment for the members' approval.
2. 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.
3. On the recommendations of nomination and remuneration committee, Ms. Ryna Karani, non-executive and independent director, has been appointed by the board as an additional director with effect from 16 May 2016. A brief resume of Ms. Ryna Karani is given separately in the notice convening AGM. Your directors recommend her appointment as an independent director of the Company for the members' approval.
4. On the recommendations of nomination and remuneration committee, Mr. Bhupesh P. Porwal, chief financial officer, has been appointed as an additional director and whole-time director with effect from 16 May 2016. A brief resume of Mr. Porwal is given separately in the notice convening AGM. Your directors recommend his appointment for the members' approval.

Retirement/ Resignations

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

1. Mr. Myung Suk Chi resigned from his office as managing director of the Company effective 1 March 2016. The board appreciated and thanked him for his efforts in driving delivery and quality excellence for the Company.
2. Dr. Anke Frankenberger resigned from her office as director of the Company effective 16 May 2016. The board of directors placed on record its appreciation for the services rendered by Dr. Frankenberger during her tenure with the Company.
3. Mr. Ravindra Kulkarni resigned as an independent director of the Company effective 16 May 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, chief financial officer are the key managerial personnel of the Company as on 31 March 2016.

MEETINGS OF BOARD OF DIRECTORS OF THE COMPANY

During the financial year under review the board of directors duly met five times on 18 May 2015, 3 August 2015, 4 November 2015, 4 February 2016 and 16 March 2016. 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 Patel, Mr. Sharad Kulkarni and Mr. Ravindra Kulkarni were the independent directors of the company as on 31 March 2016 pursuant to the provisions of section 149(10) of the Act.

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 Listing Regulations, the formal annual evaluation has been carried out by the board of its own performance and that of its committees and individual directors through 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 toward 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, these include participation in board and committee meetings

Your directors have expressed their satisfaction of the evaluation process.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134 (3) (c) 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. Sharad Kulkarni as Chairman and Mr. Jal Patel and Mr. Ravindra Kulkarni 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.

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.

TRANSFER TO GENERAL RESERVE

A sum of Rs. 627.68 lakhs has been proposed to be transferred to general reserve of the Company. An amount of Rs. 40,432.69 lakhs is proposed to be retained in the surplus.

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 2008 amounting to Rs. 220,457.00 as on 31 March 2016 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 on 8 June 2016.

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 Listing Regulations, 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

At INEOS Styrolution India Limited, we are committed to the group's mission of delivering the best solutions, which includes creating a more inclusive and resource-efficient India as a responsible corporate citizen. With our passion for results and entrepreneurial spirit we want to ensure that all our strategic corporate social responsibility (CSR) initiatives actively work towards a more sustainable future. INEOS focus has always been to contribute to the sustainable development of the society and environment .

The strategies and CSR activities during the year 2015-16 were intended to support rural development; promoting education; providing sanitation and purification of water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting social development activities that positively impacts the society at large with a minimal resource footprint. The details of such initiatives, CSR spend, CSR Policy, etc., have been provided as **Annexure - II** to this report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

In compliance with requirements of section 135 of the Act, your Company has laid down a CSR policy. The amount required to be spent on CSR activities during the year ended 31 March 2016 in accordance with the provisions of section 135 of the Act was Rs. 148.68 lakhs and your Company had spent Rs.85.43 lakhs. The said amount was spent on the CSR activities undertaken by your Company mostly in the vicinity of its plants at Nandesari and Dahej and as well as around Vadodara, where the registered office and corporate office of your Company are located. The shortfall of Rs. 63.25 lakhs in the amount spent on CSR activities during the year on 31 March 2016 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.

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.

PARTICULARS OF EMPLOYEES

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.

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 LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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.

PARTICULARS OF CONTRACTS AND AGREEMENTS MADE WITH RELATED PARTIES TRANSACTION

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.

INSURANCE

Your Company's assets are adequately insured against risk from fire, riot, earthquake, terrorism, loss of profits and other risks which are considered necessary by the management.

As an additional coverage, a public liability insurance policy is also in place and it has been taken to cover public liability/ties, if any, arising out of any industrial accidents. INEOS group has covered also, the directors' and officers' liability under the Act to meet with any eventuality.

STATUTORY AUDITORS

The present auditors of the Company, Messrs B S R & Co. LLP, Chartered Accountants, have expressed their unwillingness to be re-appointed as auditors of the Company upon their retirement at the forthcoming annual general meeting. The board of directors, on recommendation of the audit committee, recommends the appointment Messrs **Price Waterhouse Chartered Accountants LLP**, Chartered Accountants, (Firm registration number: 012754N/N500016), 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. A certificate from them has been received to the effect that their appointment as statutory auditors of the Company, if made, would be according to the terms and conditions prescribed under section 139 and other applicable provisions of the Act and rules framed thereunder.

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 2016 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 2015-16, required under section 204 of the Act and rules framed thereunder. The secretarial audit report pursuant to section 204 of the Act 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 2016-17, for conducting the audit of the cost records maintained by the Company for the various products as mandated by the central government, subject to the approval of the members on the remuneration to be paid to the cost auditor. 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.

A resolution seeking member's ratification for the remuneration payable to the cost auditors for the financial year 2016-17 forms part of the notice of the 43rd annual general meeting of the Company and the same is recommended for your consideration and approval.

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.

QUALITY SYSTEMS AND ISO CERTIFICATION

During the year, Company continued to observe all pre-requisites in maintaining the quality systems and standards and ISO audit methods as required under the guidelines of quality and environmental management systems for ISO certified by UL-DQS.

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.

VIGIL MECHANISM

As per the provisions of section 177(9) of the Act 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 has 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 training 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.

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.

13 June 2016
Vadodara

For and on behalf of the Board

Stephen Mark Harrington
Chairman

Annexure - I to the Directors' Report Corporate Governance Report

(Pursuant to requirements of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The directors present the Company's report on corporate governance for the year ended on 31 March 2016.

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 6 directors drawn from diverse fields. It has an optimum combination of independent, woman director, executive as well as non- executive directors which is in conformity with the provisions of regulation 27(2) of SEBI (Listing obligations & disclosure requirements) Regulations, 2015 (herein after referred as "Listing Regulations").

More than two third of the board of directors comprises of non-executive directors including one woman director, with half of the board comprising of independent directors. Thus, the board consists of 6 members, 1 of which is executive full-time director, 5 are non-executive directors out of which 3 are independent directors. 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 hold shares of the Company as on 31 March 2016 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 2016

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. Myung Suk Chi (Resigned w.e.f 1 March 2016)	Executive & Non-Independent	-	05225708	-	-
Mr. Sanjiv Vasudeva (Appointed w.e.f 1 March 2016)	Executive & Non-Independent	-	06570945	-	-

INEOS Styrolution India Limited

Name of directors	Category	Other directorships in India*	DIN	No. of other board committees in India**	
				Member	Chairperson
Dr. Anke Frankenberger, (Resigned w.e.f. 16 May 2016)	Non-Executive & Non-Independent	-	06871064	-	-
Mr. Sharad M. Kulkarni	Non-Executive & Independent	5	00003640	4	2
Mr. Jal R. Patel	Non-Executive & Independent	4	00065021	1	3
Mr. Ravindra Kulkarni (Resigned w.e.f. 16 May 2016)	Non-Executive & Independent	6	00059367	4	3
Mr. Jit Teng Tan, (Alternate to Mr. Harrington)	Non-Executive & Non-Independent	-	06466969	-	-
Mr. Vijay Kamat, (Alternate to Dr. Anke Frankenberger) (Resigned w.e.f. 1 March 2016)	Non-Executive & Non Independent	-	06458292	-	-

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

*No. of other directorships include directorship held in other Indian public limited companies as on 31 March 2016.

**Includes only audit committee and stakeholders' relationship and grievance committee of public limited companies as on 31 March 2016.

Board meetings procedure

The annual calendar of meetings is 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.

Number of board meetings and the attendance of directors during the financial year 2015-16

During the financial year 2015-16, five board meetings were held on 18 May 2015, 3 August 2015, 4 November 2015, 4 February 2016 and 16 March 2016. Attendance record of the directors was as under:

Name of directors	Number of board meeting held	Number of board meeting attended	Attendance at last AGM
Mr. Stephen Mark Harrington	5	5*	Yes
Mr. Sanjiv Vasudeva	2	2*	N.A.
Mr. Myung Suk Chi	4	4	Yes
Dr. Anke Frankenberger	5	3	Yes
Mr. Sharad M. Kulkarni	5	5	Yes
Mr. Jal R. Patel	5	5	Yes
Mr. Ravindra Kulkarni	5	4	No

*Attended one meeting as an invitee.

Profile of directors seeking appointment / re-appointment

As per the provisions of 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. Sanjiv Vasudeva seeks consent of the shareholders for his appointment as a managing director and Chief executive officer of the Company liable to retire by rotation.
- Mr. Bhupesh P. Porwal, CFO of the Company seeks consent of the shareholder for his appointment as a whole-time director of the Company liable to retire by rotation.
- Ms. Ryna Karani seeks consent of the shareholders for her 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.

Training of board members

All new non-executive directors inducted to the board are introduced to our Company culture through appropriate orientation sessions. Presentations are made by managing director and senior management to provide an overview of our operations, 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.

Familiarisation program for independent directors

The Company has conducted a familiarisation program for independent directors. The details for the same have been disclosed on the website of the Company at

<http://www.styrolutionabsindia.com/pdf/Familiarization%20Programme%20for%20Independent%20Directors.pdf>

Responsibilities of the chairman, the chief executive officer and managing director:

Our practice is to have a non – executive chairman of the board – Mr. Stephen Mark Harrington and a chief executive officer (CEO) and managing director (MD) – Mr. Sanjiv Vasudeva. The non-executive chairman of the board ('the Chairman') is leader of the board. As chairman, he will be responsible for promoting the integrity of the board while nurturing a culture where the board works harmoniously for the long-term benefit of the Company and all its stakeholders. The chairman is primarily responsible for ensuring that the board provides effective governance for the Company. The chairman will take a lead role in managing the board and facilitating effective communication among directors. The chairman will actively work with the nomination and remuneration committee to plan the board and board committees' composition, induction of directors to the board, plan for director succession, participate in the board effectiveness evaluation process and meet with individual directors to provide constructive feedback and advice.

The CEO and MD is responsible for the overall management of the Company. He is also responsible for achieving the annual business targets. At each board meeting, he periodically makes presentations, gives explanations and appraises the board about the performance of the Company.

III. AUDIT COMMITTEE MEETINGS

Composition

The audit committee comprises of independent directors having expertise in accounting / financial management. During the financial year, audit committee met four times. These were on 18 May 2015, 3 August 2015, 4 November 2015 and 4 February 2016.

Name	Designation	Category	Attendance
Mr. Sharad M Kulkarni	Chairperson	Non-executive & independent	4
Mr. Jal R Patel	Member	Non-executive & independent	4
Mr. Ravindra Kulkarni	Member	Non-executive & independent	3

The managing director, chief financial officer, statutory auditors and internal auditors are permanent invitees to the meetings. CS. Haresh Khilnani, company secretary, head – legal and compliance is a secretary to the committee.

The chairman of the audit committee - Mr. Sharad Kulkarni was present at the 42nd annual general meeting of the Company held on 4 August 2015.

Terms of reference

The terms of reference of this include matters specified for audit committees under the Listing Regulations, as well as in section 177 of the Act and rules framed thereunder, and are as follows:

-
1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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 stakeholders relationship and grievance 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 18 May 2015, 3 August 2015, 4 November 2015 and 4 February 2016.

The composition of the stakeholder relationship and grievance committee is as follows:

Name of the member	Designation	Category of directorship	Attendance
Mr. Jal R. Patel	Chairperson	Non-executive & independent	4
Mr. Myung Suk Chi*	Member	Executive	4
Mr. Sanjiv Vasudeva*	Member	Executive	NA

*Resignation of Mr. Chi and appointment of Mr. Vasudeva was considered in the meeting held on 4 February 2016.

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

Share transfers are processed weekly. 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 attend to all the grievances of the stakeholders. The details of complaints received, cleared and pending during the financial year 2015-16 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

Pursuant to provisions of section 135 of the Act, 'Corporate Social Responsibility Committee' of the board was constituted. During the year under review, the committee met four times on 18 May 2015, 3 August 2015, 4 November 2015 and 4 February 2016.

Name of the member	Designation	Attendance	Category of directorship
Mr. Jal R. Patel	Chairperson	4	Non-executive & independent
Dr. Anke Frankenberger	Member	3	Non-executive & non-independent
Mr. M S. Chi*	Member	4	Managing director
Mr. Sanjiv Vasudeva*	Member	NA	Managing director

*Resignation of Mr. Chi and appointment of Mr. Vasudeva was considered in the meeting held on 4 February 2016.

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

The nomination and remuneration committee has been constituted by the board which meets on specific need basis.

The composition of the nomination and remuneration committee as on 31 March 2016 is as follows:

Name of the member	Designation	Category of directorship
Mr. Jal R. Patel	Chairperson	Non-executive & independent
Mr. Sharad M. Kulkarni	Member	Non-executive & independent
Mr. Ravindra Kulkarni	Member	Non-executive & independent
Mr. Stephen Mark Harrington	Member	Non-executive & non independent
Dr. Anke Frankenberger	Member	Non-executive & non independent

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.

Board membership criteria

The nomination and remuneration committee works with the entire board to determine the appropriate characteristics, skills and experience required for the board as a whole and for individual members. Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. Board members are expected to prepare for, attend and participate in all board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with their responsibilities with us. The board is responsible for the selection of new directors. The board delegates the screening and selection process involved in selecting new directors to the nomination and remuneration committee, which consists of majority of independent directors. The nomination and remuneration committee in turn makes recommendations to the board on the induction of any new directors.

Mechanism for evaluating board members

The board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors excluding the director being evaluated. The Questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the board and for identifying possible paths for improvement. Each board member is 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 are 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;
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities, these include participation in board and committee meetings.

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 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 remuneration payable to the independent directors is limited to a fixed amount per year as determined and approved by the board, the sum of which does not exceed 1% of our net profits for the year, calculated as per the provisions of the Act. The performance of the independent directors is reviewed by the board on an annual basis.

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. Annual increments are decided by the nomination and remuneration committee within the salary grade approved by the Members.

Details of remuneration paid / payable to Mr. Sanjiv Vasudeva (executive- managing director) for FY 2015-16 is as under:

(Amount in Rs.)

Name & designation	Myung Suk Chi, Managing Director (Resigned w.e.f 1 March 2016)	Sanjiv Vasudeva, Managing Director (Appointed w.e.f 1 March 2016)
Salary	20,326,404	1,154,583
Perquisites	2,692,921	Nil
Retiral benefits	4,717,891	Nil
Commission, bonus and performance linked incentives	16,484,108	1,222,500
Stock Options	Nil	Nil
Tax consulting and retirement management fees	416,014	Nil
Tax adjustments	4,267,800	Nil
Total	48,905,138	2,377,083
Tenure	1 year	3 years
From	1 August 2015	1 March 2016
To	31 July 2016	28 February 2019
Notice period	6 months	6 months
Equity shares of Rs.10 held as on 31.03.2016	Nil	Nil

Remuneration to non-executive director:

The non-executive directors (independent directors) are paid remuneration by way of sitting fees and commission. None of existing directors hold any shares in the Company. The compensation payable to the independent directors is limited to fixed amount per year as determined and approved by the board, the sum of which does not exceed 1% of our net profits for the year, calculated as per the provisions of the Act. The performance of the independent

directors is reviewed by the board on an annual basis. The details of the remuneration policy adopted by the Company has been disclosed on the website of the Company at <http://www.styrolutionabsindia.com/pdf/Nomination%20and%20Remuneration%20Policy.pdf>

Details of remuneration paid / payable to non-executive and independent directors for FY 2015-16 is as under:

(Amount in Rs.)

Name of directors	Commission*	Sitting fees for board / committee meetings attended **	Total	No. of equity shares of Rs. 10 held as on 31 March 2016.
Mr. Sharad M. Kulkarni	600,000	210,000	810,000	-
Mr. Jal R. Patel	600,000	270,000	870,000	-
Mr. Ravindra Kulkarni	600,000	160,000	760,000	-

*As approved by the shareholders in their meeting held on 29 April 2014.

**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 2016)

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 purpose of the committee is 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. Haresh 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 or by postal ballot:

Financial Year	Meeting and venue	Day, date and time	Special resolutions passed
2012	40th annual general meeting ABS Towers, Old Padra Road, Vadodara 390007.	Friday, 26 April 2013 11.30 a.m.	-No special resolution was 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, 4 August 2015 11.30 a.m	-Reappointment of Mr. Chi as managing director of the Company. -Approval for material related party transactions

During the financial year under review no extra ordinary general meetings were held.

Postal ballot was conducted during the financial year for according the approval of the shareholders for the following items

- I Resolution passed by the members by way of postal ballot pursuant to section 110 of the Act read Companies (Management and Administration) Rules, 2014, section 391 to 394 and other provisions, applicable, if any, of the Act and rules framed thereunder, clause 35B of the listing agreement with BSE Limited and National Stock Exchange of India limited and circular nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st may, 2013 issued by Securities and Exchange Board of India ("SEBI").

"Approval to the scheme of amalgamation of Styrolution India Private Limited with Styrolution ABS (India) Limited and their respective shareholders and creditors under sections 391 to 394 of the Act

Name of Scrutinizer	CS. Devesh A. Pathak
Date of report of scrutinizer	4 November 2015
Date of declaration of results / date of approval of members	4 November 2015
Particulars	Number of votes
Valid Votes	1,018,281
In favour	1,017,491
Percentage (%)	99.92
Against	790
Percentage (%)	0.08
Invalid Votes	712

II. Special resolution passed by the members by way of postal ballot pursuant to section 110 of the act read with Companies (Management and Administration) Rules, 2014, section 13 and other provisions, applicable, if any, of the Act and rules framed thereunder,

“Change in the name of the Company from “Styrolution ABS (India) Limited” to “**INEOS Styrolution India Limited**”

Name of Scrutinizer	CS. Devesh A Pathak
Date of report of scrutinizer	25 February 2016
Date of declaration of results / date of approval of members	25 February 2016
Particulars	Number of votes
Valid votes	14,277,447
In favour	14,277,102
Percentage (%)	99.998
Against	345
Percentage (%)	0.002
Invalid votes	3,223

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:

- a. 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.
- b. 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.
- c. 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 Act clause 49 of the Listing Agreement or 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.styrolutionabsindia.com/pdf/Whistlerblower_Policy.pdf

- d. In accordance with the requirements of the Listing Regulations, the Company has formulated policies material subsidiaries and 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> under the corporate governance section.
- e. 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):

- (A) **The board:** The Company does not maintain a separate office for the non-executive chairperson.
- (B) **Audit qualification:** There has been no audit qualification in the audit report by the auditor for the period April 2015– March 2016.
- (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 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 and accountability and to 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 2016 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**. Further, the related information is uploaded/submitted to stock exchanges (BSE Limited and National Stock Exchange of India Limited) on time to time basis.

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of corporate affairs (MCA) had mandated certain companies to file their annual accounts vide this mode. The Company has filed its annual accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralized database of all complaints received, 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' 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:

43rd AGM : Date, Time and Venue	12 August, 2016 (Friday) at 11.30 a.m. at Chandarva Hall', WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007, Gujarat.
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 2016 Second quarter: Second week of November 2016 Third quarter: First week of February 2017 Fourth quarter: First week of May 2017
Dividend for the year 2015-16	The board of directors of the Company has recommended a final dividend of Rs. 4 (@40 %) per equity share for the year ended on 31 March 2016. Dividend when declared at the annual general meeting will be paid to the members, whose names appear on the register of members as on 5 August 2016 .
Date of book closure	6 August 2016
Dividend Payment date	19 August 2016
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 2016-17 have been paid to both the stock exchanges within stipulated time.

Distribution of shareholding as on 31 March 2016

No. of shares ranging From – To			No. of shareholders	% to total	No. of shares	% to total
1	-	500	11,848	92.44	1,185,994	6.74
501	-	1000	507	3.96	399,680	2.27
1001	-	2000	241	1.88	359,685	2.05
2001	-	3000	78	0.61	194,519	1.11
3001	-	4000	34	0.27	122,606	0.70
4001	-	5000	25	0.20	117,998	0.67
5001	-	10000	51	0.40	369,857	2.10
10001	&	above	33	0.26	14,835,286	84.36
TOTAL			12,817	100.000	17,585,625	100.000

Dematerialization of shares as on 31 March 2016:

Particulars	31 March 2016		31 March 2015	
	No. of shares	%	No. of shares	%
No. of demat shares				
- NSDL	16,279,331	92.57	16,508,559	93.88
- CDSL	1,061,224	6.03	819,719	4.66
No. of physical shares	245,070	1.40	257,347	1.46
Total	17,585,625	100.00	17,585,625	100.00

ISIN for NSDL & CDSL

INE189B01011

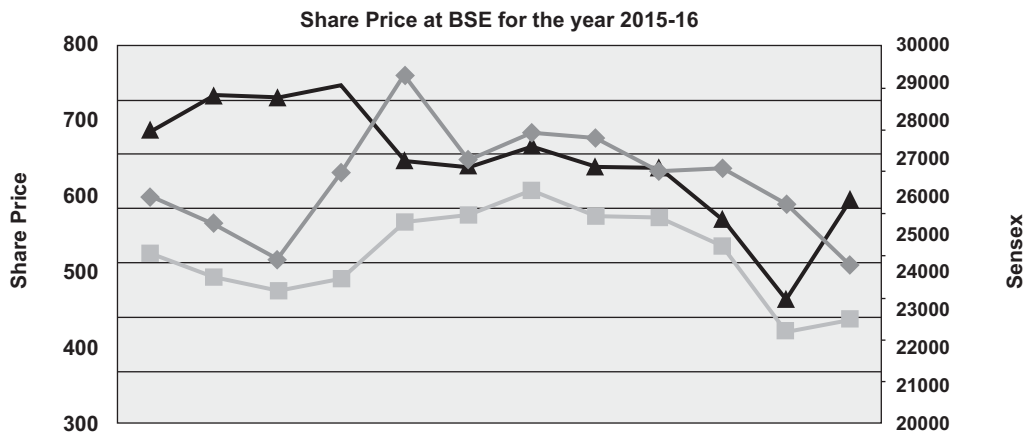
Reconciliation of share capital audit

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 April 2015 to March 2016 is furnished below:

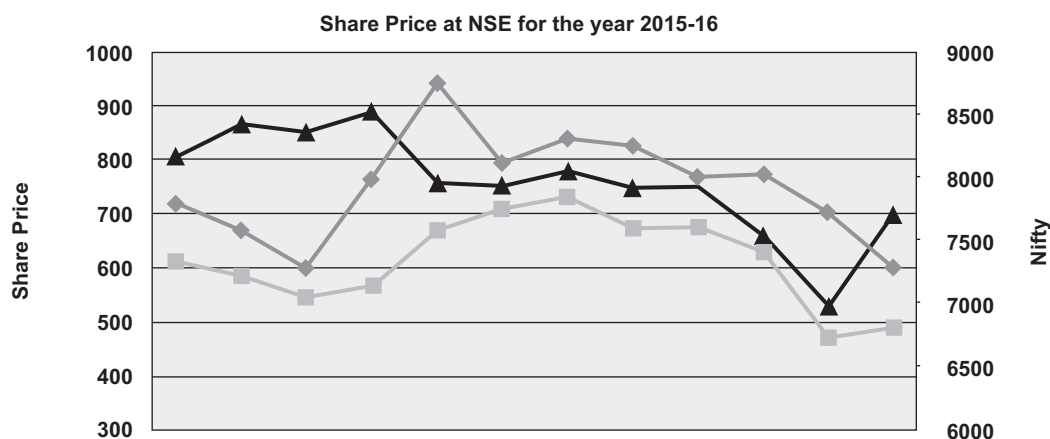
Month	BSE (SENSEX)				NSE (NIFTY)			
	High price Rs.	Low price Rs.	No. of shares traded	SENSEX	High price Rs.	Low price Rs.	No. of shares traded	NIFTY
Apr-15	720.00	620.00	102,547	27,011.31	721.20	618.00	2,00,306	8,181.50
May-15	673.00	575.00	116,386	27,828.44	672.60	588.80	252,712	8,433.65
Jun-15	605.00	548.00	62,231	27,780.83	602.90	550.00	484,089	8,368.50
Jul-15	765.75	570.00	348,038	28,114.56	765.00	570.40	642,763	8,532.85
Aug-15	945.00	675.00	560,567	26,283.09	943.90	675.00	1,028,086	7,971.30
Sep-15	788.50	690.00	72,938	26,154.83	794.95	715.05	199,614	7,948.90
Oct-15	840.00	735.00	81,437	26,656.83	842.00	734.15	196,516	8,065.80
Nov-15	830.00	686.50	68,543	26,145.67	830.00	677.00	147,474	7,935.25
Dec-15	770.00	684.00	69,277	26,117.54	770.00	680.00	156,794	7,946.35
Jan-16	775.00	630.00	50,943	24,870.69	778.15	634.65	127,593	7,563.55
Feb-16	710.00	475.00	76,045	23,002.00	706.50	475.00	153,601	6,987.05
Mar-16	597.00	497.00	133,754	25,341.86	603.95	494.20	271,036	7,738.40
Total shares traded			1,742,616		3,860,584			
Average shares traded			145,218		321,715			

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



	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
◆ High Price	720	673	605	766	945	789	840	830	770	775	710	597
■ Low Price	620	575	548	570	675	690	735	687	684	630	475	497
▲ SENSEX	27011	27828	27781	28115	26283	26155	26657	26146	26118	24871	23002	25342

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



	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
◆ High Price	721	673	603	765	944	795	842	830	770	778	707	604
■ Low Price	618	589	550	570	675	715	734	677	680	635	475	494
▲ SENSEX	8182	8434	8369	8533	7971	7949	8066	7935	7949	7564	6987	7738

Category wise shareholding as on 31 March 2016

Category	No. of shares	% of shareholding
Promoters		
- Indian promoters	-	-
- Foreign promoters: INEOS Styrolution South East Asia Private Limited	13,189,218	75.000
Institutional Investors		
- Mutual Funds / UTI	967,463	5.501
- Banks, financial institutions, insurance companies	5,636	0.032
- Foreign portfolio investors	76,500	0.435
Non- Institutions		
- Corporate bodies	454,175	2.583
- Indian public	2,719,676	15.465
- NRIs / OCBs	127,379	0.724
- Any others (Clearing Members)	45,578	0.260
Grand total	17,585,625	100.000

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@linkntime.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 and/or ABS Industries 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 2008 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 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 3 days 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 March 31, 2016:

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@ineosstyrolutionindia.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 2016;
- (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: 13 June 2016
Place: Vadodara

Mr. Sanjiv Vasudeva
Managing director and CEO

Mr. Bhupesh P. Porwal
Chief financial officer

Declaration by the managing director under part D of schedule V of the Listing Regulations regarding compliance with Code of Conduct of the Company.

I, Sanjiv Vasudeva, managing director and CEO of the Company, hereby declare that to the best of my knowledge and belief, all the directors and the senior management personnel of the Company have confirmed compliance with the company's Code of Conduct, as applicable to them, for the year ended on 31 March 2016.

Secretarial Auditor's Certification on Corporate Governance

To,
The Members
INEOS Styrolution India Limited [Formerly: Styrolution ABS (India) Limited]

We have examined the compliance of conditions of Corporate Governance by INEOS Styrolution India Limited [Formerly: Styrolution ABS (India) Limited] (“the Company”) , for the year ended 31 March 2016 , as stipulated in Clause 49 of the Listing Agreement (“ the Listing Agreement”) of the Company with the stock exchanges and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period as applicable as referred to in regulation 15(2) of the Listing Regulations for the financial year ended 31 March 2016

The compliance of conditions of corporate governance is the responsibility of the Management. Our examinations was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the aforesaid Listing Agreement/Listing Regulations, as applicable.

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

Date: 13 June 2016
Place: Vadodara

For Devesh Vimal & Co.
Practising Company Secretaries

CS. Devesh A. Pathak
Partner

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

With the completion of amalgamation of Styrolution India Private Limited (transferor Company) with the Company (transferee Company) w.e.f 31 March 2016, your directors are confident that the amalgamation will 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 same will result, inter alia, from advantages of integration of the operations of the said companies, including better resource management and reduction of working capital requirements which will be facilitated by the amalgamation. The amalgamation will enable the business of the merged transferee company to be carried on more conveniently and advantageously. 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.

The economic survey mentioned that income gain due to fall in oil prices is likely to be half of last year which will lead to slower consumption. If a situation arises where oil making companies cut supply, then prices might go up which would eventually lead to less growth and further lead to less room to lower interest rates. Therefore, turmoil in global economy and higher than expected oil prices could arise if oil markets are dominated by supply factors, such as agreements that will restrict output.

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. 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. By industry, the most important and the fastest growing sector of Indian economy are services, trade, hotels, transport and communication; financing, insurance, real estate and business services and community, social and personal services account for more than 60 percent of GDP.

India's economy gained momentum in FY 2016 and is expected to have grown at the fastest pace in five years. Robust urban consumption and public investment have supported growth despite an unfavorable external environment.

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

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.

Some significant features of the internal control systems are:

- Corporate policies / procedures on accounting and major processes;
- Management review system, preparation and monitoring of annual budgets;
- Effective IT systems and procedures to aid business performance, automation and build systemic controls; &
- An on-going program for strengthening of the code of conduct. All employees of the Company are being regularly communicated on the subject.

Audit committee of the board of directors, comprising entirely of independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, etc.

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 2016, the Company employed 938 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

13 June 2016
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 Directors' 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 INEOS group's mission of delivering the best solutions, which includes creating a more inclusive and resource-efficient India as a responsible corporate citizen. The CSR policy adopted by the Company intends to contribute to the sustainable development of the society and environment.

The key focus areas under CSR activities 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 facilities to selected schools nearby different sites of the Company.
- Distribution of woollen clothes to 4,000 families in the villages located in the vicinity of Company's plants.

Web link to the CSR Policy of the Company:

http://www.styrolutionabsindia.com/pdf/CSR_Policy%20Styrolution%20ABS%20hk%20reviewed%20+%20changes%20marked.pdf

2. COMPOSITION OF CSR COMMITTEE

Mr. Jal R. Patel	- Independent director, chairperson
Mr. Sanjiv Vasudeva	- Managing director & CEO
Dr. Anke Frankenberger (Resigned w.e.f 16 May 2016)	- Professional non-executive director
Mr. Sharad M. Kulkarni	- Independent director

3. Average net profit of the company for the last three financial years: Rs. 7434 lakhs

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) : Rs. 148.68 lakhs

5. Details of CSR spent during the financial year:

- Total amount spent for the financial year: Rs 85.43 lakhs
- Amount unspent, if any: Rs. 63.25 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 other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads 1. Direct Expenditure on projects or programs 2. Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Distribution of scholarships, adoption of four street schools, sponsorship of higher studies of several students of different schools.	Education	Schools located in the vicinity of Company plants.	1,562,228	1,562,228	1,562,228	Implementing agency- Mahavir Foundation Trust
2	Distribution of woolen clothes	Health	Villages located in the vicinity of Company plants	2,931,000	2,931,000	2,931,000	Implementing agency- Mahavir Foundation Trust
3	Treatment of any type of eye disease free of cost including lodging, boarding and medicine	Health	Tajpura, Halol	1,000,000	1,000,000	1,000,000	Implementing agency- Shri Narayan Arogyadham Annapurna Trust
4	Fire tender vehicle	Infrastructure Support	Katol	1,350,000	1,350,000	1,350,000	Implementing agency- Kalol Nagar Seva Sadan
5	Purchase of tricycles, wheel chairs, crutches/ wakers, MCR shoes, blind sticks, hearing machines, sewing machines, hand lories for all categorized disabled included leprosy to provide them the life to live with dignity in main stream.	Health and upliftment of disabled persons	Tarsali, Vadodara	500,000	500,000	500,000	Implementing agency- Society for the Training and Vocational Rehabilitation
6	Upliftment of facilities at school and to develop laboratory and girls facilities (toilets) to cater needs of higher secondary students.	Education and infrastructure support	Devgad Baria	1,200,000	1,200,000	1,200,000	Implementing agency- Vibhas Trust, Devgad Baria Village, Vadodara

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 Directors’ 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 2015-16, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16.

Sr. No.	Name of director/ KMP and designation	% increase in remuneration in the financial year 2015-16	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Myung Suk Chi Managing director and Chief executive officer (Resigned w.e.f 1 March 2016) and Mr. Sanjiv Vasudeva Managing director and Chief executive officer (appointed w.e.f 1 March 2016)	12.04	49.31
2.	Mr. Haresh Khilnani Company secretary, head legal and compliance	8.28	6.92
3.	Mr. Bhupesh P. Porwal Chief financial officer	9.25	10.84

Notes:

- 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.
 - Mr. Myung Suk Chi resigned as the managing director and CEO of the Company w.e.f 1 March 2016, hence remuneration details mentioned above are for the period of 11 months (from April 2015 to Feb 2016).
 - Mr. Sanjiv Vasudeva was appointed as the managing director and CEO of the Company w.e.f from 1 March 2016, hence the remuneration details comprises for a period of 1 month i.e. March 2016.
2. During the financial year, the median remuneration of employees was Rs. 416,295.
 3. The Company had 461 permanent employees on the rolls of Company as on 31 March 2016.

4. Relationship between average increase in remuneration and Company performance

Net sales during the FY 2015-16 is Rs. 155,093 lakhs as compared to Rs. 146,171 lakhs during the last financial year.

Net profit during the financial year is Rs. 6,276.81 lakhs. The average percentage increase in the remuneration of employees was around 7%. The average increase in remuneration was in line with the market trend.

5. Comparison of remuneration of the key managerial personnel(s) against the performance of the Company:

The total remuneration of key managerial personnel increased by around 11% from Rs. 251.12 lakhs in 2014-15 to Rs. 279.21 lakhs in the year 2015-16. Net profit during the financial year is Rs. 6,276.81 lakhs.

6. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
1.	Market capitalization	At BSE Rs. 983.03 crores At NSE Rs. 986.55 crores	At BSE Rs. 1174.72 crores At NSE Rs. 1172.96 crores
2.	Price earnings ratio	15.69	33.51
3.	Closing market price of equity shares of the Company	At BSE Rs. 559 At NSE Rs. 561	At BSE Rs. 668 At NSE Rs. 667
4.	The Company's right issue was made in the year 1993 at a premium of Rs. 15/- per equity share.		

7. Average percentage increase in remuneration of employees and remuneration of managerial personnel was in the tune of 12%.

8. Key parameters for any variable component of remuneration.

Variable compensation is an integral part of our total reward package for all employees including executive directors. Annual bonus and performance based incentives are directly linked to an individual performance rating and business performance. At the start of the year, every employee (including executive directors), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch.

9. During the year under review, no employee received remuneration in excess of the highest paid director.

10. 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 Act 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 Directors’ 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 into during the year ended 31 March 2016 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 2016 are as follows:

Requisite approvals have been taken for the related party transactions.

Name of the related party	Nature of relationship	Duration of the contracts	Salient terms	Amount (in Rs. lakhs)
Purchase of raw materials				
INEOS Sales U.K. Limited	Other related party	Jan 1, 2015 to Dec 31, 2015	Based on transfer pricing guidelines	1,765.14
INEOS Europe AG	Other related party	Jan 1, 2015 to Dec 31, 2015	Based on transfer pricing guidelines	1,671.88
INEOS Styrolution Korea Ltd	Other related party	Sep 1 2012 ongoing	Based on transfer pricing guidelines	1,452.53
INEOS Styrolution APAC Pte. Ltd.	Holding Company	Apr 1, 2014 ongoing	Based on transfer pricing guidelines	43,701.46
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	Aug 1 2013 ongoing	Based on transfer pricing guidelines	1,933.86
INEOS Styrolution Mexicana S.A. de	Other related party	Jun 1, 2015 ongoing	Based on transfer pricing guidelines	26.68
INEOS Styrolution Europe GmbH	Other related party	Mar 1, 2014 ongoing	Based on transfer pricing guidelines	1,067.44
				51,619.00

Receiving of services				
INEOS Styrolution APAC Pte. Ltd.	Holding Company	May 1, 2012 ongoing	Based on transfer pricing guidelines	2,260.40
INEOS Styrolution Group GmbH	Other related party	Jan 1, 2012 ongoing	Based on transfer pricing guidelines	2,024.32
				4,284.72
Royalty				
INEOS Styrolution Group GmbH	Other related party	April 1, 2015 ongoing	Based on transfer pricing guidelines	186.24
				186.24
Rendering of services				
INEOS Styrolution Korea Ltd	Other related party	Jan 1, 2013 ongoing	Based on transfer pricing guidelines	31.47
INEOS Styrolution Group GmbH	Other related party	Jan 1, 2013 ongoing	Based on transfer pricing guidelines	137.38
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	Sep 1, 2013 ongoing	Based on transfer pricing guidelines	2.95
INEOS Styrolution APAC Pte. Ltd.	Holding Company	Jan 1, 2013 ongoing	Based on transfer pricing guidelines	31.04
				202.84

Annexure – V to the Directors' 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 equipments.

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

		(Rs. in lakhs)
a)	Capital	6.515
b)	Recurring	158.390
c)	Total	164.905
d)	Total R & D expenditure as a percentage of : Gross turnover	0.09%
	: Net turnover	0.11%

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the financial year 2015-16:

Particulars	(Rs. in lakhs)
Foreign exchange earned in terms of actual inflow	208.84
Foreign exchange outgo in terms of actual outflow	4,834.70

INEOS Styrolution India Limited

Annexure – VI to the Directors' 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 2016

Pursuant to section 92 (3) of the Act 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 Fax No: +91 265 2303203 E mail: secshare@ineosstyrolutionindia.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 Near Radhakrishna Char Rasta Akota, Vadodara,Gujarat-390020 Tel. No.: +91 265 2356573 Fax No: +91 265 2356791 E mail: vadodara@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.	ABS Resins	2013	60
2.	SAN Resins	2013	9
3.	Polystyrene	2013	31

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)

(i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year [as on 31-March-2015]				No. of shares held at the end of the year [as on 31-March-2016]				% 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.	13,189,518	-	13,189,518	75.002	13,189,218	-	13,189,218	75.000	0.002
c) Institutions									
d) Qualified foreign investor	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	13,189,518	-	13,189,518	75.002	13,189,218	-	13,189,218	75.000	0.002
Total shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	13,189,518	-	13,189,518	75.002	13,189,218	-	13,189,218	75.000	0.002
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/ UTI	1,226,268	3,155	1,229,423	6.991	964,308	3,155	967,463	5.501	1.490
b) Banks / FI	5,795	2,650	8,445	0.048	2,936	2,650	5,586	0.032	0.016
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

INEOS Styrolution India Limited

Category of shareholders	No. of shares held at the beginning of the year [as on 31-March-2015]				No. of shares held at the end of the year [as on 31-March-2016]				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
g) FII's	68,174	100	68,274	0.388	76,400	100	76,500	0.435	0.047
h) Foreign venture capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1,300,237	5,955	1,306,192	7.427	1,043,644	5,955	1,049,599	5.968	1.459
2. Non-Institutions									
a) Bodies Corp.	281,045	6,275	287,320	1.633	448,800	5375	454,175	2.583	0.950
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,947,349	244,067	2,191,416	12.461	2,164,194	232,990	2,397,184	13.631	1.168
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	426,579	0	426,579	2.426	322,492	-	322,492	1.834	0.592
c) Others (specify)									
Non resident indians (Repat)	25,309	750	26,059	0.148	59,034	0	59,034	0.336	0.188
Non resident indians (Non-Repat)	45,133	0	45,133	0.257	67,595	750	68,345	0.389	0.132
Overseas corporate bodies	-	-	-	-	-	-	-	-	-
Foreign nationals	-	-	-	-	-	-	-	-	-
Clearing members	113,408	0	113,408	0.645	45,578	0	45,578	0.259	0.386
Trusts	-	-	-	-	-	-	-	-	-
Foreign bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2,838,823	251,092	3,089,915	17.571	3,107,693	239,115	3,346,808	19.032	1.461
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4,139,060	257,047	4,396,107	24.998	4,151,337	245,070	4,396,407	25.000	0.002

Category of shareholders	No. of shares held at the beginning of the year [as on 31-March-2015]				No. of shares held at the end of the year [as on 31-March-2016]				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	17,328,578	257,047	17,585,625	100.00	17,340,555	245,070	17,585,625	100.00	0

(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	Styrolution South East Asia Pte. Ltd	13,189,518	75.002	-	13,189,218	75.000	-	0.002

(iii) Change in Promoters' shareholding (please specify, if there is 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	Styrolution South East Asia Pte. Ltd	13,189,518	75.002	1 Apr 2015	-	-	13,189,518	75.002
				9 Jun 2015	Sale	(300)	13,189,218	75.000
	At the end of the year			31 Mar 2016			13,189,218	75.000

(iv) Shareholding pattern of top ten shareholders:

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

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
1	Reliance Capital Trustee Co. Ltd - A/c Reliance small cap fund	777,702	4.422	01 Apr 2015	-	-	777,702	4.422
		-	-	10 Apr 2015	Purchase	10,674	788,376	4.483
		-	-	12 Jun 2015	Purchase	74,000	862,376	4.904
		-	-	03 Jul 2015	Purchase	79,000	941,376	5.353
		-	-	24 Jul 2015	Sale	(15,000)	926,376	5.268
		-	-	31 Jul 2015	Sale	(6,180)	920,196	5.233
		-	-	22 Jan 2016	Purchase	2,000	922,196	5.244
	At the end of the year	-	-	31 Mar 2016	-	-	922,196	5.244
2	V C Jhaveri Realty Pvt Ltd	0	0.000	01 Apr 2015	-	-	0	0.000
		-	-	19 Jun 2015	Purchase	2,215	2,215	0.013
		-	-	26 Jun 2015	Purchase	3,000	5,215	0.030
		-	-	03 Jul 2015	Purchase	9,000	14,215	0.081
		-	-	10 Jul 2015	Purchase	9,601	23,816	0.135
		-	-	28 Aug 2015	Purchase	4,000	27,816	0.158
		-	-	04 Sep 2015	Purchase	1,823	29,639	0.169
		-	-	11 Sep 2015	Purchase	5,468	35,107	0.200
		-	-	18 Sep 2015	Purchase	4,945	40,052	0.228
		-	-	25 Sep 2015	Purchase	6,184	46,236	0.263
		-	-	30 Sep 2015	Purchase	1,373	47,609	0.271
		-	-	09 Oct 2015	Purchase	4,079	51,688	0.294
		-	-	16 Oct 2015	Purchase	3,428	55,116	0.313
		-	-	30 Oct 2015	Purchase	800	55,916	0.318
		-	-	06 Nov 2015	Purchase	4,933	60,849	0.346
		-	-	20 Nov 2015	Purchase	1,677	62,526	0.356
		-	-	04 Dec 2015	Purchase	2,463	64,989	0.370
		-	-	11 Dec 2015	Purchase	200	65,189	0.371

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
		-	-	18 Dec 2015	Purchase	25	65,214	0.371
		-	-	25 Dec 2015	Purchase	719	65,933	0.375
		-	-	31 Dec 2015	Purchase	640	66,573	0.379
		-	-	15 Jan 2016	Purchase	63	66,636	0.379
		-	-	22 Jan 2016	Purchase	634	67,270	0.383
		-	-	05 Feb 2016	Purchase	3,300	70,570	0.401
		-	-	04 Mar 2016	Purchase	39,850	110,420	0.628
		-	-	18 Mar 2016	Purchase	1,805	112,225	0.638
		-	-	31 Mar 2016	Purchase	1,111	113,336	0.645
	At the end of the year	-	-	31 Mar 2016	-	-	113,336	0.645
3	Siddharth Lyer	0	0.000	01 Apr 2015	-	-	0	0.000
		-	-	15 Jan 2016	Purchase	81,044	81,044	0.461
	At the end of the year	-	-	31 Mar 2016	-	-	81,044	0.461
4	Sundaram Mutual fund A/c Sundaram Select Micro Cap Series I	40,979	0.233	01 Apr 2015	-	-	40,979	0.233
		-	-	25 Sep 2015	Purchase	1,133	42,112	0.234
	At the end of the year	0	0.000	31 Mar 2016	-	-	42,112	0.234
5	Rashi Fincorp Ltd.	-	-	01 Apr 2015	-	-	0	0.000
		-	-	07 Aug 2015	Purchase	35,000	35,000	0.199
		-	-	21 Aug 2015	Purchase	5,000	40,000	0.228
	At the end of the year			31 Mar 2016	-	-	40,000	0.228
6	Dhananjay	0	0.000	01 Apr 2015	-	-	0	0.000
	Champaklal Jhaveri							
		-	-	26 Jun 2015	Purchase	28,900	28,900	0.164
		-	-	30 Jun 2015	Sale	(13,450)	15,450	0.088

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
		-	-	03 Jul 2015	Purchase	1,500	16,950	0.096
		-	-	10 Jul 2015	Purchase	2,825	19,775	0.112
		-	-	28 Aug 2015	Purchase	4,614	24,389	0.139
		-	-	25 Sep 2015	Purchase	24,389	48,778	0.277
		-	-	30 Sep 2015	Sale	(24,389)	24,389	0.139
		-	-	16 Oct 2015	Purchase	900	25,289	0.144
		-	-	30 Oct 2015	Purchase	758	26,047	0.148
		-	-	20 Nov 2015	Purchase	776	26,823	0.153
		-	-	11 Dec 2015	Purchase	1300	28,123	0.160
		-	-	18 Dec 2015	Purchase	300	28,423	0.162
		-	-	25 Dec 2015	Purchase	981	29,404	0.167
		-	-	31 Dec 2015	Purchase	400	29,804	0.170
		-	-	05 Feb 2016	Purchase	415	30,219	0.172
	At the end of the year			31 Mar 2016	-	-	30,219	0.172
7	Dimensional Emerging Markets Value Fund	28,114	0.160	01 Apr 2015	-	-	28,114	0.160
		-	-	28 Aug 2015	Purchase	1,212	29,326	0.167
	At the end of the year	-	-	31 Mar 2016	-	-	29,326	0.167
8	Rajasthan Global Securities Private Limited	0	0.000	01 Apr 2015	-	-	0	0.000
		-	-	07 Aug 2015	Purchase	1,612	1,612	0.009
		-	-	08 Jan 2016	Purchase	7,332	8,944	0.051
		-	-	15 Jan 2016	Purchase	1,481	10,425	0.059
		-	-	04 Mar 2016	Purchase	17,672	28,097	0.160
	At the end of the year	-	-	31 Mar 2016	-	-	28,097	0.160
9	Govindlal M Parikh	27,926	0.159	01 Apr 2015	-	-	27,926	0.159

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
		-	-	25 Sep 2015	Purchase	27,926	55,852	0.318
		-	-	30 Sep 2015	Sale	(27,926)	27,926	0.159
	At the end of the year	-	-	31 Mar 2016	-	-	27,926	0.159
10	Finquest Securities Pvt. Ltd.	72,025	0.410	01 Apr 2015	-	-	72,025	0.410
		-	-	10 Apr 2015	Sale	(72,000)	25	0.000
		-	-	17 Apr 2015	Purchase	63	88	0.001
		-	-	15 May 2015	Purchase	212	300	0.002
		-	-	05 Jun 2015	Sale	(275)	251	0.000
		-	-	17 Jul 2015	Purchase	125	503	0.001
		-	-	13 Nov 2015	Purchase	249	99	0.002
		-	-	31 Mar 2016	Purchase	26,703	27,102	0.154
	At the end of the year	-	-	31 Mar 2016	-	-	27,102	0.154

(v) Shareholding of directors and key managerial personnel: **NIL**

V. INDEBTEDNESS

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

(Rs. in lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	0	10,957.97	0	10,957.97
ii) Interest due but not paid	0	3.22	0	3.22
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	10,961.19	0	10,961.19

(Rs. in lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Change in indebtedness during the financial year				
* Addition	0	6,019.74	0	6,019.74
* Reduction	0	0	0	
Net Change	0	6,019.74	0	6,019.74
indebtedness at the end 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	
Total (i+ii+iii)	0	16,980.93		16,980.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to managing director, whole-time directors and/or manager:

SN	Particulars of remuneration	Name of MD		Total
		Mr. Myung Suk Chi (11 months)	Mr. Sanjiv Vasudeva (1 month)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	194.43	10.83	205.26
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	66.58	0.81	67.39
	(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	Nil	Nil	Nil
	- Performance bonus	86.26	2.60	88.86
	- Retirals	45.13	1.55	46.68
	- Professional fees to service providers	3.98	Nil	3.98

SN	Particulars of remuneration	Name of MD		Total
		Mr. Myung Suk Chi (11 months)	Mr. Sanjiv Vasudeva (1 month)	
	-LTI	71.41	1.25	72.66
	Total (A)	467.79	17.05	484.83
	Ceiling as per the Act	As approved by the central government.		

B. Remuneration to other directors

(Rs. in lakhs)

Sr. No.	Particulars of remuneration	Name of directors		
1	Independent directors	Jal Patel	Ravindra Kulkarni	Sharad Kulkarni
	Fee for attending board committee meetings	2.70	1.60	2.10
	Commission	6.00	6.00	6.00
	Others, please specify	-	-	-
	Total (1)	8.70	7.60	8.10
2	Other Non-executive directors	Stephen Harrington	Anke Frankenberger	Jit Teng Tan
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	Nil	Nil	Nil
	Total (B)=(1+2)	8.70	7.60	8.10
	Total managerial remuneration			317.27
	Overall ceiling as per the Act	Overall ceiling as per the Act is not applicable to sitting fees.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Rs. in lakhs)

Sr. No.	Particulars of remuneration	Key managerial personnel		Total
		CS	CFO	
	Name	Haresh Khilnani	Bhupesh P. Porwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28.82	45.13	73.95
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	Nil	Nil	Nil

(Rs. in lakhs)

Sr. No.	Particulars of remuneration	Key managerial personnel		Total
		CS	CFO	
	Name	Haresh Khilnani	Bhupesh P. Porwal	
	(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	Nil	Nil	Nil
	- Others specify...	Nil	Nil	Nil
5	Others, please specify			
	- Performance Bonus	3.46	10.83	14.29
	- Retirals	3.46	5.96	9.42
	- Medical plan	0.10	0.10	0.20
	- LTI	Nil	3.45	3.45
	Total	35.84	65.46	101.30

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure – VII to Directors' Report

Form No. MR-3

For the financial year ended 31st March, 2016

[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 31 March 2016 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 31 March 2016 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 atleast 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) Acquisition of balance 50% of stake in Styrolution holding GmbH by INEOS AG from BASF resulted into indirect acquisition of control in the Company and triggered the open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. accordingly, public announcement was made by the acquirer for proposed acquisition and open offer.

In the process, the shareholding of the acquirer reached to 75.002% of the paid up capital of the Company i.e., 300 equity shares above the minimum public shareholding.

Later on, the acquirer with the permission of SEBI, had sold the excess 300 shares through the normal trading window thereby bringing its holding to 75% on 9th June, 2015 at minimum public shareholding level prescribed in the prevailing listing agreement.

- (f) On application being made by the Company on receipt of requisite approvals, Ministry of Corporate Affairs approved the change of name of the Company from 'Styrolution ABS (India) Limited' to 'INEOS Styrolution India limited'.
- (g) Hon'ble High Court of Gujarat sanctioned the scheme of amalgamation of M/s Styrolution India Private Limited (a wholly owned subsidiary of the Company) with the Company on 26 February 2016. On filing of the certified true copy of the order on 31 March 2016 and its registration by Registrar of Companies, Gujarat, M/s Styrolution India Private Limited stands amalgamated with the Company effective from 31 March 2016.
- (h) Consequent to amalgamation of M/s Styrolution India Private Limited with the Company as aforesaid, it ceases to be a subsidiary of the Company effective from 31st March, 2016.

For Devesh Vimal & Co.
Practising Company Secretaries

Date: 16 May 2016
Place: Vadodara

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.

16 May 2016

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 16 May 2016 pursuant to section 204(1) of the Act 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 Financial Statements

We have audited the accompanying financial statements of INEOS Styrolution India Limited (Formerly known as Styrolution ABS (India) Limited) (“the Company”), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

Independent Auditors' Report (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2016, taken on record by the board of directors, none of the directors are disqualified as on 31 March 2016, 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 B"; and

Independent Auditors' Report (Continued)

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
16 May 2016

Vijay Bhatt
Partner
Membership No: 036647

Annexure A to the Independent Auditors' Report – 31 March 2016

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company *except in respect of the lease cum sale agreement for one of the Company's sales office location (gross block: Rs 3.75 lakhs and net block Rs 2.66 lakhs included under building)*, wherein 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. *In addition to the above asset, Company is in the process of transferring title deeds in its name for 14 properties (gross block Rs 662.29 lakhs and net block Rs 472.47 lakhs included under land and building).*
- ii. The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the 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 Companies Act, 2013("the Act"). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any security under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the central government for maintenance of cost records under section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

Annexure A to the Independent Auditors' Report – 31 March 2016 (Continued)

(Referred to in our report of even date)

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix A to this report.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from government, financial institutions or dues to debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, 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. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Annexure A to the Independent Auditors' Report – 31 March 2016 (Continued)

(Referred to in our report of even date)

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
16 May 2016

Vijay Bhatt
Partner
Membership No: 036647

Annexure A to the Independent Auditors' Report – 31 March 2016 (Continued)

(Referred to in our report of even date)

Name of the statute	Nature of dues	Demand (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Sales Tax including interest and penalty as applicable.	57.39	-	January 2001 to December 2001	Commissioner of Sales Tax (Appeals)
The Central Sales Tax Act, 1956	Sales Tax including interest and penalty as applicable.	159.23	8.65	2002-03, 2003-04 and 2011-12	Joint Commissioner
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	8.28	-	September 2014 to December 2014	Appeal with CESTAT
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	189.11	-	August 2008 to March-2012	Commissioner - Vadodara
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	5.88	-	October 2005 to September 2009	Deputy Commissioner Appeals - Vadodara
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	48.34	-	Aug-2010 to June-2015	Joint Commissioner - Vadodara
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable	595.50	-	2009 to 2015	Assistant Commissioner - Vadodara
The Customs Tariff Act, 1975	Customs duty	39.28	-	2010-11	Commissioner of Customs (Appeals) - Ahmedabad
The Income Tax Act, 1961	Income Tax including interest and penalty as applicable	112.20	112.20	1994-1995	Honourable High Court of Gujarat
The Income Tax Act, 1961	Penalty	164.00	164.00	2008-2009, 2009-2010 and 2010-11	Income Tax Appellate - Ahmedabad

Annexure B to the Independent Auditors' Report of even date on the Financial statements of INEOS Styrolution India Limited – 31 March 2016

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of INEOS Styrolution India Limited (formerly known as Styrolution ABS (India) Limited) (“the Company”) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 Companies Act, 2013.

Auditors' Responsibility

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, issued by ICAI and 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 Institute of Chartered Accountants of India. 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.

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.

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.

Annexure B to the Independent Auditors' Report of even date on the Financial statements of INEOS Styrolution India Limited – 31 March 2016 (Continued)

Meaning of Internal Financial Controls over Financial Reporting

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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.

Opinion

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 31 March 2016, 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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
16 May 2016

Vijay Bhatt
Partner
Membership No: 036647

INEOS Styrolution India Limited

BALANCE SHEET

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

EQUITY AND LIABILITIES	Note	March 31, 2016	March 31, 2015
Shareholders' funds			
Share capital	3	1,758.56	1,758.56
Reserves and surplus	4	<u>50,051.56</u>	<u>48,622.01</u>
		51,810.12	50,380.57
Non-current liabilities			
Deferred tax liabilities (net)	5	1,834.08	2,288.73
Other long-term liabilities	6	113.43	-
Long-term provisions	7	<u>357.90</u>	<u>179.62</u>
		2,305.41	2,468.35
Current liabilities			
Short-term borrowings	8	16,940.59	10,957.97
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		40.11	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		15,761.24	15,001.65
Other current liabilities	10	4,712.75	3,113.68
Short-term provisions	11	<u>953.57</u>	<u>908.47</u>
		38,408.26	29,981.77
Total		<u>92,523.79</u>	<u>82,830.69</u>
ASSETS			
Non-Current assets			
Fixed assets	12		
Tangible assets		24,121.48	21,654.91
Capital work-in-progress		213.23	19.83
Non-current investments	13	5.41	10,103.98
Long-term loans and advances	14	3,816.16	2,593.59
Other non-current assets	15	<u>18.83</u>	<u>18.83</u>
		28,175.11	34,391.14
Current assets			
Inventories	16	19,227.56	16,241.28
Trade receivables	17	22,400.60	20,228.28
Cash and bank balances	18	2,477.34	500.90
Short-term loans and advances	19	20,194.74	11,317.83
Other current assets	20	<u>48.44</u>	<u>151.26</u>
		64,348.68	48,439.55
Total		<u>92,523.79</u>	<u>82,830.69</u>

Significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

For and on behalf of the Board of Directors of
INEOS STYROLUTION INDIA LIMITED
(formerly known as Styrolution ABS (India) Limited)
CIN: L25200GJ1973PLC002436

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Bhupesh P. Porwal
Chief Financial Officer

Ravindra Kulkarni
Director
DIN 00059367

J. R. Patel
Director
DIN 00065021

S. M. Kulkarni
Director
DIN 00003640

Haresh Khilnani
Company Secretary

Mumbai, Dated : May 16, 2016

Mumbai, Dated : May 16, 2016

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

	Note	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
Revenue from operations	21		
Sale of products (gross)		175,202.78	164,384.00
Less: Excise duty		20,109.02	18,212.05
Sale of products (net)		155,093.76	146,171.95
Other operating revenue		4,608.62	156.98
Other income	22	272.24	470.02
Total revenue		159,974.62	146,798.95
Expenses			
Cost of raw and packing materials consumed	23	123,123.88	115,490.21
Changes in inventories of finished goods and work-in-progress	24	(1,625.74)	(1,354.98)
Employee benefits expense	25	5,143.09	4,378.66
Finance costs	26	981.08	1,264.99
Depreciation / Amortisation	12	2,720.72	2,132.28
Other expenses	27	23,768.20	19,714.58
Total expenses		154,111.23	141,625.74
Profit before tax		5,863.39	5,173.21
Tax expenses			
Current tax		1,455.20	211.68
MAT Credit (entitlement)		(1,455.20)	-
Reversal of earlier years tax expense		-	(206.57)
Deferred tax charge/(credit)		(413.42)	1,665.79
		(413.42)	1,670.90
Profit for the period / year		6,276.81	3,502.31
Earnings per share (Basic and diluted) (Rs.)	46	35.69	19.92
(Face value per share of Rs. 10 each) (not annualised)			

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

For and on behalf of the Board of Directors of
INEOS STYROLUTION INDIA LIMITED
(formerly known as Styrolution ABS (India) Limited)
CIN: L25200GJ1973PLC002436

Stephen Mark Harrington
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Director
DIN 00065021

S. M. Kulkarni
Director
DIN 00003640

Haresh Khilnani
Company Secretary

Mumbai, Dated : May 16, 2016

Mumbai, Dated : May 16, 2016

CASH FLOW STATEMENT

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
A. Cash flow from Operating Activities		
Profit before Tax	5,863.39	5,173.21
Adjustments for :		
Depreciation / Amortisation	2,720.72	2,132.28
Loss/(gain) on fixed assets sold/discarded (net)	50.75	(19.60)
Provisions for doubtful debts/advances (net)	707.32	-
Interest income on deposits	(9.57)	(100.48)
Interest income-others	(81.20)	(77.94)
Profit on sales of shares	(0.50)	-
Finance costs	981.08	1,264.99
Dividend on long term quoted Investment	(0.80)	(1.08)
Dividend on current unquoted investment	(0.60)	(33.41)
Provision for contingencies	-	281.18
	<u>4,367.20</u>	<u>3,445.94</u>
Operating profit before Working Capital changes	<u>10,230.59</u>	<u>8,619.15</u>
Changes in Working Capital:		
Increase/(Decrease) in Other long-term liabilities	56.78	(6.91)
Increase/(Decrease) in Long-term provisions	79.74	(1,603.50)
(Decrease) in Trade payables	(14,240.56)	(5,436.24)
Increase/(Decrease) in Other current liabilities	1,134.63	(1,529.37)
Increase/(Decrease) in Short-term provisions	(31.05)	41.10
Decrease in Long-term loans and advances	1,703.91	891.63
(Increase) in Other non-current assets	-	(5.39)
Decrease in Inventories	1,952.46	1,062.10
Decrease in Trade receivables	3,428.65	1,860.88
(Increase) in Short-term loans and advances	(705.61)	(549.17)
Decrease in Other current assets	236.98	65.69
	<u>(6,384.07)</u>	<u>(5,209.18)</u>
Cash generated from operations	<u>3,846.52</u>	<u>3,409.97</u>
Taxes paid (net)	<u>(998.75)</u>	<u>(1,442.49)</u>
Net cash generated from Operating Activities	2,847.77	1,967.48
B. Cash flow from Investing Activities		
Purchase of Tangible assets	(720.22)	(4,616.83)
Sale of Tangible assets	48.09	95.43
Intercompany deposit received back	-	6,000.00
Purchase of Current investments	(1,400.00)	(11,858.38)
Investment in Subsidiary Company	-	(10,099.48)
Sale of Non-current investments	0.75	-
Sale of Current investments	1,400.00	15,178.87
Interest received	90.77	181.40
Dividend received	1.40	34.49
Net cash (used in) Investing Activities	<u>(579.21)</u>	<u>(5,084.50)</u>

CASH FLOW STATEMENT (CONTINUED)

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
C. Cash flow from Financing Activities		
Dividends paid	(701.44)	(701.62)
Dividend distribution tax	(143.20)	(124.99)
Finance costs	(944.13)	(1,268.37)
(Decrease)/Increase in short term loans	(17.38)	2,029.33
Net cash (used in) Financing Activities	(1,806.15)	(65.65)
A+B+C Net increase/(decrease) in Cash and Cash equivalents		
Cash and Cash equivalents at the beginning of the year	462.41	(3,182.67)
Cash and Cash equivalents acquired pursuant to merger (Refer Note 44)	476.07	3,658.74
Cash and Cash equivalents at the end of the year	1,512.04	-
	2,450.52	476.07
Cash and cash equivalents comprise:		
Cash on hand	1.77	1.46
Balances with banks	2,448.75	474.61
Total	2,450.52	476.07

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect method" set out in Accounting Standard 3 "Cash Flow Statement".
- 2) The amalgamation of Styrolution India Private Limited with the Company is a non cash transaction (refer note 44)
- 3) Figures in bracket indicate cash outflow.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248WW-100022

Vijay Bhatt
Partner
Membership No: 036647

For and on behalf of the Board of Directors of
INEOS STYROLUTION INDIA LIMITED
(formerly known as Styrolution ABS (India) Limited)
CIN: L25200GJ1973PLC002436

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Bhupesh P. Porwal
Chief Financial Officer

Ravindra Kulkarni
Director
DIN 00059367

J. R. Patel
Director
DIN 00065021

S. M. Kulkarni
Director
DIN 00003640

Haresh Khilnani
Company Secretary

Mumbai, Dated : May 16, 2016

Mumbai, Dated : May 16, 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

1. Company information

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.

2. Summary of significant accounting policies:

A. Basis of preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently followed. The financial statements are presented in Indian Rupees rounded off to the nearest lakhs.

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

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

B. Fixed assets and depreciation / amortisation:

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation / impairment. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the asset to the condition for its intended use. Interest on loans taken for procurement of specific qualifying assets accrued up to the date of acquisition/installation of the said assets is capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased/sold during a period is proportionately charged. The Management estimates the useful lives for the other fixed assets as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

Lease hold land	99	Years
Building ⁽¹⁾	30	Years
Road ⁽¹⁾	10	Years
Plant and Machinery ⁽¹⁾	19-21	Years
Furniture & Fixtures ⁽¹⁾	6-16	Years
Office Equipment ⁽¹⁾	3-5	Years
Vehicles ⁽¹⁾	8-10	Years

⁽¹⁾ Based on technical evaluation, the management believes that the useful life given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

Leasehold land is amortised on straight line basis over the period of lease.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

C. Investments:

- i) Long term Investments are stated at cost, less other than temporary diminution in value, if any.
- ii) Current Investments are stated at cost or market value, whichever is lower.
- iii) Income on investment:
Dividend income is accounted when the right to receive is established.

D. Inventories:

Inventories are valued at the lower of cost and net realisable value, which are determined as follows:

- i) Raw Materials (including stock lying at terminals), Packing Materials and Stores and Spares are valued at weighted average cost after taking credit for CENVAT, wherever applicable and Goods-in-transit at cost.
- ii) The cost of Work-in-progress and Finished Goods comprises of raw materials, direct labour, other direct costs and related production overheads based on normal capacity and Excise duty as applicable. Net realizable value is the estimate of the selling price less estimated cost of completion and estimated cost necessary to make the sale in the ordinary course of business as applicable.
- iii) Customs Duty as applicable is included in the cost of Raw Materials lying in stock.

E. Revenue recognition:

The Company recognises sales at the point of transfer of significant risks and rewards of ownership to the customers. Sales are net of Sales Tax and returns.

Revenue in respect of Duty Draw back, Insurance and other claims is recognised on accrual basis to the extent the ultimate realisation is reasonably certain. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

F. Research and development:

Capital expenditure on Research and Development is treated in the same manner as Fixed Assets. The revenue expenditure on Research and Development is charged off as an expense in the year in which it is incurred.

G. Foreign currency transactions:

The transactions in foreign currencies are accounted at the exchange rate prevailing on the date of transactions. Gain or loss resulting from the settlement of such transaction and from the year end translation at the exchange rate prevailing on the balance sheet date of monetary assets and liabilities denominated in foreign currency are recognised in the Statement of Profit and Loss.

Premium or discount in respect of forward contracts obtained for underlying transaction is accounted over the period of contracts. The exchange difference measured by the change in rate between date of inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognised in the Statement of Profit and Loss.

Forward contracts to which Accounting Standard (AS) 11 - 'The Effect of Change in Foreign Exchange Rates' is applicable are recorded based on the accounting policy as stated above. Other derivative contracts, including forward foreign exchange contracts, to which the aforesaid accounting standard is not applicable, are marked to market at the rate on the Balance Sheet date and the resultant exchange losses are recognised in the Statement of Profit and Loss and gain, if any, is not recognized.

H. Income taxes:

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax amount is measured at the amount expected to be paid to (recovered from) the taxation authorities, using applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

I. Employee benefits:

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the Statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

Post Employment Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance contribution to Government administered fund scheme which are defined contribution plans. The Company makes specified annual contribution towards superannuation fund to Life Insurance Corporation of India. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences.

Accumulated compensated absences, which are expected to be availed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

J. Provision and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation for which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent asset, are neither disclosed or recognised in the financial statements.

K. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. If at the Balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2016

(Currency: Indian Rupees in Lakhs)

L. Operating lease

Lease rentals in respect of assets acquired under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis.

M. Earnings per share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

N. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	March 31, 2016	March 31, 2015
3. Share capital		
Authorised		
50,000,000 (previous year: 50,000,000) equity shares of Rs. 10 each	<u>5,000.00</u>	<u>5,000.00</u>
Issued, subscribed and paid up		
17,585,625 (previous year: 17,585,625) equity shares of Rs. 10 each fully paid-up	1,758.56	1,758.56
	<u>1,758.56</u>	<u>1,758.56</u>

a. Equity shares held by holding company

Name of shareholder	Relationship	March 31, 2016	March 31, 2015
INEOS Styrolution APAC Pte Ltd. (Refer Note 3(f)) (formerly known as Styrolution South East Asia Pte Ltd.)	Holding Company	13,189,218	13,189,518

On 28th January, 2014, Styrolution (Jersey) Limited has transferred its entire holding of 13,189,218 (75%) equity shares to Styrolution South East Asia Pte Ltd., Singapore. Accordingly, the holding company of the Company is Styrolution South East Asia Pte. Ltd., Singapore with effect from 28th January, 2014.

b. Rights, preferences and restrictions attached to the shares

The Company has one class of equity share having a par value of Rs. 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

Name of shareholder	March 31, 2016		March 31, 2015	
	Number	Percentage	Number	Percentage
INEOS Styrolution APAC Pte Ltd. (Refer Note 3(f)) (formerly known as Styrolution South East Asia Pte Ltd.)	13,189,218	75.00%	13,189,518	75.002%

d. Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting period

Name of shareholder	March 31, 2016		March 31, 2015	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
Shares outstanding at the beginning and at the end of the year	17,585,625	1,758.56	17,585,625	1,758.56

e. 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, 2016.

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)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

f. Pursuant to the Open Offer of Styrolution South East Asia Pte Ltd, Singapore ('SSE') which closed on 3 March 2015, SSE received 300 shares from the public. As a result thereof, the total shareholding of SSE as on 31 March 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 12 March 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 20 April 2015. In compliance with SEBI guidelines, SSE has sold off these 300 shares on 9 June 2015, thereby bringing its holding back to 75%.

	March 31, 2016	March 31, 2015
4. Reserves and surplus		
a) Capital reserves		
Balance at the commencement and at the end of the year	0.14	0.14
b) Surplus on capital reduction		
Opening Balance	-	-
Add: Arising pursuant to scheme of amalgamation (refer note 44)	134.39	-
Closing Balance	<u>134.39</u>	<u>-</u>
c) Securities premium account		
Balance at the commencement and at the end of the year	<u>4,328.39</u>	<u>4,328.39</u>
d) General reserve		
Balance at the commencement of the year	8,473.29	8,123.06
Add: Amount transferred from Surplus	627.68	350.23
Less: Deficit pursuant to the scheme of amalgamation (refer note 44)	3,945.02	-
Balance at the end of the year	<u>5,155.95</u>	<u>8,473.29</u>
e) Surplus in statement of profit and loss		
Balance at the commencement of the year	35,820.19	33,514.74
Add: Profit for the year	6,276.81	3,502.31
Less : Depreciation adjustment as per schedule II of Companies Act, 2013 (including deferred tax credit Rs.41.23 Lakhs.) (refer note 12)	77.90	-
Less: Amount transferred pursuant to the scheme of amalgamation (refer note 44)	112.10	-
Less: Proposed dividend	703.43	703.43
Less: Tax on proposed dividend	143.20	143.20
Less: Amount transferred to general reserve	627.68	350.23
Balance at the end of the year	<u>40,432.69</u>	<u>35,820.19</u>
Total	<u>50,051.56</u>	<u>48,622.01</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	March 31, 2016	March 31, 2015
5. Deferred tax liabilities (net)		
(Refer Note 2(H))		
Deferred tax liabilities		
Arising on account of timing difference in Depreciation / amortisation of fixed assets	3,642.50	2,975.02
Deferred tax assets		
Arising on account of timing differences in:		
Carried forward unabsorbed depreciation	676.05	-
Provision for doubtful debts	296.95	25.16
Provision for compensated absences and employee payables	109.31	61.09
Provision for amalgamation expenses	10.78	-
Disallowances under section 43B	33.57	4.47
Provision for contingencies	681.76	595.57
	<u>1,808.42</u>	<u>686.29</u>
Total	<u>1,834.08</u>	<u>2,288.73</u>
Deferred tax assets and Deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
6. Other long-term liabilities		
Deposits received	25.00	-
Employee payables	88.43	-
Total	<u>113.43</u>	<u>-</u>
7. Long-term provisions		
Provision for employee benefits (Refer Note 2(I) and 43)		
Compensated Absences	273.25	127.62
Gratuity	32.65	-
Provision for contingencies (Refer Note 45)	52.00	52.00
Total	<u>357.90</u>	<u>179.62</u>
8. Short-term borrowings		
(Unsecured)		
Working capital loan *	7,070.05	6,650.00
Buyers credit from bank **	9,870.54	4,307.97
	<u>16,940.59</u>	<u>10,957.97</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

* Citi Bank : Repayable with an average tenure of 10 days. Interest is payable @ 9.53% (average rate).
HSBC Bank : Repayable with an average tenure of 3 days. Interest is payable @ 9.90% (average rate).

** Buyers credit facility is taken towards purchase of raw-material which has been covered under letter of credit limit and carries interest rate of 0.56% to 1.00% and is generally repayable within 30 - 120 days from the date of extending credit.

Borrowing facility from HSBC & Citi Bank is secured by group corporate guarantee amounting to Rs. 30,801.18 Lakhs.

	March 31, 2016	March 31, 2015
9. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 41)	40.11	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,761.24	15,001.65
Total	<u>15,801.35</u>	<u>15,001.65</u>
10. Other current liabilities		
Interest accrued but not due on borrowings	40.34	3.22
Unclaimed dividend *	26.82	24.83
Advances received from customers	125.20	160.41
Employee related liabilities	824.53	645.30
Statutory dues	305.34	182.11
Payables for capital goods	290.45	323.96
Accrued expenses	2,647.96	1,773.85
Other payable	452.11	-
Total	<u>4,712.75</u>	<u>3,113.68</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.		
11. Short-term provisions		
Provision for employee benefits (Refer Note 2(I) and 43)		
Gratuity	64.36	12.93
Compensated Absences	42.58	48.91
Proposed dividend on equity shares	703.43	703.43
Tax on proposed dividend	143.20	143.20
Total	<u>953.57</u>	<u>908.47</u>

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

12. Tangible fixed assets (Refer Notes 2(B) and 2(K))

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK		
	AS AT 01/04/2015	On Account of Amalgamation	Additions	Deductions/ Adjustment	AS AT 31/03/2016	AS AT 01/04/2015	On Account of Amalgamation	Adjustment (Refer Note:4)	For the Year/ (Period)	Deductions/ Adjustment	AS AT 31/03/2016	AS AT 31/03/2016	AS AT 31/03/2015
Free-Hold Land	85.49 (85.49)	-	-	-	85.49 (85.49)	-	-	-	-	-	-	85.49	- (85.49)
Lease-Hold Land	171.43 (171.43)	91.31	-	-	262.74 (171.43)	34.17 (31.17)	13.47	-	3.34 (3.00)	-	50.98 (34.17)	211.76	- (137.26)
Buildings	6,345.89 (4,607.87)	1,543.40	81.08 (1,738.02)	0.76	7,969.61 (6,345.89)	1,525.50 (1,296.62)	851.44	33.96	335.79 (228.88)	0.35	2,746.34 (1,525.50)	5,223.27	- (4,820.39)
Plant & Machinery and Equipment *	36,204.55 (28,827.54)	15,822.31	348.46 (8,274.05)	338.16 (897.04)	52,037.16 (36,204.55)	20,033.06 (19,035.87)	11,817.96	-	2,199.88 (1,815.26)	246.43 (818.07)	33,804.47 (20,033.06)	18,232.69	- (16,171.49)
Furniture, Fixtures	438.07 (432.47)	52.80	34.28 (5.60)	0.68	524.47 (438.07)	391.92 (377.32)	52.80	-	9.73 (15.45)	0.52 (0.85)	453.93 (391.92)	70.54	- (46.15)
Vehicles	216.24 (177.98)	36.65	- (38.26)	-	252.89 (216.24)	161.51 (144.13)	24.95	-	19.14 (17.38)	-	205.60 (161.51)	47.29	- (54.73)
Office Equipments	749.98 (572.19)	316.05	62.67 (177.79)	9.44	1,119.26 (749.98)	410.58 (360.56)	223.13	85.17	152.84 (52.31)	2.90 (2.29)	868.82 (410.58)	250.44	- (339.40)
Sub Total	44,211.65 (34,874.97)	17,862.52	526.49 (10,233.72)	349.04 (897.04)	62,251.62 (44,211.65)	22,556.74 (21,245.67)	12,983.75	119.13	2,720.72 (2,132.28)	250.20 (821.21)	38,130.14 (22,556.74)	24,121.48	(21,654.91)
Capital Work In Progress	19.83 (5,636.72)	-	718.62 (4,543.73)	525.22 (10,160.62)	213.23 (19.83)	-	-	-	-	-	-	213.23	- (19.83)
Total	44,231.48 (40,511.69)	17,862.52	1,245.11 (14,777.45)	874.26 (11,057.66)	62,464.85 (44,231.48)	-	-	-	-	-	-	24,334.71	(21,674.74)

NOTES:

- Buildings include cost of shares of the face value of One thousand Rupees.
- Buildings include office premises at Mumbai amounting to Rs.3.75 (Lakhs) (Previous Year Rs.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 Block Rs 200.50 Lakhs, Accumulated Depreciation Rs 173.08 Lakhs and Net Block Rs. 27.42 Lakhs being the Company's share of an asset jointly owned with another company.
- With effect from 1 April 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, Rs. 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 Rs. 41.23 Lakhs on those assets has been adjusted to opening reserves) and the additional depreciation for the year ended 31 March 2016 on assets whose useful life has been reassessed is Rs.112.25 Lakhs.
- Figures in brackets pertain to previous year.

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	March 31, 2016	March 31, 2015
13. Non-current investments		
(Refer Note 2(C))		
Other investments		
Investment in equity instruments (at cost)		
Quoted		
25,000 equity shares of Bank of Baroda of Rs. 2 each fully paid-up (previous year: 25,000 shares at Rs. 2 each)	4.25	4.25
On account of amalgamation (Refer Note 44)		
13,900 (Previous Year - 13,900) fully paid equity shares of Rs 10 each of Supreme Petrochem Ltd.	1.16	-
Unquoted		
Co-operative Bank of Baroda Limited (previous year : 1,000 shares at Rs. 25 each)	-	0.25
Investment in subsidiary company - Unquoted		
Styrolution India Private Limited	-	10,099.48
61,544,634 equity shares of Rs. 10 each fully paid-up (refer note 44)		
Total	<u>5.41</u>	<u>10,103.98</u>
Quoted non-current investments		
Aggregate market value	51.92	40.83
Aggregate book value of unquoted non-current investments	-	10,099.73
14. Long-term loans and advances		
(Unsecured and considered good)		
Capital advances	245.24	278.42
Security deposits	537.05	432.05
Other loans and advances		
Loan to employees	7.90	7.77
- Refund receivable from government authorities	27.39	-
- Deposit placed with tax authorities	35.41	-
MAT credit entitlement	1,455.20	-
Balance with Income Tax Authorities (net of provision for tax of Rs. 29,824.39 (Lakhs), previous year Rs. 27,341.23 (Lakhs))	1,507.97	1,875.35
Total	<u>3,816.16</u>	<u>2,593.59</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	March 31, 2016	March 31, 2015
15. Other non-current assets		
(Considered good unless otherwise stated)		
Bank deposits*	18.83	18.83
Total	<u>18.83</u>	<u>18.83</u>
* Bank deposit due to mature after 12 months of the reporting date and held as lien by bank against bank guarantee and court order.		
16. Inventories		
(Refer Note 2(D)) (at lower of cost or net realisable value)		
Raw materials (including goods in transit Rs. 4,840.40 (Lakhs), previous year: Rs. 4,868.51 (Lakhs))	11,341.89	10,846.15
Packing materials	107.24	44.40
Work-in-progress	1,928.85	1,498.32
Finished goods	5,144.98	3,437.17
Stores and spares	704.60	415.24
Total	<u>19,227.56</u>	<u>16,241.28</u>
17. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good - unsecured	84.41	-
Considered doubtful - unsecured	858.03	72.71
	<u>942.44</u>	<u>72.71</u>
Less: Provision for doubtful debts	858.03	72.71
	<u>84.41</u>	<u>-</u>
Other receivables		
Considered good- secured	175.61	-
Considered good- unsecured	22,140.58	20,228.28
	<u>22,316.19</u>	<u>20,228.28</u>
Total	<u>22,400.60</u>	<u>20,228.28</u>
18. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	1.77	1.46
Balances with banks		
In current accounts	2,448.75	474.61
	<u>2,450.52</u>	<u>476.07</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	March 31, 2016	March 31, 2015
Other bank balances		
Earmarked balances with banks		
In unclaimed dividend account	26.82	24.83
Total	<u>2,477.34</u>	<u>500.90</u>
Details of Bank Balance deposit		
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets'	18.83	18.83
	<u>18.83</u>	<u>18.83</u>
19. Short-term loans and advances		
(Unsecured, considered good unless otherwise stated)		
To parties other than related parties		
Advances for supply of goods		
Considered good	800.60	899.70
Excise receivables	15,521.41	7,329.15
Custom duty receivables	869.58	835.20
VAT receivables	1,115.69	1,360.74
Service tax receivables	1,710.97	708.40
Prepaid expenses	116.75	123.72
Loans and advances to employees	52.26	56.32
Others	7.48	4.60
Total	<u>20,194.74</u>	<u>11,317.83</u>
20. Other current assets		
(Unsecured, considered good)		
Unamortised premium on forward contracts	48.44	79.85
Other current assets	-	71.41
Total	<u>48.44</u>	<u>151.26</u>
	April 1, 2015 to	January 1, 2014 to
	March 31, 2016	March 31, 2015
21. Revenue from operations		
(Refer Note 2(E))		
Sale of goods		
Finished goods (Refer Note 34)	175,202.78	164,384.00
Less: Excise duty	20,109.02	18,212.05
Sale of goods (net)	<u>155,093.76</u>	<u>146,171.95</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
Other operating revenue		
Commission income	65.46	80.99
Sale of Raw material	4,543.16	-
Rental Income	-	3.99
Service charges	-	72.00
	<u>4,608.62</u>	<u>156.98</u>
Total	<u>159,702.38</u>	<u>146,328.93</u>
22. Other income		
Interest income (net)		
On deposits	9.57	100.48
Others	81.20	77.94
Dividend on long term quoted investment	0.80	1.08
Dividend on current unquoted investment	0.60	33.41
Profit on sales of shares	0.50	-
Profit on sale of fixed assets (net)	-	19.60
Miscellaneous income	179.57	237.51
	<u>272.24</u>	<u>470.02</u>
Total	<u>272.24</u>	<u>470.02</u>
23. Cost of raw and packing materials consumed		
Raw materials consumed (Refer Note 33)		
Opening Stock	10,846.15	13,387.23
Add: Transferred on amalgamation (Refer Note 44)	4,118.86	-
Add: Purchases	118,561.56	112,218.08
Less: Closing stock	11,341.89	10,846.15
	<u>122,184.68</u>	<u>114,759.16</u>
Packing materials consumed		
Opening Stock	44.40	48.24
Add: Transferred on amalgamation (Refer Note 44)	52.50	-
Add: Purchases	949.54	727.21
Less: Closing stock	107.24	44.40
	<u>939.20</u>	<u>731.05</u>
Total	<u>123,123.88</u>	<u>115,490.21</u>
24. Changes in inventories of finished goods and work-in-progress (Refer Note 35)		
Closing stock :		
Finished products	5,144.98	3,437.17
Work-in-progress	1,928.85	1,498.32
	<u>7,073.83</u>	<u>4,935.49</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
Less: Opening stock :		
Finished products	3,437.17	2,064.63
Work-in-progress	1,498.32	1,380.87
Inventories transferred on amalgamation (Refer Note 44)		
Finished products	197.71	-
Work-in-progress	329.45	-
	<u>5,462.65</u>	<u>3,445.50</u>
Excise Duty on (Increase) / Decrease on Finished Goods	(14.56)	135.01
Total	<u>(1,625.74)</u>	<u>(1,354.98)</u>
25. Employee benefits expense		
Salaries, wages and bonus	4,470.98	3,783.35
Contribution to provident and other funds (Refer Note 43)	348.06	354.06
Staff welfare expenses	324.05	241.25
Total	<u>5,143.09</u>	<u>4,378.66</u>
26. Finance costs		
Interest expense	981.08	1,264.99
	<u>981.08</u>	<u>1,264.99</u>
27. Other expenses		
Advertisements and publicity	12.19	21.96
Bank charges and other financial charges	150.26	216.45
Commission	801.15	984.56
Communication expenses	44.13	46.02
Consumption of stores and spares	309.33	305.02
Corporate cost sharing expenses	3,817.58	2,616.66
Royalty	186.24	-
CSR expenses (Refer Note 48)	85.43	4.00
Directors' sitting fees	8.78	6.05
Donations	0.70	1.71
Environment expenses	135.90	263.11
Foreign exchange fluctuation (net)	2,265.54	1,017.90
Freight and forwarding expenses	2,795.13	2,287.76
Insurance	186.28	135.97
IT charges	467.14	274.20
Legal and professional charges	423.66	522.27
Loss on fixed assets sold/discarded (net)	50.75	-
Payment to the Auditor (Refer Note 30)	65.41	44.87
Power and fuel (net) (Refer Note 29)	5,822.39	5,293.93

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
Printing and stationery	29.52	41.23
Processing charges	691.31	456.38
Provision for contingencies (Refer Note 45)	-	281.18
Provisions for doubtful debts (net)	707.32	-
Rates and taxes	82.73	24.74
Rebates and discounts	2,611.65	3,121.33
Rent (Refer Note 40)	294.20	311.81
Repair - Buildings	26.44	16.27
Repair - Others	162.45	55.02
Repair - Plant and machinery	770.61	677.43
Travelling and conveyance expenses	393.13	401.14
Water charges	63.07	46.09
Miscellaneous expenses	307.78	239.52
Total	<u>23,768.20</u>	<u>19,714.58</u>

28. Contingent liabilities and commitments

I) Contingent liabilities		
a) Income tax	1,704.22	292.94
b) Excise duty & service tax	275.04	80.56
c) Customs duty	39.28	-
d) Sales tax	216.62	72.62
e) Claims against the Company not acknowledged as debt	134.23	76.81

Note: Future cash outflows in respect of (a), (b), (c) and (d) above are determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance)	66.05	77.72

29. 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 Rs. 435.31 (Lakhs) (Previous period Rs. 486.33 (Lakhs)).

30. Payment to the Auditor

Audit Fees	44.00	28.36
Tax Audit Fees	4.50	5.00
Others (Limited Review, Certification etc.)	14.20	9.50
Out of Pocket Expenses	2.71	2.01
	<u>65.41</u>	<u>44.87</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

31. The Company manufactures and sells ABS, SAN and POLYSTYRENE i.e. "Highly Specialized Engineering Thermoplastics". These products have the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. The Company sells these products within the country and hence the segment based on geographical risk factors which may be present in different countries is not applicable. Thus, in the context of Accounting Standard 17 "Segment Reporting", notified under section 133 of the Act read together with rule 7 of The Companies (Accounts) rules, 2014 to the extent applicable, there is only one identified primary and secondary segment. As the Company business activity falls within a single primary business segment and single geographical segment, the financial statements are reflective of the information required by Accounting Standard 17 on Segment Reporting.
32. Disclosure of the relationship and transactions with the related parties as defined in Accounting Standard 18 "Related Party Disclosures", notified under section 133 of the Act read together with rule 7 of The Companies (Accounts) Rules, 2014 to the extent applicable is as follows:

RELATED PARTY TRANSACTIONS:**A. List of Related Parties with whom transactions have taken place**(as identified and certified by the management)**1. Where control exists****Ultimate Holding Company****Styrolution Holding GmbH**

Germany (from October 1, 2011 to November 16, 2014)

INEOS AG

Switzerland (from November 17, 2014)

Holding Companyholds 75.00% of the equity share capital
(also refer Note 3(a))**Styrolution (Jersey) Limited**

Channel Islands (upto January 27, 2014)

INEOS Styrolution APAC Pte Ltd.

(Formerly : Styrolution South East Asia Pte Ltd.)

Singapore (w.e.f January 28, 2014)

Wholly owned Subsidiary

(from March 1, 2014 to March 31, 2015)

Styrolution India Private Limited

Gujarat

2. Where transactions have taken place**Fellow subsidiaries****INEOS Styrolution Korea Ltd.**

(Formerly : Styrolution Korea Ltd)

Korea

INEOS Styrolution (Thailand) Co., Ltd.

(Formerly : Styrolution Thailand Co., Ltd.)

Thailand

INEOS Styrolution Group GmbH

(Formerly : Styrolution Group GmbH)

Germany

INEOS Styrolution Ludwigshafen GmbH

(Formerly : Styrolution Ludwigshafen GmbH)

Frankfurt am Main

INEOS Styrolution Europe GmbH

(Formerly : Styrolution Europe GmbH)

Frankfurt am Main

INEOS Styrolution Mexicana S.A de

Napoles

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

2. Where transactions have taken place Fellow subsidiaries

INEOS SALES U.K. LIMITED
Great Britain (from November 17, 2014)
INEOS EUROPE AG
Switzerland (from November 17, 2014)

Key Managerial Personnel

Mr. Myung Suk Chi
Managing Director (up to 1st March 2016)
Mr. Sanjiv Vasudeva
Managing Director & CEO (w.e.f 1st March 2016)

	April 1, 2015 to March 31, 2016			January 1, 2014 to March 31, 2015			
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Subsidiary Company	Total
1 Purchase of raw materials							
INEOS SALES U.K. LIMITED	-	1,765.14	1,765.14	-	3,227.90	-	3,227.90
INEOS EUROPE AG	-	1,671.88	1,671.88	-	1,030.71	-	1,030.71
INEOS Styrolution Ludwigshafen GmbH	-	-	-	-	275.10	-	275.10
INEOS Styrolution Korea Ltd	-	1,452.53	1,452.53	-	2,605.39	-	2,605.39
INEOS Styrolution APAC Pte. Ltd.	43,701.46	-	43,701.46	26,864.92	2,130.04	-	28,994.96
INEOS Styrolution (Thailand) Co., Ltd.	-	1,933.86	1,933.86	-	4,783.47	-	4,783.47
INEOS Styrolution Mexicana S.A. de	-	26.68	26.68	-	-	-	-
INEOS Styrolution Europe GmbH	-	1,067.44	1,067.44	-	1,088.39	-	1,088.39
Styrolution India Pvt. Ltd.	-	-	-	-	-	2.45	2.45
	43,701.46	7,917.53	51,618.99	26,864.92	15,141.00	2.45	42,008.37
2 Receiving of services							
INEOS Styrolution APAC Pte. Ltd.	2,260.40	-	2,260.40	1,503.45	75.62	-	1,579.07
INEOS Styrolution Group GmbH	-	2,024.32	2,024.32	-	1,311.79	-	1,311.79
Styrolution India Pvt. Ltd.	-	-	-	-	29.04	174.38	203.42
	2,260.40	2,024.32	4,284.72	1,503.45	1,416.45	174.38	3,094.28
3 Royalty							-
INEOS Styrolution Group GmbH	-	186.24	186.24	-	-	-	-
Sub-Total	-	186.24	186.24	-	-	-	-
4 Rendering of services							
INEOS Styrolution Korea Ltd	-	31.47	31.47	-	49.25	-	49.25
INEOS Styrolution Group GmbH	-	137.38	137.38	-	77.73	-	77.73
INEOS Styrolution (Thailand) Co., Ltd.	-	2.95	2.95	-	5.65	-	5.65
INEOS Styrolution APAC Pte. Ltd.	31.04	-	31.04	26.09	-	-	26.09
Styrolution India Pvt. Ltd.	-	-	-	-	-	72.00	72.00
	31.04	171.80	202.84	26.09	132.63	72.00	230.72

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016			January 1, 2014 to March 31, 2015			
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Subsidiary Company	Total
5 Sale of goods							
Styrolution India Pvt. Ltd.	-	-	-	-	2.69	1,626.88	1,629.57
	-	-	-	-	2.69	1,626.88	1,629.57
6 Intercorporate deposit received back							
Styrolution India Pvt. Ltd.	-	-	-	-	6,000.00	-	6,000.00
	-	-	-	-	6,000.00	-	6,000.00
7 Interest on intercorporate deposit							
Styrolution India Pvt. Ltd.	-	-	-	-	85.89	-	85.89
	-	-	-	-	85.89	-	85.89
8 Investment in subsidiary							
Styrolution Holding Company	-	-	-	-	10,099.48	-	10,099.48
	-	-	-	-	10,099.48	-	10,099.48
9 Dividend payment							
INEOS Styrolution APAC Pte. Ltd.	527.57	-	527.57	527.57	-	-	527.57
	527.57	-	527.57	527.57	-	-	527.57
10 Outstanding Balances							
As on March 31, 2016							
Balances of Trade payables							
INEOS Styrolution Europe GmbH	-	57.88	57.88	-	118.43	-	118.43
INEOS Styrolution APAC Pte. Ltd.	627.46	-	627.46	7,441.31	-	-	7,441.31
INEOS Styrolution Korea Ltd	-	326.86	326.86	-	142.74	-	142.74
INEOS Styrolution (Thailand) Co., Ltd.	-	466.57	466.57	-	-	-	-
INEOS Styrolution Group GmbH	-	598.67	598.67	-	2,542.84	-	2,542.84
Styrolution India Pvt. Ltd.	-	-	-	-	-	6.74	6.74
	627.46	1,449.98	2,077.44	7,441.31	2,804.01	6.74	10,252.06
Balances of Corporate guarantee							
INEOS Styrolution Group GmbH	-	30,801.18	30,801.18	-	18,000.00	-	18,000.00
	-	30,801.18	30,801.18	-	18,000.00	-	18,000.00
Balance of Trade receivables							
INEOS Styrolution Group GmbH	-	156.47	156.47	-	-	-	-
INEOS Styrolution APAC Pte. Ltd.	13.65	-	13.65	5.87	-	-	5.87
INEOS Styrolution Korea Ltd	-	7.44	7.44	-	3.16	-	3.16

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016			January 1, 2014 to March 31, 2015			
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Subsidiary Company	Total
INEOS Styrolution (Thailand) Co., Ltd.	-	0.34	0.34	-	6.34	-	6.34
INEOS EUROPE AG	-	-	-	-	118.92	-	118.92
Styrolution India Pvt. Ltd.	-	-	-	-	-	80.76	80.76
	13.65	164.25	177.90	5.87	128.42	80.76	215.05

Details of transactions of Key management personnel

Nature of Transactions	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
Director's Remuneration		
Mr. Myung Suk Chi	489.05	595.91
Mr. Sanjiv Vasudeva *	23.77	-
	<u>512.82</u>	<u>595.91</u>

* The appointment is subject to shareholders approval

33. Consumption of Raw Materials :

Acrylonitrile	17,868.86	26,251.27
Butadiene	6,191.77	8,936.92
Styrene	84,813.62	60,006.00
Others	13,310.43	19,564.97
	<u>122,184.68</u>	<u>114,759.16</u>

34. Sales :

ABS Resins	105,568.24	143,256.03
SAN Resins	15,676.61	21,127.97
Polystyrene	53,957.93	-
	<u>175,202.78</u>	<u>164,384.00</u>

35.A) Stock of Raw Materials :

Opening Stock : (Refer Note 44)		
Acrylonitrile	4,627.98	2,820.06
Butadiene	844.74	433.35
Styrene	6,374.12	7,013.40
Others	3,118.17	3,120.42
	<u>14,965.01</u>	<u>13,387.23</u>
Closing Stock :		
Acrylonitrile	2,856.71	4,627.98
Butadiene	54.37	844.74
Styrene	5,480.01	2,913.18
Others	2,950.80	2,460.25
	<u>11,341.89</u>	<u>10,846.15</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
B) Stock of Finished Goods :		
Opening Stock : (Refer Note 44)		
ABS Resins	2,794.41	1,745.19
SAN Resins	642.76	319.44
Polystyrene	197.71	0.00
	<u>3,634.88</u>	<u>2,064.63</u>
Closing Stock :		
ABS Resins	2,872.10	2,794.41
SAN Resins	1,130.70	642.76
Polystyrene	1,142.18	0.00
	<u>5,144.98</u>	<u>3,437.17</u>
C) Stock of Work-in-progress		
Opening Stock : (Refer Note 44)		
ABS Resins	437.35	901.49
SAN Resins	1,060.97	479.38
Polystyrene	329.45	0.00
	<u>1,827.77</u>	<u>1,380.87</u>
Closing Stock :		
ABS Resins	370.05	437.35
SAN Resins	1,194.73	1,060.97
Polystyrene	364.07	0.00
	<u>1,928.85</u>	<u>1,498.32</u>
36. Value of Imports on CIF basis :		
Raw Materials	104,355.82	99,893.05
Capital Goods	150.29	131.21
Stores and Spares	53.68	28.74
	<u>104,559.79</u>	<u>100,053.00</u>

37. Value of Imported and Indigeneous

Raw Materials and Stores consumed	April 1, 2015 to March 31, 2016		January 1, 2014 to March 31, 2015	
	Rs. in Lakhs	%	Rs. in Lakhs	%
(a) Raw Materials :				
Imported	115,904.56	94.86	102,255.97	89.10
Indigenous	6,280.12	5.14	12,503.19	10.90
	<u>122,184.68</u>	<u>100.00</u>	<u>114,759.16</u>	<u>100.00</u>
(b) Stores and Spares :				
Imported	53.68	17.35	7.52	2.47
Indigenous	255.65	82.65	297.50	97.53
	<u>309.33</u>	<u>100.00</u>	<u>305.02</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

38. The Company has taken forward contract to cover its foreign currency exposures as follows:

		March 31, 2016		March 31, 2015	
		Payables		Payables	
		Amount in foreign currency (in Lakhs)	Amount in INR (in lakhs)	Amount in foreign currency (in Lakhs)	Amount in INR (in lakhs)
Trade payables	USD	88.22	5,855.99	168.75	10,701.33
Buyers credit	USD	148.70	9,870.54	16.54	1,037.49

The foreign currency exposures not covered by any derivative instruments are as follows:

		March 31, 2016		March 31, 2015	
		Payables		Payables	
		Foreign Currency (Lakhs)	Rs. in Lakhs	Foreign Currency (Lakhs)	Rs. in Lakhs
EURO		8.29	624.82	37.57	2,549.10
USD		110.68	7,346.61	53.36	3,343.46
JPY		-	-	17.27	9.02
SGD		-	-	0.07	3.36

		March 31, 2016		March 31, 2015	
		Receivables		Receivables	
		Foreign Currency (Lakhs)	Rs. in Lakhs	Foreign Currency (Lakhs)	Rs. in Lakhs
EURO		1.88	141.70	-	-
USD		0.17	11.28	0.24	15.29

39. A) Expenditure in Foreign Currency (on accrual basis)	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
Corporate cost sharing expenses	3,817.58	2,616.66
Royalty	186.24	-
IT Charges	467.14	273.96
Salary Cost	216.39	174.16
Travelling Expenses	30.82	32.44
Professional fees	7.29	7.59
Others	109.24	61.30
	<u>4,834.70</u>	<u>3,166.11</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
B) Earnings in Foreign Currency (on accrual basis)		
Commission income	65.46	80.99
R&D income	137.38	77.73
	<u>202.84</u>	<u>158.72</u>

40. The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as Rent under "Other Expenses" in Note 27. These leasing arrangements are for a period not exceeding three years and are in most cases renewable by mutual consent, on mutually agreeable terms. Future lease rentals payable in respect of residential and office premises on non-cancellable lease:

(Rs. in Lakhs)

Payable	As at March 31,2016	As at March 31,2015
Not Later than one year	95.02	58.54
Later than one year but not later than five years	79.25	103.86
Later than five years	-	-

41. Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
(a) The principal amount and interest due thereon remaining unpaid to suppliers		
(i) Principal	40.11	-
(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) Included in (d) above is Rs. 1.30 Lakhs (previous year:Rs. NIL) being interest on amounts outstanding as at the beginning of year.	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

42. The Company has undertaken necessary steps to comply with the Transfer Pricing regulations. The Company's international transactions with associated enterprises are at arm's length as per independent accountant's report for the year ended 31 March 2015. The Management is of the opinion that the international and domestic transactions post 31 March 2015 continue to be at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

43. Employee benefits

The Company has classified the various benefits provided to employees as under

1. Defined contribution plans

- a. Provident Fund
- b. Superannuation Fund
- c. State defined contribution plan
 - i. Employer's contribution to Employee's state insurance

The Company has no further obligation beyond making contribution to the respective fund.

During the period, the Company has recognised the following amounts in the Statement of Profit and Loss:

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
- Employer's contribution to Provident Fund	175.19	169.33
- Employer's contribution to Superannuation Fund	77.72	74.84
- Employer's contribution to Employee's state insurance	2.64	3.20

Included in contribution to Provident Fund and other funds
(Refer Note 25)

2. Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)

In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

Discount rate (per annum)	7.80%	8.00%
Rate of increase in compensation levels (per annum)	8.00%	6.50%
Rate of return on plan assets (for funded scheme)	7.80%	8.26%

A) Changes in the present value of obligation

Present value of obligation as at opening date	565.55	523.52
Add : Amount transferred pursuant to the scheme of amalgamation (refer note 44)	200.96	-
Interest cost	61.33	52.36
Current service cost	62.84	41.12

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	April 1, 2015 to March 31, 2016	January 1, 2014 to March 31, 2015
Benefits paid	(128.36)	(124.95)
Actuarial (gain)/loss on obligations	102.85	73.50
Present value of obligation as at closing date	<u>865.17</u>	<u>565.55</u>
B) Changes in the fair value of plan assets		
(For funded scheme)		
Present value of plan assets as at opening date	552.62	582.42
Add : Amount transferred pursuant to the scheme of amalgamation (refer note 44)	160.34	-
Actual return on plan assets	55.85	60.17
Contributions	119.68	34.98
Benefits paid	(128.36)	(124.95)
Actuarial gain/(loss) on plan assets	8.04	-
Fair value of plan assets as at closing date	<u>768.17</u>	<u>552.62</u>
C) Amount recognised in the Balance Sheet		
Present value of obligation as at closing date	865.17	565.55
Fair value of plan assets as at the end of the year	768.17	552.62
Liability/(Asset) recognised in the balance sheet	<u>97.00</u>	<u>12.93</u>
Included in 'Provision for employee benefits' under Long term provisions & short term provisions (Refer Note 7 and 11)		
D) Expenses recognised in the statement of profit and loss		
Current service cost	62.84	41.12
Interest cost	61.33	52.36
Actual return on plan assets	(55.85)	(60.17)
Net actuarial (gain)/loss recognised in the year	102.85	73.50
Total expenses recognised in the statement of profit and loss	<u>171.17</u>	<u>106.81</u>
Included in contribution to Provident and Other Funds (Refer Note 25)		
E) Actual Return on Plan Assets		
Expected return on Plan Assets	55.85	60.17
Actuarial gain/(loss) on plan assets	8.04	-
Actual return on plan assets	<u>63.89</u>	<u>60.17</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

F) Experience Adjustment

	2015-16	2014-15*	2013	2012	2011
On Plan liabilities	21.63	73.50	5.93	23.73	39.50
On Plan assets	0.89	1.93	4.97	30.69	0.32
* for 15 months from January 14 to March 15					

G) Expected employer's contribution to the fund for the next year

	2015-16	2014-15*
	64.36	77.55

H) Investment details of plan assets

	2015-16	2014-15*	2013
Administered by LIC of India	100%	100%	100%

* for 15 months from January 14 to March 15

- 3 The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

The Actuarial liability for compensated absences as at year end is Rs. 315.84 (Lakhs) (Previous Year Rs. 176.53 (Lakhs). Current year charge is included in Employee benefit expense (Refer Note 25).

44 Amalgamation of Styrolution India Private Limited with the Company

Scheme of Arrangement between Styrolution India Private Limited and the Company:

During the year, Styrolution India Private Limited, 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 1

April 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 Bombay vide its order dated 26 February 2016, which was filed with Registrar of Companies on 31 March 2016.

The Company has carried out the accounting prescribed in the Scheme and made the required disclosure for Amalgamations in the nature of merger, as required under Accounting Standard 14 (AS 14) "Accounting for Amalgamations" notified under the Companies (Accounts) Rules 2014.

Hence, in accordance with the Scheme:

- i The Company has taken over all the following assets aggregating to Rs. 27,907.36 Lakhs, liabilities aggregating to Rs.21,730.61 Lakhs, surplus on capital reduction of Rs. 134.39 Lakhs and deficit of Rs. 112.10 Lakhs at their respective book values. On cancellation of investments made by the Company in Styrolution India Pvt. Ltd. against its share capital as on the appointed date, the resultant deficit of Rs. 3,945.02 Lakhs has been debited to General Reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

Particulars	Amount Rs. in Lakhs
Tangible assets (net)	4,878.77
Non-current investments	1.16
Long term loans and advances	1,960.91
Inventories	4,938.74
Trade receivables	6,308.29
Cash and bank balances	1,512.04
Short-term loans and advances	8,173.30
Other current assets	134.15
Total Assets acquired	27,907.36
Other long term liabilities	56.65
Long-term provisions	98.54
Short-term borrowings	6,000.00
Trade payables	15,040.26
Other current liabilities	459.01
Short-term provisions	76.15
Total Liabilities acquired	21,730.61
Deficit in statement of profit and loss	(112.10)
Surplus on capital reduction	134.39

- ii. No consideration is payable or receivable on implementation of the Scheme as the Scheme involves a wholly owned Subsidiary.
- iii. In view of the above, the financial statements for the current year are not strictly comparable to those of the previous year.

45. Provision for contingencies

(Rs. in Lakhs)

Particulars	March 31, 2016	March 31, 2015
Provision for contingencies		
Carrying Amount at the beginning of the year	52.00	1,439.72
Additions during the year	-	281.18
Utilisation during the year	-	1,668.90
Carrying Amount at the close of the year	52.00	52.00

Represents estimates made for probable liabilities arising out of commercial transactions with parties and pending settlement of duties/levies with various government authorities. The information usually required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" notified under section 133 of the Act is not disclosed on the grounds that it can be expected to prejudice the interest of the Company. The timing of the outflow with regard to the said matters depends on exhaustion of remedies available to the Company under the Law and hence the Company is not able to reasonably ascertain the timing of the outflow.

46. Earnings per equity share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by average number of equity shares outstanding during the year. Numbers used in calculating basic and diluted earnings per equity shares are as stated below:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at March 31, 2016

(Currency: Indian Rupees in Lakhs)

	March 31, 2016	March 31, 2015
Values used in calculating EPS:		
a) Numerator : Profit After Tax (Rs.in Lakhs)	6,276.81	3,502.31
b) Denominator : Number of equity shares	17,585,625	17,585,625
Earnings per share (Basic and Diluted) (Rs.)	35.69	19.92
Face value per share (Rs.)	10	10

There is no change in the number of equity shares during the year.

47. Net dividend remitted in foreign exchange

	1-1-2014 to 31-03-2015	1-1-2013 to 31-12-2013
Period to which dividend relates		
Number of non-resident shareholders	One	One
Number of equity shares held on which dividend was due	13,189,218	13,189,218
Amount remitted (Rs. Lakhs)	527.57	527.57

48. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, As per the provisions of the Act the Company was required to spend Rs. 148.68 lakhs, however, the Company has spent Rs. 85.43 lakhs during the current financial year. The company has spent following amounts during the year :

	April 1, 2015 to March 31, 2016	Rs. in Lakhs January 1, 2014 to March 31, 2015
Health care, nutrition, sanitation and safe drinking water	15.00	-
Education and vocational skill development	26.00	2.00
Poverty alleviation, livelihood enhancement and infrastructure support	44.43	2.00
	<u>85.43</u>	<u>4.00</u>

49. Previous period financial statements are of the Company for 15 months on standalone basis. Figures for the current year ended March 31, 2016 include 12 months figures of Styrolution India Pvt. Ltd. on account of amalgamation and accordingly the financials for the year ended 31 March 2016 are strictly not comparable to the financials of the corresponding previous periods. Also, refer note 44 (iii).

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

For and on behalf of the Board of Directors of
INEOS STYROLUTION INDIA LIMITED
(formerly known as Styrolution ABS (India) Limited)
CIN: L25200GJ1973PLC002436

Stephen Mark Harrington
Chairman
DIN 07131679

Ravindra Kulkarni
Director
DIN 00059367

S. M. Kulkarni
Director
DIN 00003640

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

J. R. Patel
Director
DIN 00065021

Haresh Khilnani
Company Secretary

Mumbai, Dated : May 16, 2016

Bhupesh P. Porwal
Chief Financial Officer

Mumbai, Dated : May 16, 2016

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 including the audited Balance Sheet as at 31 March 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ('the Board') and of Auditors thereon			
2	Approval of Dividend of Rs. 4 per equity share for the F.Y. ended on 31 March 2016			
3	Appointment of Director in place of Mr. Stephen Mark Harrington, who retires by rotation and, being eligible, seeks re-appointment.			
4	Appointment of Statutory Auditors of the Company.			
Special Business				
5	Appointment of Mr. Sanjiv Vasudeva as a retiring director of the Company.			
6	Appointment of Mr. Sanjiv Vasudeva as a Managing Director and Chief Executive Officer of the Company for a period of 3 years with effect from 1 March 2016 to 28 February 2019.			
7	Appointment of Mr. Bhupesh P. Porwal, as a Director liable to retire by rotation.			
8	Appointment of Mr. Bhupesh P. Porwal, as a Whole-time Director of the company.			
9	Appointment of Ms. Ryna Karani, as an Independent Director of the company			
10	Approval on material related party transactions.			
11	Approval of remuneration to the Cost Auditors.			

Signed this _____ day of _____ 2016.

Signature of shareholder

Signature of proxy holder(s)

**Affix a
revenue
stamp not
less than
Rs. 1**

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 : Friday, 12 August 2016
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



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