

STYROLUTION ABS (INDIA) LIMITED

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

CIN: L25200GJ1973PLC002436

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NOTICE OF POSTAL BALLOT OF STYROLUTION ABS (INDIA) LIMITED

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NOTICE OF POSTAL BALLOT AND E-VOTING TO THE SHAREHOLDERS OF THE COMPANY

NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), SECTION 391 TO 394 AND OTHER PROVISIONS, APPLICABLE, IF ANY, OF THE COMPANIES ACT, 1956 AND RULES FRAMED THEREUNDER, CLAUSE 35B OF THE LISTING AGREEMENT WITH BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND CIRCULARS NOS. CIR/CFD/DIL/5/2013 DATED 4TH FEBRUARY, 2013 AND CIR/CFD/DIL/8/2013 DATED 21ST MAY, 2013 ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI").

Dear Shareholder(s),

NOTICE is hereby given to you to consider, and, if thought fit, to approve the proposed Scheme of Amalgamation of Styrolution India Private Limited with Styrolution ABS (India) Limited and their respective shareholders and creditors ("Scheme"). Circulars No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013, issued by SEBI (together referred to as "SEBI Circulars") requires the Scheme to be put for voting by public shareholders through postal ballot and e-voting and provides that "the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it." This notice is given in terms of the said SEBI Circulars for consideration of the following resolution by postal ballot and e-voting pursuant to Section 110 of the Companies Act, 2013 read with relevant Rules:

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

"Resolved that pursuant to Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013 issued by the Securities and Exchange Board of India ("SEBI"), the Observation Letters issued by BSE Limited and National Stock Exchange of India Limited, both dated 15 September, 2015 and relevant provisions of applicable laws, the Amalgamation as embodied in the Scheme of Amalgamation of Styrolution India Private Limited ("Transferor Company") with the Company and their respective shareholders and creditors ("Scheme") under Sections 391 to 394 of the Companies Act 1956, be and is hereby approved with/without any modification(s) and / or conditions, if any, which may be required and / or imposed by the Hon'ble High Court of Gujarat at Ahmedabad while sanctioning the Scheme or by any authorities under law;

Resolved further that Mr. Myung Suk Chi – Managing Director and Chief Executive Officer, Mr. Bhupesh P. Porwal, Chief Financial Officer, Mr. Haresh Khilnani, Company Secretary and Head – Legal, Mr. Vijay Shukla, Head – IR and Mr. Vijay Kamat, Head – India Operations be and are hereby severally authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the arrangement embodied in the Scheme and to accept such modification and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Gujarat at Ahmedabad while sanctioning the Scheme or by any authority under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the Scheme ."

The Audit Committee and the Board of Directors of the Company at their respective meetings held on 3 August 2015 have approved the Scheme, subject to approval by the requisite majority of the shareholders and creditors of the Company as may be required, and subject to the sanction of the Hon'ble High Court of Gujarat at Ahmedabad and of such other authorities as may be necessary. The Board of Directors of the Company has appointed CS. Devesh Pathak of Messrs Devesh Vimal & Co., Practicing Company Secretaries, Vadodara, (Membership No. FCS 4559 and CP No. 2306) as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Members are requested to carefully read the instructions which are printed on the postal ballot form and return the same duly completed in the attached pre-paid postage self-addressed envelope so as to reach the Scrutinizer, CS. Devesh Pathak, on or before Monday, 2 November 2015. Your assent/dissent received at the address as mentioned on the envelope after Monday, 2 November 2015 would be strictly treated as if no reply has been received from you. No other form or photocopy of the form is permitted.

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

Electronic Voting (e-voting):

In compliance with clause 35B of the Listing Agreement and provisions of Section 110 of the Companies Act, 2013 (the 'Act') read with the Rules, the Company is pleased to provide electronic voting ("e-voting") facility as an alternate, to all its Members, to enable them to cast their votes electronically instead of dispatching the physical postal ballot form. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to its Members. It may be noted that e-voting is optional. In case, a Member has voted

through e-voting facility he/she is not required to send the physical postal ballot form. In case, a Member votes through physical vote also, the vote cast through e-voting only shall be considered by the Scrutinizer. The e-voting facility is available at the link www.evoting.nsdl.com. Please refer the instructions for e-voting given after the postal ballot form for the process and manner in which e - voting is to be carried out.

The Scrutinizer will submit his report to the Managing Director or Company Secretary after completion of the scrutiny and the result of the voting by postal ballot will be announced by the Managing Director or Company Secretary of the Company by **4 November 2015** at the Registered Office of the Company. The declaration by the Managing Director or Company Secretary as stated above shall be treated as declaration of results at a meeting of the shareholders as per the Rules. The said results will also be intimated to both stock exchanges where the Company's shares are listed, published in the newspapers and uploaded on Company's website.

Registered Office:
Styrolution ABS (India) Limited
6th Floor, ABS Towers,
Old Padra Road,
Vadodara – 390007
Gujarat
Vadodara/ 24 September 2015

On behalf of the Board of Directors,

Haresh Khilnani
Company Secretary and Head-Legal

Notes:

- 1) The explanatory to statement pursuant Section 102 of Companies Act, 2013 read with Section 393 of the Companies Act, 1956 setting out material facts is annexed hereto.
- 2) The Notice is being sent to all the Members by registered post (and electronically by e-mail to those Members who have registered their e-mail IDs with the depository participants or Company), whose names appear in the Register of Members / Record of depositories as on 18 September 2015.
- 3) **Postal ballot and e-voting instructions are printed on back side of the postal ballot form.**
- 4) The e-voting period commences on **Saturday, 3 October 2015** (9.00 a.m.) and ends on **Monday, 2 November 2015** (5.00 p.m.)
- 5) As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of postal ballot may be served on the Members, inter-alia, through electronic means. Members, who have registered their e-mail IDs with depositories or with the Company, are being sent this notice of postal ballot by e-mail and the Members who have not registered their e-mail IDs will receive Notice of postal ballot along with postal ballot form through post. Members who have received postal ballot Notice by e-mail and who wish to vote through physical form may download the form attached in the email or from the link www.evoting.nsdl.com or from the 'Investor Relations' section on the Company's website www.styrolutionabsindia.com and send the duly completed and signed form to the Scrutinizer.
- 6) Members are requested not to send any other paper along with the postal ballot form in the enclosed postage prepaid self-addressed envelope as all the envelopes would be sent to the Scrutinizer and any extraneous paper found in such envelope would be ignored by the Scrutinizer and the Company would not be able to act on the same.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with Section 393 of the Companies Act, 1956.

In this explanatory statement, Styrolution ABS (India) Limited is referred to as the “**Applicant Company**” or “**Transferee Company**”, Styrolution India Private Limited is referred to as the “**Transferor Company**” and the Applicant/Transferee Company and Transferor Company are hereinafter collectively referred to as “**the Companies**”. The other definitions contained in the enclosed Scheme of Amalgamation (“**Scheme**”) will also apply to this Statement. The following explanatory statement as required under Section 102 of the Companies Act, 2013 read with Section 393 of the Companies Act, 1956 sets forth the details of the proposed Scheme, its effects and, in particular, any material interests of the Directors in their capacity as members.

1. In terms of Clause 5.16 of Securities and Exchange Board of India (“SEBI”) Circular No. CIR/CFD/DIL/5/2013 dated 4 February, 2013 as revised by Circular No. CIR/CFD/DIL/8/2013 dated 21 May, 2013, the Scheme is subject to the approval of Public Shareholders by passing a resolution through postal ballot / e-voting, as specified in the Notice of postal ballot forming part of this Notice.
2. A copy of the Scheme setting out the terms and conditions of the amalgamation, inter alia, providing for amalgamation of the Transferor Company with the Applicant Company which has been duly approved by the Audit Committee and the Board of Directors of the Applicant Company at its meeting held on 3 August 2015, is attached to this Statement.

3. BACKGROUND OF THE COMPANIES

3.1 Styrolution India Private Limited – the Transferor Company :

- (a) Styrolution India Private Limited, the Transferor Company, was incorporated under the Act on 18 July 1990 as a private limited company under the name Pushpa Polymers Private Limited by the Registrar of Companies, Maharashtra; vide Certificate of Incorporation No. 11-57310 of 1990. It has commenced business soon after its incorporation and has been carrying on the business since then. Its name was changed from time to time and finally to its present name, Styrolution India Private Limited, with effect from 10 December 2010. Copy of the certificate of incorporation issued by the Registrar

of Companies at the time of initial incorporation as well as the copies of fresh certificates of incorporation issued upon change of name, form part of the Memorandum and Articles of Association of the Company.

- (b) On application being made Regional Director, Western Region, Mumbai approved shifting of registered office from State of Maharashtra to State of Gujarat. Accordingly, the registered office of the Transferor Company is situated at 6th Floor, ABS Towers, Old Padra Road, Vadodara 390 007, Gujarat w.e.f. 28 July 2015.
- (c) The Transferor Company is engaged in the manufacturing of Polystyrene (PS) used for various applications.
- (d) The Authorised, Issued, Subscribed and Paid-up Capital of the Company as on 31 March 2015 is as under:-

Particulars	Amount (Rs.)
<u>Authorised Share Capital:</u>	
200,000,000 equity shares of Rs. 10/- each	2,000,000,000
<u>Issued, Subscribed and Paid-up Share Capital:</u>	
61,544,640 equity shares of Rs. 10/- each	615,446,400

Subsequent to 1 April 2015, and up to the date of approval of this Scheme by the Board of the Transferor Company, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company.

- (e) The entire paid-up share capital (61,544,640 shares of rupees 10 each) of the Transferor Company is held by the Transferee Company. Transferor Company is a Wholly-owned subsidiary of the Transferee Company.
- (f) The objects of Transferor Company are set out in the object clause of its Memorandum of Association. The main objects of Transferor Company are as follows:
- To construct a facility for the production of polystyrene including equipping the facility with machinery and to operate such facility for the production and sale of polystyrene produced by such facility.
- (g) The audited accounts of Transferor Company have been presented to the shareholders up to the financial year ended on 31 March 2015. These are the latest audited accounts. The summarized financial position of the Transferor Company as per the latest Audited Accounts is as under:

Particulars	As on 31 March 2015 (Rs. in Lakhs)
<u>EQUITY & LIABILITIES</u>	
Shareholders' funds	
Share capital	6,154.46
Reserves and surplus	22.29
	6,176.75
Non-current liabilities	
Other long term liabilities	56.65
Long term provisions	98.54
	155.19
Current liabilities	
Short-term borrowings	6,000.00
Trade payables	15,040.26
Other current liabilities	459.01
Short-term provisions	76.15
	21,575.42
Total	27,907.36
<u>ASSETS</u>	
Non-current assets	
Fixed assets	
Tangible assets	4,878.77
Capital work-in-progress	-
	4,878.77

Non-current investments	1.16
Deferred tax assets (net)	-
Long-term loans and advances	1,960.91
Other non-current assets	-
	6,840.84
Current assets	
Inventories	4,938.74
Trade receivables	6,308.29
Cash and bank balances	1,512.04
Short-term loans and advances	8,173.30
Other current assets	134.15
	21,066.52
Miscellaneous Expenditure (to the extent not written off or adjusted)	-
Total	27,907.36

There has been no other material change in the financial position of Transferor Company after 31 March 2015 except in the usual and normal course of business. The operating results of the Transferor Company as per the above audited accounts for the FY 2014-2015 are summarized below:

Particulars	As per audited accounts as on 31 March 2015 (Rs. in Lakhs)
Revenue from operations	
Sale of finished goods	57,969.68
Less: Excise duty	6,531.01
Sale of goods (net)	51,438.67
Other operating revenues	1,809.36
	53,248.03
Other income	81.23
Total Revenue	53,329.26
Expenditure:	
Cost of materials consumed	45,302.84
Changes in finished goods and stock-in-process	1,643.03
Employee benefit expense	1,094.20
Finance costs	803.70
Depreciation and amortization	966.49
Other expenses	4,956.19
Total Expenses	54,766.45
ATCT Expenses Recovery	-
(Loss) before tax	(1,437.19)

Tax expenses:	
Current tax	-
(Loss) after tax	(1,437.19)
Weighted average number of equity shares outstanding during the year	61,544,640
Basic and diluted earnings per share (in Rs.)	(2.34)
Face value per share (in Rs.)	10

Copies of audited accounts for the FY ended on 31 March 2015 are open for inspection which may be referred to for comprehensive picture of the financial position and operating results.

3.2 Styrolution ABS (India) Limited – the Transferee Company

- Styrolution ABS (India) Limited, the Transferee Company, was incorporated under the Act on 7 December 1973 initially as a public limited company under the name ABS Plastic Limited by the Registrar of Companies, Gujarat vide Certificate of Incorporation No. 04-2436 of 1973. Its name was changed from time to time and finally to its present name, Styrolution ABS (India) Limited, with effect from 1 May 2012. Copy of the certificate of incorporation issued by the Registrar of Companies at the time of initial incorporation as well as the copies of fresh certificate of incorporation issued upon change of name, form part of the Memorandum and Articles of Association of the Company.
- The registered office of the Transferee company is situated at 6th Floor, ABS Towers, Old Padra Road, Vadodara 390 007, Gujarat.
- Transferee Company is engaged in the manufacture of plastic resins and markets them under the brands ABSOLAC (for ABS based products) and ABSOLAN (for SAN based products).
- The authorised, issued, subscribed and paid-up capital of the Transferee Company as on 31 March 2015 is as under:-

Particulars	Amount (Rs.)
<u>Authorised Share Capital:</u> 50,000,000 equity shares of Rs. 10/- each	500,000,000
<u>Issued, Subscribed and Paid-up Share Capital:</u> 17,585,625 equity shares of Rs. 10/- each	175,856,250

Subsequent to 1 April 2015, and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company.

- The objects of the Transferee Company are set out in the object clause of its Memorandum of Association. The main objects of the Transferee Company are as follows:
 - To promote, to carry on the business of manufacturers and processors of plastic or rubber goods including the business of resins and molding compounds such as ABS, SAN, Acrylonitrile, Butadiene, Styrene, Methyl Styrene, Methyl Methacrylate, Acetal copolymer, Acetal Homopolymer, Acrylic, Alkyd, Allyl, Amino, Cellulosic, Chlorinated Polyether, Epoxy, Fluoroplastics, Furan, Lonoer, Nylon, Parylene, Phenolic, Phenylene oxide, Polyllomer, Copolymer, Polyaryl ether, Polybutadiene, Poly carbonate, Polyester, Polyethylene, Polyamide, Polymethacentalence, Polyphenylene Sulfide, Polypropylene, Polystyrene, Polysulfone, Polyurethane, Polyvinyls, Silicon, Formed plastics all kinds, Reinforced Plastics and composites, Plastic films, Sheetings and laminates, chemicals, additives, fillers and reinforcement and all other plastic materials of all kinds that may be in existence or may be developed in future.
 - To carry on the business of metal galvanizers, annealers, electroplaters and all metal coatings by any process now in existence or which may be developed in future including coating of chemicals, plastics, metals, textiles, rubber and any other material and to carry on the business of buffing, polishing, finishing of metal coated plastic parts of all kinds.
 - To design, develop, engineer, import, export, buy, sell and otherwise deal in, license, grant any rights in, fabricate, hire out, lease, technical knowhow, plant machinery and equipment relating to manufacture, processing, storing or transport of all kinds of plastics and resins, whether processed or not and their by-products.
 - To promote, develop, establish, execute, operate and otherwise carryon projects, schemes, business activities, which in the opinion of the Company, is likely to:
 - accelerate and increase production.
 - help the growth and diffusion of technical knowhow, which will lead to the increase of either quantitative or qualitative or both, production of plastic and plastic products.
 - To carry on the business of manufacturers and processors of Rayon, Polyamide, Polyester or any other types of manmade fibers silk, wool, cotton, or any other types of natural fibers; films and plastics or, in general, of any fibers, filaments, yarns and fabrics (whether textile, felted, looped or otherwise) manufactured and/or processed from any base whether organic or inorganic or compounds or mixtures thereof, by physical, chemical or any other process or treatment now prevalent or as may be devised in future, and of spinning, blending, combing, weaving, knitting, bleaching, processing, dyeing, printing, making or otherwise turning to account any other fabrics or finished articles thereof and manufacturing the chemicals, dyestuffs, equipment's, washing, bleaching and dyeing

materials, raw materials, packing materials, and other requisites needed for all or any of the above purposes and of the by-products which can be conveniently produced therefrom and to buy, sell, import, export, distribute, trade, stock, barter, or otherwise deal in such things.

- (f) The Transferee Company received certificate of commencement of business on 7 December 1973 and commenced business soon thereafter.
- (g) The audited accounts of the Transferee Company have been presented to the shareholders up to the period ended on 31 March 2015. These are the latest audited accounts. The summarized financial position of the Transferee Company as per the latest Audited Accounts is as under:

Particulars	As on 31 March 2015 (Rs. in Lakhs)
<u>EQUITY AND LIABILITIES</u>	
Shareholders' funds	
Share capital	1,758.56
Reserves and surplus	48,622.01
	50,380.57
Non-current liabilities	
Deferred tax liabilities (net)	2,288.73
Other long-term liabilities	-
Long-term provisions	179.62
	2,468.35
Current liabilities	
Short-term borrowings	10,957.97
Trade payables	15,001.65
Other current liabilities	3,113.68
Short-term provisions	908.47
	29,981.77
Total	82,830.69
<u>ASSETS</u>	
Non-Current assets	
Fixed assets	
Tangible assets	21,654.91
Capital work-in-progress	19.83
Non-current investments	10,103.98
Long-term loans and advances	2,593.59
Other non-current assets	18.83
	34,391.14
Current assets	
Current investments	-
Inventories	16,241.28
Trade receivables	20,228.28
Cash and bank balances	500.90
Short-term loans and advances	11,317.83
Other current assets	151.26
	48,439.55
Total	82,830.69

There has been no other material change in the financial position of the Transferee Company after 31 March 2015 except in the usual and normal course of business.

The operating results of the Transferee Company as per the above audited accounts for the period ended on 31 March 2015 are summarized below:

Particulars	As per audited accounts for the period 1 January 2014 to 31 March 2015 (Rs. in Lakhs)
Revenue from operations	
Sale of products (gross)	164,384.00
Less: Excise duty	18,212.05
Sale of products (net)	146,171.95
Other operating revenue	156.98
Other income	470.02
Total revenue	146,798.95
Expenses	
Cost of raw and packing materials consumed	115,490.21
Changes in inventories of finished goods and work-in-progress	(1,354.98)
Employee benefits expense	4,378.66
Finance costs	1,264.99
Depreciation / Amortization	2,132.28
Other expenses	19,714.58
Total expenses	141,625.74
Profit before tax	5,173.21
Tax expenses	
Current tax	211.68
Reversal of earlier years tax expense	(206.57)
Deferred tax charge/(credit)	1,665.79
	1,670.90
Profit for the period / year	3,502.31
Earnings per share (Basic and diluted) (Rs.)	19.92
Face value per share (Rs.)	10

Copies of audited accounts for the period ended on 31 March 2015 are open for inspection which may be referred to for comprehensive picture of the financial position and operating results.

4. Rationale of the Scheme:

- (i) Recognizing the strengths of each other and with the end and intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the said Companies now propose by way of this Scheme to amalgamate the Transferor Company into and with the Transferee Company.
- (ii) In the circumstances and in the business interests of the Transferor Company and the Transferee Company and synergistic linkages that exist between them, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in the Scheme.
- (iii) The amalgamation will enable appropriate consolidation of the activities of the Transferor Company and the Transferee Company with more efficient utilisation of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. The same will result, inter alia, from advantages of integration of the operations of the said companies, including better resource management and reduction of working capital requirements which will be facilitated by the amalgamation. The amalgamation will enable the business of the merged Transferee Company to be carried on more conveniently and advantageously. The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of said companies.

5. Salient Features of the Scheme:

The salient features of the Scheme are as follows:

- i) **“Appointed Date”** means 1 April 2015 or such other date as may be agreed by the Transferor Company and the Applicant Company and approved by the Hon'ble High Court of Gujarat at Ahmedabad or directed by or imposed by the said High Court.
- ii) **“Effective Date”** shall have the meaning ascribed to it in Clause 18.2 of the Scheme enclosed herewith.
- iii) With effect from the Appointed Date, i.e., 1 April 2015 and upon the Scheme becoming effective, the Undertaking (as defined in the Scheme) of the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act 1956, be and stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.
- iv) The **“Undertaking”** (as defined in the Scheme) means the entire business and the whole of the undertaking of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstanding, liabilities, duties and obligations as on the Effective Date including, but not in any way limited to, the following:
 - a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and where so ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.
 - b) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations.
 - c) Entitlements, including tenancy rights, held by the Transferor Company or which may accrue or become due to it as on the Appointed Date or may become so due or entitled to thereafter.
 - d) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company' business activities and operations.
 - e) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund or credit of any tax, duty, cess or of any excess payment.
 - f) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, deferment of sales tax, etc. under the Income-tax Act, 1961, and the Cenvat / Modvat credit balances under the Central Excise Act, 1944, Customs Act, 1962 or any other or like benefits under the said acts or under and in accordance with any law or act.
 - g) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized.

Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall

not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective.

- h) All other obligations of whatsoever kind, including liabilities in respect of the employees of the Transferor Companies with regard to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of voluntary retirement or retrenchment.
- v) The Scheme also provides for:
- a) the transfer of contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature relating to the Undertaking;
 - b) the transfer of all licenses, permits, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, and other benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to the Undertaking;
 - c) the transfer of all debts, liabilities, duties and obligations of the Transferor Company in relation to the Undertaking;
 - d) the transfer of all employees engaged in the Undertaking to the Applicant Company without any break in their service and on the basis of continuity of service and on terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.
 - e) All suits, appeals, or other proceedings of whatever nature (hereinafter called “the **proceedings**”) by or against the Transferor Company be pending as on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company, if the Scheme had not been made.
 - f) Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the share capital authorised share capital, issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.
 - g) Dividends (interim and/or final) in respect of the period commencing from the Appointed Date until the Effective Date may be declared or paid by the Transferor Company with the prior consent of the Transferee Company.
 - h) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
 - i) All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
 - j) Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, custom duty law, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
 - k) Amalgamation of the Transferor Company with the Transferee Company shall be accounted in accordance with the Pooling of Interest method of Indian Accounting Standard – 14 as notified under the Act.
 - l) Upon the Scheme coming into effect, the Transferor Company shall be dissolved without being wound up.
 - m) The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in the Scheme.

Please note that the features set out above are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

6. The proposed Scheme will not prejudicially affect the interest of any class of creditors. The assets of the Transferee Company after implementation of the Scheme will be sufficient to meet its liabilities.
7. The Scheme does not contemplate any reduction of capital.
8. In the present case no valuation report of an independent Chartered Accountant is required since a Wholly-owned subsidiary company (Transferor Company) is proposed to be amalgamated with the holding company (Transferee Company) and no shares will be issued and allotted by the Transferee Company. Hence, no change in shareholding pattern of the Transferee Company will take place pursuant to the Scheme.

The certificate, in lieu of valuation report, has been obtained from Messrs JLN US & Co., Chartered Accountants, Vadodara.

9. Messrs B S R & Co., LLP, Chartered Accountants, being the Statutory Auditors of the Transferee Company, have certified that the accounting treatment contained in the Scheme is in compliance with the applicable accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other generally accepted accounting principles, as required under clause 24(i) of the Listing Agreement.

10. It has already been submitted that the entire share capital of the Transferor Company is beneficially held by the Transferee Company. Out of the total share capital of the Transferor Company, the Transferee Company holds 61,544,634 equity shares of Rs. 10 each in its name and 1 equity share of Rs. 10 each, is held by each of six individuals, for which the beneficiary interest vests with the Transferee Company. The list of shareholders of Transferor Company as on 3 August 2015 is as follows:-

Sr.No.	Name of the Shareholders	No. of Shares held
1	Styrolution ABS (India) Limited	61,544,634
2	Mr. Myung Suk Chi	1
3	Mr. Haresh Khilnani	1
4	Mr. Venkataramanayya Manapragada	1
5	Mr. Vikas Agrawal	1
6	Mr. Vijay Kamat	1
7	Mr. Jit Teng Tan	1
	Total	61,544,640

The required return in Form No. MGT – 6 dated 28 August 2015 declaring the beneficiary interest of the Transferee Company in the above shares was duly filed with the Registrar of Companies, Gujarat, under Section 89(6) of the Companies Act, 2013 and Rule 9(3) of the Companies (Management & Administration) Rules, 2014 (Corresponding to the Section 187C of the Companies Act, 1956).

11. The shares of the Transferee Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The shares of Transferor Company, being private company, are not listed on any stock exchange.
12. In compliance with the requirement of clause 24(f) of the Listing Agreement and the SEBI circulars, the Transferee Company submitted copies of the proposed Scheme to the stock exchanges on which shares of the Transferee Company are listed, before moving the Company Application. The two Stock Exchanges have given their no objection / approval letters to the proposed Scheme. Copies of no objection / approval letters, dated 15 September 2015 respectively received from the BSE Ltd. and National Stock Exchange of India Ltd. is open for inspection.
13. Immediately after filing applications for approval of stock exchanges, the proposed Scheme along with related documents were hosted on the website of the Transferee Company. The approval letters issued by Stock Exchanges, referred to above, have also been hosted on above website within 24 hours of receiving the same and the same are kept open for inspection.
14. The names of directors of the Transferee and Transferor Company and their current shareholdings in each company is as under:

Sr. No.	Names and designation	Number of shares held in Transferee Company	Number of shares held in Transferor Company
A	Directors of Transferee Company		
1	Mr. Stephen Mark Harrington, Chairman of the Board	Nil	Nil
2	Mr. Myung Suk Chi, Managing Director	Nil	1
3	Dr. Anke Frankenberger, Director	Nil	Nil
4	Mr. Sharad Madhav Kulkarni, Independent Director	Nil	Nil
5	Mr. Ravindra Krishna Kulkarni, Independent Director	Nil	Nil
6	Mr. Jal Ratanshaw Patel, Independent Director	Nil	Nil
7	Mr. Jit Teng Tan, Alternate to Mr. Harrington	Nil	1
8	Mr. Vijay Madhav Kamat, Alternate to Dr. Frankenberger	Nil	1
B	Directors of Transferor Company		
1	Mr. Yiu On Tam, Chairman of the Board	Nil	Nil
2	Mr. Myung Suk Chi, Managing Director	Nil	1
3	Dr. Anke Frankenberger, Director	Nil	Nil
4	Mr. Sharad Madhav Kulkarni, Independent Director	Nil	Nil
5	Mr. Anil Shankar, Independent Director	Nil	Nil
6	Mr. Jit Teng Tan, Alternate to Mr. Tam	Nil	1
7	Mr. Vijay Madhav Kamat, Alternate to Dr. Frankenberger	Nil	1

15. As on 31 March 2015, the pre-merger shareholding pattern of the Transferee Company has been as under:

	Particulars	No. of Shares	Percentage (%)
A)	Promoter and Promoter Group	13,189,218	75.00
B)	Public Shareholding		
	1) Institutions	1,066,787	06.07
	2) Non-institutions	3,329,620	18.93
	Total (A + B)	17,585,625	100.00

16. The post-merger shareholding pattern of the Transferee Company shall remain unchanged since the proposed Scheme does not contemplate any issue and allotment of shares in consideration of amalgamation of the Transferor Company with the Transferee Company.
17. None of the directors (including managing director) and key managerial personnel of the Transferor and Transferee Company and their respective relatives have any material interest, direct or indirect, in the proposed Scheme except as shareholders in general (as per details given above).
18. No investigation proceedings under Sections 235 to 251 and the like of the Companies Act, 1956 or under the corresponding provisions contained in Sections 210 to 299 of the Companies Act, 2013, are pending against Transferor or Transferee Company.
19. Both Transferor and Transferee Company had filed respective Company Application under Sections 391 of the of the Companies Act, 1956, in the Hon'ble High Court of Gujarat at Ahmedabad seeking appropriate directions from the said High Court for the sanction of a Scheme of Amalgamation which provides for transfer of entire business of the Transferor Company as per detailed terms and conditions mentioned in the Scheme.
20. The Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated 21 September 2015 has directed the Transferee Company to seek its shareholders' approval by way of postal ballot and e-voting. The said Court has dispensed with the requirements of convening the physical meeting of its shareholders and creditors for the approval of the Scheme. This postal ballot is conducted for getting approval of public shareholders of the Transferee Company on the proposed Scheme.

Copies of the following documents are available for inspection at the Registered Office of the respective Company situated at 6th Floor, ABS Towers, Old Padra Road, Vadodara – 390007, Gujarat, on any working day except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m., up to 2 November 2015 (being last date of submission of Postal Ballot Form)

- a. Scheme of Amalgamation;
 - b. Copy of the resolutions dated 3 August 2015 passed by the respective Boards of Directors of the Transferor and Transferee Company approving the Scheme and other matters incidental thereto;
 - c. Memorandum and Articles of Association of the Transferor and Transferee Company;
 - d. Published audited accounts of the Transferor and Transferee Company for the period ended on 31 March 2015;
 - e. Copy of the certificate received from independent chartered accountant, Messrs. JLN US & Co., in lieu of valuation report;
 - f. Fairness opinion dated 3 August 2015 issued by Messrs Dalmia Securities Private Limited;
 - g. Copy of certificate dated 3 August 2015 issued by Messrs. B S R & Co. LLP., Chartered Accountants, being Statutory Auditors of the Transferee Company about compliance with accounting standards;
 - h. Copy of form no. MGT - 6 dated 28 August, 2015 filed by the Transferor Company in respect of shares held by the Transferee Company in the Transferor Company in the name of its nominees;
 - i. Approval / No objection letters dated 15 September 2015 received from BSE Ltd. and National Stock Exchange of India Ltd.;
 - j. Copy of Company Application No. 282 / 2015 and 283 / 2015 of Transferor and Transferee Company filed with High Court of Gujarat.
 - k. Copy of Order dated 21 September 2015 passed by the High Court of Gujarat in Company Applications mentioned above.
 - l. Copy of complaints report showing details of complaints / comments on draft scheme received from various sources prior to obtaining observation letter from stock exchanges (NIL Report);
 - m. Details of important pending legal cases by or against the Transferor and Transferee Company;
 - n. List of shareholders of the Transferor and Transferee Company;
 - o. List of Creditors of the Transferor and Transferee Company;
 - p. Report of audit committee of the Transferee Company dated 3 August 2015;
21. A copy of the Scheme and this explanatory statement may be obtained from the Registered Office of the Transferee Company situated at 6th Floor, ABS Towers, Old Padra Road, Vadodara – 390007, Gujarat, India.

Registered office:

Styrolution ABS (India) Limited
 6th Floor, ABS Towers,
 Old Padra Road,
 Vadodara – 390007
 Gujarat
 Vadodara/ 24 September 2015

On Behalf of the Board of Directors,

Haresh Khilnani
 Company Secretary and Head-Legal

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956)
OF
STYROLUTION INDIA PRIVATE LIMITED (Transferor Company)
WITH
STYROLUTION ABS (INDIA) LIMITED (Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. PREAMBLE

- 1.1. This Scheme of **Amalgamation** provides for the amalgamation of Styrolution India Private Limited with Styrolution ABS (India) Limited pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 upon their notification (including any statutory modification(s) or re-enactment(s) thereof). This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

2. DEFINITIONS

- 2.1. In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expressions shall have the following meanings:
- 2.1.1. **“Act” or “the Act”** means the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 upon their notification (including any statutory modification(s) or re-enactment(s) thereof), for the time being in force.
- 2.1.2. **“Appointed Date”** means 1st April 2015 or such other date as may be decided by the High Court.
- 2.1.3. **“Board of Directors” or “Board”** means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.
- 2.1.4. **“Effective Date”** shall have the meaning ascribed to it in Clause 18.2 hereof. Any references in this Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme becoming effective”** or **“effectiveness of this Scheme”** or **“Scheme taking effect”** shall mean the Effective Date.
- 2.1.5. **“Governmental Authority”** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 2.1.6. **“High Court”** means the High Court of Gujarat at Ahmedabad in relation to the Transferor and Transferee Company and shall, if applicable, include the Tribunal.
- 2.1.7. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means the Scheme of Amalgamation of the Transferor Company with the Transferee Company, as contained herein, or as sanctioned by the High Court, with alterations/ modifications, if any.
- 2.1.8. **“Tribunal”** means the National Company Law Tribunal.
- 2.1.9. **“Transferor Company”** shall mean Styrolution India Private Limited.
- 2.1.10. **“Transferee Company”** shall mean Styrolution ABS (India) Limited.
- 2.1.11. **“Undertaking of the Transferor Company”** shall mean the entire business and the whole of the undertaking of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations as on the Effective Date including, but not in any way limited to, the following:
- A. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns,

warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.

- B. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trade marks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations.
- C. Entitlements, including tenancy rights, held by the Transferor Company or which may accrue or become due to it as on the Appointed Date or may become so due or entitled to thereafter.
- D. All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company' business activities and operations.
- E. Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund or credit of any tax, duty, cess or of any excess payment.
- F. Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, deferment of sales tax, etc. under the Income-tax Act, 1961, and the Cenvat / Modvat credit balances under the Central Excise Act, 1944, Customs Act, 1962 or any other or like benefits under the said acts or under and in accordance with any law or act.
- G. All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised.

Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective.

- H. All other obligations of whatsoever kind, including liabilities in respect of the employees of the Transferor Companies with regard to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of voluntary retirement or retrenchment.
The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

3. GENERAL

3.1. Description of the Companies

- 3.1.1. Styrolution India Private Limited ("**Transferor Company**") is a private limited company incorporated on 18 July 1990 under the Act. The Transferor Company has its registered office at 6th Floor, ABS Towers, Old Padra Road, Vadodara 390007 (Gujarat). It is presently engaged in manufacturing of "General Purpose Polystyrene" and "High impact Polystyrene". The Transferor Company is a Wholly-owned subsidiary of the Transferee Company.
- 3.1.2. Styrolution ABS (India) Limited ("**Transferee Company**") is a public listed limited company incorporated on 7 December 1973 under the Act and having its registered office at 6th Floor, ABS Towers, Old Padra Road, Vadodara 390007 (Gujarat). Transferee Company is the leader and number one producer of ABSOLAC (ABS) in India. ABS is a plastic resin

produced from Acrylonitrile, Butadiene & Styrene, used for manufacturing of home appliances, automobiles, consumer durables and business machines. Transferee Company is also a leading manufacturer of ABSOLAN (SAN) which is a polymerized plastic resin produced from Styrene & Acrylonitrile, and mainly used for products such as lightings, stationeries, novelties, refrigerators and cosmetic packing. The shares of the Transferee Company are listed on BSE Ltd. and National Stock Exchange of India Ltd.

3.2 Objects and Reasons

- 3.2.1 Recognizing the strengths of each other and with the end and intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the said Companies now propose by way of this Scheme to amalgamate the Transferor Company into and with the Transferee Company in accordance with the terms hereof.
- 3.2.2 In the circumstances and in the business interests of the Transferor Company and the Transferee Company and synergistic linkages that exist between them, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme.
- 3.2.3 The amalgamation will enable appropriate consolidation of the activities of the Transferor Company and the Transferee Company with more efficient utilisation of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. The same will result, inter alia, from advantages of integration of the operations of the said companies, including better resource management and reduction of working capital requirements which will be facilitated by the amalgamation. The amalgamation will enable the business of the merged Transferee Company to be carried on more conveniently and advantageously. The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of said companies. Accordingly, the Board of Directors of both Transferor Company and Transferee Company have formulated this Scheme for the transfer and vesting of the Undertaking of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Act.

4 SHARE CAPITAL

- 4.1 The share capital structure of the Transferor Company as per the last audited accounts for the period ended on 31 March 2015 is as under:

Particulars	Amount in Rupees
Authorized Share Capital	
200,000,000 Equity Shares of Rs. 10 each	2,000,000,000
Issued, Subscribed and Paid Up Share Capital	
61,544,640 Equity Shares of Rs. 10 each	615,446,400

There has been no change in the capital structure of the Transferor Company subsequent to 31 March 2015. The entire issued, subscribed and paid-up capital of the Transferor Company is held by the Transferee Company along with its nominee shareholders.

- 4.2 The share capital structure of the Transferee Company as per the last audited accounts for the year ended on 31 March 2015 is as under:

Particulars	Amount in Rupees
Authorized Share Capital	
50,000,000 equity shares of Rs. 10 each	500,000,000
Issued, Subscribed and Paid Up Share Capital	
17,585,625 Equity Shares of Rs. 10 each	175,856,250

There has been no change in the capital structure of the Transferor Company subsequent to 31 March 2015.

5 TRANSFER AND VESTING OF THE UNDERTAKING

5.1 Transfer of Assets

- 5.1.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company as defined herein, save as provided in sub-clauses 5.1.1.1 and 5.1.1.2 below, shall, under the provisions of

Sections 391 to 394 of the Act, and pursuant to the orders of the High Court, without any further act or deed or matter or thing to be made, done or executed but subject to the changes affecting the same as on the Effective Date, shall stand transferred to and vested in the Transferee Company as a going concern so as to become the undertaking and property of the Transferee Company from the Appointed Date. Provided that the movable assets of the Transferor Company shall vest in the Transferee Company in the manner laid down hereunder:

- 5.1.1.1 All the tangible movable assets of the Transferor Company, including plant and machinery, furniture and fixtures, cash on hand, etc., shall be physically handed over by manual delivery to the Transferee Company to the end and intent that the title and property therein shall pass to the Transferee Company on such delivery alongwith other assets & liabilities.
- 5.1.1.2 In respect of movable assets other than those specified in sub-clause 5.1.1.1 above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits with Government, bodies, customers etc., the following modus operandi shall be followed:

the Transferee Company shall give notice in such form as it may deem fit and proper to each party, debtors or depositors, as the case may be, that pursuant to orders of the High Court, sanctioning the Scheme, the said debts, loans, advances, etc., be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realise the same stands extinguished. The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the orders of the High Court, sanctioning the Scheme, the said person, debtor or depositor should pay the debt, loan, advance or make good the same or hold the same to its account and that the rights of the Transferee Company to recover or realise the same are in substitution of the rights of the Transferor Company.

5.2 Transfer of Liabilities

Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company, shall, pursuant to the orders of the High Court, made under Section 394 of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in and assumed by the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which, such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause 5.

6 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Upon the coming into effect of this Scheme and subject to the provisions of the Scheme, all memoranda of understanding, contracts, schemes, assurances, licences, including the Export Oriented Unit registration, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto. The Transferee Company shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/or issue and/or execute deeds, writings or confirmations to give effect to the provisions in this Clause 6.

7 LEGAL PROCEEDINGS

If any suit, appeal, or other proceedings of whatever nature (hereinafter called “the **proceedings**”) by or against the Transferor Company be pending as on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company, if the Scheme had not been made.

8 EMPLOYEES OF TRANSFEROR COMPANY

Upon the coming into effect of this Scheme:

- 8.1 On the Scheme becoming effective, all permanent employees on the payroll of the Transferor Company on the Effective Date shall be deemed to have become employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.
- 8.2 In the case of employees who are “Workmen” under the Industrial Disputes Act, 1947, the offer of transfer of services to them will be subject to the conditions enumerated in the proviso to Section 25 FF of the Industrial Disputes Act, 1947
- 8.3 The accumulated balances standing to the credit of the transferred employees' provident fund and /or gratuity fund and/or superannuation fund and /or any other retirement fund shall be transferred and credited to the corresponding statutory and /or exempted retirement fund of the Transferee Company subject to approval of the concerned authorities; and
- 8.4 For the purpose of sub-clause 8.3 above, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever including the administration or operation of such funds according to the terms provided in the respective trust deeds governing such funds. It is the aim and the intent of this Scheme that all rights, duties, powers and responsibilities respectively of the Transferor Company in relation to such funds shall become the rights, duties, powers and responsibilities of the Transferee Company.

9 DATE WHEN THE SCHEME COMES INTO OPERATION

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall have legal effect and force from the Appointed Date but shall be operative from the Effective Date.

10 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

10.1 With effect from the Appointed Date and up to and including the Effective Date, the following provisions shall be in force:

10.1.1 The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and been in possession of and shall hold and be in possession of all the Undertaking of the Transferor Company for and on account of and in trust for the Transferee Company.

10.1.2 All the profits or incomes accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company, shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be, including for the purpose of taxation.

10.1.3 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

10.1.4 The Transferor Company shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the board of directors of the Transferee Company, as the case may be, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company.

10.1.5 The Transferor Company and/ or the Transferee Company, as the case may be, shall not, without the prior consent in writing of any of persons authorised by the board of directors of the Transferor Company or the Transferee Company, as the case may be, make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, sub-division or consolidation, re-organisation.

10.1.6 The Transferor Company shall not, without the prior consent in writing of any of persons authorised by the board of directors of the Transferee Company, undertake (i) any material decision in relation to its business and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.

10.1.7 The Transferor Company shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or without the prior consent of the board of directors of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.

10.1.8 The Transferee Company shall be entitled to depute its employees and/or representatives to the office(s)/factory site(s) of the Transferor Company to ensure compliance with the provisions of Clauses 10.1.1 to 10.1.7.

11 CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

11.1 The entire issued, subscribed and paid-up share capital of the Transferor Company is or will be held by the Transferee Company. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the share capital authorised share capital, issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.

11.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/ or the shares / depository receipts in electronic form representing the shares held by the Transferee Company and/ or its other nominee members in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company or its other nominee members.

12 DIVIDENDS, PROFITS, BONUS / RIGHTS SHARES

12.1 Dividends (interim and/or final) in respect of the period commencing from the Appointed Date until the Effective Date may be declared or paid by the Transferor Company with the prior consent of the Transferee Company.

12.2 It is clarified, however, that the aforesaid provision in respect of declaration of dividend is an enabling provision only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividend which shall be entirely at the discretion of the Boards of Directors of the Transferor Company and Transferee Company and subject to the provisions of the Act.

13 Tax Treatment, Credits, Refunds and Adjustments

- 13.1 This Scheme has been drawn up to comply with the conditions specified under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme, except to the extent required to give effect to the Scheme.
- 13.2 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 13.3 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 13.4 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, custom duty law, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 13.5 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, custom duty law, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 13.6 The tax payments (including, without limitation income tax, service tax, excise duty, custom duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 13.7 Further, any tax deducted at source by Transferor Company/ Transferee Company on transactions with the Transferee Company/ Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 13.8 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 13.9 Upon the coming into effect of this Scheme and subject to the provisions of Section 72A of the Income Tax Act, 1961, the accumulated and unabsorbed tax losses and the allowance for unabsorbed depreciation as per return of income filed / assessment made in case of the Transferor Company upto the Appointed Date shall be deemed to be the loss or unabsorbed depreciation of the Transferee Company.
- 13.10 Upon the coming into effect of this Scheme, the loss brought forward and unabsorbed depreciation as per books of account as on Appointed Date of Transferor Company would be deemed to be loss brought forward and unabsorbed depreciation of the Transferee Company as per books of accounts of the Transferee Company.
- 13.11 Upon the coming into effect of this Scheme, the Transferee Company shall be entitled to carry forward, avail of or set off any credits for minimum alternate tax (whether recognised in the books of Transferor company or not) upto the Appointed Date to which the Transferor Company is entitled to in terms of provisions of Income tax Act, 1961.
- 13.12 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, custom duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 13.13 Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.
- 13.14 Upon the Scheme becoming operative, the Transferee Company is expressly permitted to revise its financial statements, corporate income tax, TDS/TCS, service tax, excise duty, custom duty, VAT, entry tax, professional tax or any other returns, statements or documents, upon the scheme being effective, and where necessary to give effect to the scheme, even if the prescribed time limits for filing or revising such returns have lapsed. The transferee company is expressly permitted to amend, if required, its TDS/TCS or any other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from the Appointed Date.

14 ACCOUNTING TREATMENT

- 14.1 Upon the coming into effect of this Scheme and on and from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required, the Transferee Company shall account for the amalgamation in its books as under:
- 14.1.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted in accordance with the Pooling of Interest method of Indian Accounting Standard – 14 as notified under the Act.
- 14.1.2 All assets & liabilities, including reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as they appear in the financial statement of the Transferor Company.
- 14.1.3 Amount of share capital of the Transferor Company and the value recorded as investment in the books of the Transferee Company shall be adjusted against each other and difference, if any, shall be debited to general reserve account if there is a deficit or credited to capital reserve account of the Transferee Company if there is a surplus, as the case may be.
- 14.1.4 All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company, shall be cancelled and there shall be no obligation/outstanding in that behalf.
- 14.1.5 In case of any differences in accounting policy between the Transferee Company and the Transferor Company, the impact of the same till the Appointed Date will be quantified and recorded in accordance with the applicable Accounting Standards notified under the Act to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

15 DISSOLUTION OF THE TRANSFEROR COMPANY

- 15.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.
- 15.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Gujarat. The Transferee Company shall make necessary filings in this regard.

16 APPLICATIONS / PETITIONS TO THE HIGH COURT AND APPROVALS

- 16.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make and file all applications and petitions under Sections 391 to 394 and other applicable provisions of the Act before the High Court, under whose jurisdiction the registered office of the Transferor Company and the Transferee Company are situated, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.
- 16.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

17 MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 17.1 The Transferor Company and the Transferee Company, through their respective Boards of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations which the High Court and any other competent authority may deem fit to suggest/impose/direct and effect any other modification or amendment which the High Court and any other competent authority may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. However, it is clarified that no modifications or amendments to the Scheme will be carried out without approaching the High Court.
- 17.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and/or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

18 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

- 18.1 The Scheme is conditional upon and subject to:
- 18.1.1 the sanction or approval of all persons or authorities concerned being obtained and granted in respect of any of the matters provided for or relating to the Scheme for which such sanction or approval is required;

- 18.1.2 the approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Company and the Transferee Company as may be directed by the High Court, on the applications made for directions under Section 391 of the Act for calling meetings and necessary resolutions being passed under the Act for the purpose;
 - 18.1.3 approval of the Scheme by majority of public shareholders of the Transferee Company through postal ballot and e-voting in accordance with clause 5.16 of Securities and Exchange Board of India Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 as modified by clause 7 of Securities and Exchange Board of India Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013;
 - 18.1.4 the sanction of the Scheme by the High Court, under Sections 391 and 394 of the Act and necessary Order or Orders under Section 394 of the Act being obtained;
 - 18.1.5 the certified copies of the Orders of the High Court sanctioning this Scheme being filed with the appropriate Registrar of Companies; and
 - 18.1.6 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
- 18.2 The last of the following dates shall be the “**Effective Date**” for the purpose of this Scheme:
- 18.2.1 the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 18.1 shall be obtained or passed; or
 - 18.2.2 all necessary certified copies of Orders of the High Court under Sections 391 and 394 of the Act shall be duly filed with the appropriate Registrar of Companies.

19 EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

- 19.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and/or complied with and/or satisfied and/or the Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid and the Scheme is rendered become null and void, or it stands revoked, cancelled and be of no effect then no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.
- 19.2 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Board of Directors is of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Company and/ or the Transferee Company.
- 19.3 If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

20 COSTS AND EXPENSES

All costs, charges and expenses of the Transferor Company and of the Transferee Company respectively in relation to or in connection with the Scheme shall be respectively borne by the Transferor Company and the Transferee Company.

STRICTLY PRIVATE & CONFIDENTIAL



Date: 3rd August, 2015

The Board of Directors,
Styrolution ABS (India) Limited
6th Floor, ABS Towers,
Old Padra Road,
Vadodara 390007Gujarat

The Board of Directors,
Styrolution India Private Limited
6th Floor, ABS Towers,
Old Padra Road,
Vadodara 390007 Gujarat

Dear Sir(s),

Sub: *Fairness Opinion for the proposed scheme of Amalgamation of Styrolution India Private Limited (referred as "Transferor Company/SIN") with Styrolution ABS (India) Limited (referred as "Transferee Company/SAI") pursuant to Section 391 to 394 of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 upon their notification (including any statutory modification(s) or re-enactment(s) thereof) (hereinafter termed as "Scheme").*

1. BACKGROUND

1.1 Styrolution ABS (India) Limited (SAI)

SAI is a listed public limited company originally incorporated on December 7, 1973 under the provisions of the Companies Act, 1956 under the name and style of ABS Plastics Limited. Subsequently, name of the company was changed to ABS Industries Limited on 6 August 1992. The Company further changed its name to Bayer ABS Limited on 1 July 1997 which was further renamed to Lanxess ABS Limited. The name of the Company was again changed to INEOS ABS (India) Limited and thereafter changed to Styrolution ABS (India) Limited pursuant to fresh certificate of incorporation May 1, 2012 issued by Registrar of Companies, Gujarat, Dadar and Nagar Haveli. The Corporate Identity Number of the company is L25200GJ1973PLC002436. The registered office of the Company is situated at 6th Floor, ABS Towers, Old Padra Road, Vadodara 390007, Gujarat.

SAI is engaged in the manufacture of plastic resins and market them under the brands ABSOLAC (ABS) and ABSOLAN (SAN). ABS is a plastic resin produced from Acrylonitrile, Butadiene and Styrene. This resin is used for manufacturing of home appliances, automobiles, consumer durables and business machines. SAN is a polymerized plastic resin produced from Styrene and Acrylonitrile, and mainly used for products such as lightings, stationeries, novelties, refrigerators and cosmetic packing.

Regd. Office : Ideal Plaza, Suite S-401, 4th Floor, 11/1, Sarat Bose Road, Kolkata - 700020, P 91-33-22806544, 91-33-66120580, 91-33-2806643
Corporate Office : Mumbai Office : 17, Khetan Bhavan, 2nd Floor, 198, J. Tata Road, Mumbai 400 020, P 22-2280272810

SEBI Regn Nos. NSE INB230645339 F&O INF230645339 Code 06453 BSE INBO 10684638 F&O INFO 10684638 Code 530

NSDL IN300222 CDSL I4500 BARN 0284

CIN : U67120WB1993PTC060525
www.dalmiascc.com



The shares of SAI are listed on the BSE Limited and National Stock Exchange of India Limited.

Shareholding pattern of SAI as on June 30, 2015 is as under:

Number of fully paid up equity shares	1,75,85,625
Category	Shareholding (%)
Promoters- Styrolution South East Asia Pte. Ltd Singapore	75.00
Public	25.00
Total	100.00

Summary of Financials of SAI is as under:

(INR Cr.)

Year	Jan 1, 2014 to March 31, 2015 (15 months)	Jan 1, 2013 to Dec 31, 2013 (12 months)	Jan 1, 2012 to Dec 31, 2012 (12 months)
Total Revenue	1,467.99	1,125.28	1,000.47
Total Expenditure (Excl Interest and Depreciation)	1,382.29	1,034.01	891.80
EBIDTA	85.70	91.27	108.67
Profit Before Tax (PBT)	51.73	77.42	93.09
Profit After Tax	35.02	50.50	63.13

1.2 Styrolution India Private Limited (SIN)

SIN is a private limited company incorporated under the provisions of the Companies Act, 1956 on July 18, 1990 under the name and style Pushpa Polymers Private Limited. Subsequently, the name of the Company was changed to BASF Styrenic Private Limited pursuant to a certificate dated November 13, 2000 issued by Registrar of Companies, Gujarat, Dadar and Nagar Haveli. Further, the name of the company was changed to Styrolution India Private Limited pursuant to a fresh certificate of incorporation dated December 10, 2010 issued by Registrar of Companies, Gujarat, Dadar and Nagar Haveli. The Corporate Identity Number of the company is U25202GJ2004FTC083943. SIN is a wholly owned subsidiary of SAI and is engaged in manufacturing of Polystyrene for various applications. The registered office of the Company is situated at 6th Floor, ABS Towers, Old Padra Road, Vadodara 390007, Gujarat.



Shareholding pattern of SIN as on March 31, 2015 is as under:

The issued, subscribed and paid up share capital of the company				
4	Total Revenue	533.29	580.49	574.95
9	Total Expenditure (excluding Interest and Depreciation)	529.97	574.95	550.95
1	Profit/ (Loss)before tax	(14.37)	(12.27)	7.00
1	Profit / (Loss) after tax	(14.37)	(12.27)	5.00

2. SCHEME OF AMALGAMATION

The issued, subscribed and paid up share capital of the company is Rs. Rs.61.54 Cr representing 615,44,640 equity shares of Rs. 10 each. The entire paid up share capital of Rs.61.54 Cr of SIN is held by SAI. (The six equity shares aggregating Rs.60 are held by six employees on behalf of SAI).

Summary Financials of SIN is as under:

Year ending March 31,	(INR Cr.)		
	2015	2014	2013
we have been informed that it is proposed to amalgamate aforesaid Transferor Company with the Transferee Company pursuant to Section 391 to 394 of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act 2013 upon their notification (including any statutory modification(s) or re-enactment(s) thereof).			

The Salient features of the Draft Scheme are as under:

- Proposed Appointed Date for the amalgamation will be April 1, 2015.
- The proposed scheme of amalgamation is subject to the approval of the High Court of Gujarat and/ or any other appropriate regulatory authority.
- The entire issued, subscribed and paid up capital of the aforesaid Transferor Company is held by Transferee Company. Upon the scheme becoming effective, no shares of Transferee Company (SAI) shall be allotted in lieu of or exchange of shares of Transferor Company (SIN) and the entire share capital of SIN shall stand cancelled.

3. SCOPE OF ENGAGEMENT

For the aforesaid purpose, SAI has retained our services to issue a fairness opinion for the intended Scheme in terms of Clause 24 (h) of the Listing Agreement. This report is intended only for the sole use of SAI and SIN and in connection with the proposed Scheme including for the purpose of obtaining judicial and/or regulatory approvals for the amalgamation.



4. SOURCES OF INFORMATION

We have relied on the following information in issuing this fairness opinion for the purpose of the amalgamation:

- Draft Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956, with regard to the proposed amalgamation.
- Memorandum and Articles of Association of the Transferee Company and Transferor Company.
- Shareholding pattern of the Transferee Company as on 30th June 2015 and Transferor Company as on March 31, 2015.
- Audited financial statement of the Transferee Company and Transferor Company for the year ended March 31, 2015, March 31, 2014 and March 31, 2013.
- Such other information, documents, data, reports, discussions and verbal & written explanations from SAI as well as advisors for merger/amalgamation to SAI, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.

5. KEY FACTS FROM THE SCHEME

- 5.1 Based on information provided by the management of the entities forming part of the amalgamation and after analyzing the Scheme, we understand Transferor Company will merge into SAI without any consideration.
- 5.2 The proposed scheme, as and when it becomes effective, would ensure (a) more efficient utilization of resources, (b) reduction in overheads and other expenses, (c) improvement in operating parameters (d) reduction in working capital requirements (e) conduct of business of Transferee Company in a convenient and advantageous manner. Accordingly, the amalgamation will have beneficial results to the companies and all its stake holders including employees and public shareholders.

6. EXCLUSIONS AND LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

- 6.1 In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent



- appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.
- 6.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 6.3 Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the companies or their business referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.
- 6.4 We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to affect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the companies should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of SAI will trade following the announcement of the proposed Scheme or as to the financial performance of SAI following the consummation of the proposed Scheme.
- 6.5 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 6.6 No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for purpose of this report.
- 6.7 Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed merger, including any significant changes that have taken place or are likely to take place in the financial position of the companies or their businesses subsequent to the proposed Appointed Date for the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no



responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

- 6.8 This report has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013 and it shall not be valid for any other purpose.

7. OPINION & CONCLUSION

With reference to above and based on information provided by the management of the companies forming part of the amalgamation and after analyzing the draft Scheme, we understand that the present Scheme has been intended to amalgamate Transferor Company viz. Styrolution India Private Limited into Styrolution ABS (India) Limited without any consideration. In the above case, valuation is not undertaken as these are occurring within the Holding Company and Wholly-owned Subsidiary Company and it does not involve any movement of assets or liabilities outside the group. Upon the Scheme becoming effective with effect from the Appointed Date, the entire issued and paid up capital of SIN fully held by SAI shall be extinguished and, all such equity shares of SIN held by SAI shall be cancelled without any further application, act or deed. There is also no change in the promoter and public shareholding pattern of the public listed company *i.e.*, SAI. Accordingly no valuation process is applicable to the Scheme.

In light of the forgoing and subject to the caveats as detailed hereinbefore, we as a SEBI registered Category I Merchant Banker hereby certify that, in our opinion the proposed Scheme of Amalgamation of Styrolution India Private Limited with Styrolution ABS (India) Limited is fair and reasonable since the shareholders of SAI will continue to remain beneficial owners of SAI in the same proportion as they held it prior to the Scheme.

For Dalmia Securities Private Limited



Jeyakumar S
(COO- Investment Banking)
SEBI Registration Number INM000011476



ANNEXURE II
Complaints Report as on 9 September 2015
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Not Applicable	Not Applicable
2.	Nil	Not Applicable	Not Applicable
3.	Nil	Not Applicable	Not Applicable

Thanking you,

Yours faithfully,
 For **Styrolution ABS (India) Limited.**


 Hareesh Khilnani
 Company Secretary and Head – Legal
 9 September 2015 / Vadodara



Styrolution ABS (India) Limited
 Secretarial & Legal Dept.
 6th Floor, ABS Towers,
 Old Padra Road,
 Vadodara – 390 007.
 Gujarat, India.

Tele : + 91 265 2355861 / 62 / 63
 + 91 265 2355871 / 72 / 73

Fax No: +91 265 2341012

E mail : secshare@styrolutionabsindia.com
 Website: www.styrolutionabsindia.com

Registered Office:
 Styrolution ABS (India) Limited
 CIN : L25200GJ1973PLC002436
 6th Floor, ABS Towers,
 Old Padra Road,
 Vadodara – 390 007, Gujarat, India

September 15, 2015

DCS/AMAL/AM/24(f)/156/2015-16

The Company Secretary
Styrolution ABS (India) LTD.
6th Floor, ABS Towers,
Old Padra Road,
Vadodara – 390007.

Sub: Observation letter regarding the Draft Scheme of Arrangement Involving Amalgamation of Styrolution India Private Limited with the Company.

We are in receipt of Draft Scheme of Amalgamation of Styrolution India Private Limited with the Company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated September 15, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **“Company shall duly comply with various provisions of the Circulars.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

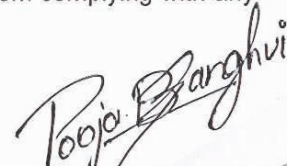
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager


S&P BSE
SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188


Pooja Sanghvi
Asst. Manager



Ref: NSE/LIST/42733

September 15, 2015

The Company Secretary
Styrolution ABS (India) Limited,
6th Floor, ABS Towers,
Old Padra Road,
Vadodara - 390007

Kind Attn.: Mr. Haresh Khilnani

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation between Styrolution ABS (India) Limited (Transferee Company) and Styrolution India Private Limited (Transferor Company) and their respective shareholders and creditors.

This has reference to draft Scheme of Amalgamation between Styrolution ABS (India) Limited (Transferee Company) and Styrolution India Private Limited (Transferor Company) and their respective shareholders and creditors u/s 391 to 394 and other applicable provisions of the Companies Act 1956 submitted to NSE vide your letter dated August 07, 2015.

Based on our letter reference no Ref: NSE/LIST/42339 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated September 15, 2015, has given following comments on the draft Scheme of Amalgamation:

“The Company shall duly comply with various provisions of the Circulars.”

We hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from September 15, 2015, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;



- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on the website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



JLN US & Co.
Chartered Accountants

330/348, Third Floor, Tower A, Atlantis K-10
Opp. Vadodara Central, Sarabhai Main Road
Vadodara - 390007, Gujarat, India

Tel: +91-265-2311146, 6544871

Mobile: +91-94260 75397

E-mail: abhishek.nagori@jlnus.com

Website: www.jlnus.com

To,
The Board of Directors,
Styrolution ABS (India) Limited,
6th Floor, ABS Towers,
Old Padra Road,
Vadodara 390007

CERTIFICATE OF EXCHANGE RATIO

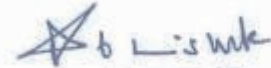
**IN THE MATER OF AMALGAMATION OF STYROLUTION INDIA PRIVATE LIMITED WITH STYROLUTION
ABS (INDIA) LIMITED**

Based on the draft Scheme of Amalgamation ('the Scheme') of Styrolution India Private Limited ('SIN') with Styrolution ABS (India) Limited ('SAI') and according to the information and explanations provided to us, we hereby certify as under:

- a. As on date, the entire issued, subscribed and paid-up capital of SIN is held by SAI along with its nominee shareholders.
- b. Pursuant to the Scheme, shares in SIN held by SAI and its nominee shareholders will be cancelled and SAI shall not be required to issue and / allot any shares to the members of SIN.
- c. Accordingly no valuation process is applicable to the Scheme. In our opinion, we state that the above Scheme is fair and reasonable since the shareholders of SAI will continue to remain beneficial owners of SAI in the same proportion as they held it prior to the Scheme.
- d. This certificate is issued at the request of SAI in accordance with clause 24(f) of the listing agreement and SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with clarifications provided by SEBI CIR/CFD/DIL/8/2013 dated May 21, 2013 and should not be used for any other purpose without our prior written consent.

Certificate No. : 0 0 2 3 7
Date : 06/08/2015



Signature : 
Name : CA. Abhishek Nagori
(Membership No. : 107954)
Name of the firm : JLN US & Co.
(FRN: 101543W)
Address : 30/348, Third Floor, Tower A,
Atlantis K-10, Opp. Vadodara
Central, Sarabhai Main Road,
Baroda- 390007, Gujarat, India

STYROLUTION ABS (INDIA) LIMITED

Regd. Off: 6th Floor, ABS Towers, Old Padra Road,
Vadodara – 390 007, Gujarat.

CIN: L25200GJ1973PLC002436

Tel.No.: +91 265 2303201 Fax No: +91 265 2303203

E mail: secshare@styrolutionabsindia.com

Website: www.styrolutionabsindia.com

**POSTAL BALLOT FORM**

1. Name & Registered Address of the sole / first named member :
2. Registered Folio No. DP ID No. / Client ID No. :
3. Number of Equity Shares held :
4. Name(s) of the Joint holder(s), if any :
5. I / We hereby exercise my/our vote in respect of the following Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated 24 September 2015 by sending my/our assent or dissent to the said Resolution by placing tick (✓) mark at the appropriate boxes below:

Description	No. of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1. Approval to the Scheme of Amalgamation of Styrolution India Private Limited with Styrolution ABS (India) Limited and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956			

Place: _____

Date: _____

Signature of the Member

E-mail: _____ Tel.No. / Mobile No: _____

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	Password
103505		

The Postal Ballot Form shall reach the Scrutinizer on or before the close of working hours i.e. 5.00 p.m. on 2nd November, 2015. Please note that any Postal Ballot Form(s) received after that date will be treated as not having been received.

Note: Please read the instructions printed overleaf carefully before exercising the vote

I. GENERAL INFORMATION

- (a) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- (b) Voting rights in the Postal Ballot / e-voting cannot be exercised by Proxy.
- (c) Member need not use all the votes or needs to cast all the votes in the same way.

II. PROCESS FOR MEMBERS OPTING FOR E-VOTING

(A) In case of members receiving E-mail from NSDL

- (i) For Members whose e-mail addresses have been registered: open the attached PDF file "styrolutionABS.e-voting.pdf" giving your DP ID / Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User ID" and "Password for e-voting". For Members who have not registered their email IDs: please refer to the User ID and password printed on the Postal Ballot Form.
- (ii) Open internet browser by typing the URL : <http://www.evoting.nsd.com>.
- (iii) Click on "Shareholder - Login".
- (iv) Insert your User ID and password as initial password as mentioned in step (i) above and Login. In case you are already registered with NSDL, you can use your existing User ID and password for casting your vote.
- (v) "Password Change" menu appears. Change the password with the new password of your choice with minimum 8 digits/ characters or combination thereof. Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
- (vi) Home page of "e-voting" opens. Click on "e-voting-Active Voting Cycles".
- (vii) Select "EVEN" (E-Voting Event Number) of Styrolution ABS (India) Limited for casting your votes in favour of or against the resolution. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end of voting period i.e. upto close of working hours on **Monday, 2 November 2015**, whichever is earlier.
- (viii) Now you are ready for "e-voting" as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- (x) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through email at 'maildeveshpathak@rediffmail.com' with a copy marked to evoting@nsdl.co.in.

(B) In case of Members receiving physical copy of the Postal Ballot Form:

- (i) User ID and initial password is provided on the Postal Ballot Form (see overleaf).
- (ii) Please follow all steps from Sl. No. II A (ii) to II (A) (x) above, to cast vote.

(C) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders available at the "Downloads" section of www.evoting.nsd.com or call NSDL on 022-24994600.

(D) The e-voting period commences on **Saturday, 3 October 2015 (9.00 a.m.)** and ends on **Monday, 2 November 2015 (5.00 p.m.)**. The e-voting module will thereafter be disabled by NSDL for voting.

(E) 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).

III. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT

- (a) Members desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, Mr. Devesh Pathak of Devesh Vimal & Co., Practicing Company Secretaries duly appointed by the Board of Directors of the Company, in the enclosed postage prepaid self-addressed envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- (b) This Postal Ballot Form should be completed and signed by the Member. In case of joint holding, this Form shall be completed and signed (as per the specimen signature registered with the Company/furnished by the Depositories) by the first Member and in his absence by the next named Member.
- (c) Please convey your assent in Column "**FOR**" and dissent in the column "**AGAINST**" by placing a tick (✓) mark in the appropriate column in this Postal Ballot Form only. The assent/dissent received in any other form/manner will not be considered.
- (d) A Member may request duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the scrutinizer not later than the close of working hours on **Monday, 2 November 2015**.
- (e) Unsigned/incomplete Postal Ballot Forms will be rejected. Scrutinizer's decision on validity of the Postal Ballot Form shall be final.
- (f) Duly completed and signed Postal Ballot Forms shall reach the Scrutinizer before the close of working hours on **Monday, 2 November 2015**. The Postal Ballot Forms received after the said date shall be strictly treated as if the reply from the Member has not been received.
- (g) In cases where the Postal Ballot Form has been signed by an Authorised Representative of Companies, Trusts, Societies etc., a certified copy of the relevant authorisation to vote on the Postal Ballot should accompany the Postal Ballot Form.
- (h) Voting rights shall be reckoned on the paid up value of Shares registered in the name of the Members as on Friday, 18 September 2015.
- (i) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed postage prepaid self-addressed envelope as all the envelopes would be sent to the Scrutinizer and any extraneous paper found in such envelope would be ignored by the Scrutinizer and the Company would not be able to act on the same.

Calendar of Events – Postal Ballot

The following is the calendar of events in respect of the Postal Ballot (including e voting) pursuant to Section 110 of the Companies Act, 2013("The Act") and Rule 22 of the Companies (Management and Administration) rules 2014 for seeking the approval of the shareholders for

Approval to the Scheme of Amalgamation of Styrolution India Private Limited with Styrolution ABS (India) Limited and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956

which was approved by the Board of Directors of the Company in its meeting held on 3 August 2015.

ITEM	DATE OF COMPLETION OF THE EVENT
Date of consideration of matter in the Board Meeting.	03.08.2015
Date of the Board resolution authorizing one of the functional directors and the Secretary to be responsible for the entire poll process.	03.08.2015
Date of appointment of Scrutinizer.	03.08.2015
Date on which consent given by the Scrutinizer to act as Scrutinizer.	03.08.2015
Date of completion of dispatch of the Postal Ballot Notice along with Postal Ballot Form.	30.09.2015
Date of Publication of notice in the newspaper.	01.10.2015
Date of commencement of e voting.	03.10.2015
Last date for receiving Postal Ballot papers by the Scrutinizer.	02.11.2015
Date of end of e voting.	02.11.2015
Date of returning the ballot papers, register required to be maintained by the Scrutinizer under Rule 22(11) of the Companies (Management and Administration) Rules, 2014 and other related papers to the Chairman by the Scrutinizer.	04.11.2015

Styrolution ABS (India) Limited
 Secretarial & Legal Dept.
 6th Floor, ABS Towers,
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 Gujarat, India.

Tele : + 91 265 2303201/02
 + 91 265 2303203

Fax No: +91 265 2341012

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Registered Office:
 Styrolution ABS (India) Limited
 CIN : L25200GJ1973PLC002436
 6th Floor, ABS Towers,
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 Vadodara – 390 007. Gujarat, India

Last date of submission of report by scrutinizer	04.11.2015
Date of Declaration of results by the Chairman	04.11.2015
Date of signing the minutes book by the Chairman in which the result of the Postal Ballot is recorded	Within thirty dates from the date of declaration of Postal Ballot and e voting Results.

Date : 28 September 2015
Place: Vadodara.

For Styrolution ABS (India) Limited



Haresh Khilnani
Company Secretary & Head - Legal