

August 04, 2020

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|---|--|
| BSE Limited Dept. DSC_CRD Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 BSE Scrip Code – 506222 | National Stock Exchange of India Limited Listing Dept. Exchange Plaza, Plot No. C/1, 'G' Block, Bandra- Kurla Complex, Bandra ('E') Mumbai 400 051 NSE Symbol – INEOSSTYRO |
|---|--|

Subject: Submission of 47th Annual Report of the Company for the Financial Year 2019-20 (e-filing) in terms of Regulation 34(1) of Listing Regulations.

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, we hereby submit, through e-filing mode, the **47th Annual Report** of the Company for the financial year ended March 31, 2020 comprising of, inter-alia, Notice of the 47th Annual General Meeting (AGM) of the Company, Board's Report along with its annexes, Management Discussion & Analysis, Report on Corporate Governance, Independent Auditors' Report, Audited Financial Statements including Cash Flow Statements both on Standalone and Consolidated basis and relevant Notes attached thereto.

The 47th AGM of the Shareholders of the Company will be held on Thursday, August 27, 2020 at 11.00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

We request you to kindly take the same on your record.

Thanking you.

Yours Faithfully,
For **INEOS Styrolution India Limited**

Abhijaat Sinha
Head-Legal & Company Secretary

Encl. As above

INEOS Styrolution India Limited

47th ANNUAL REPORT 2019-20



INEOS
STYROLUTION

Driving Success. Together.

CARE BEYOND BOUNDARIES

The Corporate Social Responsibility Committee of the Board of Directors of the Company plans and approves plans and approves sustainable community outreach activities and initiatives based on core themes - promotion of education, preventive healthcare, infrastructural support, sanitation facilities, livelihood enhancement and community welfare. This year the Company strengthened this bond with the community through several pivotal CSR activities, like assistance to Katol primary school for computers, fans and lights. A rainwater harvesting and pavement made at Primary school in Dodka village.

A mobile health unit service for 25 villages near Nandesari, Moxi and Katol plants spreading health and hygiene awareness, free check-ups and medications to patients. The project reaches 5 Lakh population. We have come to aid during the COVID-19 Lockdown by offering city-wide disinfection and sanitization sprays for a month in Godhra.

We are committed to our sustainability and environment protection vision. INEOS Styrolution has developed three Green-zones in Nandesari GIDC and one green zone at Dodka City, for greenification and beautification on landfills and wastelands.



SPEARHEADING STYRENICS IN INDIA

INEOS Styrolution India Limited 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.

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

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

PLANTS IN INDIA



Nandesari ▲



Katol ▲



Moxi ▲



Dahej ▲

PRODUCT PROFILE



ABSOLAC® (ABS)

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

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



ABSOLAN® (SAN)

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



LURAN® S (ASA)

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



NOVODUR® HIGH HEAT (HH ABS)

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



GPPS

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



HIPS

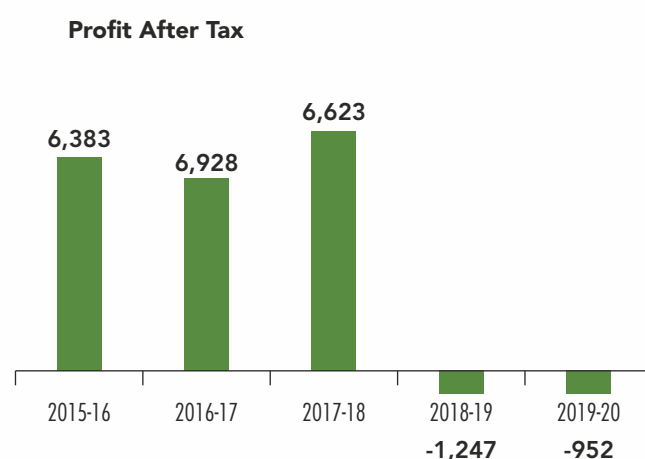
INEOS Styrolution's STYROLUTION® PS-High Impact Polystyrene (HIPS), impact modified PS resins are a line of robust grades designed to fulfil a variety of customer's needs. Whether the application is intended for a single use yogurt cup or a durable refrigerator liner, STYROLUTION® PS HIPS resins can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

5 YEARS STATISTICAL INFORMATION

(INR in lakhs)

| YEAR NO OF MONTHS | 2019-20 12 | 2018-19 12 | 2017-18 12 | 2016-17 12 | 2015-16 12 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital | 1,758.6 | 1,758.6 | 1,758.6 | 1,758.6 | 1,758.6 |
| Other Equity | 59,170.0 | 60,567.4 | 62,693.2 | 56,946.3 | 50,909.5 |
| Total Equity | 60,928.6 | 62,326.0 | 64,451.8 | 58,704.8 | 52,668.1 |
| Borrowings - Long Term | 6,300.0 | 8,900.0 | 2,300.0 | - | - |
| Funds Employeed | 67,228.6 | 71,226.0 | 66,751.8 | 58,704.8 | 52,668.1 |
| Net Worth per equity (Rs) | 346.5 | 354.4 | 366.5 | 333.8 | 299.5 |
| Current Ratio | 1.8 | 1.7 | 1.9 | 1.8 | 1.7 |
| YEAR INCOME AND PROFITS | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
| Sale of goods | 157,671.9 | 208,784.1 | 195,010.9 | 162,819.5 | 172,925.2 |
| Profit Before Tax | (1,349.8) | (1,848.1) | 10,313.1 | 10,029.6 | 6,024.6 |
| Tax | (397.5) | (601.4) | 3,690.6 | 3,101.6 | (358.40) |
| Profit After Tax | (952.3) | (1,246.7) | 6,622.5 | 6,928.0 | 6,383.0 |
| Earning Per Share (Rs) | (5.4) | (7.1) | 37.7 | 39.4 | 36.3 |
| Dividend Per Share (Rs) | - | 2.0 | 4.0 | 4.0 | 4.0 |
| Return on Net worth | -2.2% | -2.0% | 10.3% | 11.8% | 12.1% |

(INR. in lakhs)



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INEOS Styrolution India Limited

CORPORATE INFORMATION

Board of Directors

| | |
|-----------------------------|---|
| Mr. Stephen Mark Harrington | Chairman |
| Mr. Sanjiv Vasudeva | Managing Director & Chief Executive Officer |
| Mr. Jal R Patel | Independent Director |
| Ms. Ryna Karani | Independent Director |
| Mr. Anil Shankar | Independent Director |
| Mr. Nitankumar Duggal | Whole - Time Director |

Key Managerial Personnel

| | |
|---------------------|---|
| Mr. Sanjiv Vasudeva | Managing Director & Chief Executive Officer |
| Mr. Sanjeev Madan | Chief Financial Officer |
| Mr. Abhijaat Sinha | Head Legal and Company Secretary |

Board of Director Committees

| Audit Committee | Nomination and Remuneration Committee | CSR Committee | Stakeholder Relationship and Grievance Committee |
|-------------------------------------|---|--------------------------------------|---|
| Mr. Jal Patel Chairperson | Mr. Jal Patel Chairperson | Mr. Anil Shankar Chairperson | Ms. Ryna Karani Chairperson |
| Mr. Anil Shankar Ms. Ryna Karani | Mr. Anil Shankar Mr. Stephen Mark Harrington | Mr. Jal Patel Mr. Sanjiv Vasudeva | Mr. Sanjiv Vasudeva Mr. Stephen Mark Harrington Mr. Jal Patel |

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP.

Registrar and Share Transfer Agent

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

Bankers

The Hong Kong and Shanghai Banking Corporation Limited (HSBC)
Citibank N.A.
ICICI Bank Limited

Registered Office

5th Floor, Ohm House-II,
Ohm Business Park, Subhanpura,
Vadodara - 390 023, Gujarat, India
Tel: +91 265 2303201, 2303202
Fax: +91 265 2303203
Website: www.ineosstyrolutionindia.com
E-mail: INSTY.secshare@ineos.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.: +91 2641 273318, 256021
Fax: +91 2641 256022

NOTICE

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

Notice is hereby given that the 47th Annual General Meeting (AGM) of the Members of **INEOS Styrolution India Limited** will be held on **Thursday, August 27, 2020 at 11.00 a.m.** through **Video Conferencing (“VC”)** / Other Audio Visual Means (“OAVM”) to transact the business given below. The venue of the meeting shall be deemed to be the registered office of the Company at 5th Floor, Ohm House-2, Ohm Business Park, Subhanpura, Vadodara – 390 023, Gujarat:

Ordinary business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020, including the Balance Sheet as at March 31, 2020, the statement of Profit and Loss for the year ended on that date along with the reports of the Board of Directors and of Auditors thereon.
2. To appoint a director in place of Mr. Nitankumar Duggal (DIN: 07872778), who retires by rotation and, being eligible, offers himself for re-appointment.
3. **Appointment of M/s. Deloitte Haskins & Sells as statutory auditors of the Company**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Messrs. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117365W), be and are hereby appointed as the Auditors of the Company, in place of Messrs. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm registration number: 012754N/N500016), whose term expires at this meeting, for a period of five (5) consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 52nd Annual General Meeting in 2025, at such remuneration and out of pocket expenses as may be decided by the Board of Directors of the Company”.

Special business:

4. **Re-appointment of Mr. Nitankumar Duggal as Whole-time Director of the Company for the period of 3 years w.e.f. August 31, 2020**

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

“**RESOLVED THAT** pursuant to recommendation and approval by the Nomination and Remuneration Committee and approval by the Board of Directors at their respective meetings held on June 25, 2020 and pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or any re-enactment(s) thereof for the time being in force] (the “Act”) read with Schedule V to the said Act, and any other applicable provisions, if any, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Nitankumar Duggal (DIN: 07872778), for a period of 3 years effective from August 31, 2020 up to August 30, 2023 and to his receiving remuneration, benefits and amenities as Whole-time Director of the Company in accordance with the terms and conditions as mentioned in item no. 4 of the Explanatory statement appended below and specifically approved, with powers to the Board of Directors and / or the Nomination and Remuneration Committee to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time, as they deem fit in such manner and within the limits as mentioned in item no. 4 of the explanatory statement, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act in any financial year during his tenure;

RESOLVED FURTHER THAT in the event of absence of profit or inadequacy of profits in any financial year during the tenure of the Whole-time Director, as contemplated under the provisions of Section 197 read with Schedule V to

Companies Act, 2013, the Company may pay to the Whole-time Director, the remuneration in accordance with the limits approved as per item no. 4 of explanatory statement, subject to approvals, if any, which may be required under the Act;

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

5. Payment of remuneration to the Cost Auditors of the Company for the Financial Year 2020-21.

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Cost Auditors appointed by the Board of Directors of the Company, M/s. Kailash Sankhlecha and Associates, Cost Accountants (Firm's Registration No. 100221) to conduct the audit of the cost records of the Company for the financial year ending 31 March 2021, be paid a remuneration of Rs. 360,000/- (Rupees Three Lakhs Sixty Thousand only) per annum plus applicable taxes and reimbursement of out of pocket expenses of Rs. 25,000/- (Rupees Twenty Five thousand Only), that may be incurred during the course of audit;

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

Registered office :

5th Floor, OHM House II,
OHM Business Park,
Subhanpura,
Vadodara - 390023

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

Abhijaat Sinha
Head - Legal and Company Secretary

Date: June 25, 2020
Place: Vadodara

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') with respect to the special businesses set out in the notice is annexed hereto and forms part of this notice.
2. The AGM being held through VC/OAVM pursuant to the MCA circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the proxy form and Attendance Slip including Route Map are not annexed to this Notice.
3. The details required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI Listing Regulations, 2015) and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM forms part of the Notice.
4. Members are requested to note that the Company's equity shares are under compulsory demat trading for all class of investors, as per the provisions of SEBI circular dated May 29, 2000. In view of above, members are advised in their own interest to dematerialize the shares held by them in physical form to avoid inconvenience and avail various benefits of dematerialization.

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

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

7. PROCEDURE FOR INSPECTION OF DOCUMENTS:

- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
- All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to INSTY.secshare@ineos.com

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for participating in the securities market. Members holding shares in electronic form are therefore requested to submit their self-attested PAN to their Depository Participant (DP) with whom they are maintaining demat accounts, if not submitted already. Members holding shares in physical form can submit their self-attested PAN details to M/s. Link Intime India Pvt. Ltd., if not submitted already.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF) RELATED INFORMATION:

9. Pursuant to the provisions of Sections 124 and 125 of the Act and other relevant provisions of the Act, the dividend which remains unpaid / unclaimed from the date of transfer to the unpaid / unclaimed dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The unclaimed dividend for the financial year 2013 and all subsequent years must be claimed as early as possible, failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below. In terms of Section 124 of the Act, no claim shall lie against the Company after the said transfer.

| Financial Year | Date of Declaration of Dividend | Due date for transfer to IEPF |
|----------------|---------------------------------|-------------------------------|
| 2012 | 26-Apr-13 | 31-May-20 |
| 2013 | 29-Apr-14 | 3-June-21 |
| 2014-15 | 04-Aug-15 | 8-Sept-22 |
| 2015-16 | 12-Aug-16 | 17-Sept-23 |
| 2016-17 | 10-Aug-17 | 14-Sept-24 |
| 2017-18 | 14-Aug-18 | 18-Sept-25 |
| 2018-19 | 08-Aug-19 | 12-Sept-26 |

The Members are requested to note that **unpaid / unclaimed dividend for the year 2012 has already been transferred to IEPF**. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with secretarial and legal department of the Company, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund in accordance with provisions of Section 124 of the Act. The details of the unclaimed dividends are available on the Company's website at www.ineosstyrolutionindia.com and Ministry of Corporate Affairs at www.mca.gov.in.

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

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

10. Profile of the directors being appointed / re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'):

| | |
|--|--|
| Name of Director | Mr. Nitankumar Duggal |
| Nationality | Indian |
| Date of Birth / Age | 23/06/1967 / 53 |
| Date of first Appointment | 31/08/2017 |
| Experience (Years) | 30 years |
| Expertise in specific functional areas | Projects, Operations and Safety Health & Environment (SHE) |
| Qualification | B. E. (Chemical) & MBA (Finance) |
| Disclosure of relationship between Directors inter se | No relationship inter se |
| Directorship held in other public companies in India | None |
| Membership of committees held in other public companies in India | None |
| No. of equity shares held in the Company | NIL |

DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL Ids

11. In compliance with MCA Circular No. 20/2020 dated 5 May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for FY 2019-20 and Notice of AGM are being sent in electronic mode to Members whose e-mail address are registered with the Company or the Depository Participant(s).
12. Shareholders are requested to visit the following URL Link for updating their email IDs / mobile nos./ bank details in the system:

https://www.linkintime.co.in/EmailReg/Email_Register.html

For shareholders holding in physical format - Investor has to enter the folio and certificate to register Email, Mobile & Bank Details.

For Shareholders holding in dematerialized format - Investor has to enter the demat account number (DPID & Client ID) to register Email & Mobile. **Updation of Bank details for demat shareholders is not permitted, as the same has to be routed through their concerned depository participant.**

PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted in accordance with the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.ineosstyrolutionindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **August 24, 2020 at 9.00 a.m. IST** and ends on **August 26, 2020 at 5.00 p.m. IST**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **August 20, 2020 i.e. cut-off date** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| | For Shareholders holding shares in Demat Form and Physical Form |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

-
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at INSTY.secshare@ineos.com/RTA at vadodara.linkintime.com
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company at INSTY.secshare@ineos.com / to RTA at vadodara.linkintime.com .

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AREAS

UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio number, mobile number to the company at INSTY.secshare@ineos.com between **Thursday, August 20, 2020 to Monday, August 24, 2020**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **4 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at INSTY.secshare@ineos.com. These queries will be replied to by the Company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; INSTY.secshare@ineos.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- The Board of Directors has appointed Mr. Devesh Pathak, Practising Company Secretary (FCS 4559, CP 2306) as Scrutinizer for conducting the voting process in a fair and transparent manner.
- The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.ineosstyrolutionindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT

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

Item No. 3

The term of appointment of M/s. Price Waterhouse Chartered Accountants LLP (PwC), Statutory Auditors, would expire at the conclusion of the 47th Annual General Meeting. In line with the INEOS group's decision to globally appoint Deloitte as auditors, it is proposed to consider the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad as the auditors in place of PwC.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommends for the approval of the Members, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration No. 117365W), as the Auditors of the Company, for a period of 5 (five) years, commencing from the conclusion of 47th AGM until the conclusion of the 52nd AGM in 2025 in place of Messrs. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm registration number: 012754N/N500016), Ahmedabad.

Deloitte Haskins & Sells, Ahmedabad ('DHS' / 'the Firm') is a firm registered with the Institute of Chartered Accountants of India (Registration no. 117365W) having its office at 19th floor, Shapath-V, Besides Crowne Plaza Hotel, Opp. Karnavati Club, S.G. Highway, Ahmedabad-380015). The Firm has significant experience in serving some of the largest and most respected companies and business houses in India. Its Audit & Assurance team has over 2,500 professionals. Deloitte Haskins & Sells has national presence with offices in 11 cities.

DHS has been subjected to peer review process by The Institute of Chartered Accountants of India and has received a Certificate of Peer Review. DHS has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139 & 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as auditors would require approval from the shareholders by way of a special resolution in terms of provisions of Section 139(9) of the Companies Act, 2013 read with applicable rules framed thereunder.

The Board accordingly recommends the special resolution at item no. 3 of this notice for the approval of the Members.

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

Item No. 4

Mr. Nitankumar Duggal, Whole-time Director of the Company, is the Head of Operations for INEOS Styrolution India Limited. The Board of Directors had appointed Mr. Nitankumar Duggal as Whole-Time Director of the Company for a period of 3 years with effect from August 31, 2017, subject to the terms and remuneration which was duly approved by the members by means of a special resolution passed through postal ballot. Accordingly, his term of appointment as Whole-time Director of the Company would expire on August 30, 2020 and it is proposed to re-appoint him as Whole-time Director for a further period of 3 years.

Mr. Nitankumar Duggal is a Chemical Engineer and holds a degree of MBA in Finance. He joined the Company as a Graduate Engineer Trainee in Projects and has been an integral part of this organization since 1989. His reappointment would be of immense benefit considering his knowledge and professional experience of various aspects relating to the Company's affairs, long business experience for smooth and efficient running of the business of the Company.

The principal terms and conditions of appointment of Mr. Nitankumar Duggal as the Whole-time Director are as follows:

- 1. Basic salary:** Basic salary not exceeding of Rs. 59.69 Lakhs per annum, during the term.
- 2. Allowances:** In addition to the salary, Mr. Duggal, as Whole-time director, shall also be entitled to allowances subject to maximum of Rs. 75.12 Lakhs per annum, during the term.

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

- 3. Provident Fund, Superannuation / Annuity fund (Retirals):** Company's contribution to provident fund and superannuation or annuity fund, gratuity and other retirals shall be paid in accordance with the applicable rules of the Company and statutory provisions calculated as percentage of Basic salary, to the extent these either singly or together are not taxable under the Income Tax Act.
- 4. Performance Incentives:** In addition to the salary and perquisites, Mr. Duggal shall be entitled to such performance incentives in any financial year during his remaining tenure as may be determined by the Board of directors of the Company or recommendation of nomination and remuneration committee having regard to the performance of the INEOS Styrolution Group and his Individual performance which shall not exceed Rs. 78.72 Lakhs per annum.

Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole-time Director, as contemplated under the provisions of Section 197 read with Schedule V to the Companies Act, 2013, the Company may pay to the Whole-time Director, the aforementioned remuneration.

Section 197 read with Schedule V of the Companies Act, 2013 require the Company to obtain the approval of Shareholders by means of a Special resolution where the remuneration payable may exceed the limits in case of inadequacy of profits. The Nomination and Remuneration Committee as well as the Board of Directors at their respective meetings held on June 25, 2020 have considered and approved the re-appointment of Mr. Nitankumar Duggal for a period of 3 years.

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

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

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

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Kailash Sankhlecha and Associates., Cost Accountants (Firm's Registration No. 100221), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 at a remuneration of Rs. 360,000/- per annum plus applicable taxes and reimbursement of out of pocket expenses of Rs. 25,000/-, that may be incurred during the course of audit.

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

Accordingly your directors recommend and seek your ratification to the resolution as set out in item no. 5 of this notice as ordinary resolution.

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

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

I. GENERAL INFORMATION:

| | | |
|---|--|---|
| 1 | Nature of industry: | <p>Specialty Chemicals.</p> <p>INEOS Styrolution is the leader and leading producer of ABS in India. ABS is a plastic resin produced from Acrylonitrile, Butadiene & Styrene, used for manufacturing of home appliances, automobiles, consumer durables and business machines. The Company is also a leading manufacturer of SAN which is a polymerized plastic resin produced from Styrene & Acrylonitrile, and mainly used for products such as lightings, stationeries, novelties, refrigerators and cosmetic packing.</p> |
| 2 | Date or expected date of commencement of commercial production | The Company's plants are already operational. |
| 3 | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable as the Company is an existing Company |
| 4 | <p>Financial performance based on given indicators for FY 2019-20:</p> <p>a) Net Profit/(Loss):</p> <p>b) Effective Capital:</p> <p>c) Total Income:</p> | <p>(Rs. in Lakhs)</p> <p>(952.26)</p> <p>67,210.51</p> <p>158,578.24</p> |
| 5 | Foreign investments or collaborations, if any. | <p>The Company does not have any foreign investments or collaborations.</p> <p>The Company's majority shareholding i.e 75% is owned by its promoter company viz., INEOS STYROLUTION APAC PTE. LTD., company based in Singapore.</p> |

II. INFORMATION ABOUT THE APPOINTEE:

| Sr. No. | Particulars | Mr. Nitankumar Duggal |
|---------|---|---|
| 1-5 | Background details, past remunerations, recognition or awards, job profile, expertise, experience and his suitability, remuneration proposed. | Please refer item no. 4 of statement pursuant to Section 102(1) of the Act of this notice. |
| 6 | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin) | <p>The remuneration of Mr. Nitankumar Duggal, Whole-time Director, is in line with the market standards for similarly experienced professionals leading the operations in the speciality chemicals business. The basis of such remuneration to Mr. Duggal is to recognize his achievements, experience and benefits that Company can derive from him. The remuneration offered to Mr. Duggal is considered to be appropriate in today's market scenario having regard to factors such as the group policies, past experience, his position and role, his contribution to the Company's operations and its growth over the years.</p> <p>Further details with regard to the size of the Company can be referred in the financials and Board's report of the annual report.</p> |
| 7 | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: | The appointee does not have any pecuniary relationship directly or indirectly with the Company, or relationship with any other managerial personnel. |

III. OTHER INFORMATION:

| | | |
|---|--|---|
| 1 | Reasons of loss or inadequate profits /Steps taken or proposed to be taken for improvement / Expected increase in productivity and profits in measurable terms | <p>The Company incurred losses during the financial year ending on March 31, 2020 on account of provisions for certain exceptional items that the Company was required to make in respect of its leasehold properties and litigations and also due to slowdown in economy generally. The economic slowdown was worsened by the imposition of restrictions and lockdown in the month of March throughout the country due to spread of Covid-19.</p> <p>Your Company is having an active focused approach, to ensure minimal impact to it during this crisis. An increase in receivables is expected for a temporary period resulting in higher utilization of working capital limits. The liquidity situation is under control and the Company has implemented policies to control and reduce all discretionary fixed costs and all non-essential recruitment has been halted.</p> |
|---|--|---|

| | |
|--|--|
| | In the coming year, the Company expects a shift from mass mobility due to social distancing, which should help promote the sales of two-wheelers and helmets. A slower recovery in the four-wheeler segment is expected and consumer spending on healthcare, packaged goods and household goods like washing machines, water/air purifiers are expected to increase post lockdown and the Company's product portfolio is well positioned to cater to these applications. |
|--|--|

Note:

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

Registered office :

5th Floor, OHM House II,
OHM Business Park,
Subhanpura,
Vadodara - 390023

Date: June 25, 2020
Place: Vadodara

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

Abhijaat Sinha
Head - Legal and Company Secretary

BOARD'S REPORT

Dear Members,

Your Directors hereby present the 47th Annual Report of your Company together with audited financial statements for the year ended on March 31, 2020.

FINANCIAL PERFORMANCE

Your Company's financial performance during the year ended March 31, 2020 as compared to previous financial year is summarized below:

| | (INR. in lakhs) | |
|--|-------------------|-------------------|
| Particulars | 2019-20 | 2018-19 |
| Period | 12 months | 12 months |
| Revenue from Operations | 1,57,899.91 | 2,09,053.33 |
| Other Income | 678.33 | 1,312.81 |
| Profit / (Loss) before Tax | (1,349.81) | (1,848.11) |
| Tax Credit / (Expense) | 397.55 | 601.38 |
| Profit / (Loss) for the year | (952.26) | (1,246.73) |
| Other Comprehensive Income | (21.14) | (31.06) |
| Total Other Comprehensive Income for the year | (973.40) | (1,277.79) |
| Retained Earnings | | |
| Opening Balance | 50,948.56 | 53,074.36 |
| <i>Add:</i> | | |
| Total comprehensive income for the year | (973.40) | (1,277.79) |
| <i>Less:</i> | | |
| Dividends including dividend tax | (424.00) | (848.01) |
| Closing Balance | 49,551.16 | 50,948.56 |
| EPS (Basic₹) | (5.41) | (7.09) |
| EPS (Diluted₹) | (5.41) | (7.09) |

OPERATING RESULTS

During the year under review, total revenue from operations of your Company was ₹ 1,57,899.91 Lakhs as compared to ₹ 2,09,053.33 Lakhs during previous financial year with an approx. 24.5% decrease in the total revenue as compared to previous year. Your Company's Loss before Tax in financial year 2019-20 is ₹ 1,349.81 Lakhs as compared to a Loss before tax of ₹ 1,848.11 Lakhs in previous year and the Total Comprehensive Income for the financial year 2019-20 was ₹ (973.40) Lakhs as compared to ₹ (1,277.79) Lakhs in the previous year.

The Company incurred losses during the financial year ending on March 31, 2020 on account of provisions for certain exceptional items that the Company was required to make in respect of its leasehold properties and litigations and also due to slowdown in economy generally. The economic slowdown was worsened by the imposition of restrictions and lockdown in the month of March throughout the country due to spread of Covid-19.

BUSINESS REVIEW

The outbreak of COVID-19 is expected to have a significant adverse impact on the global economy. The Indian economy is expected to shrink in FY 2020-21, with a higher contraction in the first quarter.

As the Covid-19 pandemic has spread across India since March 2020 and the Govt. of India had announced a nationwide lockdown on March 24, 2020. the Company had temporarily suspended all its manufacturing operations in Gujarat located at Moxi, Nandesari, Katol and Dahej in Gujarat.

Due to the complete lockdown and the resultant slowdown in operations, demand and sales, the demand for Company's products remains muted as of now and this will have an impact on the profitability for the relevant period.

Your Company is having an active focused approach, to ensure minimal impact to during this crisis. An increase in receivables is expected for a temporary period resulting in higher utilization of working capital limits. The liquidity situation is under control and Company has implemented policies to control and reduce all discretionary fixed costs and all non-essential recruitment has been halted.

It is expected that prices of crude and other key raw material will stabilize in the coming year. In the coming year, we foresee a shift from mass mobility due to social distancing, which should help promote the sales of two-wheelers and helmets. We expect a slower recovery in the four-wheeler segment. Consumer spending on healthcare, packaged goods and household goods like washing machines, water/air purifiers are expected to increase post lockdown and our product portfolio is well positioned to cater to these applications.

Your Company is constantly monitoring all related risks and accordingly corrective measures and mitigating steps are planned out wherever necessary.

DIVIDEND

Keeping in view performance of the Company and losses for the year ended March 31, 2020 as also the impact of the social and economic slowdown owing to the Covid -19 pandemic, the Board has recommended that no dividend be distributed for the year ended March 31, 2020. The Board feels this is in the best interest of your Company and its shareholders in the given situation.

TRANSFER TO RESERVES

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments/Re-appointments

1. During the year under review:

Following directors were re-appointed by passing Special Resolution at the 46th Annual General Meeting of the Company held on August 08, 2019.

| Name and designation of the Director | Date and tenure of re-appointment | Resolution No. |
|---|---|----------------|
| Mr. Sanjiv Vasudeva, MD & CEO | w.e.f March 01, 2019, for a period of three years. | 4 |
| Ms. Ryna Karani, Woman Independent Director | w.e.f May 16, 2019, for a period of three years. | 5 |
| Mr. Anil Shankar, Independent Director | w.e.f August 11, 2019, for a period of three years. | 6 |

2. A special resolution no. 7 was also passed for regularizing and continuing appointment of Mr. Jal Patel, who has crossed 75 years of age, as per requirement of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

3. During the year 2019-20, no other appointment has been made except as stated above. However, the term of appointment of Mr. Nitankumar Duggal as Whole-time Director, expires on August 30, 2020 and it is proposed to re-appoint him as a Whole-time Director for a further period of 3(three) years vide Resolution no. 5 of the Notice convening AGM.

➤ Retirement by rotation.

Mr. Sanjiv Vasudeva, Managing Director and CEO of the Company, who retires by rotation and being eligible, offers himself for re-appointment in terms of the Articles of Association of the Company.

➤ Resignation

During the year, Mr. Jit Teng Tan resigned as the Alternate Director to Mr. Stephen Mark Harrington, with effect from July 15, 2019.

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

MEETINGS OF BOARD OF DIRECTORS OF THE COMPANY

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

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Jal R. Patel, Mr. Anil Shankar and Ms. Ryna Karani were the Independent Directors of the Company as on March 31, 2020.

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

PERFORMANCE EVALUATION

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

Independent Directors were evaluated on the following performance indicators:

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

Your Directors have expressed their satisfaction over the evaluation process.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit / loss of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis; 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; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

AUDIT COMMITTEE

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

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

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Directors are regularly informed during meetings of the Board and its Committees on the activities of the Company, its operations and issues faced by the petrochemicals industry. The details of familiarization programs provided to the Directors of the Company are available on the Company's website www.ineosstyrolutionindia.com.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Sections 124 and 125 of the Act, the unpaid and unclaimed dividend pertaining to the year ended on December 31, 2012, 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.

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

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY

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

The amount required to be spent on CSR activities during the year ended March 31, 2020 in accordance with the provisions of Section 135 of the Act was INR 127.59 Lacs and your Company had spent an amount of INR 90.73 Lacs as per details as provided above.

Your Company looks for appropriate and need worthy projects for allocation of the funds on a continuous basis. The Company had identified two such school building projects at Katol and Dahej for this year. However, both those projects were to be executed in collaboration with local panchayats/government authorities. The local authorities have taken

longer than the expected time for finalizing the project roadmap (including role, responsibilities of each participant, stages of the project etc.) and due to these delays, the amounts allocated for the said projects have remained unspent. Additionally, certain expenses were lesser than the amounts budgeted by the NGOs. A combination of these factors has resulted in CSR spend being lesser by INR 36.86 lakhs than the prescribed amount, for the year 2019-20.

The Company considers CSR as a part of its corporate philosophy and will strive to ensure that the amounts are adequately spent to ensure compliance in true spirit.

PARTICULARS OF EMPLOYEES

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

RISK MANAGEMENT POLICY

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

PARTICULARS OF CONTRACTS AND AGREEMENTS MADE WITH RELATED PARTIES

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

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

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

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

REPORTING OF FRAUDS

There have been no instances of fraud reported by the statutory auditors under Section 143(12) of the Act and rules framed 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.

EXTRACT OF ANNUAL RETURN

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

The Company has also placed a copy of the annual return on its website and the same is available on www.ineosstyrolutionindia.com.

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 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.

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

ENVIRONMENTAL HEALTH, SAFETY AND PROTECTION

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

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

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

STATUTORY AUDITORS

The statutory auditors of the Company M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm registration number: 012754N/N500016) ('PwC') were appointed as the statutory auditors of the Company from the conclusion of 43rd Annual General Meeting until the conclusion of 47th Annual General Meeting of the Company and their tenure expires at the conclusion of this AGM.

In line with the INEOS group's decision to globally appoint Deloitte as auditors in place of the retiring auditors PwC, it is proposed to consider the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, as the auditors in place of PwC for a period of 5 years i.e. from the conclusion of the 47th AGM till the conclusion of the 52nd AGM in 2025. The Audit Committee and the Board have considered and recommended the appointment of M/s. Deloitte Haskins Sells as statutory auditors of the Company.

M/s. Deloitte Haskins & Sells has confirmed its eligibility and consented to act as Auditors of the Company. The Company has sought necessary eligibility certificate and consent letters from them in terms of Section 141 of the Act to act as statutory auditors of the Company.

All other details related to the proposed appointment form part of the Notice convening the AGM.

AUDITORS' REPORT

The observations made by the auditors in their report read with the relevant notes to the financial statements for the year ended March 31, 2020 are self-explanatory and are devoid of any reservation, qualification or adverse remarks.

SECRETARIAL AUDITOR

M/s Devesh Pathak & Associates, Practising Company Secretaries, Vadodara were appointed to conduct the secretarial audit of the Company for the financial year 2019-20, in terms of the requirements of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, framed there under. The secretarial audit report received from M/s. Devesh Pathak & Associates is annexed as Annexure - VII.

COST RECORDS

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are prepared and maintained by the Company.

COST AUDITORS

Pursuant to Section 148 of the Companies Act 2013, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s. Kailash Sankhlecha and Associates, (Firm's registration no. 100221), Cost Accountants, as Cost Auditors of the Company, for the Financial Year 2019-20, for conducting the audit of the cost records maintained by the Company for the various products as mandated by the Central Government at a remuneration as mentioned in the notice convening the annual general meeting of the Company.

A resolution seeking members' ratification for the remuneration payable to the Cost Auditors for the Financial Year 2020-21 forms part of the notice of the 47th Annual General Meeting of the Company and the same is recommended for your consideration and approval.

M/s. Kailash Sankhlecha and Associates have given their consent to act as Cost Auditors and confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013.

They have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

VIGIL MECHANISM

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

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

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

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

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

EMPLOYEE BENEFIT MEASURES UNDERTAKEN DURING THE YEAR

In order to achieve a highly streamlined and productive organization, a transparent and uniform HR policy with a well-defined reporting structure and clear roles and responsibilities has been put in place.

Necessary trainings based on identified needs have been set-up across all functions by the respective heads of departments to enhance the knowledge and competencies of our employees and these keep getting updated and upgraded on a continuous basis. Other initiatives including an improvement of the working environment, the automation of HR processes including the outsourcing of the payroll processor and the installation of a new attendance system have been implemented. Initiatives on improving employee engagement have been implemented with primary focus on employee health and fitness like health checkups, sporting events, fruit days with birthday/festival celebrations.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

CODE OF CONDUCT

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

ACKNOWLEDGEMENTS

We thank our customers, vendors, dealers, investors, business partners and bankers for their continued support during the year. We also place on record our appreciation of the contribution made by our employees at all levels, whose hard work, solidarity, cooperation and support has helped the Company to sustain during these tough times.

For and on behalf of the Board

June 25, 2020
Vadodara

Stephen Mark Harrington
Chairman
DIN: 07131679

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

OPPORTUNITIES AND THREATS

The outbreak of COVID-19 will have a significant impact on the global economy, driving many countries into a recession. The Indian economy is expected to shrink by 4-5% in fiscal 2021 with a much higher contraction in the first quarter.

Our employees' health and safety is our number one priority and we have taken measures such as working from home wherever possible, sanitization of workplaces, availability of thermal scanners and masks etc. for their wellbeing. Your company has ensured the safe shutdown and start-up of our manufacturing units post the lockdown ensuring all proper safety, hygiene and social distancing measures. Our business continuity and crisis management plans have enabled us to manage this unprecedented situation. In addition, cost and capital expenditure measures have been put in place to drive productivity.

We continue to have close coordination with our key suppliers and customers to manage our product supply chain. The investment for increasing the capacity from 66KTA to 100KTA at Moxi plant in 2019, in tandem with the closure of end-of-life compounding assets at Nandesari, positions us well to meet customer demand and capture market growth. Our organizational focus on key industry segments ensures a deep understanding of their needs and will enable new product introductions for the specific industry. Your company utilizes its R&D capabilities to develop new products for the automotive, household and healthcare segments and maintains a strong intellectual property position.

In the coming year, we foresee a shift from mass mobility due to social distancing, which should help promote the sales of two-wheelers and helmets. We expect a slower recovery in the four-wheeler segment. Consumer spending on healthcare, packaged goods and household goods like washing machines, water/air purifiers are expected to increase post lockdown and our product portfolio is well positioned to cater to these applications.

We would expect crude, other key raw material prices and exchange rates to stabilize in the coming year. Further, risks are constantly monitored and corrective measures, mitigating steps are planned out wherever necessary. An active focused approach helps us in ensuring minimal impact to the Company, if any.

PRODUCTS

Your Company's product portfolio includes ABSOLAC, ABSOLAN, General Purpose Poly Styrene and High Impact Poly Styrene, which continue to have a preferred market status amongst user industries such as automotive, construction, healthcare, household and electronics. With the acquisition of K Resin by INEOS Styrolution in Korea, we will now be in a

position of promoting K-resin (SBC) in India. The successful launch of new products like K resin, Novodur® HH and Luran® S has strengthened the market leadership of your Company, especially in the automotive industry. Further, your Company continues to launch new products with innovative solutions creating more value for its customers.

The Company provides styrenic applications for many everyday products across a broad range of industries, apart from automotive, electronics, household, construction and healthcare and includes 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 Indian economy is forecasted to contract by 4-5% this fiscal year due to the adverse effect of the coronavirus pandemic before growing back to 5% as per ADB (Asian development bank) report. The entire first quarter has been very heavily impacted due to the lockdowns with only the essential services being allowed to operate. The Government has announced a relief package to support the economy with both short and long term measures. We expect the short term measures to help with the liquidity in the market helping the MSME and vulnerable sections of the society. The government is expected to continue its focus on infrastructure development and attract foreign investment under the "Ease of doing business" program. There is a push towards local manufacturing and being self reliant as a country. The growth of your company is closely linked to the growth of the Indian economy. With the easing of the lockdown we anticipate a recovery in demand for consumer appliances, consistent with a recovery in the economy in the 2nd half of this fiscal.

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; and
- To develop a risk culture that encourages employees to identify risks and associated opportunities and respond to them with appropriate actions.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

INEOS Styrolution India Limited

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Our employees are our most important assets. As of March 31, 2020, the Company employed 453 permanent employees, 70 employees on fixed term contracts and 473 employees on contractual basis, through contractors. Our culture and reputation as a global leader in the styrenics industry enables us to recruit and retain some of the best available talent in India. Our human resource (HR) division acts both as a service provider and as a governance unit in the various employee-related fields of work. The scope of activity include attraction, selection and talent development and rewarding of employees, while also overseeing organizational leadership and culture and ensuring compliance with employment and various applicable labour laws. Company's HR fosters a trusting and open culture by promoting mutual respect and fairness throughout the entire organization.

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

KEY FINANCIAL RATIOS

| Sr. No. | Particulars | March 31, 2020 | March 31, 2019 | Explanation for Significant Change |
|---------|-----------------------------|----------------|----------------|--|
| 1 | Debtors Turnover Ratio | 7.7 | 8.7 | - |
| 2 | Inventory Turnover Ratio | 4.6 | 5.6 | - |
| 3 | Current Ratio | 1.8 | 1.7 | - |
| 4 | Long Term Debt Equity Ratio | 0.10 | 0.14 | Long Term Debt Equity ratio decreased since we have started re-payment of ECB loan taken for Moxi Expansion Project as per the loan agreement. |
| 5 | Return on Net Worth% | -1.6% | -2.0% | - |
| 6 | Operating Profit (EBITDA) % | 2.2% | 1.0% | Current year ratios have improved. Since last year the Company had suffered heavy losses due to sharp fall in prices of raw materials which has impacted operating profit and interest coverage ratio. |
| 7 | Interest Coverage Ratio | 0.2 | -0.5 | |

ACCOUNTING TREATMENT

The financial statements of the Company for the financial year ended March 31, 2020 were prepared in accordance with IND-AS, which are the prescribed Accounting Standards.

SAFETY, HEALTH & ENVIRONMENT ('SHE')

INEOS is deeply committed to combining economic success with environmental and social responsibility. Guided by corporate value of “Responsibility” and Company's SHE policy, 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

June 25, 2020
Vadodara

Stephen Mark Harrington
Chairman
DIN: 07131679

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

ANNEXURE - I TO THE BOARD'S REPORT

Corporate Governance Report

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

Your Directors hereby present the Company's report on Corporate Governance for the year ended on March 31, 2020.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

II. BOARD OF DIRECTORS

Composition and size of the Board

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

The Board of Directors of the Company comprises of six Directors drawn from diverse fields. It has an optimum combination of independent, woman director, executive as well as non-executive Directors that is in conformity with the provisions of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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

The term of appointment of Mr. Nitankumar Duggal as the Whole-time Director is valid up to August 30, 2020. The Nomination & Remuneration Committee and the Board of Directors have, subject to the approval of the Members at the forthcoming AGM, approved the re-appointment of Mr. Nitankumar Duggal as the Whole-time Director for a further period of three years, with effect from August 31, 2020 till August 30, 2023.

None of the Directors on the Board is a member of more than 10 committees or a Chairman of more than 5 committees (as stipulated in regulation 26 of the Listing Regulations), across all the Indian public companies, in which he / she is a director. None of the Directors holds shares of the Company as on March 31, 2020.

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

The details of each member of the Board as of March 31, 2020, along with the number of Directorship(s) / Committee Membership(s) / Chairmanship(s), date of joining the Board and their shareholding in the Company are provided herein below:

| Name of Directors | Category | DIN | Number of Directorship (including this entity) | Number of memberships in Committee(s) including this entity | Number of post of Chairperson in Committee (including this entity) |
|-----------------------------|-----------------------------|----------|--|---|--|
| Mr. Stephen Mark Harrington | Non-Executive and Chairman | 07131679 | 1 | 1 | 0 |
| Mr. Sanjiv Vasudeva | Managing Director and CEO | 06570945 | 1 | 1 | 0 |
| Mr. Nitankumar Duggal | Whole-time Director | 07872778 | 1 | 0 | 0 |
| Mr. Jal R. Patel | Non-Executive & Independent | 00065021 | 5 | 15 | 5 |
| Ms. Ryna Karani | Non-Executive & Independent | 00116930 | 7 | 12 | 4 |
| Mr. Anil Shankar | Non-Executive & Independent | 02143156 | 1 | 3 | 1 |

Note:

- (1) No director is related to any other director on the Board in terms of the definition of 'Relative' given under section 2(77) of the Act, read with rule 4 of the Companies (Specification of definitions details) Rules, 2014.
- (2) The Directorship includes directorship in all Companies (including private and unlisted Companies as well).
- (3) The Membership and Chairmanship in Committees include Membership in all Committees including Risk Management and Business Responsibility Committees.

Details of Directorship in Listed Companies as on March 31, 2020

| Name of Directors | Name of the Listed Entity | Category of Directorship |
|-----------------------------|--|--|
| Mr. Stephen Mark Harrington | INEOS Styrolution India Limited | Non-Executive and Chairman |
| Mr. Sanjiv Vasudeva | INEOS Styrolution India Limited | Managing Director and CEO |
| Mr. Nitankumar Duggal | INEOS Styrolution India Limited | Whole-time Director |
| Mr. Jal R. Patel | INEOS Styrolution India Limited Gujarat Gas Limited Elecon Engineering Company Limited Munjal Auto Industries Limited | Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent |
| Ms. Ryna Karani | INEOS Styrolution India Limited Reliance Infrastructure Limited Prime Urban Development India Limited | Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent |
| Mr. Anil Shankar | INEOS Styrolution India Limited | Non-Executive & Independent |

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

Appointment and Tenure

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the provisions of the Act and the Articles of Association of the Company, all the Directors of the Company, except the Independent Directors, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 1956 / Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

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

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

Board meetings procedure

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

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

Number of Board meetings and the attendance of Directors during the financial year 2019-20

During the Financial Year 2019-20, five Board meetings were held on May 16, 2019, August 7, 2019, August 23, 2019, November 08, 2019 and February 07, 2020. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Attendance record of each of the Directors at the Board meetings during the financial year 2019-20 and at the last annual general meeting are given below:

| Name of Directors | Number of Board meeting held | Number of Board meeting attended | Attendance at last AGM |
|-----------------------------|------------------------------|----------------------------------|------------------------|
| Mr. Stephen Mark Harrington | 5 | 5 | Yes |
| Mr. Sanjiv Vasudeva | 5 | 5 | Yes |
| Mr. Jal R. Patel | 5 | 5 | Yes |
| Mr. Anil Shankar | 5 | 5 | Yes |
| Ms. Ryna Karani | 5 | 5 | Yes |
| Mr. Nitankumar Duggal | 5 | 4 | Yes |

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

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

| | |
|-----------------------|---|
| Mr. Sanjiv Vasudeva | Section 152 (6) and (7) As per the provisions of the Act, two third of the Directors (excluding independent Directors) should be retiring Directors. One third of these retiring Directors are required to retire every year and upon being eligible, they qualify for reappointment. Accordingly, Mr. Sanjiv Vasudeva retires by rotation and is eligible and has offered himself for re-appointment at the ensuing Annual General Meeting. |
| Mr. Nitankumar Duggal | Section 196, 197 and 203 read with Schedule V Mr. Nitankumar Duggal was appointed as the Whole-time Director of the Company with effect from August 31, 2017 for a term of 3 years. Accordingly, his term as Whole-time Director expires on August 30, 2020. Vide resolutions passed at the meetings of Nomination and Remuneration Committee and subsequently of the Board of Directors of the Company, on June 25, 2020, Mr. Nitankumar Duggal is proposed to be re-appointed as the Whole-time Director of the Company for the term of 3 years with effect from August 31, 2020, subject to approval of the shareholders at the ensuing AGM. |

Familiarization program for Independent Directors

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

https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Familiarization_Programme_%20Independent_Directors%20_2017.pdf

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

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

| Areas of Skills/ Expertise/Competence | Stephen Mark Harrington | Sanjiv Vasudeva | Nitankumar Duggal | Jal Patel | Ryna Karani | Anil Shankar |
|--|----------------------------|--------------------|----------------------|--------------|----------------|-----------------|
| Strategy and strategic planning | Y | Y | Y | Y | Y | Y |
| Policy development & evaluation | Y | Y | Y | Y | Y | Y |
| Financial performance | Y | Y | Y | Y | Y | Y |
| Risk and compliance management | Y | Y | Y | Y | Y | Y |
| Executive management | Y | Y | Y | Y | Y | Y |
| Commercial experience | Y | Y | Y | Y | Y | Y |
| International business management | Y | Y | Y | - | - | - |
| Community and stakeholder engagement | Y | Y | Y | Y | Y | Y |
| Integrity | Y | Y | Y | Y | Y | Y |
| Commitment | Y | Y | Y | Y | Y | Y |
| Leadership | Y | Y | Y | Y | Y | |

III. AUDIT COMMITTEE

Composition

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

The constitution of the Audit Committee and attendance details during the financial year 2019-20 are given below:

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

During the financial year, the Audit Committee met four times on May 16, 2019, August 7, 2019, November 08, 2019 and February 07, 2020.

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

Mr. Abhijaat Sinha, Head - Legal and Company Secretary acts as the Secretary to the Audit Committee.

The chairperson of the audit committee, Mr. Jal R. Patel was present at the 46th Annual General Meeting of the Company held on August 8, 2019.

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

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

The Audit Committee mandatorily reviews the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions, (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor
- f. Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1) of the Listing Regulations.
 - annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of regulation 32(7) of the Listing Regulations.

IV. STAKEHOLDERS' RELATIONSHIP AND GRIEVANCE COMMITTEE

Composition

The Board has constituted a Stakeholders' Relationship and Grievance Committee to attend and redress the stakeholders' grievances and maintain harmonious relations with all stakeholders of the Company. During the financial year, the committee met four times on May 16, 2019, August 7, 2019, November 08, 2019 and February 07, 2020.

The constitution and the attendance details of the members of Stakeholders' Relationship and Grievance Committee during the financial year 2019-20 are given below:

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

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

CS Amita Mistry is designated as the Compliance Officer of the Company with effect from November 15, 2018.

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

Link Intime India Private Limited, registrar and share transfer agent of the Company attends to all the grievances of the stakeholders. The details of complaints received, cleared and pending during the financial year 2019-20 are given as under:

| Nature of Complaints | Received | Cleared | Pending |
|--|----------|---------|---------|
| Non-receipt of Share Certificates duly transferred | 1* | 1 | - |
| Letters from SEBI / SCORES Site | - | - | - |
| Letters from Depositories | - | - | - |
| Letters from Ministry of Corporate Affairs | - | - | - |
| Letters from Stock Exchanges | - | - | - |

* This complaint was in relation to shares already transferred to IEPF and was incorrectly raised through the SCORES site.

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 (CSR) COMMITTEE

Composition

During the financial year, the committee met four times on May 16, 2019, August 7, 2019, November 08, 2019 and February 07, 2020. The constitution of the CSR committee and attendance details during the financial year 2019-20 are given below:

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

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

The terms of reference for the CSR Committee include:

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

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

VI. NOMINATION AND REMUNERATION COMMITTEE

Composition

Pursuant to provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, a 'Nomination and Remuneration Committee' of the Board has been constituted. During the financial year, the committee met once on May 16, 2019.

The composition of the Nomination and Remuneration committee and attendance details during the financial year 2019-20 was as follows:

| Name of the Member | Designation and Category | No. of meetings held during the tenure of the Director | Attendance |
|-----------------------------|-----------------------------------|--|------------|
| Mr. Jal R. Patel | Chairperson, Independent Director | 1 | 1 |
| Mr. Stephen Mark Harrington | Member, Non - Executive Director | 1 | 1 |
| Mr. Anil Shankar | Member, Independent Director | 1 | 1 |

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

The terms of reference of the Committee include:

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

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

VII. REMUNERATION TO DIRECTORS

Remuneration policy:

The Nomination and Remuneration Committee determines and recommends to the Board, the remuneration payable to Directors. All Board-level remuneration is approved by the shareholders and disclosed separately in the financial statements. Remuneration for the executive Directors consists of a fixed component and a variable component. The annual remuneration of the executive director is approved by the nomination and remuneration committee and placed before the shareholders at the shareholders' meeting. The details of the remuneration policy adopted by the Company has been disclosed on the website of the Company at [https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution India/en_US/Company/Nomination% 20and%20Remuneration% 20Policy%20%20REVISED%202017%20Aug.pdf](https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution%20India/en_US/Company/Nomination%20and%20Remuneration%20Policy%20%20REVISED%202017%20Aug.pdf)

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

Remuneration to Executive Directors:

The Board of Directors, based on the recommendations of Nomination and Remuneration Committee of Directors, is authorised to decide the remuneration of the Executive Directors, subject to the approval of the members 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.

The details of remuneration paid / payable to Mr. Sanjiv Vasudeva (Managing Director & CEO) and Mr. Nitankumar Duggal (Whole-time Director) for financial year 2019-20 is as under:

(INR. in lakhs)

| Name & Designation | Sanjiv Vasudeva - Managing Director & CEO | Nitankumar Duggal - Whole-time Director |
|---|--|--|
| Salary | 282.12 | 123.19 |
| Perquisites | NIL | NIL |
| Retiral benefits | 23.82 | 17.36 |
| Commission, bonus and performance linked incentives | 97.28* | 15.63* |
| Other benefits (medical plan) | 0.10 | 0.10 |
| Stock Options | NIL | NIL |
| Tax consulting and retirement management fees | NIL | NIL |
| Tax adjustments | NIL | NIL |
| Total | 306.05 | 140.65 |
| Tenure | 3 years | 3 years |
| From | 01 March 2019 | 31 August 2017 |
| To | 28 February 2022 | 30 August 2020 |
| Notice period | 3 months | 3 months |
| Equity shares of INR 10 held as on 31.03.2020 | NIL | NIL |

*This includes performance bonus and LTI, which already form part of the Salary. No commission is paid to the Executive Directors.

Remuneration to non-executive Directors:

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

As per shareholders' approval accorded on April 29, 2014, August 08, 2019 and through postal ballot on January 27, 2017, the Independent Directors of the Company are paid 'Sitting Fees' for attending Board / Committee Meetings and 'Profit Related Commission' based on performance of the Company and performance evaluation criteria set forth in the Nomination and Remuneration Policy.

The details of sitting fees for attending Board / committee meetings and profit related commission paid to them during the financial year 2019-20 is as follows:

Details of remuneration paid / payable to non-executive and independent Directors for FY 2019-20 is as under:

(INR. in lakhs)

| Name of Directors | Commission# | Sitting fees for Board/ committee meetings attended * | Total | No. of equity shares of INR 10 held as on March 31, 2020 |
|-------------------|-------------|---|------------------|--|
| Mr. Jal R. Patel | NIL | 500,000 | 500,000 | NIL |
| Mr. Anil Shankar | NIL | 460,000 | 460,000 | NIL |
| Ms. Ryna Karani | NIL | 400,000 | 400,000 | NIL |
| TOTAL | | 1,360,000 | 1,360,000 | |

*Inclusive of TDS.

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

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

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

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

VIII. RISK MANAGEMENT COMMITTEE (NON-MANDATORY COMMITTEE)

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

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

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

The Committee met 2 times during the year on August 07, 2019 and February 07, 2020.

IX. GENERAL BODY MEETINGS

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

| Financial Year | Meeting and Venue | Day, Date and Time | Special Resolutions passed |
|-----------------------|--|--|---|
| 2016-17 | 44 th Annual General Meeting Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007. | Thursday, August 10, 2017 11.30 a.m. | <ul style="list-style-type: none"> • Appointment of Mr. Jal R. Patel as Independent director of the Company. |
| 2017-18 | 45 th Annual General Meeting Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007 | Thursday, August 09, 2018 11.30 a.m. | <ul style="list-style-type: none"> • None. |
| 2018-19 | 45 th Annual General Meeting "CRYSTAL", 2nd Floor, Grand Mercure Vadodara Surya Palace Sayajigunj, Vadodara – 390020, Gujarat | Thursday, August 08, 2019 11.00 a.m. | <ul style="list-style-type: none"> • Re- Appointment of Ms. Ryna Karani as an Independent Woman Director of the Company. • Re-appointment of Mr. Anil Shankar as an Independent Director of the Company. • Continuation of directorship of Mr. Jal Patel, who has attained the age of seventy five years, as an Independent Director. • Re-appointment of and payment of remuneration to Mr. Sanjiv Vasudeva as Managing Director & CEO of the Company for the period of 3 years w.e.f. March 01, 2019. • Waiver of recovery of excess remuneration paid to Mr. Sanjiv Vasudeva, Managing Director & CEO of the Company. • Approval of remuneration for Mr. Nitankumar Duggal, Whole-time Director of the Company and waiver of recovery of excess remuneration paid. |

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

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

During the year under review, the Company has conducted postal ballot and E-voting for Approval for the Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE").

The brief details of Postal Ballot Process are given below:

| Particulars | Date |
|--|---|
| Date of Notice of Postal Ballot | August 23, 2019 |
| Start of Voting Period | August 31, 2019 (9:00 A.M.) |
| End of Voting Period | September 29, 2019 (5:00 P.M.) |
| Scrutinizer for Postal Ballot and E-voting | Mr. Devesh Pathak, Practicing Company Secretary (FCS 4559, CP 2306) |
| Date of declaration of results | October 01, 2019 |

The details of the voting pattern are given below:

| Sr. No. | Resolutions passed through Postal Ballot and E-voting | Votes in favour of the resolution (%) | Votes against the resolution (%) |
|---------|--|---------------------------------------|----------------------------------|
| 1 | Approval for the Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE") | 99.65 | 0.35 |

At the forthcoming Annual General Meeting, there are no special resolutions for which the Listing Regulations or the Act has recommended / mandated postal ballot and there is no proposal to pass any resolution through postal ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

X. DISCLOSURES:

- a) There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
 - a. The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee.
 - b. Transactions with related parties are disclosed under notes to accounts and in Form AOC-2 forming part of the Board's report.
 - c. In accordance with the requirements of the Listing Regulations, the Company has formulated policy on related party transactions which the same has been put up on the website of the Company on following web link https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/RPT%20Policy_2017%20Aug.pdf
 - b) There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
 - c) In line with the requirements of the Regulation 17(9) of the Listing Regulations, the Board reviewed the Management's perception of the risks facing the Company and measures taken to minimise the same.
 - d) The Company has established vigil mechanism to provide for the safeguards against victimization of Directors and employees who follow such mechanism and to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The Board has approved whistle blower policy / establishment of vigil mechanism pursuant to provisions of Act and regulation 22 of the Listing Regulations, as may be applicable and affirms that no person has been denied access to the Chairman of the audit committee and also to the Chairman of the Board of the Company. The policy adopted has been put up on the website of the Company on following web link:
 - a. https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Whistleblower_Policy%20INEOS_2017.pdf
- e) The Company is in full compliance with the mandatory requirements as contained in the Listing Regulations.
- f) The disclosures required pursuant to the provisions of Section II Part II of Schedule V of the Companies Act, 2013 in case of remuneration payable to the managerial personnel, where in any financial year, a company has no profits or its profits are inadequate, are provided in the Section VII of this Report pertaining to Remuneration to Directors.

- g) The Company has complied with the Corporate Governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.
- h) To determine 'material subsidiary', the Company has adopted a 'Policy on Determination of 'Material' Subsidiary and the same is available on the website of the Company on the following web link:
- a. https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Material_subsidary_INEOS_2017.pdf
- i) The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- a. Accordingly, An Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.
- b. The status of the Complaints received during the year are as under:

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

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

| Firm Name | Nature of services | INR in Lakhs |
|---|---|--------------|
| Price Waterhouse CA LLP | Audit, Limited review & certification | 42.00 |
| PRICE WATERHOUSE & CO LLP | Transfer pricing | 4.16 |
| Price Water House Coopers Private Limited | Assistance for customs valuation matter | 5.40 |
| Total | | 51.56 |

- k) During the year under report, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- l) The Company does not have any long term debt instruments or any fixed deposit program or any scheme or proposal involving mobilization of funds, in India or abroad. Hence, no credit rating is obtained in relation to the same.
- However, due to the working capital facilities that the Company utilizes from its bankers, a general credit rating is required to be obtained by the Company. Accordingly, the credit rating as received by the Company from Credit Rating Agency for Long term / short term bank facilities, as of March 31, 2020, is CARE A+, STABLE / CARE A1+.
- m) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory authority during the year under report. The certificate from M/s Devesh Pathak & Associates, Practicing Company Secretaries, verifying and confirming the same, has already been obtained and is annexed to this report.
- n) During the year under report, there is no incident / occasion where the Board had not accepted any recommendation of any committee of the Board, which is mandatorily required.
- o) List of Commodity price risks and Commodity hedging activities is as under:

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

The Company has not done any commodity hedging during financial year 2019-2020.

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

- (A) The Board: The Company does not maintain a separate office for the non-executive chairperson.
- (B) Audit Qualification: There has been no audit qualification / modified opinions in the audit report by the auditor for the financial year 2019-20.
- (C) Separate Posts of Chairman and Managing Director / CEO: The posts of Chairman and Managing Director / CEO are held by two different individuals with vast experience and expertise.
- (D) Reporting of Internal Auditor: The internal auditors of the Company submits report to the Audit Committee regularly.

Risk Management Framework

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

Code of Conduct

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

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

XII. CEO / CFO CERTIFICATE(S)

The Managing Director and the Chief Financial Officer have submitted to the Board of Directors annual certification relating to financial reporting and internal controls, as required by Regulation 17(8) of the Listing Regulations, for the financial year ended March 31, 2020.

XXIII. MEANS OF COMMUNICATION:

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

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

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

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

Annual Report

Annual Reports, notice of the meetings and other communications to the Shareholders are usually sent through e-mail, post or courier.

However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated 5 May 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2019-20 and Notice of 47th AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

XIV. GENERAL SHAREHOLDER INFORMATION:

- | | |
|---|---|
| • 47th AGM (Date, Time and Venue): | August 27, 2020 (Thursday) at 11.00 a.m. IST through Video Conference ("VC")/Other Audio Visual Means ("OAVM") |
| • Financial year | 1 April to March 31. The financial results will be approved as per the following tentative schedule: First Quarter: Second week of August 2020 Second Quarter: Second week of November 2020 Third Quarter: First week of February 2021 Fourth Quarter: Second week of May 2021 |
| • Dividend for the year 2019-20 | The Board of Directors of the Company has not recommended any dividend on equity shares for the year ended on March 31, 2020. |
| • Corporate Identity Number (CIN) | L25200GJ1973PLC002436 |

• **ISIN for NSDL & CDSL:** INE189B01011

• **Listing on Stock Exchanges** BSE Limited (BSE)
Scrip Code:506222

National Stock Exchange of India Limited (NSE)
Scrip Symbol: INEOSSTYRO

Listing fees for the year 2020-21 have been paid to both the stock exchanges within stipulated time.

• Distribution of shareholding as on March 31, 2020:

| No. of shares ranging From - To | No. of Shareholders | % to Total | No. of Shares | % to Total |
|---------------------------------|---------------------|---------------|-------------------|---------------|
| 1 - 500 | 11,377 | 92.88 | 1,042,290 | 5.93 |
| 501 - 1000 | 443 | 3.62 | 336,018 | 1.91 |
| 1001 - 2000 | 203 | 1.66 | 297,846 | 1.69 |
| 2001 - 3000 | 68 | 0.56 | 168,563 | 0.96 |
| 3001 - 4000 | 30 | 0.24 | 106,180 | 0.60 |
| 4001 - 5000 | 25 | 0.20 | 113,989 | 0.65 |
| 5001 - 10000 | 44 | 0.36 | 339,581 | 1.93 |
| 10001 - Above | 59 | 0.48 | 15,181,158 | 86.33 |
| TOTAL : | 12,249 | 100.00 | 17,585,625 | 100.00 |

Dematerialization of shares as on March 31, 2020:

| Particulars | March 31, 2020 | | March 31, 2019 | |
|------------------------|----------------|------------|----------------|------------|
| | No. of shares | % to total | No. of shares | % to total |
| No. of Demat Shares | | | | |
| - NSDL | 16,340,111 | 92.92 | 16,419,419 | 93.37 |
| - CDSL | 1,070,613 | 6.09 | 980,055 | 5.57 |
| No. of physical shares | 174,901 | 0.99 | 186,151 | 1.06 |
| Total | 17,585,625 | 100.00 | 17,585,625 | 100.00 |

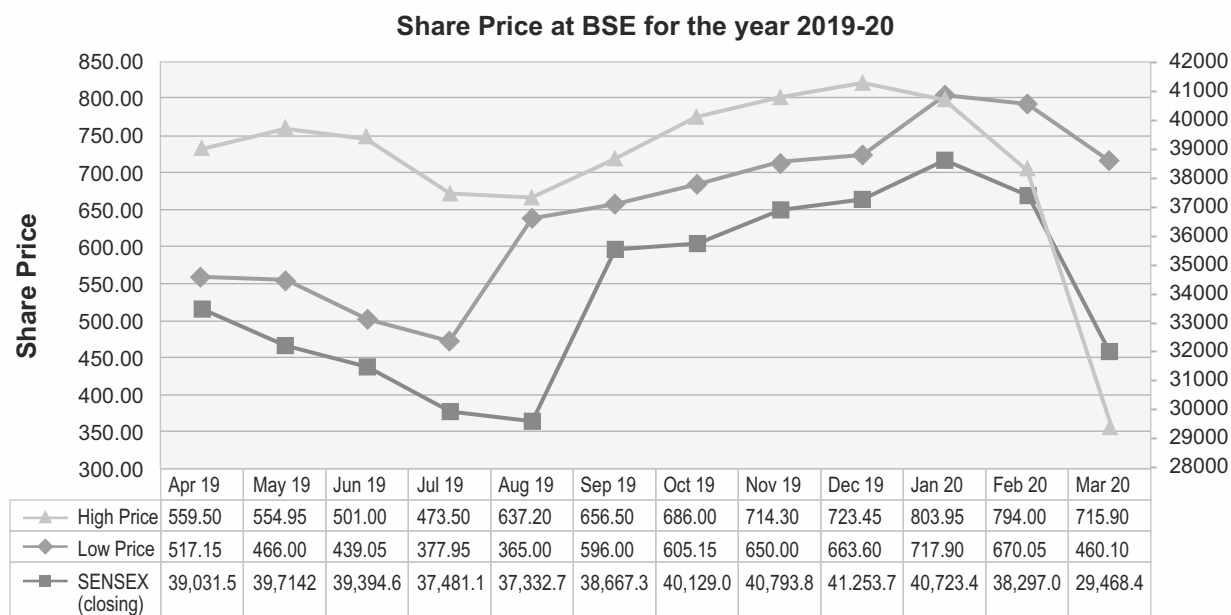
• Certificates, on half-yearly basis, pursuant to Regulation 40(9) of the Listing Regulations, have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company. A Company Secretary-in-practice carried out a reconciliation of share capital audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

INEOS Styrolution India Limited

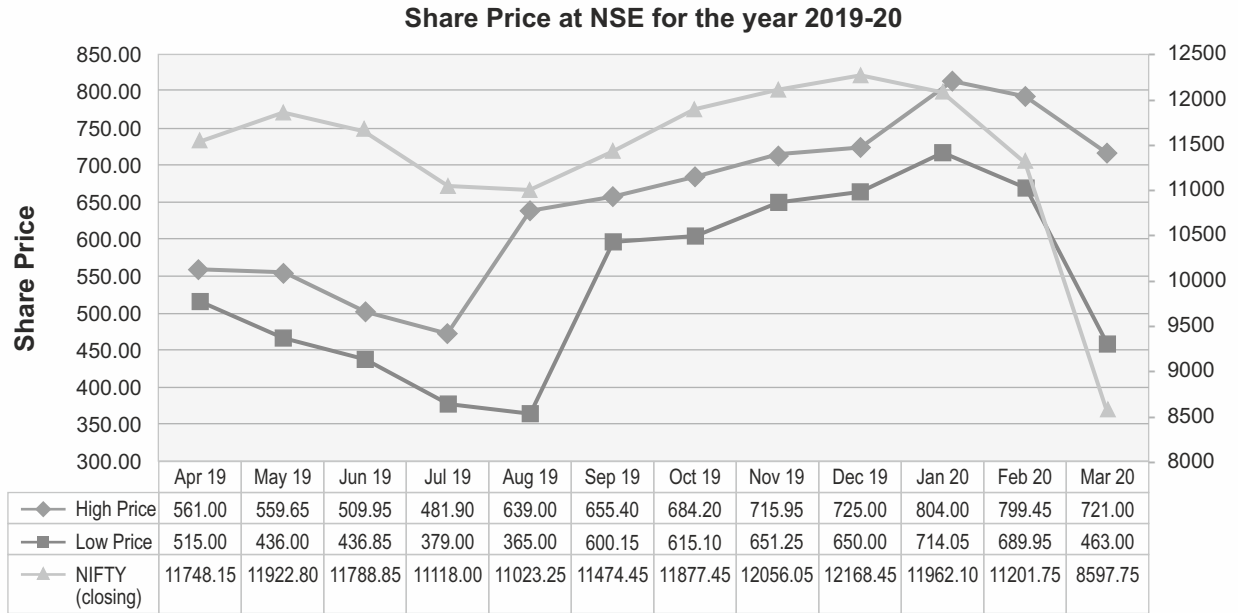
- High / low of market price of the Company's shares traded along with the volumes at BSE and NSE during the financial year 2019-20 is furnished below:

| BSE (SENSEX) | | | | NSE (Nifty) | | | | |
|------------------------------|------------------|-----------------|----------------------|-------------|------------------|-----------------|----------------------|----------|
| Month | High Price (INR) | Low Price (INR) | No. of Shares Traded | SENSEX | High Price (INR) | Low Price (INR) | No. of Shares Traded | NIFTY |
| Apr 19 | 559.50 | 517.15 | 7,955 | 39,031.55 | 561.00 | 515.00 | 42,823 | 11748.15 |
| May 19 | 554.95 | 466.00 | 14,991 | 39,714.20 | 559.65 | 436.00 | 89,389 | 11922.80 |
| Jun 19 | 501.00 | 439.05 | 5,609 | 39,394.64 | 509.95 | 436.85 | 62,055 | 11788.85 |
| Jul 19 | 473.50 | 377.95 | 8466 | 37,481.12 | 481.90 | 379.00 | 37,539 | 11118.00 |
| Aug 19 | 637.20 | 365.00 | 63,401 | 37,332.79 | 639.00 | 365.00 | 697,840 | 11023.25 |
| Sep 19 | 656.50 | 596.00 | 11,976 | 38,667.33 | 655.40 | 600.15 | 130,540 | 11474.45 |
| Oct 19 | 686.00 | 605.15 | 10,289 | 40,129.05 | 684.20 | 615.10 | 94,214 | 11877.45 |
| Nov 19 | 714.30 | 650.00 | 6,424 | 40,793.81 | 715.95 | 651.25 | 116,281 | 12056.05 |
| Dec 19 | 723.45 | 663.60 | 13,129 | 41,253.74 | 725.00 | 650.00 | 185,406 | 12168.45 |
| Jan 20 | 803.95 | 717.90 | 11666 | 40,723.49 | 804.00 | 714.05 | 114,923 | 11962.10 |
| Feb 20 | 794.00 | 670.05 | 10,220 | 38,297.29 | 799.45 | 689.95 | 120,718 | 11201.75 |
| Mar 20 | 715.90 | 460.10 | 7,950 | 29,468.49 | 721.00 | 463.00 | 120,719 | 8597.75 |
| Total Shares Traded | | | 172,076 | | | | 1,812,447 | |
| Average Shares Traded | | | 14,340 | | | | 151,037 | |

Graphical representation of the share price performance of the Company in FY 2019-20 at BSE:



Graphical representation of the share price performance of the Company in FY 2019-20 at NSE:



Category wise shareholding as on March 31, 2020:

| Category | No. of shares | % of shareholding |
|--|-------------------|-------------------|
| Promoters | | |
| - Indian Promoters | - | - |
| - Foreign Promoters: | | |
| INEOS Styrolution South East Asia Pte Ltd. | 13,189,218 | 75.00 |
| Institutional Investors | | |
| - Mutual Funds / UTI | 1,064,709 | 6.05 |
| - Banks, Financial Institutions, Insurance Companies | 18,908 | 0.11 |
| - Foreign Portfolio Investors | 86,906 | 0.49 |
| - Alternative Investment Funds | 51,068 | 0.29 |
| Central Government / State Government (IEPF) | 29,065 | 0.17 |
| Non-Institutions | | |
| - Corporate Bodies | 599,099 | 3.41 |
| - Indian Public | 2,454,136 | 13.96 |
| - NRIs / OCBs | 76,322 | 0.43 |
| - NBFC registered with RBI | 5,000 | 0.03 |
| - Any Others (Clearing Members) | 11,194 | 0.06 |
| Grand Total | 17,585,625 | 100.00 |

- **Registrar and Share Transfer Agent**

Link Intime India Private Limited
B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota,
Vadodara - 390 020.
Phone : +91 265 2356573
E-mail : vadodara@linkintime.co.in

- **Share transfer system**

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

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

- **Exchange of share certificates.**

The shareholders holding share certificates of Styrolution ABS (India) Limited, INEOS ABS (India) Limited, LANXESS ABS Limited, Bayer ABS Limited, ABS Industries Limited and / or ABS Plastics Limited are requested to surrender the same at the Company's registered office at 5th Floor, OHM HOUSE-II, OHM Business Park, Subhanpura, Vadodara -390023, Gujarat, to get their share certificates with changed name of the Company i.e. INEOS Styrolution India Limited.

- **Unclaimed dividend and unclaimed shares**

Dividend declared for the year 2012 has been transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and accordingly no claim shall lie in respect thereof.

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

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

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

Members who have not encashed their dividend warrants towards the Final Dividend for the year ended December 31, 2013 or thereafter are requested to write to the Company's Registrars and Transfer Agents at the earliest.

- **Trading Window**

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

- The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments, and accordingly, the same are not likely to impact on equity as on March 31, 2020.
- Report on Corporate Governance
The Company regularly submits to the stock exchanges, the report on corporate governance, as required, within the prescribed period.
- Office of the Chairperson
The Company has a non-executive chairperson.
- Plant locations

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

- Address for correspondence

Shareholders' correspondence should be addressed to the Company's registrar and share transfer agent at the address mentioned above.

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

Email ID : INSTY.secshare@ineos.com
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.

INEOS Styrolution India Limited

CEO & CFO CERTIFICATE

To
The Board of Directors
INEOS Styrolution India Limited

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

- A. We have reviewed financial statements and the cash flow statement and all the notes on accounts for the year ended on March 31, 2020 and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended on March 31, 2020 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. i) There has not been any significant change in internal control over financial reporting during the year under reference;
- ii) Changes in accounting policies consequent to the implementation of the Indian Accounting Standards (Ind AS) have been appropriately disclosed in the financial Statements and the impact thereof on the Company's financials is not material;
- and
- iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Mr. Sanjiv Vasudeva
Managing Director and CEO

Mr. Sanjeev Madan
Chief Financial Officer

Date: June 25, 2020
Place: Vadodara

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

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

We have examined the relevant registers, records, forms, returns and disclosures received (electronically only in view of COVID-19 due to lockdown) from the Directors of INEOS Styrolution India Limited having CIN: L25200GJ1973PLC002436 and having registered office at 5th Floor, OHM House II, OHM Business Park, Subhanpura, Vadodara - 390023 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority except Mr.-(DIN-) who has been debarred/disqualified by- [give name of Statutory Authority and reason].

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

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

For Devesh Pathak & Associates

Sd/-
Devesh A. Pathak
FCS 4559 CP No. 2306
UDIN: F004559B000353281

Place: Vadodara
Date: 18th June, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
INEOS STYROLUTION INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance of INEOS STYROLUTION INDIA LIMITED (“the Company”) for the year ended March 31, 2020, as stipulated in Regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) electronically only in view of COVID-19 due to lockdown.

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

In our opinion and to the best of our information and according to our examination of the relevant records as aforesaid and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2020 as applicable.

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

For Devesh Pathak & Associates.
Practising Company Secretaries

Sd/-
Devesh A. Pathak
Sole Proprietor
Membership No.: FCS 4559
CoP No. : 2306
UDIN: F004559B000353633

Place: Vadodara
Date: 18th June, 2020

ANNEXURE - II TO THE BOARD'S REPORT

Report on Corporate Social Responsibility Activities

Brief Overview

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

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

Overview of projects/ programs undertaken:

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

- a) Primary health care facilities
 - Running of Mobile Health Unit, providing basic medical facilities in the villages near Company's plants.
- b) Environment preservation and related infrastructure support
 - Development and maintenance of Green Belt Zones near plant locations.
 - Developing rainwater harvesting system near plant location.
- c) Education aids and related infrastructure facility development
 - Providing educational and infrastructural facilities for the development of street schools; building infrastructure such as roofs, sheds, common hall, computer lab, play area etc. in primary schools located in the vicinity of Company's plants.
 - Providing special assistance to the schools of differently abled kids near the Company's office.

CSR Policy

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

https://www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%202018.pdf

The same can be accessed by following below mentioned path as well:

www.ineosstyrolutionindia.com - Company - Corporate Governance - Downloads – CSR Policy.

Composition of CSR committee

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

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

INR 6379.66 lakhs

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

INR 127.59 lakhs

INEOS Styrolution India Limited

Details of CSR Spent during the financial year

Total amount spent for the financial year : INR 90.73 lakhs
 Amount unspent, if any : INR 36.86 lakhs

Manner in which the amount spent during the Financial Year 2019-20 is detailed below:

(Amount in INR)

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs Local area or other 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 Direct Expenditure on projects or programs Overheads: | Cumulative expenditure upto the reporting period | Amount Spent: Direct or through implementing agency |
|--|---|---|---|---|--|--|---|
| Health care, nutrition, sanitation and safe drinking water | | | | | | | |
| 1 | Running of Mobile Health Unit | Preventive Health Measures | In vicinity of plant locations (Katol, Moxi, Nandesari) | 21.27 lakhs | 21.27 lakhs | 21.27 lakhs | By Deepak Foundation, Vadodara |
| Education and vocational skill development | | | | | | | |
| 2 | Building of Community hall (including fitting of Fans and lights and paver blocks), distribution of Computers | promotion of education/ infrastructure facilities | Katol | 19.72 lakhs | 19.72 lakhs | 40.99 lakhs | By Mahavir Foundation, Vadodara |
| 3 | Donation to school of specially abled | Promotion of education | Registered Office - Vadodara | 3.00 lakhs | 3.00 lakhs | 43.99 lakhs | By Company |
| 4 | Distribution of Stationary to School Children | Promotion of education | In Vadodara District | 2.98 lakhs | 2.98 lakhs | 46.47 lakhs | By Company |
| 5 | Donation to school of deaf and mute* | Promotion of education | In Bharuch | 2.00 lakhs | 0 | 0 | - |
| Poverty alleviation, livelihood enhancement, environment and infrastructure support | | | | | | | |
| 6 | Green Belt development at Nandesari | Environment | Nandesari | 25.34 lakhs | 25.34 lakhs | 72.31 lakhs | Pagdand NGO |
| 7 | Green Belt development at Moxi | Environment | Moxi | 14.25 lakhs | 14.25 lakhs | 86.56 lakhs | Pagdand NGO |
| 8 | Rain Water Harvesting | Environment | Moxi | 4.17 lakhs | 4.17 lakhs | 90.73 lakhs | Pagdand NGO |
| TOTAL | | | | 92.73 lakhs | 90.73 lakhs | 90.73 lakhs | |

*Amount could not be spent due to technical issues

Reasons for not spending the amount specified in above:

- The amount required to be spent on CSR activities during the year ended March 31, 2020 in accordance with the provisions of Section 135 of the Act was INR 127.59 Lacs and your Company had spent an amount of INR 90.73 Lacs as per details provided above.
- Your Company looks for appropriate and need worthy projects for allocation of the funds on a continuous basis. The Company had identified 2 such school building projects at Katol and Dahej for this year. However, both those projects were to be executed in collaboration with local panchayats/government authorities. The local authorities were expected to take more time for finalizing the project roadmap (including role, responsibilities of each participant, stages of the project etc.) and because of all these delays, amount that was allocated for such projects remained unspent.
- Further, the Mobile Health Unit is an ongoing project, initiated by the Company since year 2018-2019 and is expected to continue for another couple of years. The Company had therefore planned to transfer an amount of INR 32.00 Lakhs (INR Thirty Two Lakhs only) towards this ongoing project to a special account, as was proposed in terms of provisions of Companies Act, 2013 and CSR rules framed thereunder. The Company had obtained all necessary approvals from the CSR Committee and Board of Directors for the same. However, since these provisions were not notified till March 31, 2020, the Company could not proceed further with opening of the special account and transferring the said amount and hence this amount remained unutilised.
- Additionally, certain expenses were lesser than the amounts budgeted by the NGOs towards ongoing projects, resulting in lesser spend.

A combination of the above factors and issues resulted in the CSR spend being lesser by INR 36.86 lakhs for the year 2019-20.

Responsibility statement:

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

For and on behalf of the CSR Committee

Anil Shankar
Chairman, CSR Committee
DIN: 02143156

Sanjiv Vasudeva
Managing Director
DIN: 06570945

ANNEXURE - III TO THE BOARD'S REPORT

Statement of Disclosure of Remuneration

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

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

| Name of Director / KMP | Designation | Ratio of remuneration of each Director / CFO / Company Secretary to median of remuneration of Employees | Percentage increase in remuneration (%) |
|-------------------------------|---|--|--|
| Sanjiv Vasudeva | Managing Director & Chief Executive Officer | 52.76 | 8% |
| Nitankumar Duggal | Whole-time Director | 28.23 | 19% |
| Sanjeev Madan | Chief Financial Officer | 21.64 | 13% |
| Abhijaat Sinha | Head Legal & Company Secretary | 9.06 | N.A |

Note:

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

- B. The percentage increase in the median remuneration of employees in the financial year: **3%**
- C. The number of permanent employees on the rolls of the Company as on March 31, 2020: **453**
- D. Average percentile increase already made in the salaries of the employees other than the managerial personnel in last financial year and comparison with percentile increase in the managerial remuneration and justification thereof:
The average increase in managerial remuneration was **12 %** and for employees other than managerial personnel was **9 %**.
- E. Affirmation that the remuneration is as per Remuneration Policy of the Company:

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

ANNEXURE IV TO THE BOARD'S REPORT

Form AOC- 2

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

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

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were not at arm's length basis.

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020 are mentioned below:

| Name(s) of the related party | Nature of relationship | Duration of the contracts | Salient terms | Amount (in Rs. Lacs) | Date of approval by the Board |
|---|------------------------|---------------------------|--------------------------------------|----------------------|-------------------------------|
| Purchase of raw materials | | | | | |
| INEOS Styrolution Korea Ltd | Other related party | September 1, 2012 ongoing | Based on transfer pricing guidelines | 1,433.20 | 12-Feb-19 |
| INEOS Styrolution (Thailand) Co., Ltd. | Other related party | August 1, 2013 ongoing | Based on transfer pricing guidelines | 1,159.63 | 12-Feb-19 |
| INEOS Styrolution Europe GmbH | Other related party | March 1, 2014 ongoing | Based on transfer pricing guidelines | 1,065.58 | 12-Feb-19, 16-May-19 |
| | | | | 3,658.41 | |
| Receiving of services | | | | | |
| INEOS Styrolution APAC Pte. Ltd. | Holding Company | May 1, 2012 ongoing | Based on transfer pricing guidelines | 1,969.35 | 12-Feb-19 |
| INEOS Styrolution Group GmbH | Other related party | Jan 1, 2012 ongoing | Based on transfer pricing guidelines | 2,039.16 | 12-Feb-19 |
| | | | | 4,008.51 | |
| Reimbursement of Expenses to related parties | | | | | |
| INEOS Styrolution APAC Pte. Ltd. | Other related party | May 1, 2012 ongoing | Based on transfer pricing guidelines | 14.14 | 12-Feb-19, 16-May-19 |
| INEOS Styrolution (Thailand) Co., Ltd. | Other related party | April 1, 2018 ongoing | Based on transfer pricing guidelines | 0.41 | 12-Feb-19, 16-May-19 |
| | | | | 14.55 | |
| Royalty | | | | | |
| INEOS Styrolution Group GmbH | Other related party | April 1, 2015 ongoing | Based on transfer pricing guidelines | 190.29 | 12-Feb-19 |
| | | | | 190.29 | |

INEOS Styrolution India Limited

| Name(s) of the related party | Nature of relationship | Duration of the contracts | Salient terms | Amount (in Rs. Lacs) | Date of approval by the Board |
|---|------------------------|---------------------------|--------------------------------------|----------------------|-------------------------------|
| Rendering of services | | | | | |
| INEOS Styrolution Korea Ltd | Other related party | Jan 1, 2013 ongoing | Based on transfer pricing guidelines | 239.40 | 12-Feb-19 |
| INEOS Styrolution Group GmbH | Other related party | Jan 1, 2013 ongoing | Based on transfer pricing guidelines | 225.05 | 12-Feb-19 |
| INEOS Styrolution (Thailand) Co., Ltd. | Other related party | September 1, 2013 ongoing | Based on transfer pricing guidelines | 8.08 | 12-Feb-19 |
| INEOS Styrolution APAC Pte. Ltd. | Holding Company | Jan 1, 2013 ongoing | Based on transfer pricing guidelines | 27.06 | 12-Feb-19 |
| INEOS Europe AG | Other related party | Nov 1, 2016 ongoing | Based on transfer pricing guidelines | 175.79 | 12-Feb-19 |
| INOVYN Europe Limited | Other related party | Nov 11, 2019 ongoing | Based on transfer pricing guidelines | 17.25 | 08-Nov-19 |
| INEOS Technologies Limited | Other related party | Nov 1, 2018 ongoing | Based on transfer pricing guidelines | 1.98 | 12-Feb-19 |
| | | | | 694.61 | |
| Reimbursement of Expenses from related parties | | | | | |
| INEOS Styrolution Group GmbH | Other related party | Jan 1, 2013 ongoing | Based on transfer pricing guidelines | 15.75 | 12-Feb-19, 16-May-19 |
| INEOS Styrolution (Thailand) Co., Ltd. | Other related party | April 1, 2019 ongoing | Based on transfer pricing guidelines | 0.05 | 12-Feb-19, 16-May-19 |
| INEOS Styrolution APAC Pte. Ltd. | Holding Company | Jan 1, 2013 ongoing | Based on transfer pricing guidelines | 10.59 | 12-Feb-19, 16-May-19 |
| INEOS Technologies Limited | Other related party | Nov 1, 2018 ongoing | Based on transfer pricing guidelines | 0.76 | 12-Feb-19, 16-May-19 |
| INEOS Europe AG | Other related party | Nov 1, 2016 ongoing | Based on transfer pricing guidelines | 20.67 | 12-Feb-19, 16-May-19 |
| INOVYN Europe Limited | Other related party | Sep 30, 2019 ongoing | Based on transfer pricing guidelines | 5.63 | 12-Feb-19, 16-May-19 |
| INEOS Styrolution America LLC | Other related party | Dec 1, 2019 ongoing | Based on transfer pricing guidelines | 11.38 | 12-Feb-19, 16-May-19 |
| | | | | 64.83 | |

| Name(s) of the related party | Nature of relationship | Duration of the contracts | Salient terms | Amount (in Rs. Lacs) | Date of approval by the Board |
|--|------------------------|---------------------------|--------------------------------------|----------------------|-------------------------------|
| Sale of Goods | | | | | |
| INEOS Styrolution (Thailand) Co., Ltd. | Other related party | April 1,2019 ongoing | Based on transfer pricing guidelines | 3.90 | 12-Feb-19 |
| INEOS Styrolution Korea Ltd | Other related party | June 1,2019 ongoing | Based on transfer pricing guidelines | 0.10 | 12-Feb-19 |
| INEOS Styrolution Europe GmbH | Other related party | May 1,2019 ongoing | Based on transfer pricing guidelines | 1.63 | 12-Feb-19 |
| | | | | 5.63 | |
| Interest on ECB | | | | | |
| INEOS Styrolution Group GmbH | Other related party | Oct 17, 2017 ongoing | Based on transfer pricing guidelines | 879.82 | 12-Feb-19 |
| | | | | 879.82 | |
| ECB Loan Repayment | | | | | |
| INEOS Styrolution Group GmbH | Other related party | Oct 17, 2017 ongoing | Based on transfer pricing guidelines | 1,100.00 | 12-Feb-19 |
| | | | | 1,100.00 | |

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

For and on behalf of the Board

June 25, 2020
Vadodara

Stephen Mark Harrington
Chairman
DIN: 07131679

ANNEXURE - V TO THE BOARD'S REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

CONSERVATION OF ENERGY

A. Energy conservation measures taken:

- (i) Efforts have been initiated to improve overall equipment efficiency at all plants.
- (ii) Power factor has been maintained high throughout the year by proper monitoring of the capacitor banks at all plants.
- (iii) Recycle of steam condensate from dryer section at NAN has been resulting in the reduction of fuel and boiler feed water.
- (iv) Recycling of water has reduced the water consumption and generation of waste water at Nandesari plant.
- (v) R.O plant operation has been optimized to reduce water and energy consumption at Nandesari.
- (vi) New water circulation system in Pelletizers has resulted in water savings.
- (vii) Installation of screw air compressor with variable frequency drive has reduced the power consumption at all plants.
- (viii) Changeover from CFL/MLL to LED lights for street lights has resulted in energy savings at Dahej, Nandesari, Katol & Moxi plants.
- (ix) Reduced energy consumption in conveying blower with energy efficient blower and change in the type of blower from triblower to twin lobe blower in Katol.
- (x) As part of Moxi 100 project
 - a) STP has been installed and treated water from STP is used for gardening purpose resulting in decrease in fresh water consumption.
 - b) All roots blower for pneumatic conveying system are provided with Acoustic Enclosure to maintain noise level below prescribed levels.
 - c) Premium efficiency motors installed resulting in energy saving.

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

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

C. Capital investment on energy conservation equipment.

The capital investment on energy conservation equipment for various projects amounts to around INR 47,149 K (equivalent to approx. 629 KUS \$)

TECHNOLOGY ABSORPTION

A. Efforts made towards technology absorption

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

B. Expenditure incurred on Research and Development

| | Particulars | (INR In Lakhs) |
|---|---|-----------------------|
| a | Capital | 36.26 |
| b | Recurring | 199.81 |
| c | Total | 236.07 |
| d | Total R & D expenditure as a percentage of : Gross turnover | 0.15% |
| | : Net turnover | 0.15% |

FOREIGN EXCHANGE EARNINGS AND OUTGO**(INR In Lakhs)**

| Particulars | 2019-20 |
|---|----------------|
| | |
| Foreign exchange earned in terms of actual inflow | 630.89 |
| Foreign Exchange outgo in terms of actual outflow (including value of imports on CIF basis) | 107,420.95 |

INEOS Styrolution India Limited

ANNEXURE - VI TO THE BOARD'S REPORT

FORM NO. MGT- 9 - Extract of Annual Return

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

I. REGISTRATION & OTHER DETAILS:

| | |
|--|--|
| CIN | L25200GJ1973PLC002436 |
| Registration Date | 07.12.1973 |
| Name of the Company | INEOS Styrolution India Limited |
| Category/Sub-category of the Company | - Company Limited by Shares (Public Company) - Indian Non- Government Company |
| Address of the registered office & contact details | 5th Floor, Ohm House-2, Ohm Business Park, Subhanpura, Vadodara - 390 023, Gujarat, India Tel. No. +91 265 2303201-02 Fax. +91 265 2303203 E mail: INSTY.secshare@ineos.com Website: www.ineosstyrolutionindia.com |
| Whether listed company | Yes |
| Name, address & contact details of the registrar & transfer agent, if any. | Link Intime India Pvt. Ltd. B-102 & 103 Shangrila Complex, First Floor Opp. HDFC Bank Near Radhakrishna Char Rasta Akota, Vadodara -390020, Gujarat, India Tel. No.: +91 265 2356573 / 2356794 / 61360000 E mail: vadodara@linkintime.co.in Website : www.linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING-SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding:

| Sr. No | Category of Shareholders | Shareholding at the beginning of the year - 2019 | | | | Shareholding at the End of the year - 2020 | | | | % Change during the year |
|--------|---|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(1) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (b) | Government | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Institutions | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Bodies Corporate | 13189218 | 0 | 13189218 | 75.0000 | 13189218 | 0 | 13189218 | 75.0000 | 0.0000 |
| | Sub Total (A)(2) | 13189218 | 0 | 13189218 | 75.0000 | 13189218 | 0 | 13189218 | 75.0000 | 0.0000 |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 13189218 | 0 | 13189218 | 75.0000 | 13189218 | 0 | 13189218 | 75.0000 | 0.0000 |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 1033334 | 1750 | 1035084 | 5.8860 | 1062954 | 1750 | 1064704 | 6.0544 | 0.1684 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0.0000 | 51068 | 0 | 51068 | 0.2904 | 0.2904 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Foreign Portfolio Investor | 121356 | 100 | 121456 | 0.6907 | 86806 | 100 | 86906 | 0.4942 | -0.1965 |
| (f) | Financial Institutions / Banks | 3060 | 2650 | 5710 | 0.0325 | 16208 | 2650 | 18858 | 0.1072 | 0.0747 |
| (g) | Insurance Companies | 0 | 50 | 50 | 0.0003 | 0 | 50 | 50 | 0.0003 | 0.0000 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | UTI | 0 | 5 | 5 | 0.0000 | 0 | 5 | 5 | 0.0000 | 0.0000 |
| | Sub Total (B)(1) | 1157750 | 4555 | 1162305 | 6.6094 | 1217036 | 4555 | 1221591 | 6.9465 | 0.3371 |
| [2] | Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 1948122 | 177371 | 2125493 | 12.0865 | 1725160 | 167321 | 1892481 | 10.7615 | -1.3250 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 334234 | 0 | 334234 | 1.9006 | 422924 | 0 | 422924 | 2.4049 | 0.5043 |
| (b) | NBFCs registered with RBI | 1660 | 0 | 1660 | 0.0094 | 5000 | 0 | 5000 | 0.0284 | 0.0190 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |

INEOS Styrolution India Limited

| Sr. No | Category of Shareholders | Shareholding at the beginning of the year - 2019 | | | | Shareholding at the End of the year - 2020 | | | | % Change during the year |
|--------|--|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (e) | Any Other (Specify) | | | | | | | | | |
| | IEPF | 28927 | 0 | 28927 | 0.1645 | 29065 | 0 | 29065 | 0.1653 | 0.0008 |
| | Hindu Undivided Family | 135153 | 0 | 135153 | 0.7685 | 138731 | 0 | 138731 | 0.7889 | 0.0204 |
| | Non Resident Indians (Non Repat) | 46272 | 0 | 46272 | 0.2631 | 40199 | 0 | 40199 | 0.2286 | -0.0345 |
| | Non Resident Indians (Repat) | 44818 | 250 | 45068 | 0.2563 | 35873 | 250 | 36123 | 0.2054 | -0.0509 |
| | Clearing Member | 41040 | 0 | 41040 | 0.2334 | 11194 | 0 | 11194 | 0.0637 | -0.1697 |
| | Bodies Corporate | 472280 | 3975 | 476255 | 2.7082 | 596324 | 2775 | 599099 | 3.4068 | 0.6986 |
| | Sub Total (B)(3) | 3052506 | 181596 | 3234102 | 18.3906 | 3004470 | 170346 | 3174816 | 18.0535 | -0.3371 |
| | Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3) | 4210256 | 186151 | 4396407 | 25.0000 | 4221506 | 174901 | 4396407 | 25.0000 | 0.0000 |
| | Total (A)+(B) | 17399474 | 186151 | 17585625 | 100.0000 | 17410724 | 174901 | 17585625 | 100.0000 | 0.0000 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Total (A)+(B)+(C) | 17399474 | 186151 | 17585625 | 100.0000 | 17410724 | 174901 | 17585625 | 100.0000 | |

ii) Share Holding of Promoters:

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

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

| Sr. No | Name of the shareholder | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|--------|--|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 13,189,218 | 75,000 | 13,189,218 | 75,000 |
| 2 | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No transactions during the year | | | |
| 3 | At the end of the year | 13,189,218 | 75,000 | 13,189,218 | 75,000 |

iv) Shareholding pattern of top ten shareholders:
(Other than directors, promoters and holders of GDRs and ADRs):

| Sr. No | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|--------|--|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % Of total shares of the company | Date of transaction | No. of shares | No. of shares held | % Of total shares of the company |
| 1 | Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund | 694881 | 3.9514 | | | 694881 | 3.9514 |
| | Transfer | | | 14 Jun 2019 | 2247 | 697128 | 3.9642 |
| | At The End of The Year | | | | | 697128 | 3.9642 |
| 2 | Sundaram Mutual Fund A/c Sundaram Long Term Micro Cap Tax Advantage Fund - Series - Vi | 205255 | 1.1672 | | | 205255 | 1.1672 |
| | Transfer | | | 05 Apr 2019 | (386) | 204869 | 1.1650 |
| | Transfer | | | 12 Apr 2019 | (234) | 204635 | 1.1636 |
| | Transfer | | | 31 May 2019 | 3025 | 207660 | 1.1809 |
| | Transfer | | | 07 Jun 2019 | 11797 | 219457 | 1.2479 |
| | Transfer | | | 20 Sep 2019 | 8778 | 228235 | 1.2978 |
| | Transfer | | | 27 Sep 2019 | 14094 | 242329 | 1.3780 |
| | Transfer | | | 30 Sep 2019 | 1523 | 243852 | 1.3867 |
| | Transfer | | | 04 Oct 2019 | 9660 | 253512 | 1.4416 |
| | Transfer | | | 11 Oct 2019 | 752 | 254264 | 1.4459 |
| | Transfer | | | 18 Oct 2019 | 8599 | 262863 | 1.4948 |
| | Transfer | | | 25 Oct 2019 | 13262 | 276125 | 1.5702 |
| | Transfer | | | 10 Jan 2020 | 50 | 276175 | 1.5705 |
| | Transfer | | | 31 Jan 2020 | 15271 | 291446 | 1.6573 |
| | Transfer | | | 07 Feb 2020 | 13310 | 304756 | 1.7330 |
| | Transfer | | | 14 Feb 2020 | 5500 | 310256 | 1.7643 |
| | Transfer | | | 06 Mar 2020 | 733 | 310989 | 1.7684 |
| | Transfer | | | 13 Mar 2020 | 8333 | 319322 | 1.8158 |
| | Transfer | | | 20 Mar 2020 | 200 | 319522 | 1.8169 |
| | Transfer | | | 27 Mar 2020 | 810 | 320332 | 1.8216 |
| | Transfer | | | 31 Mar 2020 | 2626 | 322958 | 1.8365 |
| | At The End of The Year | | | | | 322958 | 1.8365 |
| 3 | V C Jhaveri Realty Pvt Ltd | 167601 | 0.9531 | | | 167601 | 0.9531 |
| | At The End of The Year | | | | | 167601 | 0.9531 |
| 4 | Edelweiss Multi Strategy Investment Trust-edelweiss Catalyst Opportunities Fund | 0 | 0.0000 | | | 0 | 0.0000 |
| | Transfer | | | 23 Aug 2019 | 3600 | 3600 | 0.0205 |
| | Transfer | | | 30 Aug 2019 | 8900 | 12500 | 0.0711 |
| | Transfer | | | 06 Sep 2019 | 6637 | 19137 | 0.1088 |
| | Transfer | | | 13 Sep 2019 | 5400 | 24537 | 0.1395 |
| | Transfer | | | 20 Sep 2019 | 8039 | 32576 | 0.1852 |
| | Transfer | | | 27 Sep 2019 | 3600 | 36176 | 0.2057 |
| | Transfer | | | 11 Oct 2019 | 4688 | 40864 | 0.2324 |
| | Transfer | | | 18 Oct 2019 | 2071 | 42935 | 0.2441 |
| | Transfer | | | 25 Oct 2019 | 1109 | 44044 | 0.2505 |
| | Transfer | | | 17 Jan 2020 | 487 | 44531 | 0.2532 |
| | Transfer | | | 24 Jan 2020 | 811 | 45342 | 0.2578 |
| | Transfer | | | 31 Jan 2020 | 3239 | 48581 | 0.2763 |
| | Transfer | | | 07 Feb 2020 | 2487 | 51068 | 0.2904 |
| | At The End of The Year | | | | | 51068 | 0.2904 |

INEOS Styrolution India Limited

| Sr. No | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|--------|--------------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % Of total shares of the company | Date of transaction | No. of shares | No. of shares held | % Of total shares of the company |
| 5 | Dhananjay Champaklal Jhaveri | 50167 | 0.2853 | | | 50167 | 0.2853 |
| | At The End of The Year | | | | | 50167 | 0.2853 |
| 6 | IDFC Hybrid Equity Fund | 84399 | 0.4799 | | | 84399 | 0.4799 |
| | Transfer | | | 31 May 2019 | (27324) | 57075 | 0.3246 |
| | Transfer | | | 07 Jun 2019 | (14207) | 42868 | 0.2438 |
| | At The End of The Year | | | | | 42868 | 0.2438 |
| 7 | Chetan B Upadhyay | 29000 | 0.1649 | | | 29000 | 0.1649 |
| | Transfer | | | 30 Sep 2019 | 14 | 29014 | 0.1650 |
| | Transfer | | | 04 Oct 2019 | 1474 | 30488 | 0.1734 |
| | Transfer | | | 11 Oct 2019 | 312 | 30800 | 0.1751 |
| | Transfer | | | 18 Oct 2019 | 185 | 30985 | 0.1762 |
| | Transfer | | | 25 Oct 2019 | 24 | 31009 | 0.1763 |
| | Transfer | | | 31 Dec 2019 | 160 | 31169 | 0.1772 |
| | Transfer | | | 10 Jan 2020 | 839 | 32008 | 0.1820 |
| | Transfer | | | 31 Jan 2020 | 1992 | 34000 | 0.1933 |
| | Transfer | | | 21 Feb 2020 | 720 | 34720 | 0.1974 |
| | Transfer | | | 06 Mar 2020 | (320) | 34400 | 0.1956 |
| | At The End of The Year | | | | | 34400 | 0.1956 |
| 8 | Aman Finvest Pvt Ltd | 0 | 0.0000 | | | 0 | 0.0000 |
| | Transfer | | | 23 Aug 2019 | 26317 | 26317 | 0.1497 |
| | Transfer | | | 30 Aug 2019 | 7939 | 34256 | 0.1948 |
| | Transfer | | | 13 Dec 2019 | 300 | 34556 | 0.1965 |
| | Transfer | | | 17 Jan 2020 | (700) | 33856 | 0.1925 |
| | Transfer | | | 24 Jan 2020 | (407) | 33449 | 0.1902 |
| | At The End of The Year | | | | | 33449 | 0.1902 |
| 9 | Bhupendra Champaklal Jhaveri | 29950 | 0.1703 | | | 29950 | 0.1703 |
| | At The End of The Year | | | | | 29950 | 0.1703 |
| 10 | Edelweiss Custodial Services Limited | 1431 | 0.0081 | | | 1431 | 0.0081 |
| | Transfer | | | 05 Apr 2019 | 128 | 1559 | 0.0089 |
| | Transfer | | | 12 Apr 2019 | 211 | 1770 | 0.0101 |
| | Transfer | | | 19 Apr 2019 | 15 | 1785 | 0.0102 |
| | Transfer | | | 26 Apr 2019 | (2) | 1783 | 0.0101 |
| | Transfer | | | 03 May 2019 | (400) | 1383 | 0.0079 |
| | Transfer | | | 24 May 2019 | 20 | 1403 | 0.0080 |
| | Transfer | | | 07 Jun 2019 | 85 | 1488 | 0.0085 |
| | Transfer | | | 21 Jun 2019 | (1) | 1487 | 0.0085 |
| | Transfer | | | 29 Jun 2019 | (268) | 1219 | 0.0069 |
| | Transfer | | | 12 Jul 2019 | (2) | 1217 | 0.0069 |
| | Transfer | | | 02 Aug 2019 | 10 | 1227 | 0.0070 |
| | Transfer | | | 23 Aug 2019 | (300) | 927 | 0.0053 |
| | Transfer | | | 30 Aug 2019 | 4606 | 5533 | 0.0315 |
| | Transfer | | | 06 Sep 2019 | (100) | 5433 | 0.0309 |
| | Transfer | | | 20 Sep 2019 | (300) | 5133 | 0.0292 |
| | Transfer | | | 04 Oct 2019 | 13597 | 18730 | 0.1065 |
| | Transfer | | | 11 Oct 2019 | (10) | 18720 | 0.1065 |
| | Transfer | | | 18 Oct 2019 | (2142) | 16578 | 0.0943 |
| | Transfer | | | 01 Nov 2019 | 2527 | 19105 | 0.1086 |

| Sr. No | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|--------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % Of total shares of the company | Date of transaction | No. of shares | No. of shares held | % Of total shares of the company |
| | Transfer | | | 22 Nov 2019 | 1795 | 20900 | 0.1188 |
| | Transfer | | | 29 Nov 2019 | 95 | 20995 | 0.1194 |
| | Transfer | | | 06 Dec 2019 | 3467 | 24462 | 0.1391 |
| | Transfer | | | 20 Dec 2019 | 1301 | 25763 | 0.1465 |
| | Transfer | | | 27 Dec 2019 | 60 | 25823 | 0.1468 |
| | Transfer | | | 17 Jan 2020 | 800 | 26623 | 0.1514 |
| | Transfer | | | 24 Jan 2020 | (50) | 26573 | 0.1511 |
| | Transfer | | | 31 Jan 2020 | (45) | 26528 | 0.1509 |
| | Transfer | | | 07 Feb 2020 | (5) | 26523 | 0.1508 |
| | Transfer | | | 14 Feb 2020 | (1) | 26522 | 0.1508 |
| | Transfer | | | 06 Mar 2020 | 2137 | 28659 | 0.1630 |
| | Transfer | | | 13 Mar 2020 | 430 | 29089 | 0.1654 |
| | Transfer | | | 20 Mar 2020 | 50 | 29139 | 0.1657 |
| | Transfer | | | 31 Mar 2020 | (50) | 29089 | 0.1654 |
| | At The End of The Year | | | | | 29089 | 0.1654 |
| 11 | The Emerging Markets Small Cap Series of The DFA Investment Trust Company | 30905 | 0.1757 | | | 30905 | 0.1757 |
| | Transfer | | | 23 Aug 2019 | (1864) | 29041 | 0.1651 |
| | At The End of The Year | | | | | 29041 | 0.1651 |
| 12 | Dimensional Emerging Markets Value Fund | 32615 | 0.1855 | | | 32615 | 0.1855 |
| | Transfer | | | 23 Aug 2019 | (5448) | 27167 | 0.1545 |
| | Transfer | | | 22 Nov 2019 | (2661) | 24506 | 0.1394 |
| | At The End of The Year | | | | | 24506 | 0.1394 |
| 13 | Bajaj Allianz Life Insurance Company Ltd. | 50000 | 0.2843 | | | 50000 | 0.2843 |
| | Transfer | | | 06 Dec 2019 | (50000) | 0 | 0.0000 |
| | At The End of The Year | | | | | 0 | 0.0000 |
| 14 | IDBI Small Cap Fund | 48799 | 0.2775 | | | 48799 | 0.2775 |
| | Transfer | | | 23 Aug 2019 | (10082) | 38717 | 0.2202 |
| | Transfer | | | 30 Aug 2019 | (8500) | 30217 | 0.1718 |
| | Transfer | | | 06 Sep 2019 | (716) | 29501 | 0.1678 |
| | Transfer | | | 13 Sep 2019 | (9034) | 20467 | 0.1164 |
| | Transfer | | | 20 Sep 2019 | (467) | 20000 | 0.1137 |
| | Transfer | | | 27 Dec 2019 | (5800) | 14200 | 0.0807 |
| | Transfer | | | 31 Dec 2019 | (11201) | 2999 | 0.0171 |
| | Transfer | | | 07 Jan 2020 | (2999) | 0 | 0.0000 |
| | At The End of The Year | 31649 | 0.1800 | | | 0 | 0.0000 |
| 15 | Anand Rathi Global Finance Limited | | | | | 31649 | 0.1800 |
| | Transfer | | | 17 May 2019 | 400 | 32049 | 0.1822 |
| | Transfer | | | 31 May 2019 | 10597 | 42646 | 0.2425 |
| | Transfer | | | 29 Jun 2019 | (400) | 42246 | 0.2402 |
| | Transfer | | | 23 Aug 2019 | (42246) | 0 | 0.0000 |
| | At The End of The Year | | | | | 0 | 0.0000 |
| Note | | | | | | | |
| 1 | Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 17585625 Shares. | | | | | | |
| 2 | The details of holding has been clubbed based on PAN. | | | | | | |
| 3 | % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year. | | | | | | |

INEOS Styrolution India Limited

v) Shareholding of Directors and Key Managerial Personnel: Nil

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

V. INDEBTEDNESS

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 9,940.05 | 16,400.00 | - | 26,340.05 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 197.83 | - | 197.83 |
| Total (i+ii+iii) | 9,940.05 | 16,597.83 | - | 26,537.88 |
| Change in Indebtedness during the financial year | - | - | - | - |
| * Addition | - | - | - | - |
| * Reduction | (7,038.40) | (2,198.97) | - | (9,237.37) |
| Net Change | (7,038.40) | (2,198.97) | - | (9,237.37) |
| Indebtedness at the end of the financial year | - | - | - | - |
| i) Principal Amount | 2,896.88 | 14,197.66 | - | 17,094.54 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 4.77 | 201.20 | - | 205.97 |
| Total (i+ii+iii) | 2,901.65 | 14,398.86 | - | 17,300.51 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No | Particulars of Remuneration | Mr. Sanjiv Vasudeva | Mr. Nitankumar Duggal | Total |
|--------|---|--|-----------------------|---------------|
| | | MD and CEO | WTD | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 282.12 | 123.19 | 405.31 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission | Nil | Nil | Nil |
| | - as % of profit | | | |
| | - Others specify. | | | |
| 5 | Others, please specify | | | |
| | - Performance Bonus | 58.11 | 15.63 | 73.74 |
| | - Retirals | 23.82 | 17.36 | 41.18 |
| | - LTI (three years rolling period) | 39.17 | 0.0 | 39.17 |
| | - Medical Plan | 0.10 | 0.10 | 0.2 |
| | Total (A) | 306.05 | 140.65 | 446.70 |
| | Ceiling as per the Act | In accordance with the provisions of Section 197 read with Schedule V and subject to shareholders' approval. | | |

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

B. Remuneration to other Directors:

| Sr. No | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------|--|-------------------|--------------|-------------|--------------|
| | | Jal R. Patel | Anil Shankar | Ryna Karani | |
| 1 | Independent directors | | | | |
| | Fee for attending board committee meetings | 5.00 | 4.60 | 4.00 | 13.60 |
| | Commission | - | - | - | - ## |
| | Others, please specify | - | - | - | - |
| | Total (1) | 5.00 | 4.60 | 4.00 | 13.60 |

INEOS Styrolution India Limited

(INR in Lakhs)

| Sr. No | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------|--|--|--------------|-------------|----------------|
| | | Jal R. Patel | Anil Shankar | Ryna Karani | |
| 2 | Other Non- executive directors* | | | | |
| | Fee for attending board committee meetings | | | | NA |
| | Commission | | | | NA |
| | Others, please specify | | | | NIL |
| | Total (2) | | | | NIL |
| | Total (B)=(1+2) | | | | 13.60 |
| | Total Managerial Remuneration | | | | 460.30# |
| | Overall Ceiling as per the Act | Overall ceiling as per Companies Act 2013 is not applicable to sitting fees. | | | |

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

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

Exclusive of sitting fees paid to independent directors.

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

(INR in Lakhs)

| Sr. No | Particulars of Remuneration Name | CEO | Company Secretary | Total |
|--------|---|---------------|-------------------|---------------|
| | | Sanjeev Madan | Abhijaat Sinha | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 96.76 | 48.00 | 144.76 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission | Nil | Nil | Nil |
| | - as % of profit | | | |
| | - others, specify... | | | |
| 5 | Others, please specify | | | |
| | - Performance Bonus | 13.75 | 0.00 | 13.75 |
| | - Retirals | 6.8 | 1.45 | 8.26 |
| | - Medical Plan | 0.1 | 0.1 | 0.20 |
| | Total | 103.67 | 49.55 | 153.22 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE - VII TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification (electronically only in view of COVID-19 due to lockdown) of the INEOS STYROLUTION INDIA LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 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 (electronically only in view of COVID-19 due to lockdown) the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- (vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records (electronically only in view of COVID-19 due to lockdown) in pursuance thereof, on test check basis, we further report that the Company has complied with the following laws applicable specifically to the Company:
1. The Environment (Protection) Act, 1986
 2. The Air (Prevention And Control of Pollution) Act, 1981
 3. The Water (Prevention and Control of Pollution) Act, 1974
 4. The Hazardous Wastes (Management and Handling) Rules, 1989
 5. Indian Boiler Regulations Act, 1950
 6. The Factories Act, 1948
 7. The Industrial Disputes Act, 1947
 8. The Payment Of Wages Act, 1936
 9. The Minimum Wages Act, 1948
 10. The Employees State Insurance Act, 1948
 11. The Employees' Provident Fund And Miscellaneous Provisions Act, 1952
 12. The Payment Of Bonus Act, 1965
 13. The Payment Of Gratuity Act, 1972
 14. The Contract Labour (Regulation And Abolition) Act, 1970
 15. The Maternity Benefit Act, 1961
 16. The Child Labour (Prohibition And Regulation) Act, 1986
 17. The Industrial Employment (Standing Orders) Act, 1946
 18. The Employees' Compensation Act, 1923 (Earlier Known As Workmen's Compensation Act, 1923)
 19. The Apprentices Act, 1961
 20. The Equal Remuneration Act, 1976
 21. The Employment Exchange (Compulsory Notification Of Vacancies) Act, 1956

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

were not applicable during the audit period.

- (b) The Company has not bought back any security of the Company and accordingly the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 was not applicable during the audit period.
- (c) We have been informed by the Company that the minutes book of the Board meetings during the period from the year 2010 to 2017, minutes book of Nomination and Remuneration committee for the period from the year 2013 to year 2015 and other registers of the Company were stolen and a complaint has been lodged in the regard.
- (d) The Company had received a letter dtd. 16th August, 2019 from its promoter INEOS Styrolution APAC Pte. Ltd. expressing their intention to acquire 43,96,407 fully paid-up equity shares of face value of INR 10 each of the Company representing approximately 25.00% of the paid-up equity share capital of the Company that are presently held by the public shareholders of the Company and consequently voluntarily delist the equity shares of the Company from the stock exchanges where they are listed.

Thereafter, the Board of Directors at its meeting held on 23rd August, 2019, and the shareholders of the Company through postal ballot process granted their approval on 30th September, 2019 to the Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE"). The Company intends to make application for in-principle approval, once it receives go ahead from the promoters.

- (e) The Company has passed Special Resolutions at its 46th Annual General Meeting held on 8th August, 2019 approving:
- appointment of Ms. Ryna Karani as an Independent Woman Director of the Company
 - re-appointment of Mr. Anil Shankar as an Independent Director of the Company;
 - continuation of directorship of Mr. Jal Patel, who has attained the age of seventy-five years, as an Independent Director;
 - re-appointment of and payment of remuneration to Mr. Sanjiv Vasudeva as Managing Director & CEO of the Company for the period of 3 years w.e.f. March 01, 2019;
 - confirmation and waiver of recovery of excess remuneration paid to Mr. Sanjiv Vasudeva, Managing Director & CEO of the Company.
 - remuneration for Mr. Nitankumar Duggal, Whole-time Director of the Company and waiver of recovery of excess remuneration paid.
- (f) The Company informed to the stock exchanges pursuant to the regulation 30 of LODR on March 26, 2020 that the Company had temporarily suspended all its manufacturing operations located at Moxi, Nandesari, Katol and Dahej in Gujarat. Subsequently on June 09, 2020, the Company further informed that since the gradual easing of the lockdown from beginning of May, 2020 and in line with the various directives issued by the government, the Company's plants commenced operations in phased manner, in line with market demand.

For Devesh Pathak & Associates.
Practising Company Secretaries

Sd/-
CS Devesh A. Pathak
Sole Proprietor
Membership No. : FCS 4559
CP No. : 2306
UDIN: F004559B000380022

Date: 18th June, 2020
Place: Vadodara

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

18th June, 2020

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

Ref: Secretarial Audit Report dated 18th June, 2020 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Consequent to the Nationwide Lockdown imposed as a result of the COVID-19 pandemic, we have not been able to verify the books, papers, minute books, forms and returns filed and other records maintained by the Company in physical form at its Registered Office. Accordingly, we have only examined the electronically available soft copies of the minutes, forms and returns filed and other records provided by the Company for the financial year ended on 31st March, 2020.
3. 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 process and the practices we followed provided reasonable basis for our opinion.
4. We have not received an Independent Auditor's Report and Audited Financial Statement for the financial year ended on 31st March, 2020 and accordingly, we have relied upon the Unaudited Financial Statement and Management Representation provided by the Company on the matter.
5. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the Unaudited Financial Statement and Management Representation provided by the Company on the matter.
6. 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.
7. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Devesh Pathak & Associates.
Practising Company Secretaries

Sd/-
CS Devesh A. Pathak
Sole Proprietor
Membership No. : FCS 4559
CP No. : 2306

INEOS Styrolution India Limited

BUSINESS RESPONSIBILITY REPORT

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

| | |
|---|---|
| Corporate Identity Number (CIN) of the Company | L25200GJ1973PLC002436 |
| Name of the Company | INEOS Styrolution India Limited |
| Registered address | 5th Floor, Ohm House-2, Ohm Business Park, Subhanpura, Vadodara - 390 023, Gujarat, India Tel. No. +91 265 2303201-02 Fax. +91 265 2303203 |
| Website | www.ineosstyrolutionindia.com |
| E-mail id | INSTY.secshare@ineos.com |
| Financial Year reported | April 1 2019 to March 31 2020 |
| Sector(s) that the Company is engaged in (industrial activity code-wise) | Synthetic rubber and plastic products - 2013 Polystyrene - 2013 |
| List three key products/services that the Company manufactures/provides (as in balance sheet) | ABS SAN Polystyrene |
| Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of National Locations | Registered Office: 5th Floor, OHM HOUSE - II, OHM Business Park, Subhanpura, Vadodara - 390 023, Nandesari Plant 51, GIDC Industrial Estate, Nandesari - 391340, Dist. : Vadodara. Moxi Plant and R & D Centre Sankarda-Bhadarva Road, Post : Poicha - 391780, Tal.: Savli, Dist.: Vadodara. Katol Plant Halol-Kalol Road, Katol - 389330, Tal. : Kalol, Dist. : Panchmahal. Dahej Plant Dahej Village, Tal. : Vagra, Dist. : Bharuch - 392130 |
| Markets served by the Company - Local/State/National/International | Your Company sells its products throughout India. |

SECTION B : FINANCIAL DETAILS OF THE COMPANY

| | |
|---|---|
| Paid up Capital (INR) | Rs.175,856,250 (divided into 17,585,625 Equity Shares of Rs.10 each) |
| Total Turnover (INR) | The turnover for the Financial Year 2019-2020 was INR 157,899.91 lakhs. |
| Total profit / loss after taxes (INR) | For the Financial Year ending on March 31, 2020, the Company incurred a loss of INR 952.26 lakhs |
| Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company spent an amount of INR 90.73 lakhs towards CSR. |
| List of activities in which expenditure in 4 above has been incurred:- | Please refer Annexure - II to the Boards' Report - Report on Corporate Social Responsibility Activities. (Page no.55) |

SECTION C : OTHER DETAILS

| | |
|--|--|
| Does the Company have any Subsidiary Company/ Companies? | The Company does not have any Subsidiary as on March 31, 2020 |
| Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | The Company does not have any Subsidiary. |
| Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No other entity that the Company is doing business with is participating in your Company's BR initiatives. |

SECTION D : BR INFORMATION

Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible/BR head for implementation of the BR policy/policies

| No. | Particulars | Details |
|-----|----------------------------|---------------------------|
| 1 | DIN Number (if applicable) | 6570945 |
| 2 | Name | Mr. Sanjiv Vasudeva |
| 3 | Designation | Managing Director and CEO |
| 4 | Telephone number | (0265) 2303201/02 |
| 5 | e-mail id | sanjiv.vasudeva@ineos.com |

b. Principle-wise (as per NVGs) BR Policy/policies

| Question | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----------------|----------------------------|-------------------------------|--------------|--------------------------------|----------------------|-----|---------------------|
| | Ethics, Transparency and Accountability | Sustainability | Wellbeing of all employees | Behavior towards stakeholders | Human Rights | Environment, Health and Safety | Industry Association | CSR | Customer Excellence |
| Do you have a policy/policies for... | Yes, Company's Code of Conduct sets out the principle & practices that imbibe all the principles and are applicable to all employees and stakeholders including business partners and third parties. | | | | | | | | |
| Has the policy being formulated in consultation with the relevant stakeholders? | Yes, while formulating the policy documents, wherever applicable, discussions are held / views are obtained from the stakeholders to ensure that the rights & obligations of concerned stakeholders are in line with the best industry practices. | | | | | | | | |
| Does the policy conform to any national/international standards? If yes, specify? | Fairness, mutual respect and integrity are the cornerstones, within the Company and within the Group, upon which our actions are based. Being a part of the INEOS Group, the Company believes in benchmarking its practices to global standards. | | | | | | | | |
| Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director? | All Statutory Policies and Codes are adopted considering prevailing legal requirements and approvals of respective authority levels [Board of Directors, its Committees and Company Management] are obtained from time to time. | | | | | | | | |
| Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Implementation mechanism of all the Policies & Codes is presented to and reviewed by the respective authority periodically. | | | | | | | | |
| Indicate the link for the policy to be viewed online? | All related policies of your Company are available on the Website of the Company under the head Corporate Governance. One can access the same via following link as well. https://www.ineosstyrolutionindia.com/INTERSHOP/web/WFS/Styrolution-India-Site/en_US/-/USD/View_Content-Start?PageletEntryPointID=corporate-governance | | | | | | | | |
| Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies are communicated to all the stakeholders and awareness programmes, workshops and e-learning modules including tests and certification are administered which are mandatory for all relevant employees. | | | | | | | | |

| Question | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|----------------|----------------------------|-------------------------------|--------------|--------------------------------|----------------------|-----|---------------------|
| | Ethics, Transparency and Accountability | Sustainability | Wellbeing of all employees | Behavior towards stakeholders | Human Rights | Environment, Health and Safety | Industry Association | CSR | Customer Excellence |
| Does the Company have in-house structure to implement the policy/policies. | The Company's HR department is responsible for the implementation of policies. | | | | | | | | |
| Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | The Company's Vigil Mechanism / Whistle-Blower Policy and the Code of Conduct as well as the platform 'Speak-up' provide an effective grievance redressal mechanism for stakeholders. | | | | | | | | |
| Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | The Company evaluates and updates the policies in accordance with the group guidelines. | | | | | | | | |

c. Governance related to BR

| | | | | | | | | | |
|---|---|--|--|--|--|--|--|--|--|
| Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company | This is Company's first review and reporting of Business Responsibility and it is proposed to be reviewed by the MD & CEO on annual basis. | | | | | | | | |
| Does the Company publish a BR or a Sustainability Report? | The BR report is being published for the first time in the Annual Report 2019-20. | | | | | | | | |
| What is the hyperlink for viewing this report? | https://www.ineosstyrolutionindia.com/INTERSHOP/web/WFS/Styrolution-India-Site/en_US/-/USD/ViewContent-art?PageletEntryPointID=investors-financials | | | | | | | | |
| How frequently it is published? | The BR report is being published for the first time in the Annual Report 2019-20. This will be published on an annual basis, depending on the legal requirements. | | | | | | | | |

SECTION E : PRINCIPLE-WISE PERFORMANCE

| Principle 1 | |
|--|--|
| <p>Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?</p> | <p>Yes.</p> <p>The Company believes in pursuing its business objectives ethically, transparently and responsibly with its stakeholders across the value chain. Fairness, mutual respect and integrity are the cornerstones upon which the actions of the Company are based. Further, the Company only engages in business deals with third parties that conduct business ethically and do not subject the Company to any reputational harm.</p> <p>The Company's Code of Conduct is in compliance with the standards of business conduct and ethics, as well as the regulatory requirements. The Code of Conduct is communicated to all stakeholders through its website.</p> <p>The Company's Whistle-Blower Policy also encourages employees to bring instances of unethical behavior to the knowledge of the management.</p> |
| <p>How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.</p> | <p>The Company has a system in place to undertake measures to resolve grievances.</p> <p>No such complaint was received in relation to Principle 1 during the year under reporting.</p> |
| Principle 2 | |
| <p>List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</p> | <p>Your company aspires to drive sustainable styrenic solutions for its customers. We leverage the versatility of Plastics to suit the needs of modern society. Our products are present in your daily life everywhere.</p> <ul style="list-style-type: none"> • Interiors and Exteriors of your two-wheeler and three wheeler automobiles. Lightweight yet durable and High-heat proof, it help vehicles achieve the latest Bharat Stage norms. • Household and Electronics like consoles, Body cases, linings, trays and accessories of Home appliances like TV, Refrigerators, Washing machines, Air-Conditioner, television, vacuum cleaner, kitchen ware and more. • Energy efficient modern construction techniques and structures for windmills, ducting, roofing, fencing, railing, doors and panels. |

Principle 2

- Saving lives with diagnostic and disposable devices like insulin pens, inhalers, injectable, tubes, medicine storage, laboratory apparatus and more.
- Our products general and special grades pack everything, be it food cases, cosmetics, containers, shrink sleeves and flexible packaging films. The shelf life of contents is enhanced, and retaining the aroma and flavour.
- Our applications in Toys, sports and lifestyle goods help the users to be in happy, healthy and active frame body and mind.

Products:

Our ABSOLAC and NOVODUR grade, through their unique combination of lightweight, durability and other intrinsic properties, they contribute to addressing global challenges, such as environmental and climate protection, resource efficiency, and rising living standards. High adhesion, dimensional stability and pre-coloured availability help end user manufacturers to make the goods swiftly, streamlined manner and minimal wastage.

Our LURAN grades improve productivity, as the use of polyuria eliminates the need foto mould release agents, resulting in significantly reduction of the processes interval periods, manufacturing costs and work waste due to a drop in reject rate.

Our GPPS (General Purpose Polystyrene) grades exhibit high mechanical strength at low weight, do not require pre-drying and consume less process energy compared to other plastic materials, infect up to 60% less energy compared to PP (Polypropylene) and 40% less than PET (Polyethylene terephthalate)

R&D for future: We believe in achieving success together. Hence we co-create special styrenic grades that appeal to customised requirements of our valued customers. Our marketing and sales team takes continual feedback and interacts with customers, to understand how INEOS Styrolution can support their product development plans. This forms the foundation for formulating new grades in our state of the art Research & Development Centre (RDC) at Moxi. Evolution and value addition is a seamless way of life at INEOS Styrolution.

| Principle 2 | |
|--|---|
| | <p>Our Operations and Infrastructure stays abreast in terms of modernisation, safety, technology updates, that can make every step to improve our process and be in harmony to environment. From simple switch to LED lightings to reduce carbon footprint or using new stacking and efficient inventory ferry bays at our warehouse, we are committed to take the future ready.</p> |
| <p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):</p> <p>a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since</p> | <p>The key drivers for our environmental management programme are the following:</p> <ul style="list-style-type: none"> • Reduction in energy use and greenhouse gas emissions: We strive to continuously optimize the energy efficiency of our technology and operations • Resource efficiency, including scrap reduction and waste management: Efficient use of raw materials, including reuse, recycling and recovery through optimization of our processes • Efficient use of water: Reducing the use of water where possible and optimizing the water consumption of our operations • Reduction of air emissions and waste water discharge: Evaluating best available technology and prevention of accidental emissions through advanced process control • Reduction of Pellet loss: We take measures, especially in terms of enhanced housekeeping, to prevent plastic pellet loss at our production sites as well as during transportation. <p>Monitoring these key drivers is built into the business processes at all of our sites and plants. We have established key performance indicators (KPIs) on resource efficiency and material yield, energy use, water use, waste management, and emissions.</p> <p>Company focuses to improve overall equipment efficiency at all plants.</p> <ul style="list-style-type: none"> • Energy savings are achieved by variable frequency drives, energy efficient blowers, use of LED lights (alternate energy), use of premium efficiency motors, latest efficient technologies. • Company also focuses on alternate sources of energy in its drive towards sustainability: <ul style="list-style-type: none"> (i) Fuel switch over from furnace oil to natural gas has been implemented for cleaner environment and better energy efficiency. |

| Principle 2 | |
|---|---|
| | <p>(ii) Green energy generation on wind farms located in Gujarat.</p> <ul style="list-style-type: none"> • Water reduction is achieved by recycling steam condensate, R.O. plant optimization, efficient pelletizer circulation systems, recycling of water and utilization of STP. • Continual monitoring of energy parameters is done for achieving the sustainability initiatives. • Company continuously focuses on environmental awareness, energy savings and seeks suggestions for improving sustainability. |
| <p>Does the Company have procedures in place for sustainable sourcing (including transportation)?</p> <p>a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p> | <p>The cornerstone of our supply chain management is our Supplier code of Conduct. It defines our minimum expectations and requirements in supplier standards, including labor practices and human rights, health and safety, environmental protection, ethics and fair business practice.</p> <p>We expect all our suppliers - at a minimum - to comply with INEOS Styrolution's Supplier Code of Conduct, which provides additional details of our expectations from suppliers. Our Global purchasing department is responsible for ensuring that the suppliers receive and agree by the terms of our Supplier Code of Conduct. We also monitor and review their performance through our own internal assessments as well as through third-party assessors.</p> <p>We continue to target 80% of total supplier spend to be third-party assessed by 2020 and also ensure continuous training of all buyers on our sustainability initiatives.</p> <p>We are in process of implementing SQAS (SQAS covers quality, safety, security, environment and CSR) to evaluate the performance of our logistics service providers by our own assessment.</p> |
| <p>Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p> | <p>The company procures raw materials indigenously as well as imports the same. The company enters into long term / short term contracts for raw materials and other inputs. Company actively identifies opportunities to indigenize the raw materials / spares and works with local suppliers to develop the same.</p> |

| Principle 2 | | | | | | | | | | | | | | | | | |
|---|---|--|--|--|--|---|---|----|----|---|-------------------|----|----|---|---------------------------|----|----|
| | <p>The company gives preference to local supplier/ producers especially by giving to local manufacturers work on job work basis and assisting them to establish higher standard of manufacturing and quality and providing technical assistance for the processing whenever required.</p> <p>Company also enters into contracts with local contractors who are employing people from villages nearby thereby increasing employment rate in these villages.</p> <p>The Company cautiously monitors vendors falling into MSME category and ensures that they are being paid as per the guidelines laid by the government.</p> | | | | | | | | | | | | | | | | |
| Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. | <ul style="list-style-type: none"> • Sites have waste water treatment plants and the treated water is used for gardening & other purposes wherever possible. • Company focuses on co-processing instead of incineration to minimize air pollution load. • All recyclable wastes are recycled to authorized recyclers. | | | | | | | | | | | | | | | | |
| Principle 3 | | | | | | | | | | | | | | | | | |
| Please indicate the Total number of employees. | 523 (five hundred twenty three) | | | | | | | | | | | | | | | | |
| Please indicate the Total number of employees hired on temporary/contractual/casual basis. | 66 (sixty six) (Fixed Term employees) 473 (four hundred seventy three) (Contractual employees) | | | | | | | | | | | | | | | | |
| Please indicate the Number of permanent women employees. | 12 (twelve) | | | | | | | | | | | | | | | | |
| Please indicate the Number of permanent employees with disabilities. | 1 (one) | | | | | | | | | | | | | | | | |
| Do you have an employee association that is recognised by Management. | Yes | | | | | | | | | | | | | | | | |
| What percentage of your permanent employees is members of this recognised employee association? | 215 (two hundred fifteen) (all sites) | | | | | | | | | | | | | | | | |
| Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | <table border="1"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No of complaints filed during the financial year</th> <th>No of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour/forced labour/involuntary labour</td> <td>No</td> <td>No</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>No</td> <td>No</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>No</td> <td>No</td> </tr> </tbody> </table> | No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year | 1 | Child labour/forced labour/involuntary labour | No | No | 2 | Sexual harassment | No | No | 3 | Discriminatory employment | No | No |
| No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year | | | | | | | | | | | | | | |
| 1 | Child labour/forced labour/involuntary labour | No | No | | | | | | | | | | | | | | |
| 2 | Sexual harassment | No | No | | | | | | | | | | | | | | |
| 3 | Discriminatory employment | No | No | | | | | | | | | | | | | | |

| Principle 4 | | | | |
|---|--|--|--|---|
| What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? | No. | Category | Employee imparted safety training | Employees imparted skill up-gradation training |
| | 1 | Permanent Employees | 469 | 307 |
| | 2 | Permanent Women Employees | 13 | 9 |
| | 3 | Casual/Temporary/Contractual Employees | 448 | 22 |
| | 4 | Employees with Disabilities | 2 | - |
| Principle 4 | | | | |
| Has the company mapped its internal and external stakeholders? | Yes. Your Company does mapping of its internal and external stakeholders. | | | |
| Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. | Yes. While mapping, Company does identify its disadvantaged, vulnerable and marginalized stakeholders. | | | |
| Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. | The Company recognizes its responsibility towards disadvantaged, vulnerable and marginalised stakeholders. The Company has undertaken hallmark programmes under various CSR initiative which focuses on preventive health measures, promotion of education and environment protection. The details of such programmes and their impact assessment are disclosed in Corporate Social Responsibility section of the Annual Report. | | | |
| Principle 5 | | | | |
| Does the policy of the company on human rights cover only the company or extend to the Group/Joint ventures /Suppliers/Contractors/NGOs/Others? | The Code of Conduct of the Company provides for the protection of human rights and it extends to Group as well as other associates. | | | |
| How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | There were no complaints with regard to Human rights violations. | | | |
| Principle 6 | | | | |
| Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint ventures/ Suppliers/Contractors/NGOs/others? | Yes, the Company's policy extends to all interested parties. We provide information about our occupational health and safety and environmental protection measures as well as the impact that each of our locations has on the environment. | | | |

| Principle 6 | |
|---|---|
| <p>Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.</p> | <p>Operating responsibly is deeply embedded in our corporate values. We are strongly committed to protecting the safety and health of individuals, using resources efficiently, and safeguarding the environment.</p> <p>INEOS Styrolution India sites are certified to ISO14001: 2015 (Environmental Management system) by DQS, which reflects a commitment towards responsible management of activities, operations affecting environment.</p> <p>Environmental management is central to our daily operations and is how we drive operational excellence at all our sites. We have converted landfill waste to recycling waste and have gradually reduced our energy use as well as our emissions, such as dust and combustion gases.</p> <p>OCS – Operation Clean Sweep – is part of our commitment to Sustainability and driven at all sites. Operation Clean Sweep is all about making sure our plastic does not get into the marine environment. Operation Clean Sweep® and embed good practices for the containment of pellets in our day-to-day practices and management systems at all our production sites, and encourage logistics suppliers to also adopt these good practices.</p> |
| <p>Does the company identify and assess potential environmental risks? Y/N</p> | <p>Yes. The Company's SHE (Safety, Health and Environment) protocols and system / policies cover all such monitoring.</p> |
| <p>Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?</p> | <ul style="list-style-type: none"> a) STP has been installed and treated water from STP is used for gardening purpose resulting in decrease in fresh water consumption. b) Roots blower for pneumatic conveying system are provided with Acoustic Enclosure to maintain noise level below prescribed levels. c) Premium efficiency motors installed resulting in energy saving in all new Projects. d) Green Belt corridors have been developed and are being maintained near Plat locations at Nandesari and Moxi. e) Rain water harvesting system is developed at Moxi. |
| <p>Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.</p> | <p>Yes.</p> <p>A. Energy conservation measures taken:</p> <ul style="list-style-type: none"> (I) Efforts have been initiated to improve overall equipment efficiency at all plants. |

| | |
|--|---|
| Principle 6 | |
| | <ul style="list-style-type: none"> (ii) Power factor has been maintained high throughout the year by proper monitoring of the capacitor banks at all plants. (iii) Recycle of steam condensate from dryer section at NAN has been resulting in the reduction of fuel and boiler feed water. (iv) Recycling of water has reduced the water consumption and generation of waste water at Nandesari plant. (v) R.O plant operation has been optimized to reduce water and energy consumption at Nandesari. (vi) New water circulation system in Pelletizers has resulted in water savings. (vii) Installation of screw air compressor with variable frequency drive has reduced the power consumption at all plants. (viii) Changeover from CFL/MLL to LED lights for street lights has resulted in energy savings at Dahej, Nandesari, Katol & Moxi plants. (ix) Reduced energy consumption in conveying blower with energy efficient blower and change in the type of blower from triblower to twin lobe blower in Katol. <p>B. Steps taken by the Company for using alternate sources of Energy.</p> <ul style="list-style-type: none"> (iii) Fuel switch over from furnace oil to natural gas at Nandesari, Katol and Dahej plant has been implemented for cleaner environment and better energy efficiency. (iv) Green energy generation on wind farms located in Gujarat. |
| Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? | All emissions and waste, as were generated for the financial year being reported, were within the permissible limits as given by CPCB/GPCB. |
| Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. | There are no show cause/ legal notices pending as on end of the Financial Year. |
| Principle 7 | |
| Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with: | <p>The company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner. The company is a member of :</p> <ul style="list-style-type: none"> - Chemicals and Petrochemicals Manufacturers association (CPMA) - Federation of Gujarat Industries (FGI). - Society of Polymer Engineers (SPE) |

| | |
|---|---|
| Principle 7 | |
| | <p>Company also works closely with other Industry bodies like :</p> <ul style="list-style-type: none"> - PlastIndia foundation - All India Plastics Manufacturers Association (AIPMA) - Indian Plastics Institute - Bureau of Indian Standards (BIS) |
| <p>Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)</p> | <p>The company has engaged with industry bodies in the following areas :</p> <ul style="list-style-type: none"> - Bureau of Indian Standards : Sustainable business principles - Chemicals and Petrochemicals Manufacturers association (CPMA) : Inclusive Development policies |
| Principle 8 | |
| <p>Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.</p> | <p>Yes, your Company has specified programmes/ initiatives/projects in pursuit of its Policy on CSR.</p> <p>Some of the key CSR initiatives undertaken by the Company during the year include:</p> <ul style="list-style-type: none"> a) Primary health care facilities <ul style="list-style-type: none"> - Running of Mobile Health Unit, providing basic medical facilities in the villages near Company's plants. b) Environment preservation and related infrastructure support <ul style="list-style-type: none"> - Development and maintenance of Green Belt Zones near plant locations. - Developing rainwater harvesting system near plant location. c) Education aids, related infrastructure facility development <ul style="list-style-type: none"> - Providing educational and infrastructural facilities for the development of street schools; building infrastructure such as roofs, sheds, common hall, computer lab, play area etc. in primary schools located in the vicinity of Company's plants. - Providing special assistance to the schools of differently abled kids near the Company's office. |
| <p>Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?</p> | <p>Some programmes are undertaken through inhouse teams and some are implemented in partnership with NGOs/ other implementing agencies.</p> |

| Principle 8 | |
|---|--|
| Have you done any impact assessment of your initiative? | Yes. Before selecting/approving any CSR project, a detailed feasibility study of the project is undertaken by the CSR Team of the Company. |
| What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. | <p>The details of contributions made by the Company for community development are provided in the CSR report of the Company.</p> <p>The detailed CSR Report is available on Page 55 of this Annual Report.</p> |
| Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. | <p>The key focus areas under CSR activities for the Company are promoting education; preventive healthcare; infrastructural support; sanitation facilities; purification of water; rural development; community welfare and creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India.</p> <p>The impacts and adoption of Company's CSR initiatives by the Community are examined on regular intervals. The same are explained under CSR Report of the Company. (Page no. 55)</p> |
| Principle 9 | |
| What percentage of customer complaints/consumer cases are pending as on the end of financial year. | <p>There are no consumer cases pending as on end of financial year.</p> <p>A robust Marketing and Sales team is in constant interaction with customers, understanding the concerns and using their feedback to formulate new customized grades to suit their requirement.</p> <p>Every three years, an Asia-Pacific & China(APAC) focused Customer Satisfaction Survey (CSS) is conducted. The last CSS was conducted in 2018 by NIELSEN in India.</p> |
| Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information) | Yes, the Company displays all information on the product label as mandated by applicable laws. No additional information is provided on the labels. |

| Principle 9 | |
|--|--|
| <p>Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.</p> | <p>There are no cases filed against the Company regarding unfair trade practices or anti-competitive behavior.</p> <ul style="list-style-type: none"> - Your Company strongly discourages unfair trade practices. - Company has policies and internal check system at places for monitoring activities in this regards. - Regular trainings are imparted in this regard. - All employees are mandated to adhere to these policies in their day to day routine. |
| <p>Did your company carry out any consumer survey/ consumer satisfaction trends?</p> | <p>We do Customer Satisfaction Survey by third party as per independent feedback with our business partners for getting the real time feedback and to improve it on continuous basis and support our customers. This was last done in 2018 by NIELSEN India.</p> |

INDEPENDENT AUDITOR'S REPORT

To the Members of
INEOS Styrolution India Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of INEOS Styrolution India Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw your attention to note 47 of the financial statement, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matters

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

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| Assessment of litigation in respect of an Indirect Tax Matter (Refer note 1 (s) and 38 to the Financial Statements) | We have performed following procedures: - Obtained an understanding from the management, evaluated the design and tested the operating effectiveness of the controls and the procedures adopted by the management in respect of assessment and quantification of likely outcome of the tax matters. |

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>During the period from January 2005 to December 2011, the Company had paid Countervailing Duty and Special Additional Duty through Duty Entitlement Pass-book (DEPB) in respect of import of raw materials and had availed CENVAT credit for the same.</p> <p>The Principal Commissioner of Central Excise, Customs and Service Tax department disallowed part of the credit availed by the Company. The Company had filed an appeal to the Customs Excise and Service Tax Appellate Tribunal (CESTAT) against the said disallowance and the matter is currently pending at CESTAT.</p> <p>The Management in consultation with tax expert engaged by them, believes that the Company's contention has strong merits and in its judgement, material outflow of economic resources is unlikely. Accordingly, no provision has been recognised in the books and the same has been disclosed as a contingent liability in the financial statements.</p> <p>The above matter has been considered as key audit matter due to involvement of significant management judgment to assess the probability of any material outflow of economic resources and whether a provision should be recognised.</p> | <ul style="list-style-type: none"> - Obtained details on the status of the litigation and updates during the current year and the Management's evaluation of the likely outcome. - Assessed the objectivity and independence of the external tax expert engaged by the management. - Obtained independent confirmation from the management's tax expert, to confirm facts and circumstances of the matter and their assessment on the probability of the case settling in favour of the Company. - With the involvement of auditors' experts, assessed the management expert's views on the case in light of the relevant provisions of law and obtained their independent assessment on the likely outcome. - Assessed the adequacy of the disclosures made by the Company in the financial statements. <p>Based on the above audit procedures performed, we did not find any significant exceptions in the Management's assessment of litigation.</p> |

Other Information

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

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

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

We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; Under Section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

-
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements.
 - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2020.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
16. 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.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 20102022AAAABC8858

Place: Mumbai
Date: June 25, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the financial statements for the year ended March 31, 2020 Page 1 of 2

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

1. We have audited the internal financial controls with reference to financial statements of INEOS Styrolution India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the financial statements for the year ended March 31, 2020 Page 1 of 2

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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. Also refer paragraph 4 of our main audit report.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 20102022AAAABC8858

Place: Mumbai
Date: June 25, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties other than self-constructed immovable properties (buildings), as disclosed in Note 2 on Property Plant and Equipment and Note 14 on Assets classified as held for Sale to the financial statements, are held in the name or erstwhile name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 38 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the month of March 2020, the Company has paid Goods and Service Tax and filed Form GSTR 3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification Number 31/2020 – Central Tax dated April 3, 2020 on fulfilment of conditions specified therein.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the financial statements as of and for the year ended March 31, 2020

| Name of the statute | Nature of dues | Amount (INR in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------------------|---|-----------------------|---------------------------------------|---|
| The Income Tax Act, 1961 | Income Tax | 1,497.80 | AY 2010-11 to AY 2015-16 | Commissioner of Income Tax (Appeals) |
| The Income Tax Act, 1961 | Income Tax | 24.52 | AY 2018-19 | Deputy Commissioner of Income Tax |
| The Central Sales Tax Act, 1956 | Sales Tax | 79.17 | FY 2002-04 | Joint Commissioner Commercial Tax, Guj. |
| The Central Sales Tax Act, 1956 | Sales Tax | 5.35 | FY 2013-14 | Appellate Tribunal Commercial Tax, Guj. |
| Value Added Tax Act, 2005 | VAT | 49.06 | FY 1999-00, FY 2001-02 and FY 2015-16 | Commissioner of Sales Tax (Appeals) |
| Value Added Tax Act, 2005 | VAT | 2.61 | 2014-15 | Commissioner Sales Tax, Maharashtra |
| Value Added Tax Act, 2005 | VAT | 131.92 | FY 2014-15 and FY 2015-16 | Commissioner Sales Tax, Gujarat |
| The Central Excise Act, 1944 | CVD Claimed as credit as per exemption under DEPB | 8022.17 | January 2005 to December 2011 | CESTAT |
| Finance Act, 1994 | Service Tax | 2196.84 | August 2008 to June 2016 | CESTAT |
| Finance Act, 1994 | Service Tax | 6.51 | December 2010 to June 2016 | Commissioner Central Excise (Appeals) |
| The Customs Tariff Act, 1975 | Customs duty | 37.35 | FY 2011-12 | CESTAT |

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank as at the balance sheet date. The Company did not have any outstanding loans or borrowing to any financial institution or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanation given to us, the moneys raised by way of term loans have been applied for the purpose of which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the financial statements as of and for the year ended March 31, 2020

- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 16 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 20102022AAAABC8858

Place: Mumbai
Date: June 25, 2020

**ADUITED
FINANCIAL
STATEMENTS
FOR
FINANCIAL YEAR
2019-2020**



INEOS Styrolution India Limited

BALANCE SHEET

as at March 31, 2020

INR in Lakhs

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------|-------------------------|-------------------------|
| A ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 2 (A) | 31,554.17 | 20,027.72 |
| (b) Right-of-use Assets | 2 (B) | 4,917.24 | - |
| (c) Capital work-in-progress | 2 (A) | 5,626.82 | 9,599.67 |
| (d) Financial assets | | | |
| (i) Investments | 3 | 18.08 | 31.14 |
| (ii) Loans | 4 | 663.19 | 646.50 |
| (iii) Other financial assets | 5 | 27.38 | 25.84 |
| (e) Non-current tax assets | | 1,723.07 | 2,070.21 |
| (f) Other non-current assets | 6 | 8,407.75 | 13,201.25 |
| Total non-current assets | | 52,937.70 | 45,602.33 |
| 2 Current assets | | | |
| (a) Inventories | 7 | 26,848.32 | 31,548.87 |
| (b) Financial assets | | | |
| (i) Trade receivables | 8 | 17,223.96 | 23,568.65 |
| (ii) Cash and cash equivalents | 9 | 315.83 | 4,540.45 |
| (iii) Bank balance other than (ii) above | 10 | 28.20 | 30.33 |
| (iv) Loans | 11 | 30.41 | 25.81 |
| (v) Other financial assets | 12 | 41.04 | - |
| (c) Other current assets | 13 | 7,903.58 | 6,658.08 |
| (d) Asset classified as held for Sale | 14 | 192.56 | 200.21 |
| Total current assets | | 52,583.90 | 66,572.40 |
| TOTAL ASSETS | | 105,521.60 | 112,174.73 |
| B EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 15 | 1,758.56 | 1,758.56 |
| (b) Other equity | 16 | 59,170.03 | 60,567.43 |
| Total Equity | | 60,928.59 | 62,325.99 |
| Liabilities | | | |
| 1 Non Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | 6,300.00 | 8,900.00 |
| (ii) Lease liabilities | 2 (B) | 4,593.80 | - |
| (iii) Other financial liabilities | 17 | 151.99 | 147.44 |
| (b) Provisions | 18 | 2,956.48 | 823.86 |
| (c) Employee benefit obligations | 19 | 367.83 | 394.61 |
| (d) Deferred tax liabilities (net) | 26 | 817.48 | 1,365.81 |
| Total non-current liabilities | | 15,187.58 | 11,631.72 |

BALANCE SHEET

as at March 31, 2020

| INR in Lakhs | | | |
|---|----------|-------------------------|-------------------------|
| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
| 2 Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | 8,200.57 | 16,346.06 |
| (ii) Lease liabilities | 2 (B) | 486.36 | - |
| (iii) Trade payables | 21 | | |
| (a) Total outstanding dues of micro and small enterprises | | 162.71 | 102.31 |
| (b) Total outstanding dues of creditors other than (ii)(a) above | | 13,715.30 | 18,579.95 |
| (iv) Other financial liabilities | 22 | 5,939.31 | 2,352.23 |
| (b) Contract liabilities | 23 | 110.14 | 97.57 |
| (c) Employee benefit obligations | 24 | 234.33 | 206.49 |
| (d) Other current liabilities | 25 | 556.71 | 532.41 |
| Total current liabilities | | 29,405.43 | 38,217.02 |
| Total liabilities | | 44,593.01 | 49,848.74 |
| TOTAL EQUITY AND LIABILITIES | | 105,521.60 | 112,174.73 |

The above balance sheet should be read in conjunction with the accompanying notes.
As per our attached report of even date.

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

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

Pankaj Khandelia
Partner
Membership No. 102022

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Place : Mumbai
Date : Jun 25, 2020

Sanjeev Madan
CFO

Abhijaat Sinha
Company Secretary

Place : Vadodara
Date : Jun 25, 2020

INEOS Styrolution India Limited

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

| INR in Lakhs | | | |
|---|-------------|--------------------------------------|--------------------------------------|
| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| I. Revenue from operations | 27 | 157,899.91 | 209,053.33 |
| II. Other income | 28 | 678.33 | 1,312.81 |
| III. Total income (I+II) | | 158,578.24 | 210,366.14 |
| IV. Expenses | | | |
| Cost of materials consumed | 29 | 117,548.70 | 179,588.32 |
| Changes in inventories of finished goods and work-in-progress | 30 | 5,106.75 | (4,137.66) |
| Employee benefits expense | 31 | 5,787.37 | 5,753.35 |
| Finance costs | 32 | 1,589.88 | 1,268.69 |
| Depreciation and amortisation expense | 2(A) & 2(B) | 3,156.55 | 2,692.17 |
| Other expenses | 33 | 22,943.35 | 27,049.38 |
| Total expenses (IV) | | 156,132.60 | 212,214.25 |
| V. Profit / (Loss) before exceptional items and tax (III - IV) | | 2,445.64 | (1,848.11) |
| Exceptional Items | 46 | 3,795.45 | - |
| Loss before tax | | (1,349.81) | (1,848.11) |
| VI. Tax expense: | 26 | | |
| Current tax | | 139.42 | - |
| Deferred tax (credit) / charge | | (536.97) | (601.38) |
| Total tax expense (VI) | | (397.55) | (601.38) |
| VII. Loss for the year (V - VI) | | (952.26) | (1,246.73) |
| VIII. Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit plans | 40 | (32.50) | (47.74) |
| Income tax relating to remeasurements of defined benefit plans | | 11.36 | 16.68 |
| Total other comprehensive income, net of tax | | (21.14) | (31.06) |
| IX. Total comprehensive income for the year (VII + VIII) | | (973.40) | (1277.79) |
| X. Earnings per equity share (Face Value INR 10 each) | 34 | | |
| Basic (INR) | | (5.41) | (7.09) |
| Diluted (INR) | | (5.41) | (7.09) |

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

As per our attached report of even date.

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

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

Pankaj Khandelia
Partner
Membership No. 102022

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Place : Mumbai
Date : Jun 25, 2020

Sanjeev Madan
CFO

Abhijaat Sinha
Company Secretary

Place : Vadodara
Date : Jun 25, 2020

STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

| INR in Lakhs | | | |
|--|------------|--------------------------------------|--------------------------------------|
| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| A Cash flow from operating activities : | | | |
| Profit before tax | | (1,349.81) | (1,848.11) |
| Adjustments for : | | | |
| Depreciation and amortisation expense | 2(A), 2(B) | 3,156.55 | 2,692.17 |
| Interest Income on deposits | 28 | (29.89) | (36.01) |
| (Gain) on termination of lease contract | 2(B) | (39.02) | - |
| (Gain)/Loss on fair valuation of investment | 33 | 13.06 | 13.55 |
| Finance costs | 32 | 1,589.88 | 1,268.69 |
| Net exchange differences | | 211.79 | 10.84 |
| (Gain)/Loss on sale of investment | 33 | - | 7.60 |
| (Profit)/Loss on property, plant and equipment sold/discarded (net) | 28/33 | (69.62) | 130.75 |
| Write off/(Write back) of Inventory (including provisions) | | 54.02 | (120.74) |
| Provision/Credit balances no longer required written back | 28 | (32.21) | (631.18) |
| Allowance for doubtful debts (net) (Refer Note 36) | 33 | 50.53 | - |
| | | 4,905.09 | 3,335.67 |
| Operating profit before change in operating assets and liabilities | | | |
| Adjustments for : | | 3,555.28 | 1,487.56 |
| (Increase)/decrease in inventories | | 4,646.53 | (1,437.90) |
| (Increase)/decrease in trade receivables | | 6,328.57 | 1,469.50 |
| (Increase)/decrease in bank balance other than cash and cash equivalents | 10 | 2.13 | (0.63) |
| (Increase)/decrease in loans | 4,11 | (21.29) | 282.40 |
| (Increase)/decrease in other financial assets | 5,12 | (42.58) | 2.52 |
| (Increase)/decrease in other non-current assets | | 4,206.40 | 1,004.18 |
| (Increase)/decrease in other current assets | 13 | (1,245.51) | 950.44 |
| Increase/(decrease) in trade payables | | (4,975.84) | (6,638.23) |
| Increase/(decrease) in other financial liabilities | | 1,790.13 | 320.97 |
| Increase/(decrease) in contract liabilities | 23 | 12.57 | 97.57 |
| Increase/(decrease) in provisions | 18 | 2,132.62 | 70.61 |
| Increase/(decrease) in employee benefit obligations | | (31.44) | 6.36 |
| Increase/(decrease) in other current liabilities | 25 | 24.30 | (174.85) |
| | | 12,826.59 | (4,047.06) |
| Cash generated / (used in) from operations | | 16,381.87 | (2,559.50) |
| Taxes paid (net of refund) | | 207.73 | (1,038.53) |
| Net cash inflow / (outflow) from operating activities | | 16,589.60 | (3,598.03) |
| B Cash flow from investing activities : | | | |
| Payments for property, plant and equipment | | (8,552.18) | (9,778.83) |
| Proceeds from disposal of property, plant and equipment | | 108.94 | 203.33 |
| Proceeds from sale of investments | | - | 27.97 |
| Interest Income on deposits | | 82.89 | 198.76 |
| Net cash outflow from investing activities | | (8,360.35) | (9,348.77) |

(continued)

INEOS Styrolution India Limited

STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended March 31, 2020

| Particulars | Note No. | INR in Lakhs | |
|---|----------|-----------------------------------|-----------------------------------|
| | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| C Cash flow from financing activities : | | | |
| Proceeds/(repayment) of current borrowings | | (8,187.90) | 8,273.93 |
| Principal elements of lease payments | | (517.80) | - |
| Proceeds/(repayment) of non current borrowings | | (1,100.00) | 7,700.00 |
| Interest paid | | (2,222.04) | (1,648.54) |
| Dividend on equity shares (including dividend distribution tax) | | (426.13) | (847.38) |
| Net cash (outflow)/inflow from financing activities | | (12,453.87) | 13,478.01 |
| Net increase/(decrease) in cash and cash equivalents | | (4,224.62) | 531.21 |
| Cash and cash equivalents at the beginning of the year | 9 | 4,540.45 | 4,009.24 |
| Cash and cash equivalents at end of the year | 9 | 315.83 | 4,540.45 |

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the IND AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Cash flow from operating activities includes INR 90.73 Lakhs (March 31, 2019: INR 103.83 Lakhs) being expenditure towards Corporate Social Responsibility (Refer Note 33(1)).
- Non-cash investing and financing Activities

| Particulars | INR in Lakhs | | | | |
|--|-----------------------------------|-----------------------------------|--------------------|-------------------|-------------|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 | | | |
| - Deletion of right-of-use assets | 506.62 | - | | | |
| 4. Net debt reconciliation | | | | | |
| Particulars | Cash and cash equivalents | Non-current Borrowings* | Current Borrowings | Lease Obligations | Total |
| Net debt as at March 31, 2018 | 4,009.24 | (2,347.06) | (8,093.40) | - | (6,431.22) |
| Cash flows | 531.21 | (7,700.00) | (8,273.93) | - | (15,442.72) |
| Interest expense | - | (503.34) | (1,268.69) | - | (1,772.03) |
| Interest paid | - | 358.58 | 1,289.96 | - | 1,648.54 |
| Net debt as at March 31, 2019 | 4,540.45 | (10,191.82) | (16,346.06) | - | (21,997.43) |
| Recognized on adoption of Ind AS 116 (Refer Note 45) | - | - | - | (6,143.59) | (6,143.59) |
| Net debt as at April 1, 2019 (restated) | 4,540.45 | (10,191.82) | (16,346.06) | (6,143.59) | (28,141.02) |
| Cash flows | (4,224.62) | 1,100.00 | 8,187.90 | 517.80 | 5,581.08 |
| Deletion - leases | - | - | - | 545.63 | 545.63 |
| Foreign exchange adjustments | - | - | (42.40) | - | (42.40) |
| Interest expense | - | (879.82) | (711.14) | (639.22) | (2,230.18) |
| Interest paid | - | 871.69 | 711.13 | 639.22 | 2,222.04 |
| Net debt as at March 31, 2020 | 315.83 | (9,099.95) | (8,200.57) | (5,080.16) | (22,064.85) |

* includes current maturities of Long Term Debt

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

As per our attached report of even date.

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

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

Pankaj Khandelia
Partner
Membership No. 102022

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Place : Mumbai
Date : Jun 25, 2020

Sanjeev Madan
CFO

Abhijaat Sinha
Company Secretary

Place : Vadodara
Date : Jun 25, 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(a) Equity share capital

| Particulars | Note No. | INR in Lakhs |
|---|----------|----------------|
| | | Amount |
| As at March 31, 2018 | | 1758.56 |
| Changes in Equity share capital during the year | 15 | |
| As at March 31, 2019 | | 1758.56 |
| Changes in Equity share capital during the year | 15 | |
| As at March 31, 2020 | | 1758.56 |

(b) Other equity

| Particulars | Note No. | Reserves and surplus | | | | | Total |
|--|----------|----------------------|--------------------|------------------------------|-----------------|-------------------|-------------------|
| | | Capital reserve | Securities premium | Surplus on capital reduction | General reserve | Retained earnings | |
| Balance at March 31, 2018 | | 0.14 | 4,328.39 | 134.39 | 5,155.95 | 53,074.36 | 62,693.23 |
| Loss for the year | | - | - | - | - | (1,246.73) | (1,246.73) |
| Remeasurements of post-employment benefit obligation, net of tax | 16 | - | - | - | - | (31.06) | (31.06) |
| Total comprehensive income for the year | | - | - | - | - | (1,277.79) | (1,277.79) |
| Transaction with owners in their capacity as owners: | | | | | | | |
| Dividend paid (including dividend distribution tax) | 16 | - | - | - | - | (848.01) | (848.01) |
| Balance at March 31, 2019 | | 0.14 | 4,328.39 | 134.39 | 5,155.95 | 50,948.56 | 60,567.43 |
| Loss for the year | | - | - | - | - | (952.26) | (952.26) |
| Remeasurements of post-employment benefit obligation, net of tax | | - | - | - | - | (21.14) | (21.14) |
| Total comprehensive income for the year | | - | - | - | - | (973.40) | (973.40) |
| Transaction with owners in their capacity as owners: | | | | | | | |
| Dividend paid (including dividend distribution tax) | 16 | - | - | - | - | (424.00) | (424.00) |
| Balance at March 31, 2020 | | 0.14 | 4,328.39 | 134.39 | 5,155.95 | 49,551.16 | 59,170.03 |

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

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

For and on behalf of the Board of Directors of

INEOS Styrolution India Limited

Pankaj Khandelia
Partner
Membership No. 102022

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Place : Mumbai
Date : Jun 25, 2020

Sanjeev Madan
CFO

Abhijaat Sinha
Company Secretary

Place : Vadodara
Date : Jun 25, 2020

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Background

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

Note 1: Significant accounting policies

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

(a) Basis of preparation

(i) Compliance with Ind AS:

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

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

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year. Also refer Note 1(a)(iii) below.

(ii) Historical cost convention:

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

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

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April, 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs
- Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 45. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Segment Reporting

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

(c) Foreign currency translation**(i) Functional and presentation currency**

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

(ii) Transactions and balances

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

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

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

(d) Revenue recognition**(i) Sale of goods**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)for the year ended March 31, 2020

(ii) Financing components

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

(e) Income tax

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

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

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

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

Deferred tax includes, Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability. Accordingly, MAT is recognised as an asset in the Balance Sheet when asset can be measured reliably and it is probable that future economic benefit associated with it will be realised.

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

(f) Leases**Till 31 March 2019 :****As a lessee**

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

With effect from April 1, 2019 :

As a lessee:

From April 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. As a general rule, the Company separates non-lease components, such as services, from lease payments except where it is not practical to determine non-lease components.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substances fixed payments), less any lease incentive receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When adjustment to lease payments based on index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. Finance cost is charged to profit or loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

Variable lease payments other than those based on index or rate are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis in the Statement of profit and loss. Short term leases are leases with a lease term of 12 months or less. Low value asset comprise IT equipment and Office Equipment.

As a lessor:

The Company does not have any lease arrangements where the entity is a lessor.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

(g) Impairment of assets

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

(h) Cash and cash equivalents

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

(l) Trade receivables

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

(j) Inventories

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

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

(k) Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Measurement

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

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

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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been an increase in credit risk (Refer note 36).

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

(v) Income recognition

Interest income

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

Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

(l) Derivatives

Derivatives are taken as the hedging instrument by the Company.

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

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

(m) Offsetting financial instruments

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

(n) Property, plant and equipment

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

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

Depreciation methods and estimated useful lives:

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

| Asset Category | Estimated useful life |
|---|-----------------------|
| Lease hold land | Lease Term |
| Building, including temporary structure (*) | 3-60 Years |
| Road (*) | 10 Years |
| Plant & Machinery (*) | 3-40 Years |
| Furniture & Fixtures (*) | 6-16 Years |
| Office Equipment (*) | 3-7 Years |
| Vehicles (*) | 8-10 Years |

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

Useful life of Leasehold Improvements is considered based on lease term.

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

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

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

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

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

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

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

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

(p) Trade and other payables

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

(q) Borrowings

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

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

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

(r) Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

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

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

(s) Provisions and contingent liabilities

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

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

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

(t) Employee benefits

Short-term employee benefits obligations:

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

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

Defined contribution plans

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

Defined benefit plans

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

Non-current compensated absences: The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market

yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

(u) Contributed equity

Equity shares are classified as equity.

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

(v) Dividends

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

(w) Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period (Refer Note 34).

(x) Rounding of amounts

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

(y) Exceptional items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the Company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items".

Critical estimates and judgments :

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

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

Areas involving critical estimates and judgements are:

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

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

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

Leases - Refer Note 1 (f), 2(B) and Note 45

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

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Note - 2 (A)

Property, Plant and Equipment - As at March 31, 2020

INR in Lakhs

| Particulars | Gross carrying amount | | | | Depreciation | | | | Net carrying amount |
|--------------------------|------------------------------|------------------|------------------------|------------------------------|------------------------------|---------------------|------------------------|------------------------------|------------------------------|
| | Balance as at March 31, 2019 | Additions | Deduction/ Adjustments | Balance as at March 31, 2020 | Balance as at March 31, 2019 | Charge for the year | Deduction/ Adjustments | Balance as at March 31, 2020 | Balance as at March 31, 2020 |
| Freehold land | 85.49 | 516.47 | - | 601.96 | - | - | - | - | 601.96 |
| Leasehold land | 215.10 | - | (215.10) | - | 13.36 | - | (13.36) | - | - |
| Building | 5,536.55 | 2,225.97 | - | 7,762.52 | 1,332.43 | 267.74 | - | 1,600.17 | 6,162.35 |
| Leasehold Improvements | 63.62 | - | - | 63.62 | 5.67 | 9.12 | - | 14.79 | 48.83 |
| Plant and machinery | 23,077.51 | 10,907.04 | (108.60) | 33,875.95 | 8,112.02 | 1,777.73 | (76.43) | 9,813.32 | 24,062.63 |
| Furniture and fixtures | 268.70 | 37.97 | (2.10) | 304.57 | 57.95 | 42.15 | (2.10) | 98.00 | 206.57 |
| Vehicles | 66.20 | - | - | 66.20 | 42.91 | 7.63 | - | 50.54 | 15.66 |
| Office equipments | 775.31 | 308.00 | (22.69) | 1,060.62 | 496.42 | 130.72 | (22.69) | 604.45 | 456.17 |
| TOTAL | 30,088.48 | 13,995.45 | (348.49) | 43,735.44 | 10,060.76 | 2,235.09 | (114.58) | 12,181.27 | 31,554.17 |
| Capital work in progress | 9,599.67 | 10,022.60 | (13,995.45) | 5,626.82 | - | - | - | - | 5,626.82 |

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

INR in Lakhs

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

Notes

- Freehold Land aggregating INR 24.87 Lakhs (March 31, 2019 - INR 31.78 Lakhs), Leasehold Land having gross block of INR 211.63 lakhs (March 31, 2019 - INR 211.63 lakhs) and net block of INR 198.59 lakhs (March 31, 2019 - INR 201.93 lakhs), and other immovable properties (excluding self constructed buildings on freehold / leasehold land and including properties classified as asset held for sale) having gross block of INR 3.07 lakhs (March 31, 2019 - INR 41.48 lakhs) and net block of INR Nil (March 31, 2019 - INR 34.95 lakhs) are held in the erstwhile name of the Company. The Company has initiated the process of getting title deeds updated in its current name viz. INEOS Styrolution India Limited.
- Refer Note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress mainly comprises of new plant and machinery and building.
- Adjustments in previous year under buildings includes properties classified as Asset Held for Sale having Gross Block of INR 219.87 Lakhs (Net Block of INR 200.21 Lakhs) (Refer Note 14).
- Adjustments under leasehold land relates to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at March 31, 2020 (Refer Note 2 (B) and Refer Note 45).

Note - 2 (B)

This note provides information for leases where the Company is a lessee.

The Company leases various offices, warehouses, windmill lands, vehicles, employee quarters, equipment etc. Rental contracts typically ranges from 1 year to 10 years but may have extension option as described in (iii).

(I) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

| Particulars | INR in Lakhs | |
|----------------------------|----------------------|----------------------|
| | As at March 31, 2020 | *As at April 1, 2019 |
| Right of use assets | | |
| Land | 232.26 | 243.53 |
| Building | 480.45 | 605.88 |
| Plant and machinery | 4,116.67 | 5,320.20 |
| Vehicles | 87.86 | 175.72 |
| Total | 4,917.24 | 6,345.33 |

* Until March 31, 2019, the Company recognized lease assets relation to leases that were classified as finance leases under Ind AS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of Company's borrowings and other financial liabilities. For adjustments recognized on adoption of Ind AS 116 on April 1, 2019 (Refer Note 2 (A) and Refer Note45).

Deletion to the right of use assets during the current financial year were INR 506.62 Lakhs.

Lease Liabilities

| | | |
|--------------|-----------------|-----------------|
| Current | 486.36 | 517.80 |
| Non-Current | 4,593.80 | 5,625.79 |
| Total | 5,080.16 | 6,143.59 |

(ii) Amounts recognised in statement of profit and loss

The statement of profit and loss shows following amounts relating to leases:

| Particulars | INR in Lakhs | |
|---|---------------------------------|--------------------------------------|
| | For the year March 31, 2020* | For the year ended March 31, 2019 |
| Depreciation charge of right of use assets | | |
| Land | 11.27 | - |
| Building | 125.43 | - |
| Plant and machinery | 696.91 | - |
| Vehicles | 87.86 | - |
| Total | 921.47 | - |
| Interest Expenses (included in Finance Costs) | 639.22 | - |
| Expense relating to short-term leases (included in other expenses) | 557.13 | - |
| Expense relating to leases of low value assets that are not shown above as short term leases (included in other expenses)" | 3.60 | - |
| Expense relating to variable lease payments not included in lease liabilities | 0.08 | - |
| Gain on termination of lease contract (included in miscellaneous income) | (39.01) | - |
| Total | 1,161.02 | - |

The total cashoutflow including interest for leases for the year ended March 31, 2020 was INR 1,717.83 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Note -2 (B)

(iii) Extension and termination options in Lease Contracts

These options are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Extension and termination options are included in the lease term, only if the Company has the right to exercise these options and reasonably certain to exercise the right.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For the leases of office, warehouse, windmill land, vehicle, employee quarters, and equipment, etc., the following factors are normally the most relevant:

1. If there is significant penalty to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)
3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

Most extension options in leases have not been included in the lease liabilities, because the Company could replace the asset without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination option was an increase in recognized lease liabilities and right-of-use assets of INR 8,952.35 Lakhs.

Note - 3**Investments****Investments in equity shares accounted at fair value through profit and loss (fully paid-up)**

| Particulars | INR in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Quoted | | |
| 13,900 equity shares of Supreme Petrochem Ltd. of face value INR 10 each fully paid-up (March 31, 2019: 13,900)* | 18.08 | 31.14 |
| Total | 18.08 | 31.14 |
| Aggregate market value of quoted investments | 18.08 | 31.14 |
| Total | 18.08 | 31.14 |

*These shares are in the erstwhile name of the company and have been transferred to The Investor Education and Protection Fund. The Company is in the process of claiming the shares.

Note - 4**Loans****Non-current**

| | | |
|--|---------------|---------------|
| Loan to employees | 6.85 | 9.25 |
| Security deposits for utilities and premises | 656.34 | 637.25 |
| Total | 663.19 | 646.50 |
| Breakup of security details | | |
| - Considered good - secured | - | - |
| - Considered good - unsecured | 663.19 | 646.50 |
| - Which have significant increase in Credit Risk | - | - |
| - Credit - impaired | - | - |
| Total | 663.19 | 646.50 |

Note - 5**Other financial assets****Non-current**

| | | |
|----------------|--------------|--------------|
| Bank deposits* | 27.38 | 25.84 |
| Total | 27.38 | 25.84 |

* Bank deposit held by government authorities and held as lien under court order.

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Particulars | INR in Lakhs | |
|--------------------------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Note - 6 | | |
| Other assets | | |
| Non- current | | |
| Balances with government authorities | 8,056.61 | 12,263.01 |
| Deposit * | 250.00 | 250.00 |
| Capital advances | 101.14 | 688.24 |
| Total | 8,407.75 | 13,201.25 |

* Deposit given to Kandla Port Trust under the order of Honourable Gujarat High Court

Note - 7

Inventories *

| | | |
|-----------------------------------|------------------|------------------|
| Raw materials | 13,578.04 | 11,448.78 |
| Raw materials (goods-in-transit) | 1,870.97 | 3,792.46 |
| | 15,449.01 | 15,241.24 |
| Work-in-progress | 2,510.03 | 5,012.03 |
| Finished goods | 6,402.79 | 8,675.55 |
| Finished goods (goods-in-transit) | 971.47 | 1,303.46 |
| Stores and spares | 1,158.40 | 1,163.10 |
| Packing materials | 356.62 | 153.49 |
| Total | 26,848.32 | 31,548.87 |

* At cost and net realisable value whichever is lower.

* Refer Note 20 for inventories pledged as security for borrowings.

* Write-downs / (write back) of inventories amounted to INR 54.02 Lakhs (March 31, 2019 - INR (120.74) Lakhs). These were recognised as an expense during the year and included in the respective financial statement line item in the Statement of profit and loss.

Note - 8

Trade receivables

| | | |
|--|------------------|------------------|
| - Considered good - secured | - | - |
| - Considered good - unsecured | 17,223.96 | 23,568.65 |
| - Which have significant increase in Credit Risk | 50.82 | - |
| - Credit - impaired | 567.34 | 567.84 |
| | 17,842.12 | 24,136.49 |
| Less: Allowance for doubtful debts (Refer Note 36 (I)) | 618.16 | 567.84 |
| Total | 17,223.96 | 23,568.65 |
| Receivables from related parties (Refer Note 41) | 78.43 | 95.24 |
| Receivables from others | 17,145.53 | 23,473.41 |
| Total | 17,223.96 | 23,568.65 |

Note - 9

INR in Lakhs

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Cash and cash equivalents | | |
| Balances with bank | | |
| In current accounts | 315.33 | 1,033.26 |
| Deposits with maturity of less than three months | - | 3,506.80 |
| Cash on hand | 0.50 | 0.39 |
| Total | 315.83 | 4,540.45 |

Note - 10**Bank balances other than Cash and cash equivalents above Earmarked balances with banks**

| | | |
|-------------------------------|--------------|--------------|
| In unclaimed dividend account | 28.20 | 30.33 |
| Total | 28.20 | 30.33 |

Note - 11**Loans****Current**

| | | |
|--------------------|--------------|--------------|
| Loans to employees | 30.41 | 25.81 |
| Total | 30.41 | 25.81 |

Breakup of security details

| | | |
|--|--------------|--------------|
| - Considered good - secured | - | - |
| - Considered good - unsecured | 30.41 | 25.81 |
| - Which have significant increase in Credit Risk | - | - |
| - Credit - impaired | - | - |
| Total | 30.41 | 25.81 |

Note - 12**Other financial assets****Current**

| | | |
|---|--------------|----------|
| Derivative - Foreign Exchange Forward Contracts | 41.04 | - |
| Total | 41.04 | - |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Particulars | INR in Lakhs | |
|-------------------------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Note - 13 | | |
| Other assets | | |
| Current | | |
| Balance with government authorities | 7,598.95 | 6,213.16 |
| Advances for supply of goods | 117.15 | 276.42 |
| Advances to employees | - | 0.94 |
| Prepaid expenses | 187.48 | 167.56 |
| Total | 7,903.58 | 6,658.08 |

Note - 14

Asset classified as held for Sale

Current

| | | |
|------------------------------------|---------------|---------------|
| Asset classified as held for Sale* | 192.56 | 200.21 |
| | 192.56 | 200.21 |

*During the year ended March 31, 2019, the Company has decided to sale certain commercial properties and residential properties located at Vadodara, Delhi, Ahmedabad and Bangalore. The Company is actively looking for prospective buyers and the intention is to complete the sale within one year. These assets are presented within total assets of the Specialities segment. (Refer Note 42). Out of the above, assets amounting to INR Nil (March 31, 2019: INR 34.95 Lakhs) are held in the erstwhile name of the Company. (Also Refer Note 2 (A) (1))

Note - 15

Equity share capital

| Particulars | INR in Lakhs | | | |
|--|----------------------|-----------------|----------------------|-----------------|
| | As at March 31, 2020 | | As at March 31, 2019 | |
| | No. of shares | Amount | No. of shares | Amount |
| Authorised share capital | | | | |
| Equity shares of INR 10 each | 50,000,000 | 5,000.00 | 50,000,000 | 5,000.00 |
| Issued and subscribed share capital | | | | |
| Fully paid equity shares of INR 10 each | 17,585,625 | 1,758.56 | 17,585,625 | 1,758.56 |
| Total share capital | | 1,758.56 | | 1,758.56 |

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

| Particulars | INR in Lakhs | | | |
|---|----------------------|-----------------|----------------------|-----------------|
| | As at March 31, 2020 | | As at March 31, 2019 | |
| | No. of shares | Amount | No. of shares | Amount |
| Balance at the beginning of the reporting period | 17,585,625 | 1,758.56 | 17,585,625 | 1,758.56 |
| Changes in equity share capital during the year | - | - | - | - |
| Balance at the end of the reporting period | 17,585,625 | 1,758.56 | 17,585,625 | 1,758.56 |

a) Equity shares held by holding company

INR in Lakhs

| Name of shareholder | Relationship | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-----------------|-------------------------|-------------------------|
| INEOS Styrolution APAC Pte Ltd. | Holding company | 13,189,218 | 13,189,218 |

b) Rights, preferences and restrictions attached to shares

Equity Shares

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

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---------------------------------|-------------------------|------------|-------------------------|------------|
| | No. of shares | Percentage | No. of shares | Percentage |
| INEOS Styrolution APAC Pte Ltd. | 13,189,218 | 75.00% | 13,189,218 | 75.00% |

d) Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back during five years immediately preceding March 31, 2020.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Note - 16

Other equity

INR in Lakhs

| Particulars | Reserves and surplus | | | | | Total |
|--|----------------------|--------------------|------------------------------|-----------------|-------------------|-------------------|
| | Capital reserve | Securities premium | Surplus on capital reduction | General reserve | Retained earnings | |
| Balance at March 31, 2018 | 0.14 | 4,328.39 | 134.39 | 5,155.95 | 53,074.36 | 62,693.23 |
| Loss for the year | - | - | - | - | (1,246.73) | (1,246.73) |
| Other comprehensive income for the year | | | | | | |
| Items of OCI recognised directly in retained earnings | | | | | | |
| Remeasurements of post-employment benefit obligation, net of tax | - | - | - | - | (31.06) | (31.06) |
| Total comprehensive income for the year | - | - | - | - | (1,277.79) | (1,277.79) |
| Transaction with owners in their capacity as owners: | | | | | | |
| Dividend paid on equity shares for the year 2017-18: [INR 4 per share] | - | - | - | - | (703.43) | (703.43) |
| Dividend Distribution Tax (DDT) on dividend paid | - | - | - | - | (144.58) | (144.58) |
| Balance at March 31, 2019 | 0.14 | 4,328.39 | 134.39 | 5,155.95 | 50,948.56 | 60,567.43 |
| Loss for the year | - | - | - | - | (952.26) | (952.26) |
| Other comprehensive income for the year | | | | | | |
| Items of OCI recognised directly in retained earnings | | | | | | |
| Remeasurements of post-employment benefit obligation, net of tax | - | - | - | - | (21.14) | (21.14) |
| Total comprehensive income for the year | - | - | - | - | (973.40) | (973.40) |
| Transaction with owners in their capacity as owners: | | | | | | |
| Dividend paid on equity shares for the year 2018-19: [INR 2 per share] | - | - | - | - | (351.70) | (351.70) |
| Dividend Distribution Tax (DDT) on dividend paid | - | - | - | - | (72.30) | (72.30) |
| Balance at March 31, 2020 | 0.14 | 4,328.39 | 134.39 | 5,155.95 | 49,551.16 | 59,170.03 |

Nature and purpose of reserves

Capital reserve

Capital reserve is on account of profit on re-issue of forfeited Shares

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Surplus on capital reduction

Surplus on capital reduction is created as per order no. O/14505/2004 dated June 24, 2004 passed by the Honourable High Court of Gujarat in Company Petition No. 60 of 2004.

General reserve

General reserve represents amounts appropriated out of retained earnings in accordance with the provisions of the Act.

Note - 17

INR in Lakhs

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|----------------------|----------------------|
| Other financial liabilities | | |
| Non-current | | |
| Employee payables | 151.99 | 147.44 |
| Total | 151.99 | 147.44 |

Note - 18

Provisions

Non-current

| | | |
|---|-----------------|---------------|
| Provision for contingencies (Refer Note 44) | 2,956.48 | 823.86 |
| Total | 2,956.48 | 823.86 |

Note - 19

Employee benefit obligations

Non-current

| | | |
|---|---------------|---------------|
| Provision for compensated absences (Refer Note 40)* | 367.83 | 394.61 |
| Total | 367.83 | 394.61 |

* The Compensated absences covers the liability for sick and earned leave.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Note - 20 | INR in Lakhs | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Borrowings | | |
| Non-current | | |
| Unsecured | | |
| External Commercial Borrowing from related party (Refer Note 22 and 41) | 6,300.00 | 8,900.00 |
| Total Non-Current Borrowings | 6,300.00 | 8,900.00 |
| Current | | |
| Secured | | |
| Cash credit | - | 3,440.05 |
| Working capital loans | 169.02 | 6,500.00 |
| Buyers credit from bank | 2,732.63 | - |
| | 2,901.65 | 9,940.05 |
| Unsecured | | |
| Working capital loans | 5,298.92 | 6,406.01 |
| | 5,298.92 | 6,406.01 |
| Total Current Borrowings | 8,200.57 | 16,346.06 |
| Total | 14,500.57 | 25,246.06 |

Notes:

- External Commercial Borrowing (ECB) loan is availed from a related party at a fixed interest rate of 8.90%, repayable in 7 half-yearly instalments beginning from December 31, 2019.

Subsequent to the year ended March 31, 2020, the Company has revised the loan agreement. Pursuant to the said revision, the interest rate would be revised to 7.60% and repayable in 6 half-yearly instalments beginning from June 30, 2021. According to the Company, the revision to the said agreement is a non-adjusting event.
- Cash credit facility is not availed during the year (Cash credit facility was availed at a rate of 8.25% to 8.75% p.a. during previous year).
- Buyers credit facility is taken towards purchase of raw material. It is backed by bank guarantee (March 31, 2019: covered under letter of credit limit) and carries interest rate from 2.10% to 2.30% p.a. (March 31, 2019: 2.15% p.a.) during the year and is repayable within 60 days (March 31, 2019: 60 days) from the date the credit is extended.
- Working capital loans are taken for a duration of 7 to 30 days and carries interest rate from 7.00% p.a. to 8.81% p.a. (March 31, 2019: 7.55% p.a. - 8.81% p.a.) during the year.
- Unsecured borrowing from banks are guaranteed by INEOS Styrolution Group GmbH.
- Secured borrowing from banks are secured by first charge on inventories and trade receivables.
- Current borrowing includes interest accrued but not due amounting to INR 6.02 Lakhs (March 31, 2019 - 6.01 Lakhs).

Note - 21

INR in Lakhs

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Trade payables | | |
| (a) Total outstanding dues of micro and small enterprises | 162.71 | 102.31 |
| (b) Total outstanding dues of creditors other than (a) above | 13,715.30 | 18,579.95 |
| Total | 13,878.01 | 18,682.26 |
| Trade payables to related parties (Refer Note 41) | 1,649.83 | 1,750.37 |
| Trade payables to others | 12,228.18 | 16,931.89 |
| Total | 13,878.01 | 18,682.26 |

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

| | | |
|---|--------|--------|
| (a) The principal amount and interest due thereon remaining unpaid to suppliers | | |
| (i) Principal | 146.57 | 94.99 |
| (ii) Interest due thereon | 0.04 | 0.14 |
| (b) (i) The delayed payments of principal amount paid beyond the appointed date during the year | 832.52 | 362.17 |
| (ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (c) (i) Interest accrued during the year, for all the delayed payments, as per the agreed terms. | - | - |
| (ii) Interest payable for the period of delay in making payment, as per the agreed terms. | - | - |
| (d) (i) Total Interest accrued during the year | 8.82 | 7.32 |
| (ii) Total Interest accrued during the year and remaining unpaid | 8.82 | 7.32 |
| (e) Further interest remaining due and payable for earlier years | 7.32 | - |

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information and confirmation available with the Company as of March 31, 2020.

Note - 22**Other financial liabilities****Current**

| | | |
|---|-----------------|-----------------|
| Unclaimed dividend * | 28.20 | 30.33 |
| Employee related liabilities | 723.78 | 844.99 |
| Payables for capital goods | 447.27 | 151.76 |
| Current Maturity of Long Term Debt (ECB)** | 2,799.95 | 1,291.82 |
| Contractual payment to regulatory authority | 1,940.11 | - |
| Derivative - Foreign Exchange Forward Contracts | - | 33.33 |
| Total | 5,939.31 | 2,352.23 |

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

**Includes interest accrued but not due amounting to INR 199.95 Lakhs (March 31, 2019: INR 191.82 Lakhs) (Refer Note 20).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Note - 23 | INR in Lakhs | |
|-----------------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Particulars | | |
| Contract liabilities | | |
| Contract liabilities | 110.14 | 97.57 |
| Total | 110.14 | 97.57 |

Revenue recognised in relation to contract liabilities :

There were no contract liabilities in relation to which performance obligation was satisfied in prior year. Revenue recognised in the current reporting period in relation to contact liabilities existing at the beginning of the year is INR 97.57 Lakhs (March 31 2019: INR 39.29 Lakhs).

Note - 24

Employee benefit obligations

Current

| | | |
|---|---------------|---------------|
| Provision for gratuity (Refer Note 40) | 175.85 | 137.44 |
| Provision for compensated absences (Refer Note 40)* | 58.48 | 69.05 |
| Total | 234.33 | 206.49 |

* The Compensated absences covers the liability for sick and earned leave. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Accordingly INR 367.83 Lakhs (March 31, 2019: INR 394.61 Lakhs has been recognised as Non-current (Refer Note 19).

Note - 25

Other liabilities

Current

| | | |
|---------------------------------------|---------------|---------------|
| Advance received for sale of property | 0.51 | - |
| Statutory dues | 556.20 | 532.41 |
| Total | 556.71 | 532.41 |

Note - 26

Current and deferred tax

| Particulars | INR in Lakhs | |
|--|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| (a) Income tax expense | | |
| (i) Current tax | | |
| Current income tax charge | 139.42 | - |
| (ii) Deferred tax | | |
| Deferred tax relating to origination and reversal of temporary differences | (367.06) | (601.38) |
| MAT credit (entitlement) during the year | (139.42) | - |
| Adjustments in respect of deferred tax for prior periods | (30.49) | - |
| Income tax expense | (397.55) | (601.38) |

| Particulars | INR in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| (b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate of India for the year ended | | |
| Accounting loss before income tax | (1,349.81) | (1,848.11) |
| Statutory income tax rate | 34.944% | 34.944% |
| Tax at statutory income tax rate | (471.68) | (645.80) |
| Tax effects of : | | |
| Adjustment in respect of deferred tax for prior periods | 30.49 | - |
| Permanent disallowance | 31.67 | 26.60 |
| Difference in income tax rate | - | 19.26 |
| Others | 11.97 | (1.44) |
| | 74.13 | 44.42 |
| Income tax expense | (397.55) | (601.38) |

(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.

(d) Deferred tax liabilities (net)

| Particulars | INR in Lakhs | | | | |
|--|-------------------------|---|-------------------------|---|-------------------------|
| | As at March 31, 2020 | Charged/ (credited) to profit and loss/OCI | As at March 31, 2019 | Charged/ (credited) to profit and loss/OCI | As at March 31, 2018 |
| Property, plant and equipment | 3,592.02 | 523.49 | 3,068.53 | (235.37) | 3,303.90 |
| Provision for doubtful debts | (216.01) | (17.58) | (198.43) | 157.48 | (355.91) |
| Provision for leave encashment | (148.97) | 13.05 | (162.02) | (17.12) | (144.90) |
| Amalgamation expense | - | 2.72 | (2.72) | 2.67 | (5.39) |
| Provision for contingency | (1,534.27) | (700.51) | (833.76) | (19.93) | (813.83) |
| Brought forward losses | (545.39) | (166.94) | (378.45) | (378.45) | - |
| Right-of-use assets | (308.36) | (308.36) | - | - | - |
| Leases liabilities | 180.94 | 180.94 | - | - | - |
| MAT Credit Entitlement | (139.42) | (139.42) | - | - | - |
| (Decrease) / Increase in other deferred tax liabilities | (63.06) | 64.28 | (127.34) | (127.34) | - |
| Deferred tax expense/(income) | - | (548.33) | - | (618.06) | - |
| Net deferred tax (assets)/liabilities | 817.48 | - | 1,365.81 | - | 1,983.87 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Reconciliation of deferred tax liabilities (net): | | INR in Lakhs |
|--|--|---------------------|
| Particulars | | Amount |
| Opening Balance as of March 31, 2018 | | 1,983.87 |
| Tax (income)/expense during the period recognised in P&L | | (601.38) |
| Tax (income)/expense during the period recognised in OCI | | (16.68) |
| Closing balance as on March 31, 2019 | | 1,365.81 |
| Tax (income)/expense during the period recognised in P&L | | (536.97) |
| Tax (income)/expense during the period recognised in OCI | | (11.36) |
| Closing balance as on March 31, 2020 | | 817.48 |

Note:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note - 27

| Particulars | INR in Lakhs | |
|---------------------------------------|--|--|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Revenue from Operations | | |
| Revenue from contracts with customers | | |
| - Sale of goods | 157,671.86 | 208,784.05 |
| Other operating revenue | | |
| Commission income | 228.05 | 269.28 |
| Total | 157,899.91 | 209,053.33 |

Disaggregation of revenue from contracts with customers

The Company derives revenue from transfer of goods at a point of time as follows:

Revenue from contracts with customers

- Sale of goods

Within India

Specialties

116,684.70

154,485.50

Polystyrene

40,952.48

54,214.75

Outside India

Specialties

34.68

83.80

157,671.86

208,784.05

(Also Refer Note - 42)

Note - 28

INR in Lakhs

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Other Income | | |
| Interest income | | |
| On deposits | 29.89 | 36.01 |
| Others | 147.64 | 209.05 |
| Provision / Credit balances no longer required written back* | 32.21 | 631.18 |
| Profit on disposal of property, plant and equipment (net)** | 69.62 | - |
| Miscellaneous income (net of expenses amounting to INR 237.97 Lakhs (March 31,2019:INR 201.63 Lakhs) | 398.97 | 436.57 |
| Total | 678.33 | 1,312.81 |

*includes Provision no longer required in respect of Doubtful Debts: Nil (March 31, 2019: INR 234.75 Lakhs)(Refer Note 36)

**includes Profit on sale of assets held for sale: INR 40.32 Lakhs (March 31,2019: Nil)

Note - 29**Cost of materials consumed****Raw materials consumed:**

| | | |
|---------------------|-------------------|-------------------|
| Opening stock | 15,241.24 | 17,830.82 |
| Add: Purchases | 116,754.33 | 175,519.05 |
| Less: Closing stock | 15,449.01 | 15,241.24 |
| | <u>116,546.56</u> | <u>178,108.63</u> |

Packing materials consumed:

| | | |
|---------------------|-----------------|-----------------|
| Opening stock | 153.49 | 119.35 |
| Add: Purchases | 1,205.27 | 1,513.83 |
| Less: Closing stock | 356.62 | 153.49 |
| | <u>1,002.14</u> | <u>1,479.69</u> |

| | | |
|--------------|-------------------|-------------------|
| Total | 117,548.70 | 179,588.32 |
|--------------|-------------------|-------------------|

Note - 30**Changes in inventories of finished goods and work-in-progress****Opening Stock:**

| | | |
|------------------|------------------|------------------|
| Finished goods | 9,979.01 | 6,378.79 |
| Work-in-progress | 5,012.03 | 4,474.59 |
| | <u>14,991.04</u> | <u>10,853.38</u> |

Less:**Closing Stock:**

| | | |
|------------------|-----------------|------------------|
| Finished goods | 7,374.26 | 9,979.01 |
| Work-in-progress | 2,510.03 | 5,012.03 |
| | <u>9,884.29</u> | <u>14,991.04</u> |

| | | |
|--------------|-----------------|-------------------|
| Total | 5,106.75 | (4,137.66) |
|--------------|-----------------|-------------------|

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Note - 31

INR in Lakhs

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Employee benefit expense | | |
| Salaries and wages | 4,959.23 | 4,964.85 |
| Contribution to provident and other funds (Refer Note 40) | 391.30 | 340.48 |
| Staff welfare expenses | 436.84 | 448.02 |
| Total | 5,787.37 | 5,753.35 |

Note - 32

Finance costs

| | | |
|---|--------|----------|
| Interest expenses* | 911.17 | 1,245.20 |
| Interest on lease liabilities | 639.22 | - |
| Exchange differences regarded as an adjustment to borrowing costs | 39.49 | 23.49 |

| | | |
|--------------|-----------------|-----------------|
| Total | 1,589.88 | 1,268.69 |
|--------------|-----------------|-----------------|

* Interest Expenses are net of Interest Capitalised of INR 640.30 Lakhs (net of interest income of INR 53.00 Lakhs) (March 31, 2019 -INR 340.58 Lakhs (net of interest income of INR 162.76 Lakhs)

Note - 33**Other Expenses**

| Particulars | INR in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Power, Fuel and Water (net) (Refer Note 3 below) | 6,397.93 | 6,596.83 |
| Environment expenses | 164.58 | 243.81 |
| Consumption of stores and spares | 796.26 | 957.50 |
| Processing charges | 1,228.71 | 2,680.66 |
| Repair & Maintenance - Plant & Machinery and Building | 1,302.15 | 1,049.07 |
| Contractor Labour Charges | 692.32 | 711.39 |
| Freight and forwarding expenses | 3,824.42 | 4,369.03 |
| Corporate cost sharing expenses | 3,662.61 | 4,163.63 |
| Rent | 1,296.37 | 2,392.67 |
| IT charges | 283.48 | 678.41 |
| Legal and professional charges | 292.20 | 237.83 |
| Royalty (Refer Note 41) | 190.29 | 249.39 |
| Foreign exchange fluctuation (net) | 951.61 | 1,065.68 |
| Insurance | 456.38 | 199.12 |
| Repair - Others | 76.88 | 96.12 |
| Rates and taxes | 428.29 | 174.17 |
| Payment to the Auditor (Refer Note 2 below) | 42.00 | 47.41 |
| Allowance for doubtful debts (net) (Refer Note 36) | 50.53 | - |
| Expenditure on corporate social responsibility activities (Refer Note 1 below) | 90.73 | 103.83 |
| Sitting fees to Directors (Refer Note 41) | 14.38 | 13.10 |
| Loss on property, plant and equipment sold/discarded (net) | - | 130.75 |
| Loss on fair value of investments | 13.06 | 13.55 |
| Travelling and conveyance expenses | 388.14 | 502.59 |
| Loss on Sale of Investment | - | 7.60 |
| Miscellaneous expenses | 300.03 | 365.24 |
| Total | 22,943.35 | 27,049.38 |

1 As per Section 135 of the Companies Act, 2013, the Company was required to spend INR 127.59 Lakhs (March 31, 2019: INR 179.32 Lakhs) towards corporate social responsibility activities. The Company has spent INR 90.73 Lakhs (March 31, 2019: INR 103.83 Lakhs) during the current financial year. The Company has spent following amounts which does not include any payment towards construction/ acquisition of asset during the year:

| | | |
|--|--------------|---------------|
| Health care, nutrition, sanitation and safe drinking water | 21.27 | 52.96 |
| Education and vocational skill development | 25.70 | 20.66 |
| Contribution to Special purpose fund managed by government | - | 2.51 |
| Poverty alleviation, livelihood enhancement, environment and infrastructure support | 43.76 | 27.70 |
| | 90.73 | 103.83 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Particulars | INR in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| 2 Payment to statutory auditors as: | | |
| Audit fees | 25.00 | 25.00 |
| Tax audit fees | 4.00 | 4.00 |
| Others (Limited review, certification etc.) | 10.00 | 15.00 |
| Out of pocket expenses | 3.00 | 3.41 |
| | 42.00 | 47.41 |

3 The Company has installed Wind Turbine Generators (WTG) at Lamba, Dhank and Pransla in Gujarat. The Local Power Station of the Madhya Gujarat Vij Company Limited (MGVCL) grants credit for the power units generated by the WTG. Accordingly, the amount of Power and Fuel consumption disclosed is net of such credit given by MGVCL aggregating to INR 396.71 Lakhs (March 31, 2019: INR 277.33 Lakhs).

Note - 34

Earnings per share

| | | |
|--|---------------|---------------|
| i. (Loss) attributable to equity holders of the Company | (952.26) | (1,246.73) |
| ii. Weighted average number of outstanding equity shares (In numbers) | 17,585,625.00 | 17,585,625.00 |
| Basic earnings per share (In INR) | (5.41) | (7.09) |
| Diluted earnings per share (In INR) | (5.41) | (7.09) |

Note - 35

Fair value measurements

A. Accounting classification and fair values

This section mentions the classification of financial instruments and explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2020

INR in Lakhs

| Particulars | Carrying amount | | | | Fair value | | | |
|---|-----------------|----------|------------------|------------------|--|---|---|------------------|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| Financial assets | | | | | | | | |
| Investments | 18.08 | - | - | 18.08 | 18.08 | - | - | 18.08 |
| Non current loans | - | - | 663.19 | 663.19 | - | - | 663.19 | 663.19 |
| Other non current financial assets | - | - | 27.38 | 27.38 | - | - | 27.38 | 27.38 |
| Trade receivables | - | - | 17,223.96 | 17,223.96 | - | - | 17,223.96 | 17,223.96 |
| Cash and cash equivalents | - | - | 315.83 | 315.83 | - | - | 315.83 | 315.83 |
| Other bank balances | - | - | 28.20 | 28.20 | - | - | 28.20 | 28.20 |
| Current loans | - | - | 30.41 | 30.41 | - | - | 30.41 | 30.41 |
| Other current financial assets | 41.04 | - | - | 41.04 | - | 41.04 | - | 41.04 |
| | 59.12 | - | 18,288.97 | 18,348.09 | 18.08 | 41.04 | 18,288.97 | 18,348.09 |
| Financial liabilities | | | | | | | | |
| Non Current borrowings | - | - | 6,300.00 | 6,300.00 | - | - | 6,300.00 | 6,300.00 |
| Non current lease liabilities | - | - | 4,593.80 | 4,593.80 | - | - | 4,593.80 | 4,593.80 |
| Other non current financial liabilities | - | - | 151.99 | 151.99 | - | - | 151.99 | 151.99 |
| Current borrowings | - | - | 8,200.57 | 8,200.57 | - | - | 8,200.57 | 8,200.57 |
| Current lease liabilities | - | - | 486.36 | 486.36 | - | - | 486.36 | 486.36 |
| Trade payables | - | - | 13,878.01 | 13,878.01 | - | - | 13,878.01 | 13,878.01 |
| Other financial liabilities | - | - | 5,939.31 | 5,939.31 | - | - | 5,939.31 | 5,939.31 |
| | - | - | 39,550.04 | 39,550.04 | - | - | 39,550.04 | 39,550.04 |

As at March 31, 2019

INR in Lakhs

| Particulars | Carrying amount | | | | Fair value | | | |
|---|-----------------|----------|------------------|------------------|--|---|---|------------------|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| Financial assets | | | | | | | | |
| Investments | 31.14 | - | - | 31.14 | 31.14 | - | - | 31.14 |
| Non current loans | - | - | 646.50 | 646.50 | - | - | 646.50 | 646.50 |
| Other non current financial assets | - | - | 25.84 | 25.84 | - | - | 25.84 | 25.84 |
| Trade receivables | - | - | 23,568.65 | 23,568.65 | - | - | 23,568.65 | 23,568.65 |
| Cash and cash equivalents | - | - | 4,540.45 | 4,540.45 | - | - | 4,540.45 | 4,540.45 |
| Other bank balances | - | - | 30.33 | 30.33 | - | - | 30.33 | 30.33 |
| Current loans | - | - | 25.81 | 25.81 | - | - | 25.81 | 25.81 |
| | 31.14 | - | 28,837.58 | 28,868.72 | 31.14 | - | 28,837.58 | 28,868.72 |
| Financial liabilities | | | | | | | | |
| Other non current financial liabilities | - | - | 147.44 | 147.44 | - | - | 147.44 | 147.44 |
| Current borrowings | - | - | 16,346.06 | 16,346.06 | - | - | 16,346.06 | 16,346.06 |
| Non Current borrowings | - | - | 8,900.00 | 8,900.00 | - | - | 8,900.00 | 8,900.00 |
| Trade payables | - | - | 18,682.26 | 18,682.26 | - | - | 18,682.26 | 18,682.26 |
| Other financial liabilities | 33.33 | - | 2,318.90 | 2,352.23 | - | 33.33 | 2,318.90 | 2,352.23 |
| | 33.33 | - | 46,394.66 | 46,427.99 | - | 33.33 | 46,394.66 | 46,427.99 |

Note: There were no transfers between Level 1, Level 2 and Level 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values. Non-current security deposits are interest free deposits repayable on demand. Accordingly, the carrying value of the same has been considered as fair value. Difference between fair value of non-current borrowings carried at amortised cost and the carrying value is not considered to be material to the financial statement.

ii) Levels 1, 2 and 3

Level 1 : This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3."

iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date. All of the resulting fair value estimates are included in level 1 and 2."

Note - 36

Financial risk management

Risk management framework

Financial Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a robust risk management framework to identify, monitor and minimize risks. As a process, the risk associated with each area are identified and prioritized based on severity, likelihood and effectiveness. Process owners are identified for each risk and metrics are developed for monitoring and reviewing the risk mitigation controls. Risk evaluation and assessments are reviewed by the Chief Financial Officer (CFO) and Managing Director on a quarterly basis. This is constantly monitored by the Board.

The Company has exposure to the following risks arising from financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact on the financial statements.

i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

Trade receivables

Trade receivables of the Company are typically unsecured and derived from sales made to a large number of independent customers. Customer credit risk is managed by the Company based on established policies, procedures and control relating to customer credit risk management. Before accepting any new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. Outstanding customer receivables are reviewed periodically.

The Company uses Expected Credit Loss (ECL) model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors, the Company's historical experience for customers and forward looking information.

Trade receivables (net of allowance for doubtful debts)

| Particulars | INR in Lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Trade receivables (net of allowance for doubtful debts) | 17,223.96 | 23,568.65 |

Statement of allowance for doubtful debts

| Particulars | INR in Lakhs |
|--|-----------------|
| | Amount |
| Allowance for doubtful debts as on March 31, 2018 | 1,028.41 |
| Changes in allowance for doubtful debts | (234.75) |
| Bad Debt written off during the year | 225.82 |
| Allowance for doubtful debts as on March 31, 2019 | 567.84 |
| Changes in allowance for doubtful debts | 50.53 |
| Bad Debt written off during the year | 0.21 |
| Allowance for doubtful debts as on March 31, 2020 | 618.16 |

Other financial assets

The Company has mainly cash and cash equivalents, deposits with banks (PSU and high rated private banks) and government authorities, and security deposits for utilities with government bodies and reputed corporate entities, and for leasehold premises. These are periodically confirmed by respective parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Note - 36

Financial risk management

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's cash flow management system ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

As at March 31, 2020

INR in Lakhs

| Particulars | Carrying amount | Contractual cash flows | | |
|--|------------------|------------------------|---------------------|---------------------|
| | | Total | Less than 12 months | More than 12 months |
| Financial liabilities | | | | |
| Other non current financial liabilities | 151.99 | 151.99 | - | 151.99 |
| Non-current lease liabilities (Including interest) | 4,593.80 | 6,409.14 | - | 6,409.14 |
| Non-current borrowings (including interest)* | 6,300.00 | 7,584.84 | 555.04 | 7,029.80 |
| Current borrowings (including interest) | 8,200.57 | 8,200.57 | 8,200.57 | - |
| Current lease liabilities (including interest) | 486.36 | 1,119.08 | 1,119.08 | - |
| Trade payables | 13,878.01 | 13,878.01 | 13,878.01 | - |
| Other financial liabilities* | 5,939.31 | 5,939.31 | 5,939.31 | - |
| Total | 39,550.04 | 43,282.94 | 29,692.01 | 13,590.93 |

* Refer Note 20 (1) in respect of change in terms of the loan agreement

As at March 31, 2019

INR in Lakhs

| Particulars | Carrying amount | Contractual cash flows | | |
|---|------------------|------------------------|---------------------|---------------------|
| | | Total | Less than 12 months | More than 12 months |
| Financial liabilities | | | | |
| Other non current financial liabilities | 147.44 | 147.44 | - | 147.44 |
| Non - Current borrowings (including interest) | 8,900.00 | 11,035.27 | 868.03 | 10,167.24 |
| Current borrowings (including interest) | 16,346.06 | 16,346.06 | 16,346.06 | - |
| Trade payables | 18,682.26 | 18,682.26 | 18,682.26 | - |
| Other financial liabilities | 2,352.23 | 2,352.23 | 2,352.23 | - |
| Total | 46,427.99 | 48,563.26 | 38,248.58 | 10,314.68 |

The gross outflows of the contractual undiscounted cash flows relating to derivative financial liabilities disclosed in the above table are held for risk management purposes and are not usually settled before contractual maturity.

Note - 36**Financial instruments – Fair values and risk management****iii) Market risk**

Market risk is mainly driven by changes in economic and political environment across globe, fluctuation in foreign exchange rates and interest rates movement, which affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and current borrowings. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

1. Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of payables and receivables in foreign currency. Since there is no material export sales, this is not perceived to be a major risk. Raw materials are mostly imported. The company has a policy to mitigate this risk by taking derivative contracts to protect against any adverse exchange rate fluctuation. This policy is reviewed on a periodic basis.

Company does not use derivative financial instruments for trading or speculative purposes.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

| Particulars | INR in Lakhs | | | |
|--|----------------------|---------------|----------------------|---------------|
| | As at March 31, 2020 | | As at March 31, 2019 | |
| | USD | EUR | USD | EUR |
| Financial assets | | | | |
| Trade receivables | 36.73 | 41.70 | 56.44 | 51.36 |
| Net exposure to foreign currency risk (assets) | 36.73 | 41.70 | 56.44 | 51.36 |
| Financial liabilities | | | | |
| Foreign currency loan (Buyers credit) | 2,728.12 | - | - | - |
| Trade payables | 7,323.09 | 542.13 | 9,106.82 | 451.27 |
| Less: | | | | |
| Derivative liability: | | | | |
| Foreign exchange forward contracts | (5,601.95) | - | (3,750.77) | - |
| Net exposure to foreign currency risk (liabilities) | 4,449.26 | 542.13 | 5,356.05 | 451.27 |

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| As at March 31, 2019 | | INR in Lakhs | |
|--------------------------|----------------------------|-------------------------|--|
| Particulars | Impact on profit after tax | | |
| | As at March 31, 2020 | As at March 31, 2019 | |
| USD sensitivity * | | | |
| INR/USD - Increase by 3% | (86.12) | (103.43) | |
| INR/USD - Decrease by 3% | 86.12 | 103.43 | |
| EUR sensitivity * | | | |
| INR/EUR - Increase by 2% | (6.51) | (5.20) | |
| INR/EUR - Decrease by 2% | 6.51 | 5.20 | |

* Holding all other variables constant

2. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of variable interest bearing liabilities because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing liabilities will fluctuate because of fluctuations in the interest rates. Current borrowing comprise of working capital loans for an average tenure of 1 to 60 days, and buyers credit for an average tenure of 60 days.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars | | | INR in Lakhs | |
|--------------------------|----------------------|--|----------------------|--|
| | As at March 31, 2020 | | As at March 31, 2019 | |
| Variable rate borrowings | 8,200.57 | | 16,346.06 | |
| Total borrowings | 8,200.57 | | 16,346.06 | |

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

| Particulars | | | | | | | INR in Lakhs | | |
|---|---|---------------------------|---------------------|---|---------------------------|---------------------|--------------|--|--|
| | | As at March 31, 2020 | | | As at March 31, 2019 | | | | |
| | Weighted average interest rate (%) | Balance (INR in lakhs) | % of total loans | Weighted average interest rate (%) | Balance (INR in lakhs) | % of total loans | | | |
| Cash Credit and Working Capital Loan | 8.06% | 5,467.94 | 67% | 8.68% | 16,346.06 | 100% | | | |
| Buyers Credit | 2.10% | 2,732.63 | 33% | 0.00% | - | 0% | | | |
| Net exposure to cash flow interest rate risk | | 8,200.57 | | | 16,346.06 | | | | |

An analysis by maturities is provided in note 20 above.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars | Impact on profit after tax | |
|---|----------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Interest rates - increase by 50 basis points* | 26.67 | 53.17 |
| Interest rates - decrease by 50 basis points* | (26.67) | (53.17) |

* Holding all other variables constant

Note - 37 Capital Management

The primary objective of the Company's capital management is to maximise shareholder's value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total equity.

For the purposes of the Company's capital management, the Company considers the following components of its balance sheet to be managed as capital:

Total equity as shown in the Balance Sheet includes Share capital, General reserve, Retained earnings, Securities premium and Capital reserve. Total debt includes current debt plus non-current debt (including current maturities of long term debt and lease liabilities).

The Company's adjusted net debt to equity ratio at March 31, 2020 and March 31, 2019 are as follows.

| Particulars | INR in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Borrowings (including interest accrued) | 17,300.52 | 26,537.88 |
| Lease liabilities | 5,080.16 | - |
| Total Debt | 22,380.68 | 26,537.88 |
| Less : Cash and cash equivalents | 315.83 | 4,540.45 |
| Adjusted net debt | 22,064.85 | 21,997.43 |
| Total equity | 60,928.59 | 62,325.99 |
| Adjusted net debt to adjusted equity ratio | 0.36 | 0.35 |

The net debt to equity ratio for the current year increased from 0.28 to 0.36 following the adoption of Ind AS 116. Both net debt and gross assets increased following the recognition of right-of-use assets and lease liabilities on April 1, 2019. Refer Note 45, for further information.

Note - 38 Contingent liabilities

| Particulars | INR in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Claims against the Company not acknowledged as debts | | |
| 1 Income tax | 1,814.29 | 1,667.44 |
| 2 Excise duty and service tax (including DEPB matter*) | 10,476.72 | 10,498.32 |
| 3 Custom duty | 116.97 | 353.62 |
| 4 Sales tax | 170.32 | 184.20 |
| 5 Others | 207.06 | 136.68 |
| Total | 12,785.36 | 12,840.26 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

The above matters are under adjudication and the Company expects the judgment will be in its favor and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement/decision. The potential undiscounted amount of total payments that the Company could be required to make if there was an adverse decision related to above matters as of the date reporting period ends are as illustrated above.

***DEPB Matter**

In respect of imports of raw materials during the period January 2005 to December 2011 for consumption at one of its plant, the Company paid CVD and SAD through DEPB and availed CENVAT credit of the same.

In respect of said imports, credit is available only if payments are made through DEPB scrips issued under Exim Policy 2004-09 and not for DEPB scrips issued under Exim Policy 2002-07.

The department had contended that the Company had made payments through DEPB scrips issued under Exim Policy 2002-07 and not for DEPB scrips issued under Exim Policy 2004-09, and issued SCNs.

The Company on its part has contended that the payment has been made through DEPB scrips issued under Exim Policy 2004-09 in respect of said imports. While the Company is not in a position to present the DEPB scrips, it maintains that the Bill of Entries have been finally assessed by Customs at the Port of Import and they indicated the applicable notification therein.

The Principal Commissioner of Central Excise, Customs and Service Tax adjudicated the matter and disallowed the credit, and imposed interest and penalties. In this respect, the Company had filed a petition in High Court for which the Company received an order in November 2017, whereby the cases was remitted back to the Principal Commissioner. The matter was heard afresh by the Principal Commissioner, and passed an order disallowing credit of INR 1,247.63 lakhs (being amount for which the Company could not present DEPB scrips and was not certain whether the scrips were issued under Exim Policy 2004-09 or not) from total contested amount of INR 7,990.97 lakhs in May 2018. Penalty amounting to INR 124.76 was imposed by the adjudicating authority. Against this the Company has made appeal to CESTAT. The department has filed an appeal against the order of the Principal Commissioner allowing credit of INR 6,743.35 lakhs (being amount for which Bill of Entries were available / SCN related to period of purchase of raw material after April 1, 2007) to the Company.

Management believes that their contention has strong merits and in its judgement, the outcome of the matter is probable. The Management has accordingly disclosed the amount as a contingent liability.

Impact of Judgement on Provident Fund

With reference to the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, the aforesaid matter is not likely to have a significant impact as per the assessment by management and accordingly, no provision has been made in these Financial Statements.

Note - 39

Capital commitments

| Particulars | INR in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance) | 3,077.20 | 4,979.96 |

Note - 40
Employee benefit obligations

I Defined Contribution plan

Contribution to defined contribution plan, recognised as expenses for the year are as under:

| Particulars | INR in Lakhs | |
|---|--|--|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Employer's contribution to provident fund | 240.66 | 216.50 |
| Employer's contribution to superannuation fund | 29.03 | 37.93 |
| Employer's contribution to employee's state insurance | 5.03 | 4.31 |

Note : The above amount does not include administrative charges.

Provident Fund

Contributions are made to employees provident fund organization in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Superannuation Fund

Contributions are made to Life Insurance Corporation of India for eligible employees at the rate of 15% of basic salary as per superannuation scheme of the Company.

Employee's State Insurance

Contributions are made to ESI Corporation for all eligible employees at rate of 4.75% of ESI wage as per the definition under the ESI Act.

II Defined benefit plan

**(i) Funded
Gratuity**

The employee's gratuity fund schemes managed by Trusts are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Particulars | INR in Lakhs | | |
|---|-----------------------------|---------------------------|---------------|
| | Present value of obligation | Fair value of plan assets | Net amount |
| March 31, 2018 | 1,132.58 | (1,004.26) | 128.32 |
| Current service cost | 87.71 | - | 87.71 |
| Interest expense/(income) | 79.74 | (73.35) | 6.39 |
| Total amount recognised in the statement of profit and loss | 167.45 | (73.35) | 94.10 |
| Remeasurements | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | (1.72) | (1.72) |
| (Gain)/Loss from change in financial assumptions | 17.58 | - | 17.58 |
| (Gain)/Loss from change in demographic assumptions | - | - | - |
| Experience (gains)/losses | 31.88 | - | 31.88 |
| Total amount recognised in other comprehensive income | 49.46 | (1.72) | 47.74 |
| Employer contributions | - | (132.72) | (132.72) |
| Benefit payments | (193.92) | 193.92 | - |
| March 31, 2019 | 1,155.57 | (1,018.13) | 137.44 |
| Current service cost | 98.62 | - | 98.62 |
| Interest expense/(income) | 81.27 | (74.73) | 6.54 |
| Total amount recognised in the statement of profit and loss | 179.89 | (74.73) | 105.16 |
| Remeasurements | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | 3.74 | 3.74 |
| (Gain)/Loss from change in financial assumptions | 58.96 | - | 58.96 |
| (Gain)/Loss from change in demographic assumptions | (3.70) | - | (3.70) |
| Experience (gains)/losses | (26.50) | - | (26.50) |
| Total amount recognised in other comprehensive income | 28.76 | 3.74 | 32.50 |
| Employer contributions | - | (81.22) | (81.22) |
| Benefit payments | (140.81) | 122.78 | (18.03) |
| March 31, 2020 | 1,223.41 | (1,047.56) | 175.85 |

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

| Particulars | INR in Lakhs | |
|-------------------------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Present value of funded obligations | 1,223.41 | 1,155.57 |
| Fair value of plan assets | (1,047.56) | (1,018.13) |
| Deficit of Gratuity plan | 175.85 | 137.44 |

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| Particulars | INR in Lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| a. Discount rate (per annum) | 6.60% | 7.35% |
| b. Estimated rate of return on Plan Assets (per annum) | 6.60% | 7.35% |
| c. Rate of escalation in salary (per annum) | 8.00% | 8.00% |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks and historical results of return on plan assets.

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| Particulars | INR in Lakhs | |
|------------------------------------|-------------------------------|----------|
| | As at March 31, 2020 | |
| | Increase | Decrease |
| Discount rate (0.5% movement) | (39.87) | 42.25 |
| Salary growth rate (0.5% movement) | 41.31 | (39.37) |
| Particulars | As at March 31, 2019 | |
| | Increase | Decrease |
| | Discount rate (0.5% movement) | (43.13) |
| Salary growth rate (0.5% movement) | 45.13 | (42.76) |

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan assets are managed by LIC and are subject to market risk. Any shortfall is contributed to the fund by the Company. The Company intends to maintain the above investment in the continuing years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are INR 175.85 Lakhs. (March 31, 2019: INR 137.44 Lakhs)

The weighted average duration of the defined benefit obligation is 6.61 years (2018-19: 7.73 years). The expected maturity analysis of gratuity is as follows:

| Particulars | INR in Lakhs | | | |
|---------------------------------------|------------------|--------------------|-------------|----------|
| | Less than a year | Between 1 - 5 year | Over 5 year | Total |
| Defined benefit obligation (gratuity) | | | | |
| As at March 31, 2020 | 109.28 | 489.28 | 624.85 | 1,223.41 |
| As at March 31, 2019 | 99.62 | 384.78 | 671.17 | 1,155.57 |

(ii) **Unfunded**

Compensated absences

The Actuarial liability for compensated absences as at year ending March 31, 2020 is INR 426.31 Lakhs (March 31, 2019: INR 463.66 Lakhs). Current year charge is included in Employee benefit expense (Refer Note 31).

Note - 41

Related party transactions

The names of related parties with relationship and transactions with them:

A Relationship:

I Where control exists:

Ultimate Holding Company

INEOS Limited *

Isle of Man

Holding Company

holds 75.00% of the equity share capital
(also refer Note 15(a))

INEOS Styrolution APAC Pte Ltd.

Singapore

II Where transactions have taken place

Fellow subsidiaries

INEOS Styrolution Korea Ltd

Korea

INEOS Styrolution (Thailand) Co., Ltd.

Thailand

INEOS Styrolution Group GmbH

Germany

INEOS Styrolution Europe GmbH

Germany

INEOS Styrolution Mexicana S.A de*

Mexico

INEOS Europe AG

Switzerland

INEOS Technologies Limited

United Kingdom

INEOS Styrolution Do Brasil Polimeros Ltda*

Brazil

INEOS Styrolution America LLC

United States of America

INOVYN Europe Limited

United Kingdom

III Key management personnel:

| Particulars | Designation |
|------------------------------|-------------------------|
| Mr. Stephen Mark Harrington* | Chairman |
| Mr. Sanjiv Vasudeva | Managing Director |
| Mr. Nitan Duggal | Whole Time Director |
| Mr. Sanjeev Madan | Chief Financial Officer |
| Mr. Jal R. Patel | Independent Director |
| Mr. Anil Shankar | Independent Director |
| Ms. Ryna Karani | Independent Director |

* No transactions during the current year.

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Note - 41

Related party transactions

IV Key management personnel compensation:

| Particulars | INR in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Short-term employee benefits | 462.90 | 383.34 |
| Long-term employee benefits | 39.17 | 15.00 |
| Post-employment benefits * | 47.99 | 15.28 |
| Sitting fees to independent directors | 14.38 | 13.10 |
| Total compensation | 564.44 | 426.72 |

* Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

V Other related parties

| | |
|--|--|
| Post employment benefit plan of INEOS Styrolution India Limited | INEOS Styrolution India Limited Employees Gratuity Fund INEOS Styrolution India Limited Super Annuation Scheme INEOS Styrolution India Limited EGGAS |
|--|--|

Note - 41

Related party transactions

| Particulars | INR in Lakhs | | | | | |
|--|-----------------------------------|-----------------------------|----------|-----------------------------------|-----------------------------|-----------|
| | For the year ended March 31, 2020 | | | For the year ended March 31, 2019 | | |
| | Holding Company | Other Related parties | Total | Holding Company | Other Related parties | Total |
| 1 Purchase of raw materials | | | | | | |
| INEOS Styrolution Korea Ltd | - | 1,433.20 | 1,433.20 | - | 2,578.90 | 2,578.90 |
| INEOS Styrolution (Thailand) Co., Ltd. | - | 1,159.63 | 1,159.63 | - | 7,323.39 | 7,323.39 |
| INEOS Styrolution Mexicana S.A. de | - | - | - | - | 492.35 | 492.35 |
| INEOS Styrolution Europe GmbH | - | 1,065.58 | 1,065.58 | - | 3,483.26 | 3,483.26 |
| | - | 3,658.41 | 3,658.41 | - | 13,877.90 | 13,877.90 |
| 2 Receiving of services | | | | | | |
| INEOS Styrolution APAC Pte. Ltd. | 1,969.35 | - | 1,969.35 | 2,477.84 | - | 2,477.84 |
| INEOS Styrolution Group GmbH | - | 2,039.16 | 2,039.16 | - | 2,529.74 | 2,529.74 |
| | 1,969.35 | 2,039.16 | 4,008.51 | 2,477.84 | 2,529.74 | 5,007.58 |

[Includes INR 76.24 Lakhs capitalized during the year (March 31, 2019: INR 188.94 Lakhs)]

INR in Lakhs

| Particulars | For the year ended March 31, 2020 | | | For the year ended March 31, 2019 | | |
|---|-----------------------------------|-----------------------|--------|-----------------------------------|-----------------------|--------|
| | Holding Company | Other Related parties | Total | Holding Company | Other Related parties | Total |
| 3 Payment against Reimbursement of Expenses | | | | | | |
| INEOS Styrolution APAC Pte. Ltd. | 14.14 | - | 14.14 | 20.94 | - | 20.94 |
| INEOS Styrolution (Thailand) Co., Ltd. | - | 0.41 | 0.41 | - | 6.01 | 6.01 |
| | 14.14 | 0.41 | 14.55 | 20.94 | 6.01 | 26.95 |
| 4 Royalty | | | | | | |
| INEOS Styrolution Group GmbH | - | 190.29 | 190.29 | - | 249.39 | 249.39 |
| | - | 190.29 | 190.29 | - | 249.39 | 249.39 |
| 5 Rendering of services | | | | | | |
| INEOS Styrolution Korea Ltd | - | 239.40 | 239.40 | - | 194.96 | 194.96 |
| INEOS Styrolution Group GmbH | - | 225.05 | 225.05 | - | 210.84 | 210.84 |
| INEOS Styrolution (Thailand) Co., Ltd. | - | 8.08 | 8.08 | - | 48.55 | 48.55 |
| INEOS Styrolution APAC Pte. Ltd. | 27.06 | - | 27.06 | 89.57 | - | 89.57 |
| INEOS Europe AG | - | 175.79 | 175.79 | - | 168.65 | 168.65 |
| INOVYN Europe Limited | - | 17.25 | 17.25 | - | - | - |
| INEOS Technologies Limited | - | 1.98 | 1.98 | - | 13.08 | 13.08 |
| | 27.06 | 667.55 | 694.61 | 89.57 | 636.08 | 725.65 |
| 6 Receipt against Reimbursements of Expenses | | | | | | |
| INEOS Styrolution Group GmbH | - | 15.75 | 15.75 | - | 25.24 | 25.24 |
| INEOS Styrolution (Thailand) Co., Ltd. | - | 0.05 | 0.05 | - | - | - |
| INEOS Styrolution APAC Pte. Ltd. | 10.59 | - | 10.59 | 1.61 | - | 1.61 |
| INEOS Technologies Limited | - | 0.76 | 0.76 | - | 6.77 | 6.77 |
| INEOS Europe AG | - | 20.67 | 20.67 | - | 19.66 | 19.66 |
| INOVYN Europe Limited | - | 5.63 | 5.63 | - | - | - |
| INEOS Styrolution America LLC | - | 11.38 | 11.38 | - | - | - |
| | 10.59 | 54.24 | 64.83 | 1.61 | 51.67 | 53.28 |
| 7 Sale of Goods | | | | | | |
| INEOS Styrolution (Thailand) Co., Ltd. | - | 3.90 | 3.90 | - | - | - |
| INEOS Styrolution Korea Ltd | - | 0.10 | 0.10 | - | - | - |
| INEOS Styrolution Europe GmbH | - | 1.63 | 1.63 | - | - | - |
| INEOS Styrolution Do Brasil Polimeros Ltda | - | - | - | - | 5.00 | 5.00 |
| | - | 5.63 | 5.63 | - | 5.00 | 5.00 |
| 8 Interest on ECB | | | | | | |
| INEOS Styrolution Group GmbH | - | 879.82 | 879.82 | - | 503.34 | 503.34 |
| | | 879.82 | 879.82 | | 503.34 | 503.34 |

INEOS Styrolution India Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

| Particulars | INR in Lakhs | | | | | |
|----------------------------------|-----------------------------------|-----------------------|----------|-----------------------------------|-----------------------|----------|
| | For the year ended March 31, 2020 | | | For the year ended March 31, 2019 | | |
| | Holding Company | Other Related parties | Total | Holding Company | Other Related parties | Total |
| 9 ECB Loan Taken | | | | | | |
| INEOS Styrolution Group GmbH | - | - | - | - | 7,700.00 | 7,700.00 |
| | - | - | - | - | 7,700.00 | 7,700.00 |
| 10 ECB Loan Repayment | | | | | | |
| INEOS Styrolution Group GmbH | - | 1,100.00 | 1,100.00 | - | - | - |
| | - | 1,100.00 | 1,100.00 | - | - | - |
| 11 Dividend payment | | | | | | |
| INEOS Styrolution APAC Pte. Ltd. | 263.78 | - | 263.78 | 527.57 | - | 527.57 |
| | 263.78 | - | 263.78 | 527.57 | - | 527.57 |

| Particulars | INR in Lakhs | | | | | |
|--|----------------------|-----------------------|-----------|----------------------|-----------------------|-----------|
| | As at March 31, 2020 | | | As at March 31, 2019 | | |
| | Holding Company | Other Related parties | Total | Holding Company | Other Related parties | Total |
| 12 Outstanding Balances | | | | | | |
| Balances of Trade payables | - | 179.94 | 179.94 | - | - | - |
| INEOS Styrolution Europe GmbH | 306.74 | - | 306.74 | 463.98 | - | 463.98 |
| INEOS Styrolution APAC Pte. Ltd. | - | 186.19 | 186.19 | - | 269.10 | 269.10 |
| INEOS Styrolution Korea Ltd | - | 614.79 | 614.79 | - | 600.16 | 600.16 |
| INEOS Styrolution (Thailand) Co., Ltd. | - | 362.17 | 362.17 | - | 417.13 | 417.13 |
| INEOS Styrolution Group GmbH | 306.74 | 1,343.09 | 1,649.83 | 463.98 | 1,286.39 | 1,750.37 |
| Balances of Corporate guarantee | - | 32,500.00 | 32,500.00 | - | 32,500.00 | 32,500.00 |
| INEOS Styrolution Group GmbH | - | 32,500.00 | 32,500.00 | - | 32,500.00 | 32,500.00 |
| Balances of Borrowings | - | 9,099.95 | 9,099.95 | - | 10,191.82 | 10,191.82 |
| INEOS Styrolution Group GmbH | - | 9,099.95 | 9,099.95 | - | 10,191.82 | 10,191.82 |
| (Refer Note 4 below) | - | 9,099.95 | 9,099.95 | - | 10,191.82 | 10,191.82 |
| Balance of Trade receivables | - | 55.48 | 55.48 | - | 54.84 | 54.84 |
| INEOS Styrolution Group GmbH | 2.93 | - | 2.93 | 3.77 | - | 3.77 |
| INEOS Styrolution APAC Pte. Ltd. | - | 4.60 | 4.60 | - | 17.71 | 17.71 |
| INEOS Styrolution Korea Ltd | - | 13.71 | 13.71 | - | 14.40 | 14.40 |
| INEOS Europe AG | - | 1.71 | 1.71 | - | 0.60 | 0.60 |
| INEOS Styrolution (Thailand) Co., Ltd. | - | - | - | - | 3.92 | 3.92 |
| INEOS Technologies Limited | 2.93 | 75.50 | 78.43 | 3.77 | 91.47 | 95.24 |

Terms and conditions

- 1 All transactions entered into with related parties as defined under the Companies Act, 2013 and regulation 23 of the Listing Obligation and Disclosure Requirement Regulations 2015, during the financial year were in the ordinary course of business and on an arm's length basis. Suitable disclosures, as required by the Ind AS - 24, have been made in the notes to the financial statements.
- 2 Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- 3 All outstanding balances are unsecured and are repayable in cash.
- 4 Includes interest accrued of INR 199.95 Lakhs (March 31, 2019: INR 191.82 Lakhs) (Refer Note 22).
- 5 There are no allowances on account for impaired receivables in relation to any outstanding balances, and no expense have been recognised in respect of impaired receivables due from related parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Note - 42

Segment information

(a) Description of segments and principle activities

Segment Reporting in financial results: Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker (CODM), as represented by Chairman, Managing Director and CFO, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segment.

(b) Details for reportable segments as required by Ind AS 108 is as follows:

| Particulars | INR in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 1. Segment revenue | | |
| (Revenue from operations) | | |
| Revenue from contracts with customers | | |
| (a) Specialties | 116,947.43 | 154,838.58 |
| (b) Polystyrene | 40,952.48 | 54,214.75 |
| Total | 157,899.91 | 209,053.33 |
| Less : Inter segment revenue | - | - |
| Revenue from operations | 157,899.91 | 209,053.33 |
| 2. Segment results | | |
| (Segment profit before interest and tax) | | |
| (a) Specialties* | 2,904.65 | 2,839.95 |
| (b) Polystyrene* | (1,830.49) | (2,639.28) |
| Total | 1,074.16 | 200.67 |
| Add/(Less): (i) Finance cost | (1,589.88) | (1,268.69) |
| (ii) Interest income | 177.53 | 245.06 |
| (iii) Other unallocable expenditure (net of income) | (1,011.62) | (1,025.15) |
| Profit before tax | (1,349.81) | (1,848.11) |
| 3. Segment assets | | |
| a. Specialties | 81,294.40 | 85,196.70 |
| b. Polystyrene | 21,816.32 | 23,526.26 |
| c. Unallocated | 2,410.88 | 3,451.77 |
| Total segment assets | 105,521.60 | 112,174.73 |
| 4. Segment liabilities | | |
| a. Specialties | 26,985.48 | 25,195.32 |
| b. Polystyrene | 11,052.02 | 6,635.14 |
| c. Unallocated | 6,555.51 | 18,018.28 |
| Total segment liabilities | 44,593.01 | 49,848.74 |

*Segment results are net of exceptional items of INR 1,525.11 Lakhs for Specialties and INR 2,270.34 Lakhs for Polyesterene (March 31, 2019: Nil)

(c) Information about products and services

The Company manufactures and sells ABS, SAN and Polystyrene i.e. "Engineering Thermoplastics". These products have the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position.

Based on the CODM, segments are bifurcated into Specialties and Polystyrene. Specialties include ABS and SAN.

(d) Information about geographical areas

The Company does not have geographical distribution of revenue hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

(e) Information about major customers

None of the entity's external customers account for 10 per cent or more of the Company's revenue.

Note - 43

Leases :

Certain premises and equipments are obtained on cancellable and non-cancellable operating leases that are renewable either at the option of lessor or lessee, or both. Further, there are no subleases.

The future minimum lease rentals payable at the balance sheet date in respect of non-cancellable operating leases are as follows :

| Particulars | INR in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Not later than one year | - | 753.95 |
| Later than one year and not later than five years | - | 2,271.36 |
| Later than five years | - | - |

Note - 44

Movement in Provisions

Provision for contingencies include likely claims against the Company in respect of certain matters like VAT, Contractual disputes, etc. whose outcome depends on ultimate settlement / conclusion with relevant authorities.

Movements in provision for contingencies during the financial year, is set out below:

| Particulars | INR in Lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Balance as at the beginning of the year | 823.86 | 805.25 |
| Less: Utilised / Written back during the year | - | (118.69) |
| Add: Provision made during the year | 2132.62 | 137.30 |
| Balance as at the end of the year | 2,956.48 | 823.86 |

Note - 45

Changes in accounting policies

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements. Lessee accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2020

Lessee accounting

The Company has adopted Ind AS 116 using the modified retrospective approach from April 1, 2019. On adoption of Ind AS 116, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 10.41%.

For leases previously classified as finance leases the entity recognized the carrying amount of the lease asset immediately before transition as the carrying amount of the right of use asset. There was no lease liabilities in respect of said finance lease as on April 1, 2019. The measurement principles of Ind AS 116 are only applied after that date.

The Company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

(i) Practical Expedients applied on initial application date

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the accounting standard:

- the Company has utilized the exemptions provided for short-term leases (less than a year) and leases for low value assets
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application
- the Company has used a single discount rate to a portfolio of leases with reasonably similar characteristics
- the Company separates non-lease components, such as services, from lease payments except where it is not practical to determine non- lease components
- the Company has relied on its previous assessment on whether leases are onerous as an alternative to performing an impairment review
- using hindsight in determining the lease term where the contract contains options.

Note - 45

(ii) Reconciliation of lease commitment to lease liability

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the accounting standard.

| Particulars | INR in Lakhs |
|---|----------------------------|
| | As at April 1, 2019 |
| Operating lease commitments disclosed as at March 31, 2019 | 3,025.31 |
| Add :Contracts reassessed as lease contracts | 2,159.97 |
| (Less): Short term leases | (557.13) |
| (Less): Low-value leases | (3.60) |
| (Less): Service components of operating lease commitments | (4,189.01) |
| Add : Adjustments as a result of a different treatment of extension and termination options | 8,952.35 |
| Gross Lease Liability as at April 1, 2019 | 9,387.89 |
| - Discounting | (3,244.30) |
| Lease liability recognized as at April 1, 2019 | 6,143.59 |
| Of which are: | |
| Current lease liabilities | 517.80 |
| Non-current lease liabilities | 5,625.79 |
| | 6,143.59 |

(iii) Adjustments recognized in the balance sheet on April 1, 2019:

The change in accounting policy affected the following items in the balance sheet on April 1, 2019.

- property, plant and equipment - decreased by INR 201.74 Lakhs
- right-of-use assets - increased by INR 6,345.33 Lakhs
- lease liabilities - increased by INR 6,143.59 Lakhs

(iv) Lessor accounting

The Company does not have any lease arrangements where the entity is a lessor.

**Note - 46
Exceptional Items**

In respect of one of the leasehold lands, the Company has received provisional order from relevant authority, demanding to pay INR 1,940.11 Lakhs towards fees and non-utilization of land charges. Accordingly, the Company has created a liability for the said amount during the year ended March 31, 2020. In view of the said provisional order, the Company has reviewed its other similar leases for potential liability and accordingly, based on the assessment and best estimates of the management, a provision of INR 1,855.34 Lakhs has been made during the year ended March 31, 2020 in respect of transfer fees for those leases. The Management is in the process of evaluating various remedial measures that can be taken.

**Note - 47
Events occurring after the reporting period**

Consequent to the nationwide lockdown announced by the Government of India, the Company's plants and offices were shut down from March 23, 2020 onwards. Since the gradual easing of the lockdown from May'2020 onwards, and in line with the various directives of the Government, the Company's plants have commenced operations in a phased manner, in line with the market demand. The COVID-19 crisis has caused significant disturbance and slowdown of economic activity. The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its assets and liabilities as at March 31, 2020, and concluded that there are no material adjustments required in the financial statements as of March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes as the situation evolves.

As per our attached report of even date.

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

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

Pankaj Khandelia
Partner
Membership No. 102022

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Place : Mumbai
Date : Jun 25, 2020

Sanjeev Madan
CFO

Abhijaat Sinha
Company Secretary

Place : Vadodara
Date : Jun 25, 2020

INEOS Styrolution India Limited

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