

Recommendations of the Committee of Independent Directors (IDC) of Styrolution ABS (India) Limited in relation to the open offer ("Offer") made by Styrolution South East Asia Pte Ltd. ("Acquirer") along with INEOS Styrolution Holding GmbH and Styrolution Group GmbH acting as persons acting in concert ("PACs") to the public shareholders of the Target Company ("Shareholders") under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Regulations")

1	Date	11 February 2015
2	Name of the Target Company (TC)	Styrolution ABS (India) Limited
3	Details of the Offer pertaining to TC	-The Offer being made by the Acquirer and the PACs for acquiring 4,396,407 shares of face value of INR 10/- each representing 25% of the total share capital of the Target Company being 17,585,625 Equity Shares of face value of INR 10/- each ("Voting Share Capital"), from the Shareholders at the Offer Price payable in cash. -BASF SE and BASF Antwerpen N.V., INEOS Industries Holdings Limited and INEOS Styrolution Holding GmbH ("PAC1") have entered into a share purchase agreement dated 30 June 2014 ("Transaction Document") for the acquisition of 50% of the shares of Styrolution Holding GmbH ("JVCo") by PAC1 from the Sellers. Additionally, in terms of the Transaction Document, PAC1 is proposed to also acquire the shares held by INEOS Holdings in the JVCo pursuant to which PAC1 will be the sole shareholder of the JVCo (the acquisition by PAC1 as contemplated in the Transaction Document is hereinafter referred to as the "Primary Acquisition"). The Primary Acquisition was completed on November 17, 2014. - The Offer is a mandatory offer being made by the Acquirer along with PACs, pursuant to and in accordance with Regulation 3, Regulation 4 and Regulation 5(1) of the Regulations pursuant to the Primary Acquisition and the Agreement, resulting in an indirect change in the control of the Target Company. - The Acquirer, together with PACs, are making this Offer to the Shareholders of the Target Company, other than the Acquirer, PACs, and the parties to any agreement with the Acquirer including persons deemed to be acting in concert with such parties, to acquire up to 4,396,407 (Four Million

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		Three Hundred and Ninety Six Thousand Four Hundred and - Seven) Shares, representing 25% of the Voting Share Capital, as of the tenth working day from the closure of the tendering period. - As of the date of the Detailed Public Statement ("DPS") and Letter of Offer ("LOF"), the Acquirer held 13,189,218 (Thirteen Million One Hundred Eighty Nine Thousand Two Hundred and Eighteen) Shares representing 75% of the share capital of the Target Company. Other than above, the Acquirer and PACs do not hold any share of the Target Company.
4	Name(s) of the acquirer and PAC with the acquirer	<u>Name of the Acquirer:</u> Styrolution South East Asia Pte Ltd. <u>Persons Acting in Concert with Acquirer:</u> 1. INEOS Styrolution Holding GmbH 2. Styrolution Group GmbH
5	Name of the Manager to the offer	Kotak Mahindra Capital Company Limited 27 BKC, 1st Floor, Plot No.C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Tel: +91 22 4336 0128, Fax: +91 22 6713 2445, Email: project.styrolutionoffer@kotak.com, Contact Person: Mr. Ganesh Rane

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6	Members of the Committee of Independent Directors (Please indicate the chairperson of the Committee separately)	Mr. Jal Patel Mr. Sharad Kulkarni Mr. Jal Patel is the Chairman of the Committee of Independent Directors ("IDC")
7	IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any	All Members of the IDC are directors of the Target Company. Further IDC Members do not hold any equity shares of the Target Company and other than their position as director of the Target Company, there is no other contract or relationship between the IDC Members and the Target Company.
8	Trading in the Equity shares/other securities of the TC by IDC Members	None of the IDC Members have traded in the equity shares of Target Company during the 12 months prior to the date of the Public Announcement of the Open Offer on July 4, 2014.
9	IDC Member's relationship with the Acquirer (Director, Equity shares owned, any other contract / relationship), if any.	- None of the Members of the IDC are Directors of Acquirer Company; - None of the Members of the IDC holds any equity shares of Acquirer Company; - None of the Members of IDC hold any contracts or relationships with Acquirer Company.
10	Trading in the Equity shares/other securities of the acquirer by IDC Members	None of the IDC Members has traded in the equity shares of Acquirer Company during the 12 months prior to the date of the Public Announcement of the Open Offer on July 4, 2014.
11	Recommendation on the Open offer, as to whether the offer is fair and reasonable	The Members of IDC have perused the DPS and LOF and other documents as published by Kotak Mahindra Capital Company Limited on behalf of the Acquirer and PACs. Based on such review, the Members of the IDC are of the opinion that the Offer Price of INR 518.99 per equity share (which includes interest amount of INR 19.17 per equity share) is in line with the Regulations and accordingly, the Offer may be considered fair and reasonable. The Members of IDC would like to draw attention to the fact that the open offer price is at a discount of 17% to the closing price of the shares on the BSE/ NSE as of 10 February 2015. In view of the same, we feel it would be best for shareholders' interest not to tender shares in this Offer.

12	Summary of reasons for recommendation	1. The Acquirer and the PACs are the existing promoters of the Target Company. 2. The Offer is a mandatory open offer without any proposed change of direct control of the Target Company. The IDC is not aware of any information which can materially impact the operations and the business model of the Target Company as a result of the Open Offer. 3. The Open Offer Price is based on the guidelines / parameters mentioned in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
13	Details of Independent Advisors, if any.	None
14	Any other matter(s) to be highlighted	None

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the Regulations.”



Signature of the Authorised Signatory

(Chairman of IDC)

Place: Vadodara

Date: 11 February 2015

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