

31st August, 2018

To,

National Stock Exchange of India Limited

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

Stock code No. **INEOSSTYRO**

BSE Limited

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

Stock code No. **506222**

Subject: 45th Annual Report of the Company for the financial Year 2017-18

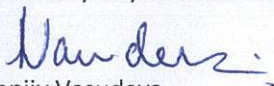
Dear Sir,

With reference to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, please find enclosed herewith "45th Annual Report" of the Company for the financial year ended on 31st March 2018 duly approved and adopted by the members of the Company in the Annual General Meeting held on 9th August 2018.

Kindly take the above information on your records.

Thanking you.

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


Sanjiv Vasudeva
Managing Director

45th Annual Report

April 2017 - March 2018



INEOS
STYROLUTION

Driving Success. Together.

CARE BEYOND BOUNDARIES

The Corporate Social Responsibility (CSR) committee plans and approves sustainable community outreach activities and initiatives based on core themes – promotion of education, preventive healthcare, infrastructural support, sanitation facilities, livelihood enhancement and community welfare. This year the Company strengthened its bond with the community through several CSR activities which include educational assistance in the form of scholarships, stationery and study kits; infrastructural support such as construction of roofs, sheds, washrooms, storage vaults, PA systems, play area etc. in primary schools; funding medical equipment for eye surgery; distribution of melamine dinner sets to the families located in the vicinity of Company's plants; funding of traffic control facilities and contribution to civic welfare scheme such as Chief Minister's Relief Fund.



SPEARHEADING STYRENICS IN INDIA

INEOS Styrolution India Limited (formerly known as Styrolution ABS (India) Ltd) is a leader and number one producer of Absolac® (ABS) and Absolan® (SAN) in India. ABS is a plastic resin produced from acrylonitrile, butadiene and styrene, used for manufacturing of home appliances, automobiles, consumer durables and machinery. SAN is a polymerized plastic resin produced from styrene and acrylonitrile, mainly used for products such as lighting, stationery, 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 enhance the 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.

Effective 31 March 2016, Styrolution India Pvt. Ltd. has merged with INEOS Styrolution India Ltd., bringing the polystyrene business to the Company's product portfolio.

Our parent Company, INEOS Styrolution is the leading, global styrenics supplier with a focus on styrene monomer, polystyrene, ABS Standard and styrenic specialties and employs approximately 3,300 people and operates 18 production sites in nine countries. 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, packaging and toys / sports / leisure. In 2017, sales were at 5.3 billion euros.

PLANTS IN INDIA

Nandesari



Katol



Moxi



Dahej

5 YEARS STATISTICAL INFORMATION

(INR in Lakhs)

YEAR NO. OF MONTHS	2017-18(#) 12	2016-17(#) 12	2015-16(#) 12	2014-15(^) 15	2013(^) 12
Equity Share Capital	1,758.6	1,758.6	1,758.6	1,758.6	1,758.6
Other Equity	62,693.2	56,946.3	50,909.5	48,622.0	45,966.3
Total Equity	64,451.8	58,704.8	52,668.1	50,380.6	47,724.9
Borrowings - Long Term	-	-	-	-	-
Funds Employeed	64,451.8	58,704.8	52,668.1	50,380.6	47,724.9
Net Worth per equity (INR)	366.5	333.8	299.5	286.5	271.4
Current Ratio	1.9	1.8	1.7	1.6	1.8
INCOME AND PROFITS					
Sale of goods	195,010.9	162,819.5	172,925.2	146,172.0	111,184.0
Profit Before Tax (PBT)	10,313.1	10,029.6	6,024.6	5,173.2	7,742.4
Tax	3,690.6	3,101.6	(358.4)	1,670.9	2,692.1
Profit for the year ⁽¹⁾	6,622.5	6,928.0	6,383.0	3,502.3	5,050.3
Earning Per Share (INR)	37.7	39.4	36.3	19.9	28.7
Dividend Per Share (INR)	4.0	4.0	4.0	4.0	4.0
Return on Net worth	10.3%	11.8%	12.1%	7.0%	10.6%

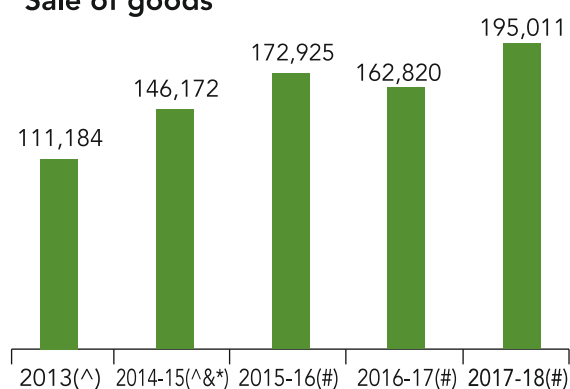
(#) FY 2017-18 and FY 2016-17 results have been prepared based on IND AS. FY 2015-16 financials and balance sheet as on 1 April, 2015 have been reinstated as per IND AS to make them comparable with the reporting period.

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

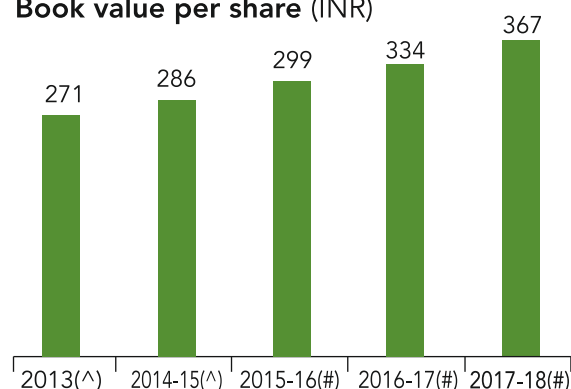
(1) Profit for the period 2013 and 2014-15 is profit after tax as per previous IGAAP, while 2015-16, 2016-17 and 2017-18 profit is before other comprehensive income.

(INR in Lakhs)

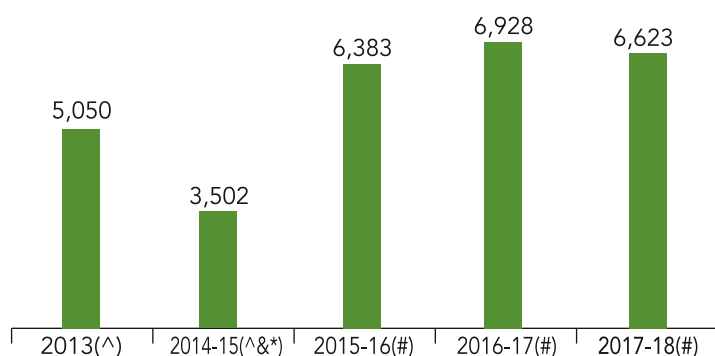
Sale of goods



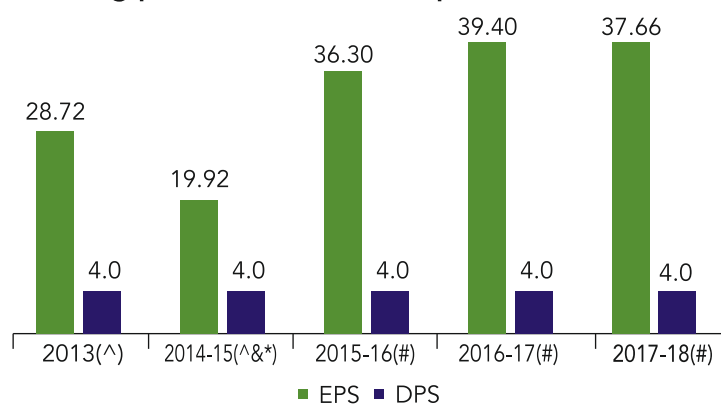
Book value per share (INR)



Profit After Tax



Earning per share & Dividend per share (INR)



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

(#) FY 2017-18 and 2016-17 results have been prepared based on IND AS.

FY 2015-16 financials and balance sheet as on 1 April, 2015 have been reinstated as per IND AS to make them comparable with the reporting period.

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

(!) Profit for the period 2013 and 2014-15 is profit after tax as per previous IGAAP, while 2015-16, 2016-17 and 2017-18 profit is before other comprehensive income.

BOARD OF DIRECTORS



Stephen Mark Harrington

Stephen Mark Harrington is the Chairperson of INEOS Styrolution India Limited. He has held various commercial roles at INEOS during his 29-year career and has previously worked for ICI and Unilever. Since April 2015, he is appointed President of INEOS Styrolution APAC operations, based in Singapore. He is also concurrently President of Styrolution's Global Styrene business and serves as Chairman of the Styrene Information and Research Center. He holds a degree from Hull University, United Kingdom.



Sanjiv Vasudeva

Sanjiv Vasudeva is the Managing Director and Chief Executive Officer of INEOS Styrolution India Limited. He has 27 years of broad functional experience in global leadership positions in multiple geographies with some of the world's largest diversified industrial conglomerates. He has worked as Commercial Director and Global Marketing Leader for SABIC Innovative Plastics - India. He has held full P&L responsibility for Asia and has been Country Commercial Director for G.E Plastics, Singapore. He is a certified Master Black Belt in Six Sigma and has spent 10 years in The Netherlands with G.E. Plastics in Quality, Product Management and Manufacturing roles. He is a Chemical Engineering graduate from M.S. University of Baroda. Sanjiv is the Managing Director and Occupier, INEOS Styrolution India Ltd.



Nitankumar Duggal

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



Jal R. Patel

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



Ryna Karani

Ryna Karani is an Independent Director of INEOS Styrolution India limited. She is a practicing lawyer with over 20 years of experience. She specializes in corporate commercial transactions, joint ventures, real estate and advices on general corporate law. This includes advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions including cross border transactions. She has advised and assisted a number of foreign clients in establishing a presence in India through incorporations of companies and/or establishment of branch/liaison offices. She advises clients on infrastructure projects including submission and preparation of RFPs, finalizing tenders, drafting and/or negotiating concession agreements and related documents. A big part of her practice also includes banking and finance (including project finance). She regularly advises clients on loan transactions (both Rupee and external commercial borrowings), including drafting and negotiating the loan agreements, security and other related documents. She is also on the board of Reliance Infrastructure Ltd, Reliance Naval and Engineering Ltd, Reliance communications Ltd and others. She has completed her B.A L.L.B From Mumbai University and she currently serves as a partner at ALMT Law firm in Mumbai.



Anil Shankar

Anil Shankar is an Independent Director of INEOS Styrolution India limited. He has rich professional experience of over 38 years in Strategic, Operational, Financial and General Management with leading Multinational Companies. His areas of expertise include Mergers and Acquisition, Taxation, Working Capital Management, Internal Controls and Processes and Financial Planning and Analysis. Besides finance, he has provided oversight to other corporate functions like IT and implementation of ERP Systems, HR, Supply Chain Management, Corporate Governance and Legal. He has served on the Boards of Motorola and Polaroid India. During his last assignment, he was a member of the Board of Directors and CFO of SIEMENS Healthcare. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and has completed his Master of Business Administration (MBA) degree with specialization in Finance and International Business from Bowling Green State University, Ohio, USA.



Jit Teng Tan

Jit teng Tan is an Alternate Director to Mr. Stephen Mark Harrington at INEOS Styrolution India Limited. He is the Vice President, Finance for INEOS Styrolution Asia Pacific, based in Singapore. He has extensive experience in financial and management accounting, as well as corporate and statutory reporting. He also has deep expertise and knowledge of daily operations and processes, governance, budgeting, and tax aspects of the Styrenics business in Asia Pacific. He has a Masters of Business Administration (MBA) from the University of Hull, United Kingdom and a Bachelor of Economics from Macquarie University, Australia.



Sanjeev Madan

Sanjeev Madan is Chief Financial Officer (CFO) of INEOS Styrolution India Limited. He has rich professional experience of over 22 years in handling financial control and reporting, strategic business support, accounting, tax and regulatory, funding and treasury management, business control and compliances, business financial planning, performance management and ERP implementation. He has worked with major companies including SABIC Innovative plastic, Valvoline Cummins India Ltd., Bharti Airtel, Coca Cola India and Ernst & Young. He is an accomplished Chartered Accountant from the Institute of Chartered Accountants of India (ICAI). He has his Bachelor's in Commerce (Honors) from Shri Ram College of Commerce, Delhi University.



Haresh Khilnani

Haresh Khilnani is the Company secretary, Head – Legal and Compliance of INEOS Styrolution India Limited since September 2013. He has over 18 years of enriching and diversified experience in secretarial and legal department of reputed multinational and listed companies. He has worked with companies such as SIEMENS for over seven years in the past in similar functions. He is a Fellow member of The Institute of Company Secretaries of India, has an MBA in Finance, Certification in Contract Management from the Indian Institute of Management (IIM), Ahmedabad, and is a postgraduate in Law.

PRODUCT PROFILE



ABSOLAC® (ABS)

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



ABSOLAN® (SAN)

Absolan is also a polymerized plastic resin produced from styrene and acrylonitrile. It has its main application in lighting, stationery and novelties, electrical appliances and cosmetic packing.



GPPS

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



HIPS

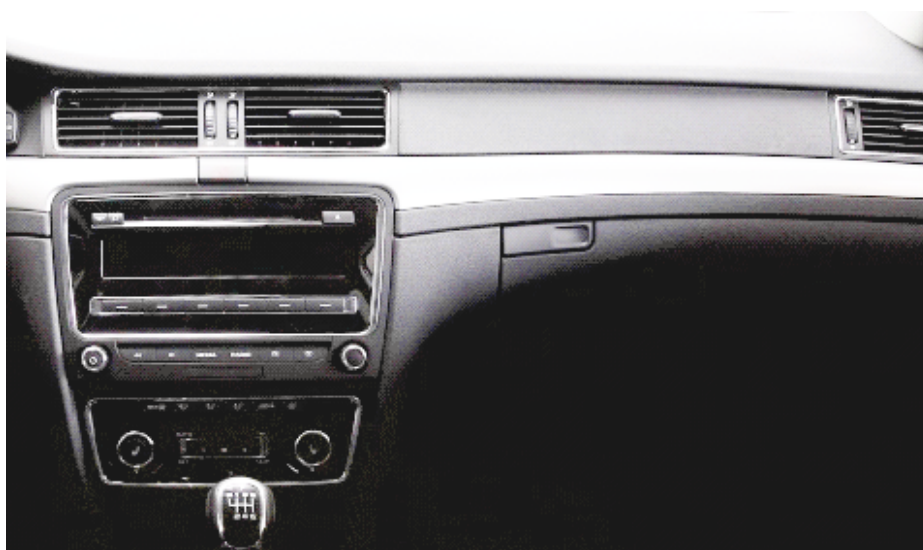
As opposed to general purpose polystyrene, high Impact polystyrene contains rubber and is used in manufacturing of technically challenging applications that require impact resistance, ranging from single-use yogurt cups to durable refrigerator liners.

THE POWER OF STYRENICS

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

AUTOMOBILES (four-wheelers)

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



AUTOMOBILES (two-wheelers)

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





CONSTRUCTION

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



ELECTRONICS

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

THE POWER OF STYRENICS

HEALTHCARE

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



HOUSEHOLD

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





PACKAGING

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



TOYS, SPORTS & LEISURE

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

NOTES

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CORPORATE INFORMATION

Board of Directors

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

Key Managerial Personnel

Mr. Sanjiv Vasudeva	Managing Director and Chief Executive Officer
Mr. Nitankumar Duggal	Whole-time Director
Mr. Sanjeev Madan	Chief Financial Officer
Mr. Haresh Khilnani	Company Secretary, Head - Legal and Compliance

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

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP.

Registrar and Share Transfer Agent

M/s. Link Intime India Private Limited
B-102 & 103 Shangrila Complex, First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara, Gujarat-390020
Phone No.: 91 265 2356573, 2356794, 6136000, Fax No: 91 265 2356791
E mail: vadodara@linkintime.co.in
Website: www.linkintime.co.in
CIN: U67190MH199PTC118368

Bankers

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

Registered Office

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

Nandesari Plant

51, GIDC Industrial Estate, Nandesari, Dist. Vadodara - 391 340, Gujarat
Phone No.: 91 265 2301101, 2301103
Fax: 91 265 2840827

Katol Plant

Halol-Kalol Road, Katol, Taluka: Kalol, Dist. Panchmahal - 389 330, Gujarat.
Phone No.: 91 2676 238990, 235802, 228401, 228402
Fax : 91 2676 235518

Moxi Plant and R & D Centre

Sankarda-Bhadarva Road, Post: Poicha, Taluka: Savli, Dist.: Vadodara - 391 350, Gujarat.
Phone No.: 91 2667 268701, 268702
Fax: 91 2667 244340

Dahej Plant

Dahej Village, Taluka: Vaghra, Dist.: Bharuch - 392 130, Gujarat
Phone No.: 912641 256021, 256571
Fax: 91 2641 256022

Kandla Storage Terminal

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

INEOS Styrolution India Limited

NOTICE

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

Notice is hereby given that the 45th annual general meeting (AGM) of the Members of **INEOS Styrolution India Limited** will be held on **Thursday, 09 August 2018 at 11.30 a.m.** at 'Chandarva Hall', WelcomHotel, R.C. Dutt Road, Alkapuri, Vadodara 390 007 to transact the following business:

Ordinary business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2018, including the balance sheet as at 31 March 2018, the statement of profit and loss for the year ended on that date along with the reports of the board of directors and of auditors thereon.
2. To declare a dividend of INR 4/- per equity share for the year ended on 31 March 2018.
3. To appoint a director in place of Mr. Sanjiv Vasudeva (DIN: 06570945), who retires by rotation and, being eligible, offers himself for re-appointment.

Special business:

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

4. **Payment of remuneration to the Cost Auditors of the Company for the FY 2018-19.**

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 amendment(s) or re-enactment(s) thereof for the time being in force], the cost auditors appointed by the board of directors of the Company, 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 2019, be paid a remuneration of Rs. 392,913 (Rupees three lakhs ninety two thousand nine hundred thirteen only) per annum plus reimbursement of out of pocket expenses that may be incurred during the course of audit;

Resolved further that the board of directors (including its Committee thereof) and the company secretary of the Company 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 :

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

18 June 2018
Vadodara

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

Haresh Khilnani
Company Secretary, Head - Legal and Compliance

Notes:

1. The explanatory statement pursuant to section 102 of the Companies Act, 2013('the Act') with respect to the special business set out in the notice is annexed hereto and forms part of this notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF / ITSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

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

3. Institutional Members / Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their board resolution authorizing their representatives to attend and vote at the AGM.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than forty eight (48) hours before the commencement of the meeting. A proxy form for the AGM is enclosed in the annual report.
5. Members / proxies / authorised representatives should bring the duly filled **Attendance Slip** enclosed herewith to attend the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed on **Friday, 03 August 2018** in connection with the annual general meeting and for the purpose of payment of dividend, if declared at the meeting.
7. Members are requested to note that the Company's equity shares are under compulsory demat trading for all class of investors, as per the provisions of SEBI circular dated 29 May 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.
8. 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 Folio No.
9. In accordance with the provisions of section 101 of the Act read with rule 18 of the Companies (Management and Administration) Rules, 2014, the ANNUAL REPORT 2017-18 is being sent through electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s), unless any Member has requested for a physical copy of the report. For Members who have not registered their email address, physical copies of the ANNUAL REPORT 2017-18 are being sent by the permitted mode.
10. With a view to using natural resources responsibly, we request shareholders to register / update their email address with their depository participant(s) to enable the Company to send communications electronically.
11. Members may note that the notice of the 45th AGM and the ANNUAL REPORT 2017-18 will be available on the Company's website, www.ineosstyrolutionindia.com. The physical copies of the documents will also be available at the Company's registered office for inspection during 9.00 a.m. to 5.00 p.m. (normal business hours) on working days (i.e. excluding Saturdays and Sundays) upto the date of ensuing AGM. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at INSTY.secshare@ineos.com.
12. Subject to provisions of the Act, dividend as recommended by the board of directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the register of Members as on **Thursday, 02 August 2018** and those whose names appear as beneficial owners as at the close of the business hours on **Thursday, 02 August 2018** as per the details to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

13. Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centers by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under RBI centers, and who have not furnished requisite information and who wish to avail the NECS facility to receive dividend from the Company, may furnish the information to M/s Link Intime India Pvt. Ltd., the Registrar and Transfer Agent. The Members holding shares in electronic form may furnish the information to their respective depository participant(s) in order to receive dividend through NECS mechanism.
14. 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. Members holding shares in physical form can submit their self-attested PAN details to M/s. Link Intime India Pvt. Ltd.
15. Pursuant to the provisions of section 124 and 125 of the Act and other relevant provisions of the Act, the dividend which remains unpaid / unclaimed from the date of transfer to the unpaid / unclaimed dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The unclaimed dividend for the financial year 2011 and all subsequent years must be claimed as early as possible failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below. In terms of section 124 of the Act, no claim shall lie against the Company after the said transfer.

Financial Year ended	Date of Declaration of Dividend	Due date for transfer to IEPF
2011	24-Apr-12	30-May-19
2012	26-Apr-13	31-May-20
2013	29-Apr-14	3-June-21
2014-15	04-Aug-15	8-Sept-22
2015-16	12-Aug-16	17-Sept-23
2016-17	10-Aug-17	14-Sept-24

Further, Members are requested to note that unpaid / unclaimed dividend for the year 2010 has been transferred to IEPF. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with secretarial and legal department of the Company, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 124 of the Act, be transferred to the Investor Education and Protection Fund. 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 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.

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 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.

16. Members desirous of getting any information about the accounts of the Company are requested to write to the Company at least seven working days prior to the date of AGM so that the information can be kept ready at the meeting.
17. Members / proxies / authorized representatives attending the meeting are requested to bring their copy of annual report with them at the meeting and deliver the enclosed attendance slip at the entrance of the meeting hall.

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

Name of Director	Mr. Sanjiv Vasudeva
Nationality	Indian
Date of Birth	27/02/1968
Date of Appointment	01/03/2016
Experience (Years)	27 years
Expertise in specific functional areas	Financial Management, Taxation, Commercial, Human Resources, Forex Management
Qualification	Bachelor of chemical engineering, M.S. University, Vadodara (1986-91); Certified master black belt in Six Sigma and has spent 10 years in General Electric Plastics, The Netherlands (1997-00)
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

19. M/s. Price Waterhouse, Chartered Accountants LLP (Firm Registration No. 012754N/N500016) were appointed as statutory auditors of the Company at their 43rd AGM held on 12 August 2016 to hold office upto the conclusion of 47th AGM. In line with the amendment of Section 139(1) of the Act, vide notification dated 7 May 2018 as issued by the Ministry of Corporate Affairs, New Delhi, the requirement for ratification of appointment of auditors at every annual general meeting is done away with. Accordingly, no resolution is proposed for ratification of appointment of auditors.
20. **A ROUTE MAP SHOWING DIRECTIONS TO REACH TO THE VENUE OF THE 45TH AGM IS GIVEN AT THE END OF THIS ANNUAL REPORT.**
21. E-voting :

Pursuant to provisions of Section 108 of the Act read with rule 20 of the Companies (Management and Administration) Rules, 2014, and regulation 44 of the Listing Regulations, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting system from a place other than venue of the AGM ('remote e-voting'), arranged by National Securities Depository Limited (NSDL).

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

PROCESS FOR MEMBERS OPTING FOR E-VOTING

a) Login to NSDL e-voting system

- Open internet browser by typing the URL <https://www.evoting.nsdl.com>.
- Click on "Shareholder - Login".
- Insert your User ID and password along with verification code as displayed on the screen. In case you are already registered with NSDL e-services i.e. IDEAS, log-in at <https://eservices.nsdl.com> and use your log-in credentials for casting the vote electronically.

(iv) The details of your user ID shall be :

- a. For NSDL users : 8 characters alpha-numeric DP ID followed by 8 digit Client ID.
- b. For CDSL users : 16 digit beneficiary ID.
- c. Members holding shares in physical form should enter their EVEN number followed by their folio number registered with the Company.

(v) If you are already registered to www.evoting.nsdl.com, use your existing password to login and cast your vote.

If you are using NSDL e-voting system for the first time, you need to retrieve 'initial password' as communicated to you on your e-mail ID/ postal address. Once you login, you will be directed to change your password. Set a new password with a minimum combination of 8 digits / characters or combination thereof. We strongly recommend that you do not share your password with any other person and take utmost care to keep it confidential.

(vi) If you are unable to retrieve your password or have not received your initial password or have forgotten your password:

- a. NSDL and CDSL users may click on "Forgot user details/password"
- b. Physical users may click on "Physical user reset password"

If you are still unable to generate your password, you can send a request at evoting@nsdl.co.in, mentioning your demat account number / folio number, your PAN, your name and your registered address.

(vii) After entering your password, click on agree to "Terms and Conditions" by selecting on the check box.

(viii) Now click on the "login" tab and you will be directed to home page for e-voting.

B. Cast your vote:

- (i) Click on "e-voting – activate voting cycles", you will be able to see EVEN of all the companies in which you are holding shares and whose voting cycle is in active status.
- (ii) Now select EVEN of INEOS STYROLUTION INDIA LIMITED to cast your vote.
- (iii) Cast your vote by selecting appropriate options i.e. assent or dissent and verify / modify the number of shares for which you wish to cast your vote then click on "submit" button and "confirm" when prompted.
- (iv) Upon confirmation, the message "vote cast successfully" will be displayed. Please note that once you confirm, you will not be allowed to modify your vote.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the "Downloads" section of www.evoting.nsdl.com or call on toll free number no.: 1800 222 990 of NSDL or send a request at evoting@nsdl.com

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

D. Other Instructions:

- (i) The e-voting period commences on **Monday, 06 August 2018** at 9.00 a.m. IST and ends on **Wednesday, 08 August 2018** at 5.00 p.m. IST. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. **Thursday, 02 August 2018** may cast their vote electronically. The e-voting module shall be disabled by NSDL or voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again.

- (ii) Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the notice of AGM and holds shares as of the cut-off date i.e. **Thursday, 02 August 2018**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot User Details / Password' option available on www.evoting.nsdl.com.
- (iii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **Thursday, 02 August 2018**.
- (iv) CS Devesh A. Pathak, Practising Company Secretary (Membership No. FCS 4559), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (v) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the chairman shall, with the assistance of the scrutinizer, order voting through ballot paper for all those Members who are present but have not cast their votes electronically using the remote e-voting facility.
- (vi) The scrutinizer will, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter will unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company, and will make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the company secretary of the Company or any other person authorized by him in writing who shall countersign the same.
- (viii) The results declared along with the scrutinizer's report will be communicated to the BSE Ltd. and National Stock Exchange of India Ltd. and also will be placed on the Company's website www.ineosstyrolutionindia.com and on the website of NSDL immediately after the result is declared by the company secretary or any other person authorised by him.

EXPLANATORY STATEMENT

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

Item No. 4

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 31 March 2019 at a remuneration of INR 392,913 per annum plus reimbursement of out of pocket expenses 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 shall be ratified by the Members of the Company.

Accordingly your directors recommend and seek your ratification to the resolution as set out in item no. 4 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 resolution at item no. 4 of this notice.

Registered office :

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

18 June 2018
Vadodara

By Order of the Board of Directors

For INEOS Styrolution India Limited

Haresh Khilnani

Company Secretary, Head - Legal and Compliance

BOARDS' REPORT

Dear Members,

Your directors take pleasure in presenting the 45th annual report of your Company together with audited financial statements for the year ended on 31 March 2018.

FINANCIAL PERFORMANCE

The financial performance of your Company for the year ended 31 March 2018 is highlighted below:

(INR in Lakhs)

Particulars	2017-18	2016-17
Period	12 months	12 months
Revenue from Operations	195,068.55	166,918.41
Other Income	691.72	406.76
Profit before Tax	10,313.10	10,029.59
Tax Expense	(3,690.56)	(3,101.61)
Profit for the year	6,622.54	6,927.98
Other Comprehensive Income	(28.94)	(44.58)
Total Other Comprehensive Income for the year	6,593.60	6,883.40
Retained Earnings		
Opening Balance	47,327.39	41,290.62
<i>Add:</i>		
Total comprehensive income for the year	6,593.60	6,883.40
<i>Less:</i>		
Dividends including dividend tax	(846.63)	(846.63)
Transfer to General Reserve	-	-
Depreciation transfer for fixed assets	-	-
Closing Balance	53,074.36	47,327.39
EPS (Basic)	37.66	39.40
EPS (Diluted)	37.66	39.40

The above figures are extracted from the financial statements of the Company as per Indian Accounting Standards (Ind AS).

INDIAN ACCOUNTING STANDARDS

The Company has adopted Ind AS with effect from 01 April 2016 with the transitional date as 01 April 2015 pursuant to the Ministry of Corporate Affairs notification dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial statements for the year ended 31 March 2018 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under section 133 of the Act and other recognized accounting practices and policies to the extent applicable.

OPERATING HIGHLIGHTS

Revenues

Growth across all segments in line with the market has resulted in increase in overall sales turnover of your Company to INR 1,951 crores from INR 1,669 crore in the previous year. Your Company observed growth momentum and positive sentiments in the core industries namely automotive, household & electronics distribution. The Company's total income (including other income) was placed at INR 1,958 crore for the financial year 2017-18.

Profits

Your Company's Profit before Tax (PBT) in financial year 2017-18 is INR 103 crores as compared to INR 100 crores in previous year. Profit after Tax (PAT) in financial year 2017-18 is INR 66 crores as compared to INR 69 crores in previous year. Increase in raw material prices impacted profit, however, partially offset by better cost control.

DIVIDEND

Considering the performance, and to appropriately reward the Members while conserving resources to meet future financial requirements, the board of directors recommends a dividend of INR 4/- per equity share of INR 10 each (40%). This dividend is subject to the approval of the Members at the forthcoming annual general meeting and if approved, Members whose name appear on the register of Members on 02 August 2018 will be entitled to dividend. In the previous year, the Company paid a dividend of INR 4/- per equity share of INR 10/- each of the Company.

TRANSFER TO RESERVES

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

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company does 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

➤ Appointments/ Re-appointments

During the year under review:

1. Mr. Anil Shankar was appointed as an independent director by the shareholders of the Company at their annual general meeting held on 10 August 2017 for a period of three years effective from 12 August 2016.
2. Mr. Jal R. Patel was re-appointed as an independent director by the shareholders of the Company at their annual general meeting held on 10 August 2017 for a period of three years effective from 01 January 2018.
3. Mr. Nitankumar Duggal was appointed as an additional director and was designated as whole-time director for a period of three years from 31 August 2017 for which approval was accorded by the shareholders of the Company through postal ballot dated 27 October 2017.
4. Mr. Sanjeev Madan was appointed as Chief Financial Officer (CFO), on recommendation of nomination and remuneration committee, effective from 29 January, 2018.

At the 45th annual general meeting following appointments / re-appointments are being proposed:

1. Mr. Sanjiv Vasudeva who retires by rotation and being eligible, offers himself for re-appointment in terms of the Articles of Association of the Company. A brief profile of Mr. Sanjiv Vasudeva is given separately in the notice convening AGM. Your directors recommend his appointment for your approval.

➤ Retirement/ Resignations

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

Mr. Bhupesh P. Porwal resigned as chief financial officer (CFO) and whole-time director of the Company effective from 01 September 2017. The board thanked him for providing valuable guidance to the Company during his tenure.

Key Managerial Personnel

Mr. Sanjiv Vasudeva, managing director and chief executive officer, Mr. Nitankumar Duggal, whole-time director, Mr. Sanjeev Madan, chief financial officer and Mr. Haresh Khilnani, company secretary, head – legal and compliance were the key managerial personnel of the Company as on 31 March 2018.

MEETINGS OF BOARD OF DIRECTORS OF THE COMPANY

During the financial year under review, the board of directors duly met four times. The details of the board meetings with regard to their dates and attendance of each of the directors thereat have been set out in the report on corporate governance.

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Jal R. Patel, Mr. Anil Shankar and Ms. Ryna Karani were the independent directors of the Company as on 31 March 2018.

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

PERFORMANCE EVALUATION

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

Independent directors were evaluated on the following performance indicators:

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

Your directors have expressed their satisfaction over the evaluation process.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have 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 consists of all independent directors with Mr. Jal R. Patel as chairman and Mr. Anil Shankar and Ms. Ryna Karani as members. The terms of reference of the audit committee, details of meetings held during the year and attendance of members are set out in the corporate governance report.

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

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of section 124 and 125 of the Act, the unpaid and unclaimed dividend pertaining to the year ended on 31 December 2010 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 auditors' certificate thereon forms part of this report as **Annexure – I**. A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the management discussion and analysis report, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of section 135 of the Act, the Company has constituted a 'Corporate Social Responsibility (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 31 March 2018 in accordance with the provisions of section 135 of the Act was INR 141.74 lakhs and your Company had spent INR 112.00 lakhs. The said amount was spent on the CSR activities undertaken by your Company mostly in the vicinity of its plants as well as around Vadodara, where the registered office and corporate office of your Company are located. The shortfall in the amount spent on CSR activities during the year on 31 March 2018 was due to lack of proper and need worthy sources for allocation of the funds.

REMUNERATION POLICY

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

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

RISK MANAGEMENT POLICY

The details of the risk management policy adopted by the board of directors and details of the risk management committee of the Company are mentioned in the corporate governance report.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF CONTRACTS AND AGREEMENTS MADE WITH RELATED PARTIES TRANSACTIONS

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

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

REPORTING OF FRAUDS

There have been no instances of fraud reported by the statutory auditors under section 143(12) of the Act and rules framed thereunder either to the Company or to the central government.

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

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

BOARD DIVERSITY

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

ENVIRONMENTAL HEALTH, SAFETY AND PROTECTION

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

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

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

STATUTORY AUDITORS

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

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

AUDITORS' REPORT

The observations made by the auditors in their report read with the relevant notes as given in the notes to the financial statement for the year ended 31 March 2018 are self- explanatory and are devoid of any reservation, qualification or adverse remarks.

SECRETARIAL AUDITOR

M/s. Devesh Vimal & Co., Practising Company Secretaries, Vadodara were appointed to conduct the secretarial audit of the Company for the financial year 2017-18, required under section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, framed thereunder. The secretarial audit report received from them is annexed as **Annexure - VII**.

COST AUDITORS

The board of directors, on recommendation of the audit committee, has appointed M/s. Kailash Sankhlecha and Associates, (Firm's registration no. 100221), Cost Accountants, as cost auditors of the Company, for the financial year 2018-19, 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 member's ratification for the remuneration payable to the cost auditors for the financial year 2018-19 forms part of the notice of the 45th annual general meeting of the Company and the same is recommended for your consideration and approval.

A certificate from M/s. Kailash Sankhlecha and Associates has been received, confirming their appointment as cost auditors of the Company, if made, would be in accordance with the limits specified under section 141 of the Act and rules framed thereunder.

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

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

VIGIL MECHANISM

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

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Our employees are the most valuable assets of the Company. We encourage innovation, meritocracy and the pursuit of excellence. The human resource development function of the Company is guided by a spirit of corporate team building and dedication towards strengthening the Company's systems thereby improving efficiencies and registering growth. All personnel continue to have a healthy, cordial and harmonious approach in problem solving and enhancing Company value at all levels. Despite uncertain economic conditions, the enthusiasm and unstinting efforts of the employees have enabled the Company to maintain leadership in its business areas. The industrial relations during 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 will be put in place. An employee survey together with a top leadership workshop was also conducted to assess the current cultures of INEOS group Companies in India and to identify an ideal common culture across the two entities for better implementation of the respective strategic initiatives.

Necessary trainings based on identified needs are being set-up across all functions by the respective heads of departments to enhance the knowledge and competencies of our employees. Other initiatives including an improvement of the working environment, the automation of HR processes including the outsourcing of the payroll processor and the installation of a new attendance system, are in progress.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of secretarial standard 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 an integral part of this annual report.

ACKNOWLEDGEMENTS

We thank our customers, vendors, dealers, investors, business partners and bankers for their continued support during the year which made the Company grow successfully. We also place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. We also acknowledge our gratitude to M/s. INEOS Styrolution Holdings Ltd, United Kingdom for their valuable assistance through their subsidiary companies.

For and on behalf of the Board

18 June 2018
Vadodara

Stephen Mark Harrington
Chairman

Annexure - I to the Boards' Report Corporate Governance Report

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

Your directors present the Company's report on corporate governance for the year ended on 31 March 2018.

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

Your board of directors have a primary role of trusteeship to protect and enhance shareholder value through strategic supervision of the Company by providing direction and exercising the appropriate control. Your board includes eminent professionals who have excelled in their respective areas of specialization and comprises professionals drawn from management, financial, legal and other fields.

The board of directors of the Company currently comprises of seven directors (including alternate director) drawn from diverse fields. It has an optimum combination of independent, woman director, executive as well as non-executive directors that is in conformity with the provisions of regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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

None of the directors on the board is a member of more than 10 committees or a chairman of more than 5 committees (as stipulated in regulation 26 of the Listing Regulations), across all the Indian public companies, in which he / she is a director. None of the directors holds shares of the Company as on 31 March 2018. The necessary disclosure regarding the committee position has been made by the directors are given herein below:

Composition of the board and directorships held as on 31 March 2018

Name of directors	Category	Other directorships in India*	DIN	No. of other board committees in India**	
				Member	Chairperson
Mr. Stephen Mark Harrington	Non-Executive and Chairman	–	07131679	–	–
Mr. Sanjiv Vasudeva	Managing Director and CEO.	–	06570945	–	–
Mr. Jal R. Patel	Non-Executive & Independent	4	00065021	1	4
Mr. Anil Shankar	Non-Executive & Independent	–	02143156	–	–

Name of directors	Category	Other directorships in India*	DIN	No. of other board committees in India**	
				Member	Chairperson
Ms. Ryna Karani	Non-Executive & Independent	6	00116930	5	2
Mr. Nitankumar Duggal (Appointed w.e.f. 31 August 2017)	Whole-time Director	-	07872778	-	-
Mr. Jit Teng Tan (Alternate to Mr. Stephen Mark Harrington)	Non-Executive & Non-Independent	-	06466969	-	-

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) During the financial year under review, Mr. Bhupesh P. Porwal resigned as whole-time director & CFO w.e.f. 01 September 2017.

* No. of other directorships include directorship held in other Indian public limited companies as on 31 March 2018.

** Includes only audit committee and stakeholders' relationship and grievance committee of public limited companies as on 31 March 2018.

Board meetings procedure

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

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the board to discharge its responsibility effectively, are circulated in advance to the directors. The managing director and the CFO briefs the board at every meeting on the overall performance of the Company. The board is briefed on all the relevant matters of the Company at its meeting. The important matters discussed at the meeting of the audit committee are also highlighted to the board. The board is free to recommend inclusions of any matter in the agenda for discussion.

Number of board meetings and the attendance of directors during the financial year 2017-18.

During the financial year 2017-18, four board meetings were held on 26 May 2017, 09 August 2017, 27 October 2017 and 29 January 2018.

Attendance record of each of the directors at the board meetings during the financial year 2017-18 and at the last annual general meeting are given below:

Name of directors	Number of board meeting held	Number of board meeting attended	Attendance at last AGM
Mr. Stephen Mark Harrington	4	4	Yes
Mr. Sanjiv Vasudeva	4	4	Yes
Mr. Nitankumar Duggal	2*	2	Yes
Mr. Jal R. Patel	4	4	Yes
Mr. Anil Shankar	4	4	Yes
Ms. Ryna Karani	4	4	Yes
Mr. Bhupesh P. Porwal	2*	2	Yes

*Meetings held during their tenure.

Profile of directors seeking appointment / re-appointment

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.

- Mr. Sanjiv Vasudeva retires at the ensuing AGM and being eligible has offered himself for re-appointment.

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

Familiarization program for independent directors

Independent directors inducted to the board are introduced to our Company culture through appropriate orientation sessions and are familiarized with their roles, rights, responsibility in the Company pursuant to regulation 25 of the Listing Regulations. Presentations are made by managing director and senior management to provide an overview and to familiarize the new non-executive directors with our operations. They are also introduced to our organisation structure, our services, company structure, constitution, board procedures, matters reserved for the board, and our major risks and risk management policy. The details for the same have been disclosed on the website of the Company at www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Familiarization_Programme_%20Independent_Directors%20_2017.pdf.

III. AUDIT COMMITTEE MEETINGS

Composition

During the financial year, audit committee met four times. These were on 26 May 2017, 09 August 2017, 27 October 2017 and 29 January 2018. The committee comprises of independent directors having expertise in accounting / financial management.

The constitution of the audit committee and attendance details during the financial year 2017-18 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 Director	4	4

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

The chairperson of the audit committee, Mr. Jal R. Patel was present at the 44th annual general meeting of the Company held on 10 August 2017.

Terms of reference

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

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

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

- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- f. Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1) 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 this committee to attend and redress the stakeholders' grievances and to maintain harmonious relations with all stakeholders of the Company. During the financial year, the committee met four times on 26 May 2017, 09 August 2017, 27 October 2017 and 29 January 2018.

The constitution of the stakeholders' relationship and grievance committee and attendance details during the financial year 2017-18 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 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

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

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

Link Intime India Private Limited, registrar and share transfer agent of the Company attends to all the grievances of the stakeholders. The details of complaints received, cleared and pending during the financial year 2017-18 are given as under:

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

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

V. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

During the financial year, the committee met four times on 26 May 2017, 09 August 2017, 27 October 2017 and 29 January 2018.

The constitution of the committee and attendance details during the financial year 2017-18 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 committee is primarily responsible for formulating and recommending to the board of directors, a corporate social responsibility (CSR) policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

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

VI. NOMINATION AND REMUNERATION COMMITTEE

Composition

Pursuant to provisions of section 178 of the Act and regulation 19 of the Listing Regulations, 'Nomination and Remuneration Committee' of the board was constituted. During the financial year, the committee met four times on 26 May 2017, 09 August 2017, 27 October 2017 and 29 January 2018.

The composition of the nomination and remuneration committee and attendance details during the financial year 2017-18 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	4	4
Mr. Stephen Mark Harrington	Member, Non - Executive Director	4	4
Mr. Anil Shankar	Member, Independent Director	4	4

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

The committee acts as a link amongst the management and the board of directors. The committee shall act in accordance with the terms of reference under clause A as set out under clause a of part D of schedule II [Regulation 19 (4) of the Listing Regulations] read with section 178 of the Act which shall, inter alia, include;

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

VII. REMUNERATION TO DIRECTORS

Remuneration policy:

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

The chief executive officer and managing director of the company is entitled to an annual variable pay each fiscal year, which is subject to achievement of certain fiscal year milestones by the Company, as determined by the board. The profit related commission payable to the independent directors is limited to a fixed amount per year as determined and approved by the board, the 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 on the recommendations of nomination and remuneration committee of directors is authorised to decide the remuneration of the whole-time directors, subject to the approval of the members and central government, if required. The remuneration structure comprises of salary, perquisites, retirement benefits as per the law / rules, performance linked incentive (PLI) and commission.

Details of remuneration paid / payable to Mr. Sanjiv Vasudeva (Executive - Managing Director & CEO), Mr. Bhupesh P. Porwal (Whole-time Director & CFO) and Mr. Nitankumar Duggal (Whole-time Director) for financial year 2017-18 is as under:

(Amount in INR)

Name & Designation	Sanjiv Vasudeva, Managing Director & CEO	Bhupesh P. Porwal, Whole-time Director & CFO* (Resigned w.e.f 1 September 2017)	Nitankumar Duggal Whole-time Director** (Appointed w.e.f 31 August 2017)
Salary	15,229,692	4,626,044	3,597,522
Perquisites	1,095,000	Nil	Nil
Retiral benefits	773,760	103,995	191,769
Commission, bonus and performance linked incentives	7,126,230	469,971	794,403
Stock Options	Nil	Nil	Nil
Tax consulting and retirement management fees	Nil	Nil	Nil
Tax adjustments	Nil	Nil	Nil
Total	24,224,682	5,200,010	4,583,694
Tenure	3 years	3 years	3 years
From	01 March 2016	16 May 2016	31 August 2017
To	28 February 2019	15 May 2019	30 August 2020
Notice period	3 months	3 months	3 months
Equity shares of INR 10 held as on 31.03.2018	Nil	Nil	Nil

* The remuneration details for Mr. Bhupesh P. Porwal is for his tenure of five months i.e. from 01 April 2017 to 31 August 2017.

** The remuneration details for Mr. Nitankumar Duggal is for his tenure of seven months i.e. from 31 August 2017 to 31 March 2018.

Remuneration to non-executive directors:

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

The details of sitting fees for attending board / committee meetings and profit related commission paid to them during the financial year 2017-18 is as follows:

Details of remuneration paid / payable to non-executive and independent directors for FY 2017-18 is as under:

(Amount in INR)

Name of directors	Commission	Sitting fees for board / committee meetings attended **	Total	No. of equity shares of INR 10 held as on 31 March 2018.
Mr. Jal R. Patel	750,000	560,000	1,310,000	Nil
Mr. Anil Shankar	750,000	560,000	1,310,000	Nil
Ms. Ryna Karani	750,000	400,000	1,150,000	Nil
TOTAL	2,250,000	1,520,000	3,770,000	

**Exclusive of TDS.

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

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

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

VIII. RISK MANAGEMENT COMMITTEE (NON- MANDATORY COMMITTEE)

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

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

IX. GENERAL BODY MEETINGS

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

Financial Year	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2014-15	42nd Annual General Meeting ABS Towers, Old Padra Road, Vadodara 390007	Tuesday, 04 August 2015 11.30 a.m	- Reappointment of Mr. Chi as managing director of the Company. - Approval to material related party transactions.
2015-16	43rd Annual General Meeting 'Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007.	Friday, 12 August 2016 11.30 a.m.	- Appointment of Mr. Sanjiv Vasudeva as managing director and CEO of the Company. - Appointment of Mr. Bhupesh P. Porwal as whole-time director of the Company. - Appointment of Ms. Ryna Karani as an independent director of the Company.
2016-17	44th Annual General Meeting 'Chandarva Hall, WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara 390007.	Thursday, 10 August 2017 11.30 a.m.	- Appointment of Mr. Jal R. Patel as independent director of the Company.

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

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

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

- (i) To increase the borrowing limits of the Company u/s 180(1)(c) of the Act, upto INR 100 crores.

Name of Scrutinizer	CS. Devesh A. Pathak
Date of Report of Scrutinizer	30 October 2017
Date of declaration of results / Date of approval of Members	30 October 2017
Particulars	Number of Votes
Valid Votes	14,053,305
In favour	14,052,044
Percentage (%)	99.99
Against	1,261
Percentage (%)	0.01
Invalid Votes	1,071

- ii. Appointment of Mr. Nitankumar Duggal as whole-time director of the Company.

Name of Scrutinizer	CS. Devesh A. Pathak
Date of Report of Scrutinizer	30 October 2017
Date of Declaration of results / Date of approval of Members	30 October 2017
Particulars	Number of Votes
Valid Votes	14,051,705
In favour	14,048,717
Percentage (%)	99.98
Against	2,988
Percentage (%)	0.02
Invalid Votes	1,171

Procedure adopted for Postal Ballot:

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

X. DISCLOSURES:

- There were no materially significant related party transactions entered into by the Company with its promoters, directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed under notes to accounts and in Form AOC-2 forming part of the board's report.
- During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- The Company has established vigil mechanism to provide for the safeguards against victimization of directors and employees who follow such mechanism and to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The board has approved whistle blower policy / establishment of vigil mechanism pursuant to provisions of Act and regulation 22 of the Listing Regulations, as may be applicable and affirms that no person has been denied access to the chairman of the audit committee and also to the chairman of the board of the Company. The policy adopted has been put up on the website of the Company on following web link: www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/Whistleblower_Policy%20-INEOS_2017.pdf
- In accordance with the requirements of the Listing Regulations, the Company has formulated policy on related party transactions which the same has been put up on the website of the Company on following web link www.ineosstyrolutionindia.com/INTERSHOP/static/WFS/Styrolution-India-Site/-/Styrolution-India/en_US/Company/RPT%20Policy_2017%20Aug.pdf
- The Company has adopted and complied with all the mandatory requirements of corporate governance as mandated under the provisions of Listing Regulations. Some of the non-mandatory requirements have also been complied with.

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

- The Board:** The Company does not maintain a separate office for the non-executive chairperson.
- Audit Qualification:** There has been no audit qualification / modified opinions in the audit report by the auditor for the financial year 2017-18.

-
- (C) **Separate Posts of Chairman and CEO:** The chairman and managing director are two separate individuals with vast experience and expertise.
- (D) **Reporting of Internal Auditor:** The internal auditors of the Company submits report to the audit committee regularly.

Risk Management Framework

The board takes responsibility for the overall process of risk management in the organization. Your Company has integrated its risk monitoring procedures with the global 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 the subject code framed specifically in compliance with the provisions of regulation 17 of the Listing Regulations. The matters covered in this code are of utmost importance to the Company, our shareholders, clients and business partners. The purpose of this code is to articulate highest standards of honesty, integrity, ethical and law-abiding behavior. It also aims to encourage the observance of these standards to protect and promote the interest of shareholders, employees, customers, suppliers and creditors. It sets out the responsibility, accountability and report and investigate any reported violations of the code or unethical or unlawful behavior.

The code of conduct applicable to board members and key employees of the Company has been posted on the Company's website. For the year under review, all board members and senior management personnel of the Company have confirmed their adherence to the provisions of the said Code.

XII. CEO /CFO CERTIFICATE(S)

The managing director and the chief financial officer have submitted to the board of directors annual certification relating to financial reporting and internal controls for the financial year ended 31 March 2018 as required under the provisions of Listing Regulations.

XIII. MEANS OF COMMUNICATION:

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

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

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

SEBI Complaints Redress System (SCORES)

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

Annual Report

The annual report containing inter alia the audited financial statements, boards' report, auditors' report and other important information is sent to the investors. Pursuant to the green initiative launched by the MCA, the Company also sends e-copies of the annual report to members who have registered for the same. The same are also available on the website of the Company.

XIV. GENERAL SHAREHOLDER INFORMATION:

- **45th AGM :
Date, Time and Venue** 09 August, 2018 (Thursday) at 11.30 a.m. at '**Chandarva Hall**', **WelcomHotel, R.C. Dutt Road, Alkapuri, Vadodara 390 007**
- **Financial year** 1 April to 31 March

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

First Quarter: Second week of August 2018
Second Quarter: Second week of November 2018
Third Quarter: First week of February 2019
Fourth Quarter: Second week of May 2019
- **Dividend for the year 2017-18** The board of directors of the Company has recommended a final dividend of INR 4 (40%) per equity share for the year ended on 31 March 2018. Dividend when declared at the annual general meeting will be paid to the Members, whose names appear on the register of members as on **02 August 2018**.
- **Date of book closure** 03 August 2018
- **Dividend Payment date** 14 August 2018
- **Corporate Identity Number (CIN)** L25200GJ1973PLC002436
- **Listing on Stock Exchanges** BSE Limited (BSE)
Scrip Code:506222

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

Listing fees for the year 2018-19 have been paid to both the stock exchanges within stipulated time.

• **Distribution of shareholding as on 31 March 2018**

No. of shares ranging From – To	No. of Shareholders	% to Total	No. of Shares	% to Total
1 - 500	14,751	93.84	1,261,109	7.17
501 - 1000	530	3.37	404,500	2.30
1001 - 2000	229	1.45	333,771	1.90
2001 - 3000	84	0.53	206,972	1.18
3001 - 4000	26	0.17	92,553	0.53
4001 - 5000	23	0.15	105,637	0.60
5001 - 10000	38	0.24	302,737	1.72
10001 & above	39	0.25	14,878,346	84.60
Total:	15,720	100.00	17,585,625	100.00

- Dematerialization of shares as on 31 March 2018:

Particulars	31 March 2018		31 March 2017	
Category	No. of shareholders	% to total	No. of shares	% to total
No. of Demat Shares				
- NSDL	16,488,768	93.76	16,192,994	92.08
- CDSL	896,004	5.10	1,154,661	6.57
No. of physical shares	200,853	1.14	237,970	1.35
Total	17,585,625	100.00	17,585,625	100.00

- ISIN for NSDL & CDSL INE189B01011

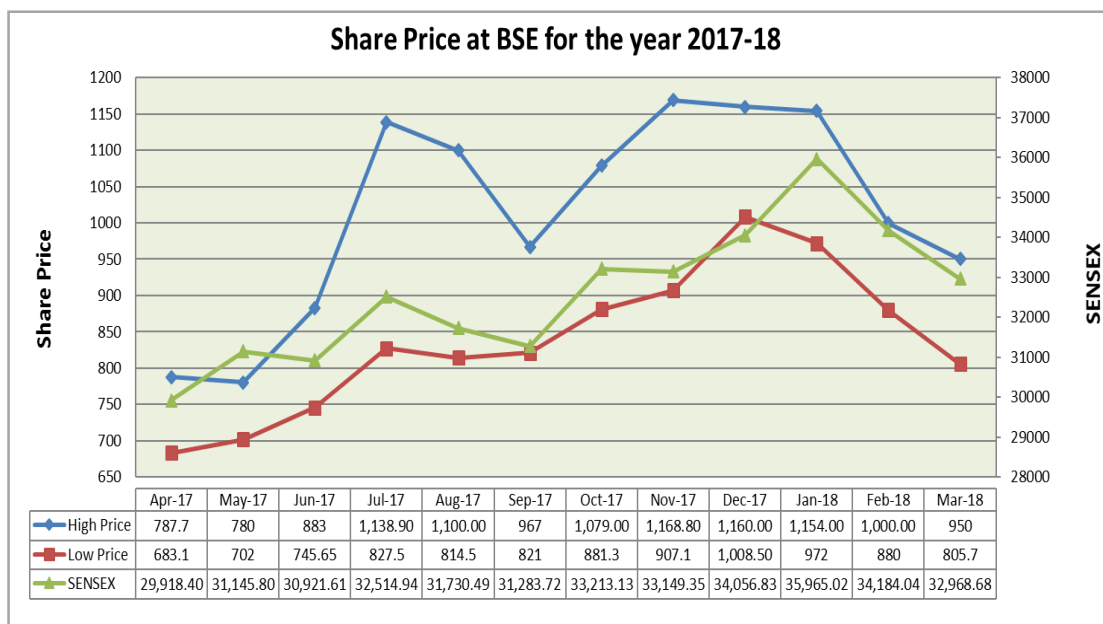
Reconciliation of Share Capital Audit

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

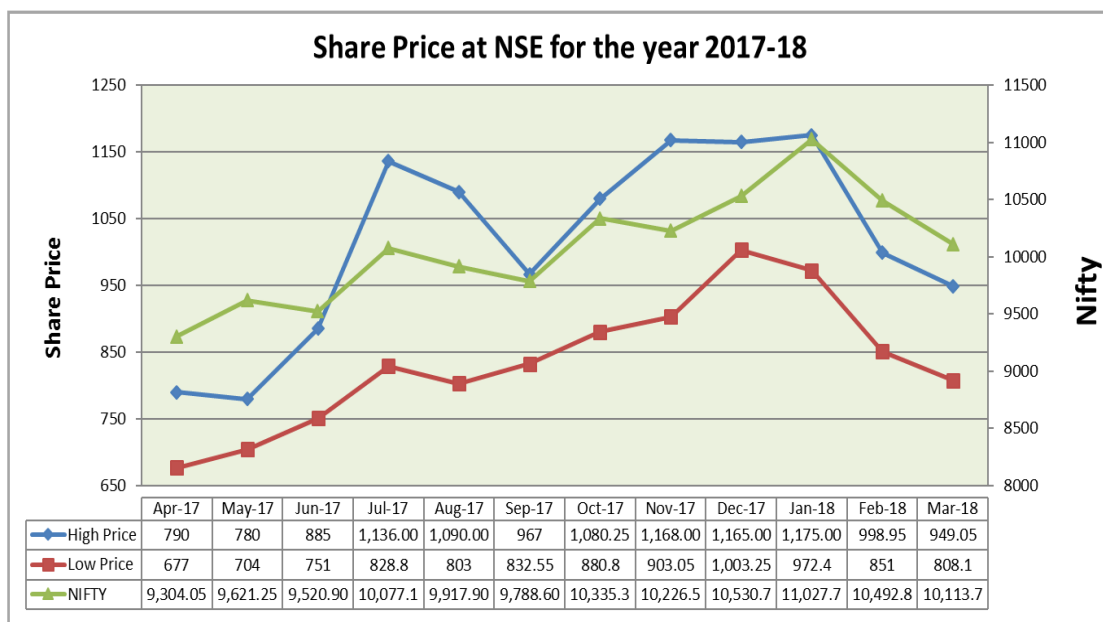
- High / low of market price of the Company's shares traded along with the volumes at BSE and NSE during the financial year 2017-18 is furnished below:

Month	BSE (SENSEX)				NSE (Nifty)			
	High Price (INR)	Low Price (INR)	No. of Shares Traded	SENSEX	High Price (INR)	Low Price (INR)	No. of Shares Traded	NIFTY
Apr-17	787.70	683.10	76,694	29,918.40	790.00	677.00	352,967	9,304.05
May-17	780.00	702.00	98,494	31,145.80	780.00	704.00	2,05,535	9,621.25
Jun-17	883.00	745.65	92,485	30,921.61	885.00	751.00	2,78,766	9,520.90
Jul-17	1,138.90	827.50	2,03,113	32,514.94	1,136.00	828.80	7,08,734	10,077.10
Aug-17	1,100.00	814.50	73,800	31,730.49	1,090.00	803.00	3,05,717	9,917.90
Sep-17	967.00	821.00	37,622	31,283.72	967.00	832.55	1,24,216	9,788.60
Oct-17	1,079.00	881.30	70,626	33,213.13	1,080.25	880.80	3,47,159	10,335.30
Nov-17	1,168.80	907.10	89,574	33,149.35	1,168.00	903.05	4,84,776	10,226.55
Dec-17	1,160.00	1,008.50	56,013	34,056.83	1,165.00	1,003.25	2,44,584	10,530.70
Jan-18	1,154.00	972.00	1,32,613	35,965.02	1,175.00	972.40	3,19,882	11,027.70
Feb-18	1,000.00	880.00	33,527	34,184.04	998.95	851.00	1,15,755	10,492.85
Mar-18	950.00	805.70	59,999	32,968.68	949.05	808.10	1,17,287	10,113.70
Total Shares Traded			1,024,560					3,605,378
Average Shares Traded			85,380					300,448

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



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



• **Category wise shareholding as on 31 March 2018:**

Category	No. of shares	% of shareholding
Promoters		
- Indian Promoters	-	-
- Foreign Promoters:		
INEOS Styrolution South East Asia Pte Ltd.	13,189,218	75.0000
Institutional Investors		
- Mutual Funds / UTI	975,793	5.5488
- Banks, Financial Institutions, Insurance Companies	7,240	0.0412
- Foreign Portfolio Investors	128,828	0.7326
Central Government / State Government	25,821	0.1468
Non-Institutions		
- Corporate Bodies	503,417	2.8627
- Indian Public	2,618,071	14.8875
- NRIs / OCBs	114,536	0.6513
- Any Others (Clearing Members)	22,701	0.1291
Grand Total	17,585,625	100.0000

• **Registrar and Share Transfer Agent**

Link Intime India Private Limited
B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.
Phone : +91 265 2356573, 2356794, 6136000
Fax : 2356791, E-mail : vadodara@linkintime.co.in

• **Share transfer system**

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

• **Exchange of share certificates.**

The shareholders holding share certificates of Styrolution ABS (India) Limited, INEOS ABS (India) Limited, LANXESS ABS Limited, Bayer ABS Limited, ABS Industries Limited and / or ABS Plastics Limited are requested to surrender the same at the Company's registered office at 6th Floor, ABS Towers, Old Padra Road, Vadodara - 390007 to get their share certificates with changed name of the Company i.e. INEOS Styrolution India Limited.

• **Unclaimed dividend**

Dividend declared for the year 2010 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.

- **Transfer of shares to IEPF**

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.
- **Bank details for the purpose of dividend**

Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI centers by crediting the dividend amount to the bank accounts of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under RBI centers, who have not furnished requisite information and who wish to avail of the NECS facility to receive dividend from the Company, may furnish the information to the Company or Link Intime India Private Limited, the registrar and share transfer agent. The Members holding shares in electronic form may furnish the information to their depository participants, for receiving dividend through NECS mechanism.
- **Trading Window**

In accordance with the code of conduct for prevention of insider trading adopted by the Company, the Company closes trading window for designated employees from time to time. As per policy, trading window is closed from the third day of the close of the quarter for which financial results are prepared and opened after 48 hours of conclusion of board meeting in which the financial results are approved. The trading window is also closed during and after occurrence of price sensitive events as per the code for prevention of insider trading.
- **Outstanding GDRs / ADRs / Warrants or any convertible instruments, likely to impact on equity as on 31 March 2018:**

Not issued.
- **Report on Corporate Governance**

The Company regularly submits the report to the stock exchanges, 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 plants.
- **Address for correspondence**

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

Shareholders may also contact CS. Haresh Khilnani, company secretary, head - legal and compliance, at the registered office of the Company for any assistance.

Email ID : 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.

CEO and CFO Certification

To
The Board of Directors
INEOS Styrolution India Limited

We, Sanjiv Vasudeva, managing director & chief executive officer of the Company and Sanjeev Madan, chief financial officer of the Company, to the best of our knowledge and belief, certify that:

- A.** We have reviewed financial statements and the cash flow statement and all the notes on accounts for the year ended on 31 March 2018;
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the audit committee;
- (i) No significant changes in internal control over financial reporting during the year;
 - (ii) No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) No instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 03 May 2018
Place: Vadodara

Mr. Sanjiv Vasudeva
Managing Director and CEO

Mr. Sanjeev Madan
Chief Financial Officer

**INDEPENDENT SECRETARIAL AUDITORS' CERTIFICATE ON
CORPORATE GOVERNANCE**

To,
The Members of
INEOS STYROLUTION INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance of INEOS STYROLUTION INDIA LIMITED ("the Company") for the year ended March 31, 2018, as stipulated in regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2018 as applicable.

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

For Devesh Vimal & Co.
Practising Company Secretaries

Date: 18 June 2018
Place: Vadodara

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

Industry Structure and Developments

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

Opportunities and Threats

The Government has made commendable progress in its reform-oriented action since it came to power in 2014. The year 2018 promises healthy and stable growth of Indian economy. The government thrust on development of rural and agricultural sectors, continued investments in infrastructure projects, implementation of GST and diminishing negative impacts of demonetization will accelerate economic growth leading to growth in demand of your Company's products.

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

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

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

Products

Your Company products including product of the amalgamated entity viz. General Purpose Poly Styrene and High Impact Poly Styrene, ABSOLAN and ABSOLAC continue to have a preferred market status amongst user industries such as automotive, construction, healthcare, household and electronics. With the acquisition of K Resin by INEOS Styrolution in Korea, we will now be in a position of promoting K-resin (SBC) in India. The successful launch of new products 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, including automotive, electronics, household, construction, healthcare, packaging and toys, sports & leisure. With best-in-class production technology, advanced R&D skills, Company is perfectly equipped to ensure the highest level of quality, efficiency and innovation.

Economic Outlook

The growth of your Company is closely linked to the growth of the Indian economy. For the economy to grow, it is imperative that there is an increase in public spending, which in turn will fuel demand for our products.

There is a sense of cautious optimism about the Indian economy, which is poised to accelerate in the current and next fiscal year. According to an IMF report, India's economy is forecast to grow to 7.4% in the current fiscal from 6.7% in Financial Year 2017-18 and accelerate further in Financial Year 2019-20 to 7.8%. There will be a gradual increase in India's growth rate as structural reforms raise potential output. The implementation of the goods and services tax will help reduce internal barriers to trade and will create a pan India common market of USD to trillion, increase efficiency and improve tax compliance. Fading impact of demonetization and an uptick in private investment are key market indicators.

The Government, in its last year of office, has set the ball rolling for facilitating investment, fostering innovation, enhancing skill development and generate new job opportunities under the 'Make In India' program.

Risks management report

Your directors wish to state that risk management and control practices have been deployed across all the functions and functional evaluation of rating probability and impact is being constantly monitored under the guidance of the managing director. Very high ranking risks are deliberated at the board level and mitigating steps and measures applied or to be applied are discussed.

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

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

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

Internal Control Systems and their adequacy

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

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

Financial performance with respect to operational performance

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

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

Our employees are our most important assets. We believe that the quality and level of service that our employees deliver is satisfactory.

As at 31 March 2018, the Company employed 535 permanent employees and 434 employees on contract basis. Our culture and reputation as a leader in the ABS industry enables us to recruit and retain some of the best available talent in India. Our human resource (HR) division acts both as a service provider and as a governance unit in the various employee-related fields of work. The scope of activity include attraction, selection and talent development and rewarding of employees, while also overseeing organizational leadership and culture and ensuring compliance with employment and various applicable labour laws. Company's HR fosters a **trusting and open culture** by promoting **mutual respect and fairness** throughout the entire organization.

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

Safety, Health & Environment ('SHE')

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

For and on behalf of the Board

18 June 2018
Vadodara

Stephen Mark Harrington
Chairman

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

Annexure - II to the Boards' Report Report on Corporate Social Responsibility

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

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

The key focus areas under CSR activities are 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 during the year include:

- Educational assistance in the form of scholarships, stationery and study kits, education to street children, training to teachers and assistance to schools adopted by them.
- Providing educational and infrastructural facilities for the development of street schools in and around vadodara. Building infrastructure such as roofs, sheds, washrooms, storage vaults, PA systems, play area etc. in primary schools located in the vicinity of Company's plants.
- Funding fully equipped medical instruments for eye surgery of patients at hospital near katol plant.
- Distribution of melamine dinner sets to the families located in the vicinity of Company's plants.
- Contribution to Chief Minister's Relief Fund and other civic welfare schemes such as Vadodara Traffic Education Trust (VTET), Vadodara.

Web link to the CSR Policy of the Company:

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

2. 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

3. Average net profit of the Company for the last three financial years: INR 7087.05 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): INR 141.74 lakhs

5. Details of CSR Spent during the financial year:

- Total amount spent for the financial year: INR 112.00 lakhs
- Amount unspent, if any: INR 29.74 lakhs
- Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads 1. Direct Expenditure on projects or programs 2. Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1.	Contribution for the educational facilities	Education and Vocational Skill Develop-ment	Benefit to 450 students located in the villages near by the Company plants	750,000	750,000	750,000	Implementing agency- Sindhu Sahit Navbharat Educational Trust, Vadodara
2.	Contribution for purchase of medical equipment for critical eye diseases operation	Promoting and preventive Healthcare	8 Hi -tech Instruments for Eye surgery to Hospital near Katol plant	1,000,000	1,000,000	1,000,000	Implementing agency- Shri Narayan Arogyadham

3.	Contribution for infrastructure facilities like Fabrication shed for boundary wall & Entrance Gate to schools near Moxi plant. Contribution for construction & renovation of washrooms for girls, roofing in schools near Nandesari and Moxi plants. Contribution for set up of Public Address System and basic facilities in schools near Moxi plant.	Infra-structure support, Poverty alleviation, promoting education and livelihood enhancement	Benefit to 3,109 students of 16 Schools near Nandesari and Moxi plants	3,850,000	3,850,000	3,850,000	Implementing agency- Mahavir Foundation
4.	Contribution for the flood hit victims of Gujarat	Promoting and preventive Healthcare	Vadodara	500,000	500,000	500,000	Implementing agency- Chief Ministers Relief Fund
5.	Contribution for the purchase of basic facilities for traffic control	Infra-structural support	Vadodara	500,000	500,000	500,000	Implementing agency- Vadodara Traffic Education Trust (VTET), Vadodara
6.	Distribution of kitchen ware	Infrastructural support and livelihood enhancement	4500 Families in Dahej Katol Moxi and Nandesari plants	4,800,000	1,198,900	1,198,900	Implementing agency- Mahavir Foundation
7.	Distribution of sanitary napkins along with disposal ovens	Preventive Health	Benefit to 1,000 females residents of Villages around savli area & Ashadeep centres	200,000	200,000	200,000	Implementing agency- Mahavir Foundation Trust
	Setting up of baby feeding booths at relevant public locations in Vadodara.	Preventive Health and Infrastructural support	2 booths at station/bus stands/areas frequented by women	200,000	200,000	200,000	
	Installation of 16 CCTV camera in schools	Infrastructural support	Benefit to 600 students at schools near Moxi plant	100,000	100,000	100,000	
	Installation of paver block in fabrication Shed	Infrastructural support	Benefit to 600 students at schools near Dodka	50,000	50,000	50,000	
8.	Construction of toilet blocks and hand wash facility for girls at schools.	Infrastructural support	Benefit to 1000-1200 students at schools near Moxi plant	450,000	450,000	450,000	Implementing agency- Rotary Club
9	Development of Garden Cum Green Belt area, Senior citizen's rejuvenation area, Children's play park, Building of borewell, Plantation of trees at Moxi Village.	Infrastructural support	Moxi village	2,600,000	-	-	Direct- In House arrangements
10	Purchase of equipment, providing infrastructural facilities and setting up of RO plant.	Infrastructural support	Industrial Training Institute in Tarsali and Gorwa	1,400,000	1,400,000	1,400,000	Direct
11	Providing scholarships and supporting educational facilities	Education and Vocational Skill Development	Vadodara	1,000,000	1,000,000	1,000,000	Implementing agency- Mahavir Foundation Trust

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

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

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

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

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

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

- The percentage increase in remuneration of managing director, chief financial officer and company secretary during the financial year 2017-18 and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18 is as below:

Sr. No.	Name of Director/ KMP with Designation	% increase in remuneration in the Financial Year 2017-18	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Sanjiv Vasudeva Managing Director and Chief Executive Officer.	67.33	42.30
2.	Mr. Bhupesh P. Porwal <i>Chief Financial Officer & Whole time Director (resigned w.e.f. 1 September 2017)</i> Mr. Nitin Duggal <i>Whole time Director (appointed w.e.f. 31 August 2017)</i> Mr. Sanjeev Madan <i>Chief Financial Officer (appointed w.e.f. 29 January 2018)</i>	46.57	13.30
3.	Mr. Haresh Khilnani Company Secretary, Head - Legal and Compliance	7	6.19

Note:

The independent directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. Other non-executive directors of the Company opted not to accept any sitting fees and commission. The details of remuneration of non-executive directors are provided in the corporate governance report. The ratio of remuneration and percentage increase for non-executive directors' remuneration is therefore not considered for the above purpose.

- The percentage increase in the median remuneration of employees for the financial year was around 25.38%.
- The Company had 469 permanent employees on the rolls of Company as on 31 March 2018.
- Average percentage increase in remuneration of employees and remuneration of managerial personnel was in the tune of 12%.
- It is affirmed that the remuneration is as per the remuneration policy of the Company.

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

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

Annexure - IV to the Boards' Report

Form AOC- 2

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

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

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

There were no contracts or arrangements or transactions entered in to during the year ended 31 March 2018 which were not at arm's length basis

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31 March 2018 is mention below;

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

Name(s) of the related party	Nature of relationship	Duration of the contracts	Salient terms	Amount (INR in Lakhs)	Date of approval by the Board
Purchase of raw materials					
INEOS Styrolution Korea Ltd.	Other related party	01 September 2012 ongoing	Based on transfer pricing guidelines	2,516.95	11 Nov 2016, 27 Oct 17 & 29 Jan 18
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	01 August 2013 ongoing	Based on transfer pricing guidelines	6,695.84	11 Nov 16 & 27 Oct 17
INEOS Styrolution Mexicana S.A. de	Other related party	01 June 2015 ongoing	Based on transfer pricing guidelines	21.03	11 Nov 16 & 27 Oct 17
INEOS Styrolution Europe GmbH	Other related party	01 March 2014 ongoing	Based on transfer pricing guidelines	1,855.63	11 Nov 16 & 27 Oct 17
				11,089.45	
Receiving of services					
INEOS Styrolution APAC Pte. Ltd.	Holding Company	01 May 2012 ongoing	Based on transfer pricing guidelines	2,170.96	11 Nov 16 & 27 Oct 17
INEOS Styrolution Group GmbH	Other related party	01 Jan 2012 ongoing	Based on transfer pricing guidelines	2,271.88	11 Nov 16, 26 May 17 & 27 Oct 17
				4,442.84	
Royalty					
INEOS Styrolution Group GmbH	Other related party	01 April 2015 ongoing	Based on transfer pricing guidelines	230.47	11 Nov 16
				230.47	
Rendering of services					
INEOS Styrolution Korea Ltd	Other related party	01 Jan 2013 ongoing	Based on transfer pricing guidelines	27.13	11 Nov 16 & 27 Oct 17
INEOS Styrolution Group GmbH	Other related party	01 Jan 2013 ongoing	Based on transfer pricing guidelines	198.09	11 Nov 16, 09 Aug 17 & 27 Oct 17
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	01 September 2013 ongoing	Based on transfer pricing guidelines	6.08	11 Nov 16 & 27 Oct 17
INEOS Styrolution APAC Pte. Ltd.	Holding Company	01 Jan 2013 ongoing	Based on transfer pricing guidelines	93.89	11 Nov 16 & 27 Oct 17
				325.19	
Sale of Goods					
INEOS Styrolution (Thailand) Co., Ltd.	Other related party	15 May 2017 onward	Based on transfer pricing guidelines	10.96	11 Nov 16
				10.96	
ECB Loan Taken					
INEOS Styrolution Group GmbH	Other related party	17 October 2017 onward	Based on transfer pricing guidelines	2,300.00	09 Aug 17
				2,300.00	
Interest on ECB					
INEOS Styrolution Group GmbH	Other related party	17 October 2017 onward	Based on transfer pricing guidelines	48.39	09 Aug 17
				48.39	

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

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

CONSERVATION OF ENERGY**A. Energy conservation measures taken:**

- (i) Efforts have been initiated to improve overall equipment efficiency of SAN, Rubber & Compounding plants.
- (ii) Power factor has been maintained high throughout the year by proper monitoring of the capacitor banks at Nandesari, Moxi and Katol plant.
- (iii) Continued use of steam condensate recovered from dryer section has resulted in the reduction of fuel and boiler feed water in Nandesari plant.
- (iv) Recycling of mother liquor in CWD section has reduced the water consumption and waste water at Nandesari plant.
- (v) Installation of ultra filtration plant prior to R. O. plant reducing the chemical consumption and water consumption in the process of generation of DM Water at Nandesari plant.
- (vi) Installation of screw air compressor with variable frequency drive has reduced the power consumption at Katol plant.
- (vii) Green energy generation on wind farms, total of 40 WTG (Wind Turbine Generator) located in Gujarat state.
- (viii) Revamping of Katol line 2 solvent recovery system has resulted in waste reduction.
- (ix) Change over from CFL to LED lights for street has resulted in energy savings in Dahej plant.

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

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

C. Capital investment on energy conservation equipment's.

Nil

TECHNOLOGY ABSORPTION**A. Efforts made towards technology absorption**

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

B. Expenditure incurred on Research and Development

	Particulars	(INR In Lakhs)
a)	Capital	112.38
b)	Recurring	238.13
c)	Total	350.52
d)	Total R & D expenditure as a percentage of : Gross turnover	0.18%
	: Net turnover	0.18%

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the financial year 2017-18:

Particulars	(INR In Lakhs)
Foreign exchange earned in terms of actual inflow	1,666.45
Foreign exchange outgo in terms of actual outflow (including value of imports on CIF basis)	1,36,708.85

Annexure - VI to the Boards' Report

FORM NO. MGT- 9

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

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March 2018

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

CIN	L25200GJ1973PLC002436
Registration Date	07.12.1973
Name of the Company	INEOS Styrolution India Limited
Category/Sub-category of the Company	- Company Limited by Shares (Public Company)
	- Indian Non- Government Company
Address of the registered office & contact details	6th Floor, ABS Towers, Old Padra Road, Vadodara -390 007, Gujarat. Tel.No.: +91 265 2303201/02 Fax No: +91 265 2303203 E mail: 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, Gujarat-390020 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	Specialties	2013	71
2	Polystyrene	2013	29

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

Category of shareholders	No. of shares held at the beginning of the year [As on 31-March-2017]				No. of shares held at the end of the year[As on 31-March-2018]				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) Individuals (Non Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corp.	13,189,218	-	13,189,218	75.000	13,189,218	-	13,189,218	75.000	0.000
c) Institutions	-	-	-	-	-	-	-	-	-
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	13,189,218	-	13,189,218	75.000	13,189,218	-	13,189,218	75.000	0.000
Total shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	13,189,218	-	13,189,218	75.000	13,189,218	-	13,189,218	75.000	0.000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	740,067	1,800	741,867	4.219	974,038	1,750	975,788	5.549	1.331
b) Banks / FI	4,378	2,650	7,028	0.040	4,540	2,650	7,190	0.041	0.001
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	0	50	50	0.000	0	50	50	0.000	0
g) Foreign Institutes/ Portfolio Investors	74,211	100	74,311	0.423	128,728	100	128,828	0.733	0.310
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
UTI	0	1,355	1,355	0.007	0	5	5	0.000	(0.008)
Sub-total (B)(1):-	818,656	5,955	824,611	4.689	1,107,306	4,555	1,111,861	6.323	1.634
2. Central Government/ State Government(s)/ President of India									
(a) Central Government / State Government(s)	0	0	0	0	25,821	0	25,821	0.147	0.147
Sub-total (B)(2):-	0	0	0	0	25,821	0	25,821	0.147	0.147
3. Non-Institutions									
a) Bodies Corp.									
i) Indian	500,971	5,375	506,346	2.880	499,442	3,975	503,417	2.863	(0.017)
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of shares held at the beginning of the year [As on 31-March-2017]				No. of shares held at the end of the year[As on 31-March-2018]				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,188,239	225,890	2,414,129	13.728	1,985,839	192,073	2,177,912	12.385	(1.3433)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	316,146	0	316,146	1.8	323,748	0	323,748	1.841	0.043
c) Others (specify)									-
HUF	135,417	0	135,417	0.77	116,411	0	116,411	0.662	(0.108)
Non Resident Indians (Repat)	87,284	750	88,034	0.501	67,195	250	67,445	0.383	(0.117)
Non Resident Indians (Non-Repat)	50,493	0	50,493	0.288	47091	0	47091	0.268	(0.019)
Clearing Members	61,231	0	61,231	0.350	22701	0	22701	0.129	(0.219)
Sub-total (B)(2):-	3,339,781	232,015	3,571,796	20.312	3,062,427	196,298	3,258,725	18.531	(1.780)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4,158,437	237,970	4,396,407	25.000	4195554	200853	4396407	25.000	0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	17,347,655	237,970	17,585,625	100.00	17,384,722	200,853	17,585,625	100.00	0.000

(ii) Shareholding of Promoter-

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

(iii) Change in Promoters' Shareholding: No change

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Date wise increase / decrease in shareholding during the year			Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
1	INEOS Styrolution APAC Pte. Ltd.	13,189,218	75.000	01 Apr 2017	-	-	13,189,218	75.000
	At the end of the year			31 Mar 2018	-	-	13,189,218	75.000

INEOS Styrolution India Limited

(iv) Shareholding pattern of top ten shareholders:

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

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Date wise increase / decrease in shareholding during the year			Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase / Decrease	No. of shares	No. of shares	% of total shares of the company
1.	RELIANCE CAPITAL TRUSTEE CO. LTD - A/C RELIANCE SMALL CAP FUND	693,095	3.9413	01 Apr 2017	-	-	693,095	3.9413
		-	-	26 Jan 2018	Sale	(4072)	689,023	3.9181
	At the end of the year	-	-	31 Mar 2018	-	-	689,023	3.9181
2.	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES VI	46,972	0.2671	01 Apr 2017	-	-	46,972	0.2671
		-	-	05 May 2017	Purchase	2	46,974	0.2671
		-	-	30 Jun 2017	Purchase	4,321	51,295	0.2917
		-	-	14 Jul 2017	Purchase	12,277	63,572	0.3615
		-	-	21 Jul 2017	Purchase	24,558	88,130	0.5011
		-	-	28 Jul 2017	Purchase	3,100	91,230	0.5188
		-	-	04 Aug 2017	Purchase	850	92,080	0.5236
		-	-	18 Aug 2017	Purchase	1,450	93,530	0.5319
		-	-	25 Aug 2017	Purchase	1,350	94,880	0.5395
		-	-	08 Sep 2017	Purchase	16,038	110,918	0.6307
		-	-	15 Sep 2017	Purchase	8,062	118,980	0.6766
		-	-	29 Sep 2017	Purchase	2,110	121,090	0.6886
		-	-	03 Nov 2017	Purchase	1,306	122,396	0.6960
		-	-	01 Dec 2017	Purchase	410	122,806	0.6983
		-	-	16 Feb 2018	Purchase	6,648	129,454	0.7361
		-	-	23 Feb 2018	Purchase	7,242	136,696	0.7773
		-	-	02 Mar 2018	Purchase	3,190	139,886	0.7955
		-	-	09 Mar 2018	Purchase	6,985	146,871	0.8352
		-	-	16 Mar 2018	Purchase	397	147,268	0.8374
		-	-	23 Mar 2018	Purchase	1,500	148,768	0.8460
		-	-	31 Mar 2018	Purchase	26,238	175,006	0.9952
	At the end of the year	-	-	31 Mar 2018	-	-	175,006	0.9952
3.	V C JHAVERI REALTY PVT LTD	165,792	0.9428	01 Apr 2017	-	-	165,792	0.9428
		-	-	06 Oct 2017	Purchase	100	165,892	0.9433
		-	-	31 Mar 2018	Purchase	1,209	167,101	0.9502
	At the end of the year	-	-	31 Mar 2018	-	-	167,101	0.9502
4.	IDFC BALANCED FUND	0	0.0000	01 Apr 2018	-	-	0	0.0000
		-	-	07 Jul 2017	Purchase	6,631	6,631	0.0377
		-	-	14 Jul 2017	Purchase	3,011	9,642	0.0548
		-	-	21 Jul 2017	Purchase	14,358	24,000	0.1365

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Date wise increase / decrease in shareholding during the year			Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
				18 Aug 2017	Purchase	35,388	59,388	0.3377
				25 Aug 2017	Purchase	6,800	66,188	0.3764
				03 Nov 2017	Purchase	10,000	76,188	0.4332
				09 Mar 2018	Sale	(40,800)	35,388	0.2012
				16 Mar 2018	Purchase	40,800	76,188	0.4332
	At the end of the year	-	-	31 Mar 2018	-	-	76,188	0.4332
5.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	50,000	0.2843	01 Apr 2017	-	-	50,000	0.2843
	At the end of the year	-	-	31 Mar 2018	-	-	50,000	0.2843
6.	DHANANJAY CHAMPAKLAL JHAVERI	43,582	0.2478	01 Apr 2017	-	-	43,582	0.2478
		-	-	30 Jun 2017	Purchase	1,000	44,582	0.2535
		-	-	07 Jul 2017	Purchase	762	45,344	0.2578
		-	-	06 Oct 2017	Purchase	214	45,558	0.2591
	At the end of the year	-	-	31 Mar 2018	-	-	45,558	0.2591
7.	IDBI SMALL CAP FUND	0	0.0000	01 Apr 2016	-	-	29,326	0.1668
		-	-	14 Jul 2017	Purchase	7,234	7,234	0.0411
		-	-	11 Aug 2017	Purchase	4,610	11,844	0.0674
		-	-	01 Sep 2017	Purchase	3,120	14,964	0.0851
		-	-	08 Sep 2017	Purchase	2,892	17,856	0.1015
		-	-	03 Nov 2017	Purchase	2,354	20,210	0.1149
		-	-	10 Nov 2017	Purchase	3,307	23,517	0.1337
		-	-	17 Nov 2017	Purchase	5,304	28,821	0.1639
		-	-	24 Nov 2017	Purchase	5,000	33,821	0.1923
	At the end of the year	-	-	31 Mar 2018	-	-	33,821	0.1923
8.	RAJASTHAN GLOBAL SECURITIES PVT LTD	11,681	0.0664	01 Apr 2017	-	-	11,681	0.0664
		-	-	14 Apr 2017	Purchase	8,039	19,720	0.1121
		-	-	21 Apr 2017	Purchase	4,170	23,890	0.1358
		-	-	12 May 2017	Purchase	5,808	29,698	0.1689
		-	-	19 May 2017	Purchase	500	30,198	0.1717
		-	-	07 Jul 2017	Purchase	500	30,698	0.1746
		-	-	04 Aug 2017	Sale	(1,324)	29,374	0.1670
		-	-	11 Aug 2017	Sale	(78)	29,296	0.1666
		-	-	18 Aug 2017	Sale	(145)	29,151	0.1658
		-	-	13 Oct 2017	Sale	(2,927)	26,224	0.1491
		-	-	12 Jan 2018	Purchase	4,361	30,585	0.1739
		-	-	19 Jan 2018	Purchase	1,866	32,451	0.1845
		-	-	26 Jan 2018	Purchase	248	32,699	0.1859
	At the end of the year	-	-	31 Mar 2018	-	-	32,699	0.1859

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date wise increase / decrease in shareholding during the year			Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
9.	DIMENSIONAL EMERGING MARKETS VALUE FUND	29,326	0.1668	01 Apr 2017	-	-	29,326	0.1668
		-	-	25 Aug 2017	Purchase	1,499	30,825	0.1753
		-	-	22 Sep 2017	Purchase	799	31,624	0.1798
	At the end of the year	-	-	31 Mar 2018	-	-	31,624	0.1798
10.	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY	23,441	0.1333	01 Apr 2017	-	-	23,441	0.1333
		-	-	10 Nov 2017	Purchase	713	24,154	0.1374
		-	-	17 Nov 2017	Purchase	723	24,877	0.1415
		-	-	24 Nov 2017	Purchase	848	25,725	0.1463
		-	-	08 Dec 2017	Purchase	1,630	27,355	0.1556
		-	-	15 Dec 2017	Purchase	730	28,085	0.1597
		-	-	29 Dec 2017	Purchase	2,092	30,177	0.1716
		-	-	12 Jan 2018	Purchase	728	30,905	0.1757
	At the end of the year	-	-	31 Mar 2018	-	-	30,905	0.1757

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

V. INDEBTEDNESS

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

(INR In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,925.12	6,940.29	-	20,865.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.45	10.69	-	21.14
Total (i+ii+iii)	13,935.57	6,950.98	-	20,886.55
Change in Indebtedness during the financial year				
* Addition	-	816.99	-	816.99
* Reduction	(11,263.08)	-	-	(11,263.08)
Net Change	(11,263.08)	816.99	-	(10,446.09)
Indebtedness at the end of the financial year				
i) Principal Amount	2,666.12	7,700.00	-	10,366.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.37	67.97	-	74.34
Total (i+ii+iii)	2,672.49	7,767.97	-	10,440.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(INR In Lakhs)

SN.	Particulars of Remuneration	Mr. Sanjiv Vasudeva	Mr. Bhupesh P. Porwal*	Mr. Nitankumar Duggal**	Total
		MD and CEO	WTD and CFO	WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	234.51	50.96	69.62	355.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- Others specify...				
5	Others, please specify				
	- Performance Bonus	56.26	-	7.94	64.20
	- Retirals	7.74	1.04	1.92	10.70
	- LTI (three years rolling period)	15.00	4.70	-	19.70
	- Medical Plan	0.10	0.10	0.10	0.30
	Total (A)	242.35	52.10	71.64	366.09
	Ceiling as per the Act	As per the limits of the Act and as approved by the Central Government.			

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

*The remuneration details for Mr. Bhupesh P. Porwal is for his tenure of five months i.e. from 01 April 2017 to 31 August 2017.

** The remuneration details for Mr. Nitankumar Duggal is for his tenure of seven months i.e. from 31 August 2017 to 31 March 2018.

B. Remuneration to other directors

(INR In Lakhs)

Sr. No.	Particulars of remuneration	Name of Directors			Total Amount
		Jal R. Patel	Anil Shankar	Ryna Karani	
1.	Independent directors				
	Fee for attending board committee meetings	5.6	5.6	4.0	15.2
	Commission	7.5	7.5	7.5	22.5
	Others, please specify	-	-	-	-
	Total (1)	13.1	13.1	11.5	37.7
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)				37.7
	Total Managerial Remuneration				388.59#
	Overall Ceiling as per the Act	Overall ceiling as per Companies Act 2013 is not applicable to sitting fees.			

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

Exclusive of sitting fees paid to independent directors.

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

(INR In Lakhs)

Sr. No.	Particulars of Remuneration	Company Secretary	CFO	Total
		Haresh Khilnani	Sanjeev Madan*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34.32	11.90	46.22
	(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	6.86	-	6.86
	- Retirals	4.32	0.54	4.86
	- Medical Plan	0.10	0.10	0.20
	Total	45.50	12.54	58.04

* The Salary details for Mr. Sanjeev Madan is for two months i.e. from 29 January 2018 to 31 March 2018

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 Boards' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

[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
6th Floor, ABS Towers, Old Padra Road
Vadodara, Gujarat – 390 007

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

Based on our verification of the INEOS STYROLUTION INDIA LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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;
 - (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, 1998;

(vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, **on test check basis, we further report that** the Company has complied with the following laws applicable specifically to the Company:

1. The Environment (Protection) Act, 1986
2. The Air (Prevention And Control of Pollution) Act, 1981
3. The Water (Prevention and Control of Pollution) Act, 1974
4. The Hazardous Wastes (Management and Handling) Rules, 1989
5. Indian Boiler Regulations Act, 1950

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd. 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, 2009 and
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable during the audit period.
- (b) The Company has neither got delisted Equity Shares nor bought back any security of the Company and accordingly
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 were not applicable during the audit period.

-
- (c) The Company obtained approval of members through Postal Ballot (including e-voting) on 30th October, 2017 by way of Special Resolution in respect of (i) authority of Directors to borrow upto Rs. 100 Crores pursuant to Section 180(1)(c) of the Companies Act, 2013 and (ii) appointment of Mr. Nitankumar Duggal as a Whole Time Director.
- (d) As informed to us, in view of delayed receipt of disclosure from the then promoter [Styrolution (Jersey) Ltd., UK] as required under the SEBI (Prohibition of Insider Trading) Regulations, 1992 ('the Regulations'), the Company could file the requisite disclosures under the Regulations with stock exchanges on 24th June, 2013 with a delay of 27 days causing non compliance under Regulation 13(6) of the Regulations. On application being made to Securities and Exchange Board of India (SEBI) in terms of SEBI's order dtd. 19.03.2018, the Company made payment of settlement fees amounting to Rs. 8,94,453.

Date: 18 June 2018
Place: Vadodara

For Devesh Vimal & Co.
Practising Company Secretaries

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

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

18 June 2018

To,
The Members,
INEOS STYROLUTION INDIA LIMITED
6th Floor, ABS Towers, Old Padra Road,
Vadodara, Gujarat – 390 007

Ref: Secretarial Audit Report dated 18th June, 2018 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

For Devesh Vimal & Co.
Practising Company Secretaries

CS Devesh A. Pathak
Partner

FCS No. 4559
CP No.: 2306

Independent Auditors' Report

TO THE MEMBERS OF INEOS Styrolution India Limited

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

1. We have audited the accompanying Ind AS financial statements of **INEOS Styrolution India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Independent Auditors' Report (Continued)

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Ind AS 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 36;
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2018;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018; and
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Place: Vadodara
Date: May 15, 2018

Pankaj Khandelia
Partner
Membership Number: 102022

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the IND AS financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of INEOS Styrolution India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Independent Auditors' Report (Continued)

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Vadodara
Date: May 15, 2018

Pankaj Khandelia
Partner
Membership Number: 102022

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of INEOS Styrolution India Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

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

Name of entity on the title deed	Category of Asset	Total Number of Agreements	Net Block Value (in INR Lakhs)
INEOS ABS (India) Limited (*)	Freehold Land	1	24.87
Lanxess ABS Limited	Leasehold Land	1	129.74
Styrolution India Private Limited	Leasehold Land	1	75.53
Lanxess ABS Limited (*)	Building	2	12.66
Total		5	242.80

(*) The Company has made application for transferring property in its name.

- ii. The physical verification of inventory excluding stocks lying with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

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

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, value added tax, sales tax, service tax, duty of customs and duty of excise duty as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Fringe Benefits Tax	0.13	AY 2006-07	ITAT
The Income Tax Act, 1961	Income Tax	1,311.46	AY 2010-11 to 2015-16	Commissioner of Income Tax (A)
The Central Sales Tax Act, 1956	Sales Tax	87.79	2002 to 2004	Joint Commissioner Commercial Tax
The Central Excise Act, 1944	Excise Duty	25.56	April 2009 to March 2015	CESTAT
The Central Excise Act, 1944	Excise Duty	9.86	June 2011 to December 2011	The Assistant Commissioner, Central Excise
Finance Act, 1994	Service Tax	1,798.91	July 2006 to June 2016	CESTAT
Finance Act, 1994	Service Tax	39.55	January 2006 to June 2016	Commissioner Central Excise (A)
Finance Act, 1994	Service Tax	0.49	March 1996	The Deputy Commissioner, Central Excise
Finance Act, 1994	Service Tax	9.82	September 2000 to February 2003	The Joint Commissioner, Central Excise
The Customs Tariff Act, 1975	Customs duty	39.28	2011-12	CESTAT
The Central Excise Act, 1944	CVD claimed as credit as per exemption under DEPB Scheme	1,321.87	January 2005 to December 2011	Commissioner, Central GST and Central Excise

- 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 banks as at the balance sheet date. The Company did not have any outstanding loans or borrowings to any financial institution or Government or debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

-
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Place: Vadodara
Date: May 15, 2018

Pankaj Khandelia
Partner
Membership Number: 102022

INEOS Styrolution India Limited

BALANCE SHEET

as at March 31, 2018

INR in Lakhs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	21,373.39	21,903.86
(b) Capital Work-in-progress	2	1,528.63	1,768.85
(c) Financial assets			
(i) Investments	3	80.28	85.35
(ii) Loans	4	647.54	548.06
(iii) Other financial assets	5	24.29	22.77
(d) Non-current tax assets	24	1,078.51	2,584.99
(e) Other non-current assets	6	14,172.04	389.23
Total non-current assets		38,904.68	27,303.11
2 Current assets			
(a) Inventories	7	29,989.22	31,953.27
(b) Financial assets			
(i) Trade receivables	8	24,491.59	22,245.83
(ii) Cash and cash equivalents	9	4,009.24	1,582.14
(iii) Bank balance other than (ii) above	10	29.70	28.93
(iv) Loans	11	307.17	24.73
(v) Other financial assets	12	4.07	-
(c) Other current assets	13	7,608.52	21,827.18
Total current assets		66,439.51	77,662.08
TOTAL ASSETS		1,05,344.19	1,04,965.19
B EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,758.56	1,758.56
(b) Other equity	15	62,693.23	56,946.26
Total Equity		64,451.79	58,704.82
Liabilities			
1 Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,300.00	-
(ii) Other financial liabilities	16	97.82	163.41
(b) Provisions	17	805.25	475.20
(c) Employee benefit obligations	18	369.89	307.90
(d) Deferred tax liabilities (net)	24	1,983.87	2,248.98
Total non-current liabilities		5,556.83	3,195.49
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	8,093.40	20,886.55
(ii) Trade payables	20	25,341.26	18,869.86
(iii) Other financial liabilities	21	969.72	2,511.09
(b) Employee benefit obligations	22	177.11	200.37
(c) Current tax liabilities	24	46.82	212.91
(d) Other current liabilities	23	707.26	384.10
Total current liabilities		35,335.57	43,064.88
Total liabilities		40,892.40	46,260.37
TOTAL EQUITY AND LIABILITIES		1,05,344.19	1,04,965.19

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

As per our attached report of even date.

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

Pankaj Khandelia
Partner
Membership No.102022

Place : Vadodara
Date : May 15, 2018

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

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Nitan Duggal
Whole-time Director
DIN 07872778

Jal R. Patel
Director
DIN 00065021

Sanjeev Madan
CFO

Anil Shankar
Director
DIN 02143156

Haresh Khilnani
Company Secretary

Place : Vadodara
Date : May 15, 2018

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from operations	25	1,95,068.55	1,66,918.41
II. Other income	26	691.72	406.76
III. Total income (I+II)		1,95,760.27	1,67,325.17
IV. Expenses			
Cost of materials consumed	27	1,43,239.30	1,15,382.90
Changes in inventories of finished goods and work-in-progress	28	3,452.18	(7,231.73)
Excise duty		5,534.55	18,683.65
Employee benefits expense	29	5,494.22	5,036.91
Finance costs	30	1,367.75	1,367.05
Depreciation and amortisation expense	2	2,535.90	2,527.04
Other expenses	31	23,823.27	21,529.76
Total expenses (IV)		1,85,447.17	1,57,295.58
V. Profit before tax (III - IV)		10,313.10	10,029.59
VI. Tax expense:	24		
Current tax		3,940.36	2,957.14
Deferred tax (credit) / charge		(249.80)	457.14
Tax expense relating to earlier years		-	668.55
MAT credit (entitlement) relating to earlier years		-	(981.22)
Total tax expense (VI)		3,690.56	3,101.61
VII. Profit for the year (V - VI)		6,622.54	6,927.98
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	38	(44.25)	(68.17)
Income tax relating to remeasurements of defined benefit plans		15.31	23.59
Total other comprehensive income, net of tax		(28.94)	(44.58)
IX. Total comprehensive income for the year (VII + VIII)		6,593.60	6,883.40
X. Earnings per equity share (Face Value INR 10 each)	32		
Basic (INR)		37.66	39.40
Diluted (INR)		37.66	39.40

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

As per our attached report of even date.

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

Pankaj Khandelja
Partner
Membership No.102022

Place : Vadodara
Date : May 15, 2018

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

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Nitan Duggal
Whole-time Director
DIN 07872778

Jal R. Patel
Director
DIN 00065021

Sanjeev Madan
CFO

Anil Shankar
Director
DIN 02143156

Hareesh Khilnani
Company Secretary

Place : Vadodara
Date : May 15, 2018

STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from operating activities :			
Profit before tax		10,313.10	10,029.59
Adjustments for :			
Depreciation and amortisation expense	2	2,535.90	2,527.04
Interest Income on deposits	26	(8.02)	(11.86)
Interest Income - others	26	(408.24)	(126.82)
(Gain) / Loss on fair valuation of investment	26	5.07	(33.41)
Finance costs	30	1,367.75	1,367.05
Net exchange differences		89.97	(616.90)
Profit on disposal of property, plant and equipment (net)	26	-	(22.11)
Loss on property, plant and equipment sold/discarded (net)	31	211.27	-
Dividend on non-current quoted investment	26	(0.30)	-
Allowance for doubtful debts (net) (Refer Note 34)	31	155.27	51.96
		<u>3,948.67</u>	<u>3,134.95</u>
Operating profit before change in operating assets and liabilities		14,261.77	13,164.54
Adjustments for :			
(Increase)/decrease in inventories	7	1,964.05	(12,725.71)
(Increase)/decrease in trade receivables		(2,400.69)	99.77
(Increase)/decrease in bank balance other than cash and cash equivalents	10	(0.77)	(2.11)
(Increase)/decrease in loans	4, 11	(381.92)	(4.00)
(Increase)/decrease in other financial assets	5, 12	(5.59)	(3.94)
(Increase)/decrease in other non-current assets		(13,203.32)	(243.59)
(Increase)/decrease in other current assets	13	14,218.66	(1,663.74)
Increase/(decrease) in trade payables	20	6,422.03	3,280.79
Increase/(decrease) in other financial liabilities		(1,622.05)	(1,808.64)
Increase/(decrease) in provisions	17	330.05	423.20
Increase/(decrease) in employee benefit obligations		(5.52)	27.26
Increase/(decrease) in other current liabilities	23	323.16	(46.44)
		<u>5,638.09</u>	<u>(12,667.15)</u>
Cash generated from operations		19,899.86	497.39
Taxes paid (net of refund)		(2,599.96)	(2,053.38)
Net cash inflow/(outflow) from operating activities		17,299.90	(1,555.99)
B Cash flow from investing activities :			
Payments for property, plant and equipment		(2,580.67)	(1,681.81)
Proceeds from disposal of property, plant and equipment		32.54	37.04
Proceeds from sale of investments		-	500.00
Payments for purchase of investments		-	(500.00)
Interest Income on deposits		15.82	11.86
Interest Income - others	26	408.24	126.82
Dividend on non-current quoted investment	26	0.30	-
Net cash outflow from investing activities		(2,123.77)	(1,506.09)

STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
C Cash flow from financing activities :			
Proceeds/(repayment) of current borrowings		(12,840.23)	4,443.67
Proceeds/(repayment) of non current borrowings		2,300.00	-
Interest paid		(1,362.94)	(1,405.45)
Dividend on equity shares (including dividend distribution tax)		(845.86)	(844.52)
Net cash inflow/(outflow) from financing activities		(12,749.03)	2,193.70
Net increase/(decrease) in cash and cash equivalents		2,427.10	(868.38)
Cash and cash equivalents at the beginning of the year	9	1,582.14	2,450.52
Cash and cash equivalents at end of the year	9	4,009.24	1,582.14

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 112.00 Lakhs (March 31, 2017: INR 124.27 Lakhs) being expenditure towards Corporate Social Responsibility.
- Net Debt Reconciliation

INR in Lakhs				
Particulars	Cash and cash equivalents	Non-current Borrowings	Current Borrowings	Total
Net debt as at March 31, 2017	1,582.14	-	(20,886.55)	(19,304.41)
Cash flows	2,427.10	(2,300.00)	12,840.23	12,967.33
Foreign exchange adjustments	-	-	(40.94)	(40.94)
Interest expense	-	(48.39)	(1,367.75)	(1,416.14)
Interest paid	-	1.33	1,361.61	1,362.94
Net debt as at March 31, 2018	4,009.24	(2,347.06)	(8,093.40)	(6,431.22)

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

As per our attached report of even date.

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

Pankaj Khandelja
Partner
Membership No.102022

Place : Vadodara
Date : May 15, 2018

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

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Nitan Duggal
Whole-time Director
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Jal R. Patel
Director
DIN 00065021

Sanjeev Madan
CFO

Anil Shankar
Director
DIN 02143156

Haresh Khilnani
Company Secretary

Place : Vadodara
Date : May 15, 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

INR in Lakhs

(a) Equity share capital

Particulars	Note No.	Amount
As at March 31, 2016		1,758.56
Changes in Equity share capital during the year	14	-
As at March 31, 2017		1,758.56
Changes in Equity share capital during the year	14	-
As at March 31, 2018		1,758.56

(b) Other equity

Particulars	Note No.	Reserves and surplus					
		Capital reserve	Securities premium reserve	Surplus on capital reduction	General reserve	Retained earnings	Total
Balance at March 31, 2016		0.14	4,328.39	134.39	5,155.95	41,290.62	50,909.49
Profit for the year		-	-	-	-	6,927.98	6,927.98
Remeasurements of post-employment benefit obligation, net of tax	15	-	-	-	-	(44.58)	(44.58)
Total comprehensive income for the year		-	-	-	-	6,883.40	6,883.40
Transaction with owners in their capacity as owners:							
Dividend paid (including dividend distribution tax)	15	-	-	-	-	(846.63)	(846.63)
Balance at March 31, 2017		0.14	4,328.39	134.39	5,155.95	47,327.39	56,946.26
Profit for the year		-	-	-	-	6,622.54	6,622.54
Remeasurements of post-employment benefit obligation, net of tax	15	-	-	-	-	(28.94)	(28.94)
Total comprehensive income for the year		-	-	-	-	6,593.60	6,593.60
Transaction with owners in their capacity as owners:							
Dividend paid (including dividend distribution tax)	15	-	-	-	-	(846.63)	(846.63)
Balance at March 31, 2018		0.14	4,328.39	134.39	5,155.95	53,074.36	62,693.23

The above statement of change in Equity should be read in conjunction with the accompanying notes.

As per our attached report of even date.

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

Pankaj Khandelia
 Partner
 Membership No.102022

 Place : Vadodara
 Date : May 15, 2018

**For and on behalf of the Board of Directors of
 INEOS Styrolution India Limited**
Stephen Mark Harrington
 Chairman
 DIN 07131679

Sanjiv Vasudeva
 Managing Director & CEO
 DIN 06570945

Nitan Duggal
 Whole-time Director
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Jal R. Patel
 Director
 DIN 00065021

Sanjeev Madan
 CFO

Anil Shankar
 Director
 DIN 02143156

Haresh Khilnani
 Company Secretary

 Place : Vadodara
 Date : May 15, 2018

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2018

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.

(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 33);
- defined benefit plans – plan assets measured at fair value (refer note 38).

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(c) Revenue recognition

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)for the year ended March 31, 2018

(d) Income tax

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

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

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

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

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

(e) Leases**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to 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.

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) Trade receivables

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

(i) Inventories

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

Work-in-progress and finished goods stock is valued at cost and net realisable value whichever is lower. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Goods-in-transit are valued at cost to date.

(j) Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Measurement

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

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

Equity instruments

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset.

(k) Derivatives

Derivatives are taken as the hedging instrument by the Company.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

(l) Offsetting financial instruments

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

(m) Property, plant and equipment

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

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

Depreciation methods and estimated useful lives:

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

Asset category	Estimated useful life
Lease hold land	99 Years
Building (*)	30 Years
Road (*)	10 Years
Plant & Machinery (*)	3-21 Years
Furniture & Fixtures (*)	6-16 Years
Office Equipment (*)	3-5 Years
Vehicles (*)	8-10 Years

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

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

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

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

(n) Trade and other payables

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

(o) Borrowings

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

(p) Borrowing costs

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

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

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

(q) Provisions and contingent liabilities:

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

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

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

(r) Employee benefits

Current employee benefits obligations:

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are classified as current employee benefits and are recognised in the Statement of Profit and Loss as an expense and are presented as current employee benefit obligations in the Balance sheet at the undiscounted amount on an accrual basis.

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

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

Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

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

(s) Contributed equity

Equity shares are classified as equity.

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

(t) Dividends

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

(u) Earnings per share

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

(v) Rounding of amounts

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

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

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28 March 2018. Relevant disclosures required by Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors for new Ind AS/amendments issued but not yet effective are as follows:

i. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales.

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 (m) and Note 2

Estimated defined benefit obligation - Refer Note 1 (r) and Note 38

Allowance for doubtful debts - Refer Note 1 (h), 1 (j) (iii) and Note 34

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Note - 2

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

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

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

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

Notes

- 1) Immovable properties having Gross Block of INR 327.59 Lakhs (March 31, 2017 - INR 366.45 Lakhs) and Net Block of INR 242.80 Lakhs (March 31, 2017 - INR 274.61 Lakhs) is yet to be transferred in the name of the company.
- 2) Refer to note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 3) Capital work-in-progress mainly comprises of new plant and machinery and Furnitures & fixtures.
- 4) Capital work-in-progress includes borrowing cost of INR 40.58 Lacs (net of interest income of INR 7.81 Lacs) (March 31, 2017 - Nil)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Note - 3		
Investments		
Investments in equity shares accounted at fair value through profit and loss (fully paid-up)		
Quoted		
25,000 equity shares of Bank of Baroda of face value INR 2 each fully paid- up (March 31, 2017: 25,000)	35.58	43.24
13,900 equity shares of Supreme Petrochem Ltd. of face value INR 10 each fully paid-up (March 31, 2017: 13,900)*	44.70	42.11
Total	80.28	85.35
Aggregate market value of quoted investments	80.28	85.35
Total	80.28	85.35

*The Company is in the process of registering the shares in its name.

Note - 4		
Loans		
Non-current		
Unsecured, considered good		
Loan to employees	9.65	10.25
Security deposits for utilities and premises	637.89	537.81
Total	647.54	548.06

Note - 5		
Other financial assets		
Non- current		
Bank deposits*	24.29	22.77
Total	24.29	22.77

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

Note - 6		
Other assets		
Non- current		
Balances with government authorities	13,267.19	63.87
Deposit *	250.00	250.00
Capital advances	654.85	75.36
Total	14,172.04	389.23

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Note - 7		
Inventories *		
Raw materials	16,383.96	14,875.85
Raw materials (goods-in-transit)	1,446.86	1,716.40
	17,830.82	16,592.25
Work-in-progress	4,474.59	3,737.80
Finished goods	6,378.79	10,567.76
Stores and spares	1,186.67	906.41
Packing materials	118.35	149.05
Total	29,989.22	31,953.27

* Goods in transit at cost to date and others at cost and net realisable value whichever is lower.

* Refer Note 19 for inventories pledged as security for borrowings.

* Write-downs / (write back) of inventories amounted to INR (16.35 Lacs) (March 31, 2017 — Nil). These were recognised as an expense during the year and included in 'changes in value of inventories of finished goods and work-in-progress' in Statement of profit and loss.

Note - 8

Trade receivables

Considered good - unsecured	24,491.59	22,245.83
Considered doubtful - unsecured	1,028.41	909.99
	25,520.00	23,155.82
Less: Allowance for doubtful debts (Refer note 34 (i))	1,028.41	909.99
Total	24,491.59	22,245.83
Receivables from related parties (Refer Note 39)	89.26	59.29
Receivables from others	24,402.33	22,186.54
Total	24,491.59	22,245.83

Note - 9

Cash and cash equivalents

Balances with bank		
In current accounts	4,008.11	1,580.99
Cash on hand	1.13	1.15
Total	4,009.24	1,582.14

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Note - 10		
Bank balances other than Cash and cash equivalents above		
Earmarked balances with banks		
In unclaimed dividend account	29.70	28.93
Total	29.70	28.93
Note - 11		
Loans		
Current		
(Unsecured, Considered good)		
Loans to employees	30.78	24.73
Security deposits for utilities	276.39	-
Total	307.17	24.73
Note - 12		
Other financial assets		
Current		
Derivative - Foreign Exchange Forward Contracts	4.07	-
Total	4.07	-
Note - 13		
Other assets		
Current		
Balance with government authorities	6,789.95	20,595.49
Advances for supply of goods	531.45	1,169.26
Advances to employees	0.38	4.35
Prepaid expenses	72.87	58.08
Other Receivables*	213.87	-
Total	7,608.52	21,827.18

* Receivable from MGVCCL in respect of windmill credit.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Note - 14

Equity share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	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	As at March 31, 2018		As at March 31, 2017	
	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

Name of shareholder	Relationship	As at March 31, 2018	As at March 31, 2017
INEOS Styrolution APAC Pte Ltd.	Holding company	1,31,89,218	1,31,89,218

b) Rights, preferences and restrictions attached to shares

Equity Shares

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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Perce- ntage	No. of shares	Perce- ntage
INEOS Styrolution APAC Pte Ltd.	1,31,89,218	75.00%	1,31,89,218	75.00%

d) Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back during five years immediately preceding March 31, 2018.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Note - 15
Other equity

Particulars	Reserves and surplus					Total
	Capital reserve	Securities premium reserve	Surplus on capital reduction	General reserve	Retained earnings	
Balance at March 31, 2016	0.14	4,328.39	134.39	5,155.95	41,290.62	50,909.49
Profit for the year	-	-	-	-	6,927.98	6,927.98
Other comprehensive income for the year						
Items of OCI recognised directly in retained earnings						
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(44.58)	(44.58)
Total comprehensive income for the year	-	-	-	-	6,883.40	6,883.40
Transaction with owners in their capacity as owners:						
Dividend paid on equity shares for the year [2015-16: INR 4 per share]	-	-	-	-	(703.43)	(703.43)
Dividend Distribution Tax (DDT) on dividend paid	-	-	-	-	(143.20)	(143.20)
Balance at March 31, 2017	0.14	4,328.39	134.39	5,155.95	47,327.39	56,946.26
Profit for the year	-	-	-	-	6,622.54	6,622.54
Other comprehensive income for the year						
Items of OCI recognised directly in retained earnings						
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(28.94)	(28.94)
Total comprehensive income for the year	-	-	-	-	6,593.60	6,593.60
Transaction with owners in their capacity as owners:						
Dividend paid on equity shares for the year [2016-17: INR 4 per share]	-	-	-	-	(703.43)	(703.43)
Dividend Distribution Tax (DDT) on dividend paid	-	-	-	-	(143.20)	(143.20)
Balance at March 31, 2018	0.14	4,328.39	134.39	5,155.95	53,074.36	62,693.23

Nature and purpose of reserves
Securities premium reserve

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

Surplus on capital reduction

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

Particulars

As at
March 31, 2018 **As at**
March 31, 2017

Note - 16
Other financial liabilities
Non-current

Deposits received	-	25.00
Employee payables	97.82	138.41
Total	97.82	163.41

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Note - 17		
Provisions		
Non-current		
Provision for Litigations (Refer Note 42)	805.25	475.20
Total	805.25	475.20
Note - 18		
Employee benefit obligations		
Non-current		
Provision for compensated absences (Refer Note 38)*	369.89	307.90
Total	369.89	307.90
* The Compensated absences covers the liability for sick and earned leave.		
Note - 19		
Borrowings		
Non-current		
Unsecured		
External Commercial Borrowing from related party (Refer Note 39)	2,300.00	-
Total Non-current Borrowings	2,300.00	-
Current		
Secured		
Cash credit	-	2,838.81
Buyers credit from bank	2,672.49	11,096.76
	2,672.49	13,935.57
Unsecured		
Working capital loans	5,420.91	3,501.57
Buyers credit from bank	-	3,449.41
	5,420.91	6,950.98
Total Current Borrowings	8,093.40	20,886.55
Total Borrowings	10,393.40	20,886.55

Notes:

- 1) External Commercial Borrowing (ECB) loan is availed from a related party at a fixed interest rate of 8.90%, repayable in 7 half-yearly instalments beginning from December 31, 2019.
- 2) Cash credit facility is availed at a rate of 8.45% p.a. (March 31, 2017: 8.45% p.a. to 9.75% p.a.) during the year.
- 3) Buyers credit facility is taken towards purchase of raw material which has been covered under letter of credit limit and carries interest rate from 1.20% p.a. to 2.15% p.a. (March 31, 2017: 0.60% p.a. to 1.22% p.a.) during the year and is generally repayable within 60 - 90 days (March 31, 2017: 30 - 90 days) from the date of the credit is extended.
- 4) Working capital loans are taken for a duration of 1 to 90 days and carries interest rate from 7.00% p.a. to 9.25% p.a. (March 31, 2017 : 9.01% p.a. - 9.70% p.a.) during the year.
- 5) Unsecured borrowings from banks are guaranteed by INEOS Styrolution Group GmbH.
- 6) Secured borrowings from banks are secured by first charge on inventories and trade receivables.
- 7) Current borrowing includes interest accrued but not due amounting to INR 27.28 Lakhs (March 31, 2017 - 21.14 Lakhs).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Note - 20		
Trade payables		
From Others	25,230.53	18,824.26
From Micro and Small enterprises (Refer Note below)	110.73	45.60
Total	25,341.26	18,869.86
Trade payables to related parties (Refer Note 39)	2,650.07	2,212.57
Trade payables to others	22,691.19	16,657.29
Total	25,341.26	18,869.86

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	110.73	45.60
(ii) Interest due thereon	-	-
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(c) (i) Normal interest accrued during the year, for all the delayed payments, as per the agreed terms.	-	-
(ii) Normal interest payable for the period of delay in making payment, as per the agreed terms.	-	-
(d) (i) Total Interest accrued during the year	-	-
(ii) Total Interest accrued during the year and remaining unpaid	-	-
(e) Further interest remaining due and payable for earlier years	-	-

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

Note - 21
Other financial liabilities
Current

Unclaimed dividend *	29.70	28.93
Employee related liabilities	606.97	1,071.47
Payables for capital goods	285.99	318.73
Interest accrued but not due (Refer Note 39)	47.06	-
Derivative - Foreign Exchange Forward Contracts	-	1,091.96
Total	969.72	2,511.09

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

Note - 22
Employee benefit obligations
Current

Provision for gratuity (Refer Note 38)	128.32	152.20
Provision for compensated absences (Refer Note 38)*	48.79	48.17
Total	177.11	200.37

* The Compensated absences covers the liability for sick and earned leave. The amount of INR 48.79 Lakhs (March 31, 2017: INR 48.17 Lakhs) is presented as current, as the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars

As at
March 31, 2018 **As at**
March 31, 2017

Note - 23

Other liabilities

Current

Advance received from customers

39.29

68.54

Statutory dues

667.97

315.56

Total

707.26

384.10

Note - 24

Current and deferred tax

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Income tax expense		
(i) Current tax		
Current income tax charge	3,940.36	2,957.14
Adjustments of current tax for prior periods	-	668.55
(ii) Deferred tax		
Deferred tax relating to origination and reversal of temporary differences	(249.80)	457.14
Net loss/(gain) on remeasurements of defined benefit plans	(15.31)	(23.59)
(iii) MAT credit (entitlement)		
MAT credit (entitlement) relating to earlier years	-	(981.22)
Income tax expense	3,675.25	3,078.02
(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate of India for the year ended		
Accounting profit before income tax	10,313.10	10,029.59
Statutory income tax rate	34.608%	34.608%
Tax at statutory income tax rate of 34.608%	3,569.16	3,471.04
Tax effects of :		
Income not subject to tax	(13.05)	-
Utilisation of brought forward losses	-	(170.50)
MAT credit (entitlement)	-	(981.22)
Prior period expense / (income)	-	668.55
Permanent disallowance	119.14	90.15
	106.09	(393.02)
Income tax expense	3,675.25	3,078.02

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

(d) Non-current tax assets

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	2,584.99	2,963.17
Add/(Less) : Tax paid in advance, net of provisions during the year	(1,506.48)	(378.18)
Closing balance	1,078.51	2,584.99

(e) Current tax liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	212.91	-
Add: Current tax payable for the year	3,940.36	2,957.14
Less: Taxes paid	(4,106.45)	(2,744.23)
Closing balance	46.82	212.91

(f) Deferred tax liabilities (net)

Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss/OCI	As at March 31, 2017	Charged/ (credited) to profit and loss/OCI	As at March 31, 2016
Property, plant and equipment	3,303.90	(166.20)	3,470.10	(172.40)	3,642.50
Provision for doubtful debts	(355.91)	(40.09)	(315.82)	(18.87)	(296.95)
Provision for gratuity	-	52.68	(52.68)	(19.11)	(33.57)
Provision for leave encashment	(144.90)	(21.66)	(123.24)	(13.93)	(109.31)
Amalgamation expense	(5.39)	2.69	(8.08)	2.71	(10.78)
Provision for contingency	(813.83)	(92.53)	(721.31)	(39.55)	(681.76)
Brought forward losses	-	-	-	676.05	(676.05)
Fair valuation of derivatives	-	-	-	18.65	(18.65)
Deferred tax expense/(income)	-	(265.11)	-	433.55	-
Net deferred tax (assets)/liabilities	1,983.87	-	2,248.98	-	1,815.43

Reconciliation of deferred tax liabilities (net):

Particulars	Amount
Opening Balance as of March 31, 2016	1,815.43
Tax (income)/expense during the period recognised in P&L	457.14
Tax (income)/expense during the period recognised in OCI	(23.59)
Closing balance as on March 31, 2017	2,248.98
Tax (income)/expense during the period recognised in P&L	(249.80)
Tax (income)/expense during the period recognised in OCI	(15.31)
Closing balance as on March 31, 2018	1,983.87

Note:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Note - 25		
Revenue from Operations		
Sale of goods (including excise duty)*	1,95,010.88	1,62,819.51
Other operating revenue		
Commission income	57.67	51.84
Sale of raw material	-	4,047.06
Total	1,95,068.55	1,66,918.41
* Revenue from operations for periods up to June 30, 2017 include excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable with previous year.		
Note - 26		
Other Income		
Interest income		
On deposits	8.02	11.86
Others	408.24	126.82
Dividend on non-current quoted investment	0.30	-
Gain on fair value of investments	-	33.41
Profit on disposal of property, plant and equipment (net)	-	22.11
Rental income	-	0.30
Miscellaneous income	275.16	212.26
Total	691.72	406.76
Note - 27		
Cost of materials consumed		
Raw materials consumed:		
Opening stock	16,592.25	11,341.89
Add: Purchases	1,43,472.43	1,19,783.79
Less: Closing stock	17,830.82	16,592.25
	1,42,233.86	1,14,533.43
Packing materials consumed:		
Opening stock	149.05	107.24
Add: Purchases	974.74	891.28
Less: Closing stock	118.35	149.05
	1,005.44	849.47
Total	1,43,239.30	1,15,382.90

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Note - 28		
Changes in inventories of finished goods and work-in-progress		
Opening Stock :		
Finished goods	10,567.76	5,144.98
Work-in-progress	3,737.80	1,928.85
	<u>14,305.56</u>	<u>7,073.83</u>
Less:		
Closing Stock:		
Finished goods	6,378.79	10,567.76
Work-in-progress	4,474.59	3,737.80
	<u>10,853.38</u>	<u>14,305.56</u>
Total	<u>3,452.18</u>	<u>(7,231.73)</u>
Note - 29		
Employee benefit expense		
Salaries and wages	4,741.00	4,404.79
Contribution to provident and other funds (Refer Note 38)	368.40	304.76
Staff welfare expenses	384.82	327.36
Total	<u>5,494.22</u>	<u>5,036.91</u>
Note - 30		
Finance costs		
Interest expenses*	914.00	610.65
Exchange differences regarded as an adjustment to borrowing costs	453.75	756.40
Total	<u>1,367.75</u>	<u>1,367.05</u>
* Interest Expenses are net of Interest Capitalised of INR 48.39 lakhs (March 31,2017 : Nil)		
Note - 31		
Other Expenses		
Power, Fuel and Water (net) (Refer Note 3 below)	6,247.42	5,188.18
Environment expenses	354.64	184.24
Consumption of stores and spares	662.95	617.98
Processing charges	1,615.37	732.77
Repair & Maintenance - Plant & Machinery and Building	1,058.67	1,186.24
Freight and forwarding expenses	3,625.53	2,879.81
Commission	272.82	749.17
Corporate cost sharing expenses	3,787.56	3,723.97
Rent (Refer Note 41)	1,703.92	1,115.87
IT charges	626.33	509.95
Legal and professional charges	323.80	288.91
Royalty (Refer Note 39)	230.47	168.30
Foreign exchange fluctuation (net)	333.43	879.71
Insurance	158.77	190.05

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Repair - Others	233.91	244.56
Rates and taxes	471.72	199.66
Payment to the Auditor (Refer Note 2 below)	43.25	55.35
Allowance for doubtful debts (net) (Refer Note 34)	155.27	51.96
Expenditure on corporate social responsibility activities (Refer Note 1 below)	112.00	124.27
Donations	1.44	0.69
Commission and sitting fees to Directors (Refer Note 39)	37.70	29.95
Loss on property, plant and equipment sold/discarded (net)	211.27	-
Loss on fair value of investments	5.07	-
Travelling and conveyance expenses	522.45	471.13
Miscellaneous expenses	1,027.51	1,937.04
Total	23,823.27	21,529.76

- 1 As per Section 135 of the Companies Act, 2013, the Company was required to spend INR 141.74 Lakhs (March 31, 2017 : INR 124.40 Lakhs) towards corporate social responsibility activities. The Company has spent INR 112.00 Lakhs (March 31, 2017 : INR 124.27 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	23.50	3.00
Education and vocational skill development	32.50	43.00
Poverty alleviation, livelihood enhancement and infrastructure support	56.00	78.27
	112.00	124.27

- 2 **Payment to statutory auditors as:**

Audit fees	25.00	34.00
Tax audit fees	4.00	4.00
Others (Limited review, certification etc.)*	11.25	14.00
Out of pocket expenses*	3.00	3.35
	43.25	55.35

* Payment to statutory auditors for the year ended March 31, 2017 includes fees paid to previous auditors (INR 5.00 Lakhs) and out of pocket expenses (INR 0.35 Lakhs).

- 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 174.95 Lakhs (March 31, 2017 : INR 324.93 Lakhs).

Note - 32

Earnings per share

i. Profit attributable to equity holders of the Company	6,622.54	6,927.98
ii. Weighted average number of ordinary shares (In numbers)		
Outstanding shares	1,75,85,625	1,75,85,625
	1,75,85,625	1,75,85,625
Basic earnings per share (In INR)	37.66	39.40
Diluted earnings per share (In INR)	37.66	39.40

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Note - 33
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, 2018

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	80.28	-	-	80.28	80.28	-	-	80.28
Non current loans	-	-	647.54	647.54	-	-	647.54	647.54
Other non current financial assets	-	-	24.29	24.29	-	-	24.29	24.29
Trade receivables	-	-	24,491.59	24,491.59	-	-	24,491.59	24,491.59
Cash and cash equivalents	-	-	4,009.24	4,009.24	-	-	4,009.24	4,009.24
Other bank balances	-	-	29.70	29.70	-	-	29.70	29.70
Current loans	-	-	307.17	307.17	-	-	307.17	307.17
Derivative - Foreign Exchange Forward Contracts	4.07	-	-	4.07	-	4.07	-	4.07
	84.35	-	29,509.53	29,593.88	80.28	4.07	29,509.53	29,593.88
Financial liabilities								
Other non current financial liabilities	-	-	97.82	97.82	-	-	97.82	97.82
Current borrowings	-	-	8,093.40	8,093.40	-	-	8,093.40	8,093.40
Non Current borrowings	-	-	2,300.00	2,300.00	-	-	2,300.00	2,300.00
Trade payables	-	-	25,341.26	25,341.26	-	-	25,341.26	25,341.26
Other financial liabilities	-	-	969.72	969.72	-	-	969.72	969.72
	-	-	36,802.20	36,802.20	-	-	36,802.20	36,802.20

As at March 31, 2017

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	85.35	-	-	85.35	85.35	-	-	85.35
Non current loans	-	-	548.06	548.06	-	-	548.06	548.06
Other non current financial assets	-	-	22.77	22.77	-	-	22.77	22.77
Trade receivables	-	-	22,245.83	22,245.83	-	-	22,245.83	22,245.83
Cash and cash equivalents	-	-	1,582.14	1,582.14	-	-	1,582.14	1,582.14
Other bank balances	-	-	28.93	28.93	-	-	28.93	28.93
Current loans	-	-	24.73	24.73	-	-	24.73	24.73
	85.35	-	24,452.46	24,537.81	85.35	-	24,452.46	24,537.81

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

As at April 1, 2017

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial liabilities								
Other non current financial liabilities	-	-	163.41	163.41	-	-	163.41	163.41
Current borrowings	-	-	20,886.55	20,886.55	-	-	20,886.55	20,886.55
Trade payables	-	-	18,869.86	18,869.86	-	-	18,869.86	18,869.86
Derivative - Foreign Exchange Forward Contracts	1,091.96	-	-	1,091.96	-	1,091.96	-	1,091.96
Other financial liabilities	-	-	1,419.13	1,419.13	-	-	1,419.13	1,419.13
	1,091.96	-	41,338.95	42,430.91	-	1,091.96	41,338.95	42,430.91

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

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

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

ii) Levels 1, 2 and 3

Level 1 : This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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 - 34

Financial risk management

Risk management framework

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

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

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

In order to minimise any adverse effects of these on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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

i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

Trade receivables

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

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

Trade receivables (net of allowance for doubtful debts)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables (net of allowance for doubtful debts)	24,491.59	22,245.83

Statement of allowance for doubtful debts

Particulars	Amount
Allowance for doubtful debts as on April 1, 2016	858.03
Changes in allowance for doubtful debts	51.96
Allowance for doubtful debts as on March 31, 2017	909.99
Changes in allowance for doubtful debts	155.27
Bad Debt written off during the year	36.85
Allowance for doubtful debts as on March 31, 2018	1,028.41

Other financial assets

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

ii) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Exposure to liquidity risk

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

As at March 31, 2018

Particulars	Contractual cash flows		
	Total	Less than 12 months	More than 12 months
Financial liabilities			
Other non current financial liabilities	97.82	-	97.82
Current borrowings (including interest)	8,093.40	8,093.40	-
Non - Current borrowings (including interest)	2,763.78	243.88	2,519.90
Trade payables	25,341.26	25,341.26	-
Other financial liabilities	969.72	969.72	-
Total	37,265.98	34,648.26	2,617.72

As at March 31, 2017

Particulars	Contractual cash flows		
	Total	Less than 12 months	More than 12 months
Financial liabilities			
Other non current financial liabilities	163.41	-	163.41
Current borrowings (including interest)	20,886.55	20,886.55	-
Trade payables	18,869.86	18,869.86	-
Other financial liabilities	2,511.09	2,511.09	-
Total	42,430.91	42,267.50	163.41

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

(a) Foreign currency risk exposure

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

Particulars	As at March 31, 2018		As at March 31, 2017		
	USD	EUR	USD	EUR	JPY
Financial assets					
Trade receivables	59.07	53.25	52.01	39.10	-
Net exposure to foreign currency risk (assets)	59.07	53.25	52.01	39.10	-
Financial liabilities					
Foreign currency loan (Buyers credit)	2,666.12	-	14,526.60	-	-
Trade payables	19,482.13	815.31	13,882.09	184.64	8.93
Less:					
Derivative liability:					
Foreign exchange forward contracts	(16,621.64)	-	(27,142.78)	-	-
Net exposure to foreign currency risk (liabilities)	5,526.61	815.31	1,265.91	184.64	8.93

(b) Sensitivity

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

Particulars	Impact on profit after tax	
	As at March 31, 2018	As at March 31, 2017
USD sensitivity *		
INR/USD - Increase by 3%	(107.26)	(23.81)
INR/USD - Decrease by 3%	107.26	23.81
EUR sensitivity *		
INR/EUR - Increase by 2%	(9.97)	(1.90)
INR/EUR - Decrease by 2%	9.97	1.90
JPY sensitivity *		
INR/JPY - Increase by 2%	-	(0.12)
INR/JPY - Decrease by 2%	-	0.12

* Holding all other variables constant

2. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of variable interest bearing liabilities because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing liabilities will fluctuate because of fluctuations in the interest rates. Current borrowings comprise of working capital loans for an average tenure of 1 to 90 days, and buyers credit for an average tenure of 60-90 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

(a) Interest rate risk exposure

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

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	8,093.40	20,886.55
Total borrowings	8,093.40	20,886.55

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

Particulars	As at March 31, 2018			As at March 31, 2017		
	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	7.95%	5,420.91	67%	8.31%	6,340.38	30%
Buyers Credit	2.15%	2,672.49	33%	1.10%	14,546.17	70%
Net exposure to cash flow interest rate risk		8,093.40			20,886.55	

An analysis by maturities is provided in note 19 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, 2018	As at March 31, 2017
Interest rates - increase by 50 basis points*	26.46	68.29
Interest rates - decrease by 50 basis points*	(26.46)	(68.29)

* Holding all other variables constant

Note - 35

Capital Management

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

For the purposes of the Company's capital management, the Company considers the following components of its balance sheet to be managed as capital: Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Securities premium reserve and Capital reserve. Total debt includes current debt plus non-current debt.

The Company's adjusted net debt to equity ratio at March 31, 2018 and March 31, 2017 are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings (including interest accrued)	10,440.46	20,886.55
Less : Cash and cash equivalents	4,009.24	1,582.14
Adjusted net debt	6,431.22	19,304.41
Total equity	64,451.79	58,704.82
Adjusted net debt to adjusted equity ratio	0.10	0.33

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Note - 36

Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts		
1 Income tax	2,162.64	768.59
2 Excise duty and service tax	3,206.06	9,694.58
3 Custom duty	39.28	39.28
4 Sales tax	272.95	208.34
5 Others	468.62	467.04
Total	6,149.55	11,177.83

The above matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favor and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement/decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as illustrated above.

Note - 37

Capital commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance)	4,028.12	372.06

Note - 38

Employee benefit obligations

I Defined Contribution plan

Contribution to defined contribution plan, recognised as expenses for the year are as under:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's contribution to provident fund	218.97	192.58
Employer's contribution to superannuation fund	44.49	44.94
Employer's contribution to employee's state insurance	4.13	3.09

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

II Defined benefit plan

(i) Funded

Gratuity

The employee's gratuity fund schemes managed by Trusts are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

Particulars	Present value of obligation	Fair value of plan assets	Net amount
March 31, 2016	865.17	(768.17)	97.00
Current service cost	64.35	-	64.35
Interest expense/(income)	64.15	(59.09)	5.06
Total amount recognised in profit and loss	128.50	(59.09)	69.41
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	8.92	8.92
(Gain)/Loss from change in financial assumptions	55.20	-	55.20
(Gain)/Loss from change in demographic assumptions	-	-	-
Experience (gains)/losses	4.05	-	4.05
Total amount recognised in other comprehensive income	59.25	8.92	68.17
Employer contributions	-	(82.38)	(82.38)
Benefit payments	(54.08)	54.08	-
March 31, 2017	998.84	(846.64)	152.20
Current service cost	77.78	-	77.78
Interest expense/(income)	66.92	(58.92)	8.00
Total amount recognised in profit and loss	144.70	(58.92)	85.78
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(4.68)	(4.68)
(Gain)/Loss from change in financial assumptions	(41.76)	-	(41.76)
(Gain)/Loss from change in demographic assumptions	-	-	-
Experience (gains)/losses	90.69	-	90.69
Total amount recognised in other comprehensive income	48.93	(4.68)	44.25
Employer contributions	-	(153.91)	(153.91)
Benefit payments	(59.89)	59.89	-
March 31, 2018	1,132.58	(1,004.26)	128.32

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

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	1,132.58	998.84
Fair value of plan assets	(1,004.26)	(846.64)
Deficit of Gratuity plan	128.32	152.20

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
a. Discount rate (per annum)	7.55%	7.05%
b. Estimated rate of return on Plan Assets (per annum)	7.55%	7.05%
c. Rate of escalation in salary (per annum)	8.00%	8.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks and historical results of return on plan assets.

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2018	
	Increase	Decrease
Discount rate (0.5% movement)	(39.28)	41.76
Salary growth rate (0.5% movement)	41.38	(39.29)

Particulars	As at March 31, 2017	
	Increase	Decrease
Discount rate (0.5% movement)	(37.37)	39.80
Salary growth rate (0.5% movement)	39.14	(37.11)

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan asset is investment in LIC group gratuity plan where income from plan is managed by fund manager of LIC and is subject to market risk. Any shortfall is contributed to the fund by the Company. The Company intends to maintain the above investment in the continuing years.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 are INR 128.32 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

The weighted average duration of the defined benefit obligation is 7.70 years (2016-17: 8.22 years). The expected maturity analysis of gratuity is as follows:

Particulars	Less than a year	Between 1 - 5 year	Over 5 year	Total
Defined benefit obligation (gratuity)				
As at March 31, 2018	152.77	378.33	601.48	1,132.58
As at March 31, 2017	99.19	337.87	561.78	998.84

(ii) Unfunded

Compensated absences

The Actuarial liability for compensated absences as at year end is INR 418.68 Lakhs (INR 356.08 Lakhs as at March 31, 2017). Current year charge is included in Employee benefit expense (Refer Note 29).

Note - 39

Related party transactions

The names of related parties with relationship and transactions with them:

A Relationship:

I Shareholders where control exists:

Ultimate Holding Company

INEOS Limited *

Isle of Man

Holding Company

holds 75.00% of the equity share capital
(also refer Note 14(a))

INEOS Styrolution APAC Pte Ltd.

Singapore

INEOS AG* (up to December 31,2016)

Switzerland

II Where transactions have taken place

Fellow subsidiaries

INEOS Styrolution Korea Ltd

Korea

INEOS Styrolution (Thailand) Co., Ltd.

Thailand

INEOS Styrolution Group GmbH

Germany

INEOS Styrolution Europe GmbH

Frankfurt am Main, Germany

INEOS Styrolution Mexicana S.A de

Napoles, Mexico

INEOS Sales U.K. LIMITED

Great Britain

INEOS Europe AG

Switzerland

* No transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

III Key management personnel:

Particulars	Designation
Mr. Stephen Mark Harrington *	Chairman
Mr. Sanjiv Vasudeva	Managing Director
Mr. Nitin Duggal	Whole Time Director (w.e.f. August 31, 2017)
Mr. Bhupesh P. Porwal	Whole Time Director and CFO (up to August 31, 2017)
Mr. Sanjeev Madan	Chief Financial Officer (w.e.f. January 29, 2018)
Mr. Jal R. Patel	Independent Director
Mr. Anil Shankar	Independent Director (w.e.f. August 12, 2016)
Ms. Ryna Karani	Independent Director (w.e.f. May 16, 2016)
Mr. Sharad M. Kulkarni	Independent Director (up to August 11, 2016)
Mr. Rabindra Kulkarni	Independent Director (up to May 15, 2016)

* No transactions during the year.

IV Key management personnel compensation:

Particulars	As at March 31, 2018	As at March 31, 2017
Short-term employee benefits	353.25	210.82
Long-term employee benefits	19.70	1.81
Post-employment benefits *	12.87	9.27
Commission and sitting fees to independent directors	37.70	29.95
Total compensation	423.52	251.85

* Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

V Other related parties
**Post employment benefit plan of
INEOS Styrolution India Limited**
**INEOS STYROLUTION INDIA EMPLOYEES GRATUITY FUND
INEOS STYROLUTION INDIA LIMITED SUPER ANNUATION SCHEME**

Particulars	As at March 31, 2018			As at March 31, 2017		
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total
1 Purchase of raw materials						
INEOS Styrolution Korea Ltd	-	2,516.95	2,516.95	-	1,609.07	1,609.07
INEOS Styrolution (Thailand) Co., Ltd.	-	6,695.84	6,695.84	-	4,616.17	4,616.17
INEOS Styrolution Mexicana S.A. de	-	21.03	21.03	-	162.27	162.27
INEOS Styrolution Europe GmbH	-	1,855.63	1,855.63	-	845.91	845.91
	-	11,089.45	11,089.45	-	7,233.42	7,233.42
2 Receiving of services						
INEOS Styrolution APAC Pte. Ltd.	2,170.96	-	2,170.96	2,114.85	-	2,114.85
INEOS Styrolution Group GmbH	-	2,271.88	2,271.88	-	2,144.05	2,144.05
[Includes INR Nil capitalized during the year (March 31, 2017: INR 25.62 Lakhs)]						
	2,170.96	2,271.88	4,442.84	2,114.85	2,144.05	4,258.90

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Particulars	As at March 31, 2018			As at March 31, 2017		
	Holding Company	Other Related parties	Total	Holding Company	Other Related parties	Total
3 Royalty						
INEOS Styrolution Group GmbH	-	230.47	230.47	-	168.30	168.30
	-	230.47	230.47	-	168.30	168.30
4 Rendering of services						
INEOS Styrolution Korea Ltd	-	27.13	27.13	-	24.55	24.55
INEOS Styrolution Group GmbH	-	198.09	198.09	-	150.00	150.00
INEOS Styrolution (Thailand) Co., Ltd.	-	6.08	6.08	-	3.24	3.24
INEOS Styrolution APAC Pte. Ltd.	93.89	-	93.89	105.73	-	105.73
INEOS Europe AG	-	152.01	152.01	-	-	-
	93.89	383.31	477.20	105.73	177.79	283.52
5 Sale of Goods						
INEOS Styrolution (Thailand) Co., Ltd.	-	10.96	10.96	-	-	-
	-	10.96	10.96	-	-	-
6 Interest on ECB						
INEOS Styrolution Group GmbH	-	48.39	48.39	-	-	-
	-	48.39	48.39	-	-	-
7 ECB Loan Taken						
INEOS Styrolution Group GmbH	-	2,300.00	2,300.00	-	-	-
	-	2,300.00	2,300.00	-	-	-
8 Dividend payment						
INEOS Styrolution APAC Pte. Ltd.	527.57	-	527.57	527.57	-	527.57
	527.57	-	527.57	527.57	-	527.57
9 Outstanding Balances						
Balances of Trade payables						
INEOS Styrolution Europe GmbH	-	311.12	311.12	-	75.31	75.31
INEOS Styrolution APAC Pte. Ltd.	94.58	-	94.58	496.46	-	496.46
INEOS Styrolution Korea Ltd	-	446.79	446.79	-	397.50	397.50
INEOS Styrolution Mexicana S.A. de	-	-	-	-	40.62	40.62
INEOS Styrolution (Thailand) Co., Ltd.	-	1,212.01	1,212.01	-	1,024.68	1,024.68
INEOS Styrolution Group GmbH	-	585.57	585.57	-	178.00	178.00
	94.58	2,555.49	2,650.07	496.46	1,716.11	2,212.57
Balances of Corporate guarantee						
INEOS Styrolution Group GmbH	-	32,500.00	32,500.00	-	32,500.00	32,500.00
	-	32,500.00	32,500.00	-	32,500.00	32,500.00
Balances of Borrowings Taken						
INEOS Styrolution Group GmbH (Refer Note 4)	-	2,347.06	2,347.06	-	-	-
	-	2,347.06	2,347.06	-	-	-
Balance of Trade receivables						
INEOS Styrolution Group GmbH	-	67.32	67.32	-	41.24	41.24
INEOS Styrolution APAC Pte. Ltd.	8.22	-	8.22	13.84	-	13.84
INEOS Styrolution Korea Ltd	-	1.84	1.84	-	2.43	2.43
INEOS Eupore AG	-	10.49	10.49	-	-	-
INEOS Styrolution (Thailand) Co., Ltd.	-	1.39	1.39	-	1.78	1.78
	8.22	81.04	89.26	13.84	45.45	59.29

Terms and conditions

- All transactions entered into with related parties as defined under the Companies Act, 2013 and regulation 23 of the Listing Obligation and Disclosure Requirement Regulations 2015, during the financial year were in the ordinary course of business and on an arm's length basis. Suitable disclosures, as required by the Ind AS - 24, have been made in the notes to the financial statements.
- Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- All outstanding balances are unsecured and are repayable in cash.
- Includes interest accrued of INR 47.06 Lacs (Refer Note 21)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Note - 40

Segment information

(a) Description of segments and principal activities

Segment Reporting in financial results: Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker (CODM), as represented by Chairman, Managing Director and CFO, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segment.

(b) Details for reportable segments as required by Ind AS 108 is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
1. Segment revenue		
(Revenue from operations)		
(a) Specialties	1,39,338.44	1,16,833.34
(b) Polystyrene	55,672.43	45,986.17
(c) Others	57.68	4,098.90
Total	1,95,068.55	1,66,918.41
Less : Inter segment revenue	-	-
Revenue from operations	1,95,068.55	1,66,918.41
2. Segment results		
(Segment profit before interest and tax)		
(a) Specialties	11,151.56	11,175.63
(b) Polystyrene	423.74	739.10
(c) Others	57.68	283.90
Total	11,632.98	12,198.63
Add/(Less): (i) Finance cost	(1,367.75)	(1,367.05)
(ii) Interest income	416.26	138.68
(iii) Other unallocable expenditure (net of income)	(368.39)	(940.67)
Profit before tax	10,313.10	10,029.59
3. Segment assets		
a. Specialties	75,906.06	71,072.85
b. Polystyrene	25,931.97	29,460.54
c. Unallocated	3,506.16	4,431.80
Total segment assets	1,05,344.19	1,04,965.19
4. Segment liabilities		
a. Specialties	23,110.09	16,945.48
b. Polystyrene	7,391.61	4,627.90
c. Unallocated	10,390.70	24,686.99
Total segment liabilities	40,892.40	46,260.37

(c) Information about products and services

The Company manufactures and sells ABS, SAN and Polystyrene i.e. "Engineering Thermoplastics". These products have the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. Based on the CODM, segments are bifurcated into Specialties and Polystyrene. Specialties include ABS and SAN.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

(d) Information about geographical areas

The Company does not have geographical distribution of revenue hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

(e) Information about major customers

None of the entity's external customers account for 10 per cent or more of the Company's revenue.

Note - 41

Operating lease:

The break-up of total minimum lease payments for non-cancellable operating lease due as on March 31, 2018 and March 31, 2017, entered into by the Company are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	754.35	17.85
Later than one year and not later than five years	3,025.31	22.31
Later than five years	-	-

Rental expense relating to operating leases

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Minimum lease payments	1,703.92	1,115.87
Total rental expenses related to operating leases	1,703.92	1,115.87

Note - 42

Movement in Provisions

Movements in provision for litigation during the financial year, is set out below :

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	475.20	355.20
Less: Utilised	-	-
Provision made during the year	330.05	120.00
Balance as at the end of the year	805.25	475.20

Note - 43

Events occurring after the reporting period

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended March 31, 2018

INR in Lakhs

Note - 44**Disclosures on specified bank notes (SBNs)**

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

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

* Including amounts given as imprest and advances.

Note - 45**Previous year figures**

The previous year figures have been re-grouped and re-arranged wherever necessary to conform with current years' classification.

As per our attached report of even date.

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

Pankaj Khandelwa
Partner
Membership No.102022

Place : Vadodara
Date : May 15, 2018

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

Stephen Mark Harrington
Chairman
DIN 07131679

Sanjiv Vasudeva
Managing Director & CEO
DIN 06570945

Nitan Duggal
Whole-time Director
DIN 07872778

Jal R. Patel
Director
DIN 00065021

Sanjeev Madan
CFO

Anil Shankar
Director
DIN 02143156

Haresh Khilnani
Company Secretary

Place : Vadodara
Date : May 15, 2018

PROXY FORM

INEOS Styrolution India Limited

CIN: L25200GJ1973PLC002436

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

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

E mail : INSTY.secshare@ineos.com Website: www.ineosstyrolutionindia.com

45th Annual General Meeting - 09 August 2018 at 11:30 a.m.

Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No./ Client ID	:	
DP ID	:	

I/ We, being the Member(s) holding _____ shares of the above named Company, hereby appoint

Name: _____ E-mail ID: _____

Address: _____

Signature: _____

Or failing him/ her

Name: _____ E-mail ID: _____

Address: _____

Signature: _____

Or failing him/ her

Name: _____ E-mail ID: _____

Address: _____

Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 45th Annual General Meeting of the Company, to be held on Thursday, 09 August 2018, at 11:30 a.m. at 'Chandarva Hall', WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara -390007, India and at any adjournment thereof in respect of such resolutions as are indicated below.

INEOS Styrolution India Limited

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of the audited Financial Statements of the Company for the year ended on 31 March 2018 together with the reports of the Board of Directors and of Auditors thereon.			
2	Approval of Dividend of INR 4/- per equity share for the F.Y. ended on 31 March 2018.			
3	Appointment of director in place of Mr. Sanjiv Vasudeva, who retires by rotation and, being eligible, offers himself for re-appointment.			
Special Business				
4	Approval of remuneration to Messrs Kailash Sankhlecha and Associates (Firm's Registration No. 100221), the Cost Auditors of the Company for the FY 2018-19.			

Signed this _____ day of _____ 2018.

Signature of shareholder

Signature of proxy holder(s)

**Affix a
revenue
stamp**

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Attendance Slip

INEOS Styrolution India Limited

CIN: L25200GJ1973PLC002436

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

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

E mail : INSTY.secshare@ineos.com Website: www.ineosstyrolutionindia.com

45th Annual General Meeting - 09 August 2018 at 11:30 a.m.

Registered Folio No./ DP ID No./ Client ID No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of Shares held:

--	--	--	--	--	--	--	--

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

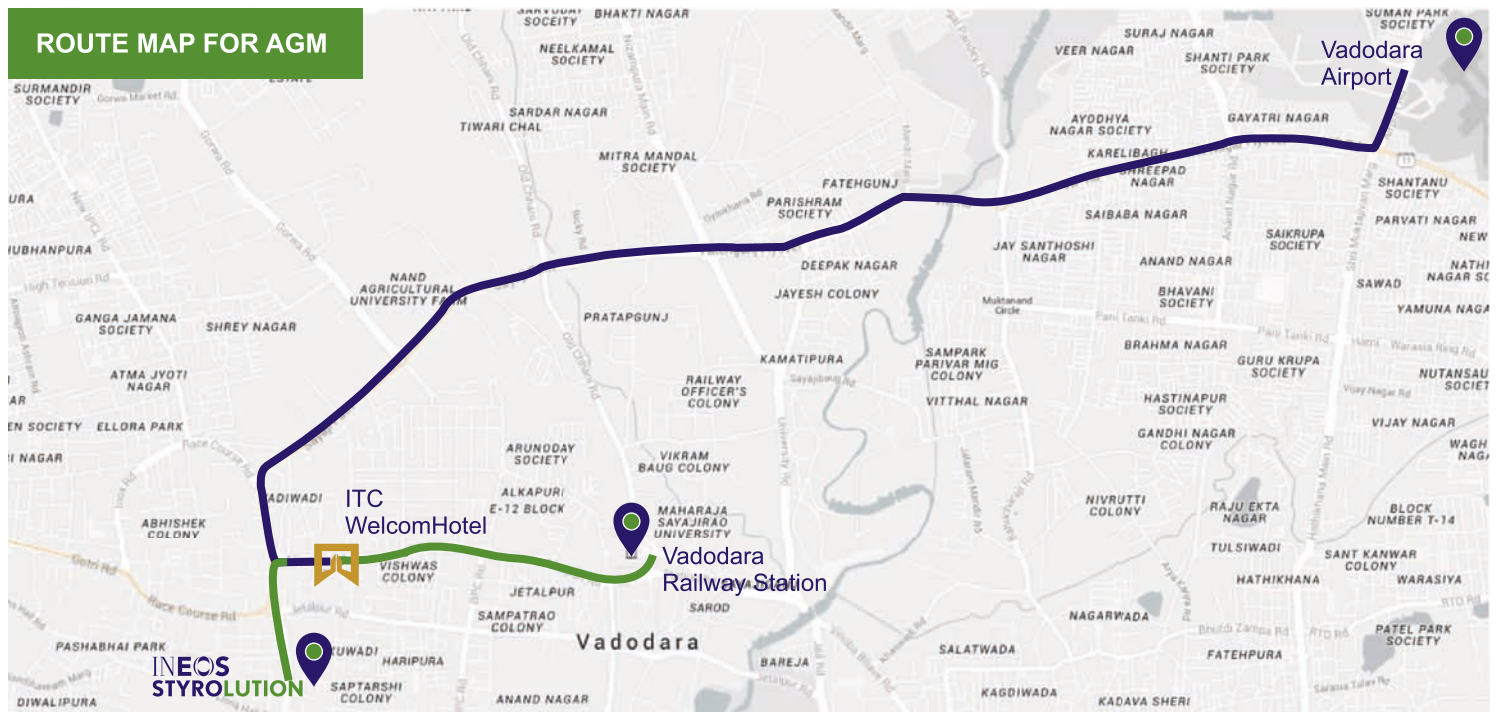
I hereby record my presence at the 45th Annual General Meeting of the Company on Thursday, 09 August 2018 at 11:30 a.m. at 'Chandarva Hall', WelcomHotel, R. C. Dutt Road, Alkapuri, Vadodara -390007, India.

Name of the Member / Proxy
(in Block Letters)

Signature of the Member / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

ROUTE MAP FOR AGM



AGM VENUE



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

Day & Date : Thursday, 09 August 2018
Time : 11.30 a.m

INEOS Styrolution India Limited

Registered Office

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

INEOS
STYROLUTION

Driving Success. Together.
