

INEOS ABS

39th Annual Report
January-December 2011

INEOS ABS (India) Limited

Board of Directors	Dr. Gerhard Franken Mr. R S Agrawal Mr. Andrew Pizzey Mr. S M Kulkarni Mr. Jal R Patel Mr. Ravindra Kulkarni	Chairman Managing Director Director Director Director Director
VP (Finance)	D. J. Shah	
Company Secretary & VP (Legal)	S. M. Vaishnav	
Statutory Auditors	M/s. Price Waterhouse, Mumbai.	
Bankers	State Bank of India ICICI Bank	
Registered Office	6th Floor, ABS Towers, Old Padra Road, Vadodara - 390 007. Phones : 0265-2355861-63, 2355871-73. Fax : 0265-2341012, 2355860, 2355950, 2355960.	
Works	51, GIDC Industrial Estate, Nandesari - 391 340 Dist. Vadodara Phones : 0265-2840319, 2840285, 2840559, 2841010 Fax : 0265- 2840827	
Katol Plant	Halol-Kalol Road, Katol -389 330, Taluka Kalol, Dist. Panchmahal, Gujarat Phones : 02676-235980, 235891, 235802, 235803. Fax : 02676 – 235518	
Delhi Office	8-A, Gopala Tower, 25, Rajendra Place, New Delhi - 110 008 Phones : 011-25712650, 25729515, 25712727 Fax : 011-25756494	
Mumbai Office	403, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai - 400 064 Phones : 022-28813262/64, Fax : 022-28813265	
Bangalore Office	Unit 4 & 5, 2nd floor, Above Big Kids Kemp, Ramanashree Arcade No. 18, M. G. Road, Bangalore - 560 001 Phones : 080-25596516, 25525285, Fax : 080-25580508	
Ahmedabad Office	404, Satkar, Nr. Swagat Char Rasta, C. G. Road. Ellisbridge, Ahmedabad - 380 006 Phones : 079-26446877-78, Fax : 079-26442013	
R & D Centre & Moxi Plant	Sankarda-Bhadarva Road, Post : Poicha - 391 350 Tal.: Savli, Dist.: Vadodara Phones : 02667-244350, 244370, 244380, Fax : 02667 - 244340	

Members are requested to direct all correspondence relating to share matters to the Company's Registered Office or to Share Transfer Agent, M/s. Link Intime India Private Limited, B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020. Phone : 0265-2356573 Fax : 0265- 2356791 E-Mail : vadodara@linkintime.co.in

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the members of the Company will be held on 24th April, 2012 (Tuesday), at 11.00 a.m. at the Registered Office of the Company at ABS Towers, Old Padra Road, Vadodara – 390007, to transact the following business:

(A) ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st December, 2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date and report of the Directors' and Auditors' thereon.
2. To declare dividend on ordinary shares, if any.
3. To appoint a Director in place of Mr. Ravindra Kulkarni, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Myung Suk Chi, who was appointed as a director to fill in the casual vacancy caused by resignation of Mr. Andrew Pizzey and whose term of office expires at the ensuing Annual General Meeting and who offers himself for appointment as a Director of the company, liable to retire by rotation.
5. To consider appointment of M/s. B S R & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company.

(B) SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provision of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Registrar of Companies, Gujarat, consent of the Company, be and is, hereby granted to change the name of the Company from "INEOS ABS (India) Limited" to "STYROLUTION ABS (INDIA) LIMITED" or such other name as may be made available by the Registrar of Companies, Gujarat.

FURTHER RESOLVED THAT the approval, be and is, hereby granted to amend the Clause No.1 of the Memorandum of Association and of Articles of Association respectively to suitably reflect the change in the name as proposed and also replace the name 'INEOS' by 'STYROLUTION' wherever applicable."

Registered office :
6th floor, ABS Towers,
Old Padra Road,
Vadodara-390007
March 1, 2012

By order of the board
For INEOS ABS (India) Limited

S M Vaishnav
Company Secretary & VP (Legal)

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy form should be deposited with the Company at its registered office not less than 48 hours before the commencement of the meeting. A proxy so appointed shall not have any right to speak at the meeting. A blank proxy form is enclosed.
2. An explanatory statement relating to Item No. 6 as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 16th April, 2012 to Friday, 20th April, 2012 (both the days inclusive).
4. The Members are requested to notify immediately any change in their address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID No. and to Link Intime India Pvt. Limited, the Company's Registrars and Transfer Agent in respect of their physical shares, quoting Folio No.
5. Payment of dividend as recommended by the Directors, if declared at the meeting, will be made on or after 4th May, 2012, to the members whose names stand on the Company's Register of Members on 16th April, 2012 and to the Beneficial Owners as per the Beneficiary list at the close of business hours on 13th April, 2012, provided by the National Securities and Depository Limited and Central Depository Services (India) Limited.

6. Payment of Dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centres by crediting the dividend amount to the Bank of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under RBI centres, who have not furnished requisite information and who wish to avail the NECS facility to receive dividend from the Company, may furnish the information to Link Intime India Pvt. Ltd, the Registrars and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants, in order to receive dividend through NECS mechanism.
7. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years are to be transferred to the Investors' Education and Protection Fund as tabled below :

Financial Year	Div Rate(%)	In Rs.	Last date for claiming
2004	25	2.50	12 th May, 2012
2005	25	2.50	5 th May, 2013
2006	30	3.00	4 th May, 2014
2007	30	3.00	4 th April, 2015
2008	25	2.50	9 th April, 2016
2009	35	3.50	8 th May, 2017
2010	40	4.00	5 th May, 2018

Members whose dividend has remained unencashed / unclaimed for the above years, are requested to write to the Company for claiming of unpaid / unclaimed dividend before such unclaimed / unencashed dividend is transferred to the Investors' Education and Protection Fund at a specified date.

8. Members desirous of getting any information on Accounts or other items of Agenda are requested to forward his / her queries to the Company at least seven working days prior to the date of Annual General Meeting so as to enable the management to keep the information ready.
9. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Members/proxies attending the meeting are requested to bring their copy of Annual Report with them at the Meeting and deliver the enclosed attendance slip at the entrance of the meeting hall.
11. Reappointment of Directors.

Pursuant to the provisions of Articles of Association :

- Mr. Hyung Tae Chang, Chairman / Director and Mr. Myung Suk Chi, Director, have been inducted on the Board on the 1st March, 2012, being nominee/s of Styrolution (Jersey) Limited.
- Mr. Hyung Tae Chang was appointed in the casual vacancy caused due to resignation of Dr. Gerhard Franken, a nominee of INEOS.
- Mr. Myung Suk Chi, Director, was appointed in the casual vacancy caused due to resignation of Mr. Andrew Pizzey a nominee of INEOS, and is seeking reappointment as the term of office of Mr. Andrew Pizzey expires at the ensuing Annual General Meeting.
- Mr. Ravindra Kulkarni and Mr. Myung Suk Chi are retiring at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The brief resumes of the directors seeking appointment / reappointment and also the resume of Mr. Hyung Tae Chang who has been newly appointed in the casual vacancy and other information as per Clause 49 of the Listing Agreement with Stock Exchanges are provided herein below :

Name of Director	Mr. Ravindra Kulkarni	Mr. Myung Suk Chi	Mr. Hyung Tae Chang
Nationality	Indian	Foreign National	Foreign National
Age (Yrs.)	66	55	60
Date of Appointment	13.3.2008	1.3.2012	1.3.2012
Experience (Yrs.)	42	30	38
		<p>Brief Profile & Work Exposure:-</p> <ul style="list-style-type: none"> - President & Representative Director, Styrolution Korea Ltd. since Jan, 2011 - Worked as Styrenics (AKS/KS) BU Head, BASF Co. Ltd. Seoul, Korea during Aug 2006-Dec 2010. - Thermoplastic BU Deputy Head, BASF Co. Ltd., Seoul, Korea between Jul 2004-Jul, 2006 - EPS/SM Division Head, BASF co. Ltd. Seoul Korea between Oct, 2002 to Jul, 2004. - ABS Marketing Regional Manager, Senior Manager, BASF SEA Pte. Ltd Singapore between May, 1999 – Sept, 2002. - Technical Service Manager, Hyosung BASF, Seoul, Korea between June, 1994 – Apr, 1999. - Compounding / QC Manager, Hyosung BASF, Ulsan, Korea, between Nov, 1984 – May, 1994 - PS Project Team Member, TongYang Nylon, Ulsan, Korea, between Nov, 1983 – Oct, 1984 - Quality Control Specialist for tirecord, TongYang Nylon, Ulsan, Korea between Jan 1982 – Oct, 1983 	<p>Brief Profile & Work Exposure:-</p> <ul style="list-style-type: none"> - Present Group Vice President, BASF South East Asia Pte. Lted Singapore. - Regional Business Unit, Styrenics Polymers, Asia Pacific including Operational Planning, Sales & Marketing, Production, Supply Chain, etc. since 2001. - Board Member and on overall Management of Hyosung Corporation during 1997-2001 - Board Member of Hyosung BASF Co. Ltd. Seoul during 1980-1997 - During 1977-1980 worked with Fohag-BASF Dept. Seoul, Korea as Manager, Chemicals and Plastic Dept. - 1974-1997 worked with Honam Petrochemical Co. Ltd. Seoul, Korea Project Engineer for Yeochun Petrochemical Complex, including Market Survey, Feasibility Study, Technology Evaluation and Contract Handling etc.,
Qualification	B.Sc., LLM	Bachelor of Science – Inha University MBA – SeoGang University	Chemical Eng., MBA (Seoul National University)
List of Public Companies in which directorship held as on 31.12.2011	<ul style="list-style-type: none"> - INEOS ABS (India) Limited. - Alternate Brand Solutions (India) Limited - Elantas Beck India Limited - Entertainment Network (India) Limited - Mahindra & Mahindra Limited - Tech Mahindra Ltd. - Chowgule Steamships Limited 	N.A.	N.A.

Committee Chairmanship / Membership held as on 31.12.2011	Audit Committee	N.A.	N.A.
	Chairman - Elantas Beck India Limited		
	Member - INEOS ABS (India) Ltd. - Entertainment Network (India) Limited - Mahindra & Mahindra Limited		
	Remuneration Committee		
	Chairman - Tech Mahindra Ltd.		
	Member - INEOS ABS (India) Ltd. - Entertainment Network (India) Limited - Mahindra & Mahindra Limited		
	Investors' Grievances Committee		
	Chairman - Elantas Beck India Limited		
	Member - Mahindra & Mahindra Limited		

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956, SETTING OUT THE MATERIAL FACTS RELATING TO BUSINESS UNDER ITEM NOS. 6 AS SET OUT IN THE NOTICE.

ITEM NO. 6 :

Consequent upon the formation of 50:50 Global joint venture between INEOS and BASF, bringing together key Styrenics business of the two joint venture partners worldwide effective October 1, 2011, M/s. Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited), the acquirer, along with persons acting in concert has in terms of SEBI (SAST) Regulations 1997, made a public offer to the Shareholders of the Company, vide Offer document dated January 5, 2012.

The cash offer price was Rs. 606.81 (Rupees six hundred six and paise eighty one only) for one fully paid up Equity Share of Rs. 10 each. Total 7,03,075 nos. of Equity Shares forming 4% of the total Equity Share capital of the Company have been received unto transfer favouring Styrolution (Jersey) Ltd. Effective from 1st March, 2012, Styrolution (Jersey) Limited is holding 15,356,780 nos. of Equity Shares constituting 87.33 % of total Equity Share capital of the Company.

The Board of Directors of the Company at the meeting held on March 1, 2012 has proposed to change the name of the Company from INEOS ABS (India) Ltd. to Styrolution ABS (India) Limited or such other name as may be made available from the Ministry Of Corporate Affairs, Office of Registrar of Companies, Gujarat.

The Board of Directors are of the view that the proposed change of name would put the existing styrenics activities under independent legal entity to successfully position worldwide activities under one roof called 'STYROLUTION' in view of the recent open offer concluded and change and take over of management by Styrolution (Jersey) Limited.

In terms of Section 21 of the Companies Act, 1956, the change of name requires a special resolution and the approval of the Registrar of Companies. After the approval of Shareholders, the change of name would be complete and effective on issue of a fresh Certificate of Incorporation by the Office of Registrar of Companies, Gujarat.

Your Directors recommend the resolution as set out in item no. 6 of the notice for your approval.

With this resolution approved, accordingly, the Memorandum & Articles of association of the Company and other documents, etc. would be amended subsequently to reflect the new corporate name and STYROLUTION name will replace INEOS wherever appearing.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting herewith their 39th report together with Audited Accounts and Auditors' Report for the year ended 31st December, 2011.

Financial Performance

The financial performance of your Company for the year ended 31st December, 2011 is indicated below :

(Rs. In '000)

Particulars	2011	2010
Sales in MTs	66,714	66,292
Sales and other operating Income	9,099,761	8,160,126
Other Income	112,703	54,823
Total Income	9,212,464	8,214,949
Gross Profit before Interest, Depreciation & Tax	914,230	1,166,639
Less : Interest	-	-
Less: Depreciation	139,401	139,779
Profit Before Tax	774,829	1,026,860
Less: Provision for Tax	267,200	348,000
Less: Provision for Deferred Tax	32,035	21,440
Net Profit After Tax	539,664	700,300
Add: Balance of Profit Brought Forward	2,090,558	1,544,784
Amount Available for Appropriation	2,630,222	2,245,084

Appropriations:		
Proposed Dividend	70,343	70,343
Tax on Proposed Dividend	11,140	11,683
Transfer to General Reserve	55,000	72,500
Balance of Profit Carried Forward	2,493,739	2,090,558
EPS (Basic)	30.69	39.82
(Diluted)	30.69	39.82

Review of operations

During the year under review, the net sales amounted to Rs. 909.98 Cr. (Prev. year Rs. 816.10 Cr.). The Operating profit of the Company after accounting relevant expenses amounts to Rs. 91.42 Cr. reflecting a decrease by 21.63 % (Prev year Rs. 116.66 Cr.) and the net profit has decreased to Rs. 53.97 Cr. (Prev. year Rs.70.03 Cr.).

The earning per share has decreased to Rs. 30.69 from Rs. 39.82 last year.

During the year, Company has not increased its share capital and it remains unchanged at Rs 17.58 Cr.

Your Board of Directors is pleased to record Company's debt free status, for the ninth year in succession.

Your Company has faced very credibly during the year inspite of tremendous volatility in raw material prices. While Acrylonitrile moved between 2800 US\$ to 1800 US\$, Butadiene moved between 4200 US\$ and 1700 US\$. Styrene though was relatively stable and moved between 1500 US\$ to 1300 US\$. Such kind of volatility has created a huge pressure on the pricing and margins specially in the last quarter of the year where in addition there was a sudden change/s in the raw material/s prices and sudden depreciation of INR by almost 20%.

With increased capacity in the current year, the Company expects to actively participate in the market and improve market share. With the technology available from Styrolution Companies your Company will be able to cater to the customers needs in a better manner.

During the year the Company has increased the capacity and further steps have been taken to increase the ABS capacity to 110 KT which will be implemented by 2014. As a first step the SAN capacity is being increased to 100 KTA and this capacity will be available in 2013.

Your Company continues to maintain its leadership position in the market.

Styrolution

Consequent upon the formation of 50:50 Global joint venture between INEOS and BASF, bringing together key Styrenics business of the two joint venture partners worldwide effective October 1, 2011, M/s. Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited), the acquirer, along with persons acting in concert has in terms of SEBI (SAST) Regulations 1997, made a public offer to the shareholders of the Company, vide Offer document dated January 5, 2012. The cash offer price was Rs. 606.81 (Rupees six hundred six and paise eighty one only) for one fully paid up Equity Share of Rs. 10 each to acquire maximum of 2,931,920 Equity Shares representing balance 16.67% of the total Equity Share capital of the Company, which was concluded on February 6, 2012. Total 7,03,075 nos. of Equity Shares forming 4% of the Equity Share capital of the Company have been received unto transfer favouring Styrolution (Jersey) Ltd.

Change of Name

Effective from 1st March, 2012, Styrolution (Jersey) Limited is holding 15,356,780 no. of Equity Shares constituting 87.33 % of the total Equity Share capital of the Company.

The Board of Directors of the Company at the meeting held on March 1, 2012 has proposed to change the name of the Company from INEOS ABS (India) Ltd. to Styrolution ABS (India) Limited or such other name as may be made available from the Ministry Of Corporate Affairs, Office of Registrar of Companies, Gujarat and subject to approval of the shareholders.

A Special Resolution for change of name for approval of the Shareholders is proposed in the AGM Notice at item no. 6.

Dividend

The Directors of your Company are pleased to recommend a dividend of Rs. 4.00 per fully paid-up Equity Share i.e. 40 % for the financial year ended on December 31, 2011 subject to the shareholders' approval at the ensuing Annual General Meeting. Dividend once approved, will be paid to all those shareholders whose names appear in the Register of Members as on 16th April, 2012.

The register of members and share transfer books shall remain closed from 16th April, 2012 to 20th April, 2012, both the days inclusive, for the purpose of Annual General Meeting and payment of dividend.

Transfer to the Investor Education and Protection Fund

In terms of Section 205C of the Companies Act, 1956, the unclaimed dividend relating to the financial year ended on 31.12.2004 is due for transfer in the month of May, 2012 to the Investor Education and Protection Fund maintained by the Ministry of Corporate Affairs.

Contribution to the National Exchequer

A sum of Rs. 124.33 Cr. on account of central excise duty, direct and indirect taxes and state taxes was paid to the National Exchequer during the year under review.

Research and Development

The R & D centre meets with market needs helping the Company to improve upon the laid out standards. Continuous improvement in product and process studies have ultimately benefitted all concerned.

INEOSABS is geared to contribute to R & D capabilities globally and we hope to become an important hub for such related activities.

Our proven after sales services to customers, results in increased customer bonding and long term relationships.

Risk Management

Risk management and control practices have been deployed across all the functions and functional evaluation of rating probability and impact is constantly monitored under the guidance of the Managing Director. Very high ranking risks are deliberated at the Board level and mitigating steps and measures applied or to be applied are debated.

The objectives of the Company's risk management framework comprises the following :

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

The senior management team forming part of the risk managing organization conducts an exercise every quarter internally for an ongoing risk assessment and takes measures and effective steps to mitigate / reduce impact and control the same from time to time. The Managing Director gives overall directions in controlling / mitigating risks generally and is in complete know of the organizational risk potential.

The Company has a proper system to ensure compliance of legal / regulatory rules and regulations applicable to the Company.

Health, Safety and Environmental Protection

Your Company gives highest importance to Environment and Safety, and encourages and promotes safety awareness as an integral part of the work culture.

Process Safety Management - PSM is now an integral part of any changes in the process.

Onsite emergency plans have been reviewed and updated in all divisions. Periodic mock drills are conducted at various divisions and the reports indicate improved preparedness of employees.

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

Insurance

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

As an additional coverage, a statutory Public Liability Insurance Policy has been taken to cover public liability arising out of industrial accidents. INEOS ABS group has covered globally through insurance cover, the Directors' and Officers' liability under the Indian Companies Act to meet with any eventuality.

Directors

Mr. Ravindra Kulkarni and Mr. Myung Suk Chi, Director/s of the Company are to retire by rotation at the ensuing Annual General Meeting. Being eligible, they have offered themselves for reappointment and the Board recommends their reappointment/s.

Your Directors hereby confirm the compliance of conditions necessary for appointing Independent Director/s under Clause 49, amended till date, of the Corporate Governance Code prescribed under the Listing Agreement.

Auditors and their report

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no comments.

M/s. Price Waterhouse, Chartered Accountants, Mumbai, the present statutory Auditors' of the Company have expressed their unwillingness for the reappointment. Thus they will retire at the conclusion of ensuing Annual General Meeting.

Your Board of Directors after Audit Committee/s recommendation has approved the appointment of the Statutory Auditors subject to the shareholders' meeting approving the same.

M/s. BSR & Co. Chartered Accountants, Mumbai has submitted a certificate to the effect that their appointment, if any, would be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Directors recommend the appointment of M/s. BSR & Co. Chartered Accountants, Mumbai as Statutory Auditors of the Company.

Consumption of energy, technology absorption and foreign exchange earnings and outgo

A statement giving details of the conservation of energy, technology absorption, and foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

Quality Systems and ISO certification

During the year the Company continues to observe all pre-requisites in maintaining the quality systems and standards and ISO audit methods as required under the guidelines of Quality and Environmental Management Systems for ISO certified by DQS, Germany. During the year System Assessments for ISO 9001:2008 & ISO 14001:2004 were also successfully completed.

Corporate Governance

Your Company has implemented clause 49 of Listing Agreement, popularly known as 'Corporate Governance', within the stipulated time frame and has taken effective steps to meet with its compliance standards. It also takes a proactive approach and revisits its governance practices from time to time so as to fulfill business and regulatory needs.

The Company has implemented all of the mandatory and other major stipulations as applicable to the Company.

The Statutory Auditor's Certificate in accordance with Clause 49 of the Listing Agreement and report on Corporate Governance is annexed to and forming part of the Directors' Report.

Mr. R S Agrawal, Managing Director and Mr. D J Shah, Chief Financial Officer have given a certificate to the Board as contemplated in sub-clause V of clause 49 of the Listing Agreement.

Management Discussion and Analysis

A Management Discussion and Analysis Report for the year 2011 as required under Clause 49 of the Listing Agreement is annexed and forming part of the Directors' Report.

Human Resource and Industrial Relations

The human resource development function of the Company is guided by a spirit of corporate team building and dedication towards strengthening the Company's systems thereby improving efficiencies and registering growth. All personnel continue to have a healthy, cordial and harmonious approach in problem solving and enhancing Company value at all levels. Despite severe economic trials, the enthusiasm and unstinting efforts of the employees has enabled the Company to maintain leadership in its business areas.

Particulars of Employees

Particulars of employees, as required under Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, form part of this Report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to all shareholders of the Company, excluding the aforesaid information and the said particulars are being made available at the Registered Office of the Company. The members interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Directors' Responsibility Statement Pursuant to Section 217(2AA)

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors based on the representation received from the operating management, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st December, 2011 and of the profit of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

Acknowledgements

Your Board of Directors thank all the stakeholders - the shareholders, customers, dealers, suppliers, bankers and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board

Mumbai
February 14, 2012

Andrew Pizzey
Chairman

Annexure I to the Directors' Report

Information as per Section 217(1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st December, 2011.

1. Conservation of Energy**a) Energy conservation measures taken:**

- Adaption of new technology in the process of PB Latex and its full implementation in Nandesari plant has reduced power consumption.
- Installations of new FBD & energy efficient equipments have increased the productivity & thereby reduced specific power consumption.
- Old reciprocating inefficient air compressors have been replaced with energy efficient screw air compressor working on variable speed drive.
- Power factor has been maintained high throughout the year by proper monitoring of the capacitor banks at Nandesari, Moxi & Katol plants.
- Continued use of steam condensate recovered from dryer section has resulted in the reduction of fuel & boiler feed water.
- Recycling of treated waste water & continued operation of central vacuum system in compounding & polymerization has reduced water consumption.

b) Additional investments if any being implemented for reduction of consumption of energy.

Rs. 6 lakhs.

c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the production of goods.

Reduction in Specific Energy and water consumption.

2. Total energy consumption and consumption per unit of production as per Form A

Particulars	January'11 to December'11	January'10 to December'10
Power and Fuel Consumption		
2.1 Electricity		
a) Purchased		
Units Nos.	27,984,265	29,172,6251
Total Amount (Rs ' 000)	178,338	77,483
Rate/Unit (Rupees)	6.37	6.08
b) Own Generation		
i) Through Diesel Generator		
Units	177,856	357,088
Units per Ltr. of Diesel Oil	281	305
Cost/Unit	16.62	15.31
ii) Through Steam Turbine / Generator		
Units	NIL	NIL
Units per Ltr of Fuel Oil/Gas	NIL	NIL
Cost/Unit	NIL	NIL
iii) Through Wind Turbine / Generator		
Units	6,903,650	6,495,620
Amount (Rs. ' 000)	38,956	35,688
Rate/Unit (Rupees)	5.64	5.49
2.2 Coal (specify quality and where used)	NIL	NIL
2.3 Furnace Oil		
Qty. (Ltrs)	1,312,216	1,330,406
Total Amount (Rs.' 000)	44,029	32,790
Avg. Rate	33.55	24.65
2.4 Other / Internal Generation		
Natural Gas		
Qty. (M ³)	1,601,987	1,644,868
Total Cost	48,669	33,981
Rate/Unit	30.38	20.66
2.5 Consumption per Ton		
Electricity Units	326	345
Furnace Oil Ltrs.	12	13
Natural Gas (M ³)	28	30

3. Particulars as per Form B**3.1 Activities carried out at the Research and Development Center during the year 2011.**

- Developed following new products as per customer / market demand :
 - i) An FR ABS grade with flame rating UL- 94 V-2 suitable for the application of domestic appliances (refrigerator) with specific property profiles.
 - ii) A flame retardant ABS grade with enhanced flame rating (5VA) as UL-94 for Electronics Industry.
 - iii) An ultra high heat ABS grade, using polyamide for ever growing Automotive and Appliance sectors.
 - iv) R&D has further done an extensive study and successfully implemented a project aiming to curtail the wastage of water and safeguard natural resources from not only the environmental point of view, but the national interest as well.
- A driving force to reduce the cost, R&D has played a crucial role, contributing a major share in terms of carrying out various testing and studies using our in-house testing facilities for our business partners round the world (Several samples testing has been carried out during the year).
- R&D also has provided an excellent service and support to INEOS Germany and Spain by way of carrying out Mold flow analysis on time bound basis, and, the same service and support was also extended to number of prestigious local OEMs.
- R & D plays a major role in the way of supporting the Plants and their Quality Control departments in terms of analysis of various grades to reconfirm the properties vis-à-vis customers' requirements.

3.2 Expenditure on R & D**(Rs. '000)**

a)	Capital	2,989
b)	Recurring	9,645
c)	Total	126,34
d)	Total R & D expenditure as a percentage of : Gross Turnover	0.13
	: Net Turnover	0.15

4. Technology absorption, adoption and innovation

1. Process technology changed in emulsion rubber section from pure batch mode to semi continuous mode to improve safety to manufacture SBR latex in addition to PB latex. This has also reduced batch cycle times and increased conversions and over all capacity.
2. Chemical Agglomeration Technology introduced in rubber section to produce rubber latex of monomode / bimodal particle size distribution which has resulted in better rubber efficiency.
3. Recepte optimization in graft section to increase conversions and reduced batch cycle times.
4. Hardware changes in Coagulation washing and drying section to improve safety and reduce water consumption.
5. Obtained EC (Environment Clearance) for expansion in Nandesari and Katol plants.

5. Foreign exchange earning and outgo

5.1 The Company is growing its market base. Consistent efforts are being made to find new avenues for exports.

5.2 Total foreign exchange earned and outgo :-

(Rs. '000)

a)	FOB value of exports made / supply to Special Economic Zone	22,570
b)	Exchange Earned	-
c)	Exchange Outgo	21,567
d)	CIF Value of Imports made	4,907,047

For and on behalf of the Board

Mumbai
February 14, 2012

Andrew Pizzezy
Chairman

Report on Corporate Governance**(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)****1. Company's philosophy on Code of Governance**

The Company's basic and underlying policy is to achieve highest level of ethical dealings for the efficient conduct of the affairs of the Company which enables maximum value addition to all the stakeholders.

2. Board of Directors

- Composition and size of the Board**

The Board comprises of six Directors. The Company has a Non-executive Chairman. The Managing Director under the supervision and control of the Board of Directors manages the Company. The Board of the Company has an optimum mix of Non-executive and Independent Directors. The Non-executive Directors are professionals, having expertise in general corporate management, legal, finance, banking and other allied fields. The Board composition confirms to the regulatory requirement mandated.

- Board meetings and attendance**

Four Board meetings were held in the year 2011 and the gap between two Board meetings did not exceed four months. The annual calendar of Board meetings is agreed upon at the beginning of each year.

The information as required under Annexure I to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated at least one week prior to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	17th February, 2011	6	6
2	5th May, 2011	6	5
3	26th July, 2011	6	5
4	18th October, 2011	6	5

- Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is a Director / Member (as on the date of the Directors' Report).

Name of Directors	Category	Number of Board Meeting attended	Number of Committee Membership(s) / Chairmanship(s)+		Number of Directorships held*	Attendance at last AGM 5/5/2011
			Member	Chairman		
Dr. Gerhard Franken	NED	3	-	-	1	No
Mr. R S Agrawal	MD	4	2	-	5	Yes
Mr. Sharad M Kulkarni	NED(I)	4	10	4	11	Yes
Mr. Andrew Pizzey	NED	2	-	-	1	Yes
Mr. Jal R Patel	NED(I)	4	5	3	6	Yes
Mr. Ravindra Kulkarni	NED(I)	4	7	3	8	Yes

MD -Managing Director, NED - Non-Executive Director, NED(I) - Non-Executive Independent Director.

- * Directorship mentioned above includes Directorship in INEOS ABS (India) Limited and excludes Private Limited and Foreign Companies.

- + Committees considered as per clause 49 of the Listing Agreement are Audit Committee, Shareholders' Grievance Committee, Remuneration Committee and Employee Stock Option Committee including in INEOS ABS (India) Limited.

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

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

- **Responsibilities**

Managing Director: Mr. R S Agrawal, Managing Director of the Company, is responsible for the overall management of the Company. He is the only full time executive representative from the Board of Directors. He periodically makes presentations, gives explanations and appraises the Board about the performance of the Company.

Independent Directors: The Independent Directors play a vital role in vetting issues/decision making at the Audit Committee / Board Meetings and bring to the Company their wide experience in the field of corporate management, accounts, finance, taxation, audit, secretarial & legal and information management.

The Company has three Independent Directors on the Board. The Audit Committee is composed of Non-executive Independent Directors. Independent Directors have unfettered and complete access to all the information of the Company.

- **Details of Directors being re-appointed**

As per the Statute, two third of the Directors should be retiring Directors. One third of these retiring Directors are required to retire every year and if eligible these Directors qualify for reappointment.

Mr. Ravindra Kulkarni and Mr. Andrew Pizzey are to retire at the ensuing AGM as they are retiring by rotation and being eligible have offered themselves for reappointment.

Resolutions for each of them appear separately in the AGM Notice.

The brief profile of each of the Directors who retire by rotation and who being eligible has offered himself for reappointment, is given below:

Mr. Andrew Pizzey (DIN : 02102692)

Andrew has a bachelors degree in banking & finance and is a qualified chartered accountant (ICAEW). He has 18 years experience in accountancy and finance, spending 13 years with PwC in audit and advisory roles working in the UK and Australia. Andrew was formerly CFO of INEOS Films & Compounds and is currently CFO of INEOSABS.

Mr. Ravindra Kulkarni (DIN : 00059367)

Mr. Ravindra Kulkarni has immense experience in all aspects of Corporate law; Mergers & Acquisitions, cross-border transactions in Capital Markets, in Securities Law - such as insider trading takeover-code, public offers, buyback of securities etc., In restructuring of Companies, privatisation of Government business and Companies in India on behalf of several bidders, etc., in Foreign Investment, Joint Venture and Foreign Collaboration-such as advice and documentation, obtaining regulatory approvals, joint venture and licensing, shareholder agreements and arrangements, technology transfers, import of plant and equipment etc. in Infrastructure and Project Financing, concession agreements, construction contracts, operation & maintenance contracts etc., He also has considerable experience in litigation having handled writs and civic litigation. He advises a range of large Indian and multinational clients in various business sectors, including infrastructure, power, telecom, automobile, engineering steel, cement, agriculture and agri-products, software and information technology, retail services.

3. **Audit Committee**

- **Terms of Reference**

The terms of reference of this Committee are wide enough to cover the matters specified for audit committees under Clause 49 of the Listing Agreements, as well as in Section 292A of the Companies Act, 1956, and are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) to review with Management the financial statements at the end of a quarter, half year and the annual financial statements before submission to the Board for approval, focusing particularly on:
 - (i) matters required to be included in the Director's Responsibility Statement which form part of the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) qualifications in the draft audit report.
- c) to consider the appointment or re-appointment of the statutory auditors, the audit fee, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them;

- d) to discuss with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern (in absence of management where necessary);
- e) reviewing, with management, performance of statutory and internal auditors, adequacy of the internal control systems and discuss the same periodically with the statutory auditors, prior to the Board making its statement thereon;
- f) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- g) discussion with internal auditors on any significant findings and follow up thereon;
- h) reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- l) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- j) to review the functioning of the Whistle Blower mechanism, in case the same is existing;
- k) to review the external auditors' audit reports and presentations and management's response thereto;
- l) to ensure co-ordination between the internal and external auditors, and to request internal audit to undertake specific audit projects, having informed management of their intentions;
- m) to consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- n) to review policies and procedures with respect to Directors' and officers' expense accounts, including their use of corporate assets, and consider the results of any review of these areas by the internal auditors or the external auditors;
- o) to consider other topics, as defined by the Board;
- p) to review the following information:
 - i) Management discussion and analysis of financial condition and results of operations;
 - ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - iv) Internal audit reports relating to internal control weaknesses; and
 - v) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

• **Details of the composition of the Audit Committee and attendance of Members are as follows:**

The Audit Committee comprises of Independent Directors and their meetings were held on 17th February, 2011, 5th May, 2011, 26th July, 2011 and 18th October, 2011.

Name	Designation	Category of Directorship	Attendance out of four meetings held
Mr. Sharad M Kulkarni	Chairman	Non-executive & Independent	4
Mr. Jal R Patel	Member	Non-executive & Independent	4
Mr. Ravindra Kulkarni	Member	Non-executive & Independent	4

The Managing Director, CFO, the Statutory Auditors and Internal Auditors are invitees to the meeting. The Company Secretary acts as Secretary to the Committee.

The Chairman of the Audit Committee, Mr. Sharad M Kulkarni, was present at the Annual General Meeting of the Company held on 5th May, 2011.

4. Remuneration Committee

A Remuneration Committee has been constituted by the Board on specific need basis. The Board of Directors has appointed a committee specifically for the purpose of recommending the Managing Director's remuneration. The Committee consists of 1) Mr. Sharad M Kulkarni, 2) Mr. Jal R Patel and 3) Mr. Ravindra Kulkarni as members. The appointment and proposed terms and conditions of remuneration payable to Mr. R S Agrawal as Managing Director for a period of one year from 1st January, 2012 to 31st December, 2012 have been recommended by the committee at it's meeting held on 17th February, 2011 and approved at the Annual General Meeting held on 5th May, 2011.

Brief description of terms of reference of the Committee is as under:

- Recommend compensation payable to the Managing Director.
- Perform such other functions consistent with applicable regulatory requirements.

5. Remuneration to Directors

• Remuneration to Managing Director

The remuneration paid to the Managing Director is recommended by the Remuneration Committee, approved by the Board of Directors and Shareholders at the General Meeting and such other authorities, as may be required from time to time.

The remuneration paid to the Managing Director during the year ended 31st December, 2011 is as under:

Components	Particulars	Amount (Rs. In '000)
Fixed Component	Salary	14,400
	Perquisite, allowances and contribution to Provident Fund	1,713
Performance Linked	Bonus	4,000
Service Contract, notice period and severance fees: There are no severance fees payable in the service contract.		
Stock Option		NIL

• Remuneration to Non-Executive Directors

Non-executive Independent Directors are entitled to sitting fees for every meeting of the Board, Audit Committee, Remuneration Committee and Investors' / Shareholders' Grievances Committee attended by them. Non-executive Independent Directors are at present paid sitting fees of Rs. 20,000/- for each Board Meeting and Audit Committee Meeting, Rs. 10,000 for Remuneration Committee Meeting and Rs. 5000 /- for Investors' Grievances Committee meeting attended.

In addition to the above all the three independent directors of the Company are paid a commission subject to maximum limit of Rs 3 lakhs each for a period not exceeding 3 years commencing from 1st January, 2010. In the year 2011 concluded, the same amount is being paid.

Sitting fees paid during the year ended 31st December, 2011.

Name of Director	Sitting Fees paid (Rs.)			
	Board Meeting	Audit Com. Meeting	Investor's Grievance Com. Meeting	Remuneration Committee
Mr. Sharad M Kulkarni	80,000	80,000	N.A.	10,000
Mr. Jal R Patel	80,000	80,000	20,000	10,000
Mr. Ravindra Kulkarni	80,000	80,000	N.A.	10,000

The Company has not advanced any loan to any of its Directors. The Company does not have any Employee Stock Option Plan (ESOP). None of the Non-Executive Directors hold any shares of the Company.

6. Investors' Grievances Committee

The composition of the Investors' Grievance Committee is as follows:

Name of the Member	Designation	Category of Directorship
Mr. Jal R Patel	Chairman	Non-Executive & Independent
Mr. R S Agrawal	Member	Executive

During the year under review, the Committee met four times on 17th February, 2011, 5th May, 2011, 26th July, 2011 and 18th October, 2011 and all the members attended the meeting

Brief description of terms of reference of the Committee is as under:

- Look into the redressal of shareholders' and investors' complaints / grievances like transfer of shares, non receipt of Annual Report, non receipt of declared dividends, etc.
- Review of timely action of transfer, sub-division, consolidation, renewal, exchange or endorsement of share certificates.
- Oversee the performance of the Registrar and Share Transfer Agent and recommend measures for overall improvement in the quality of investor services.
- Ascertain whether the Registrars and Share Transfer Agent (RTA) is sufficiently equipped with infrastructure facilities such as adequate manpower, computer hardware and software, office space, documents handling facility, etc. to serve the shareholders /investors.
- Recommend to the Board, the appointment, reappointment, and if required, the replacement or removal of the Registrar and Share Transfer Agent and fixation of their fees, and
- To carry out any other functions as required by the Listing agreement of the Stock Exchanges, Companies Act, 1956 and other Regulations.

Name and Designation of Compliance Officer :

Mr. S M Vaishnav, Company Secretary & VP(Legal)

Phone : 0265 - 2355861- 63

Fax : 0265 - 2341012

Email : secshare@ineosabsindia.co.in

Website : www.ineosabsindia.co.in

The Complaints received during the year are as follows:

Correspondence in the nature of complaints	Q1	Q2	Q3	Q4	Total
Shareholders	1	2	0	0	3
SEBI	0	0	0	0	0
Stock Exchanges	0	0	0	0	0
Other Regulatory Bodies	0	0	0	0	0
Total	1	2	0	0	3

There are no grievances of shareholders' / investors' remaining unresolved as every effort is made at all levels to immediately redress investors' grievances without delay. The Company has no complain pending at the close of the financial year.

M/s. Link Intime India Private Limited, Registrar and Transfer Agent of the Company have certified the status of complaints and communications received during the year.

7. General Body Meetings

- Details of the locations of the last three Annual General Meetings (AGM) and details of the resolutions passed or to be passed by Postal Ballot:

AGM	Date	Year	Time	Place
36 th AGM	20.04.2009	2008	04.30 P.M.	ABS Towers,
37 th AGM	27.04.2010	2009	04.30 P.M.	Old Padra Road,
38 th AGM	05.05.2011	2010	11.30 A.M.	Vadodara.

All the resolutions, including special resolutions set out in the respective Notices were passed by the shareholders. No Postal Ballots were used for voting at the meeting held during the year under review. At the forthcoming AGM, there is no item on the agenda that needs approval by Postal Ballot.

8. Disclosures

- There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- Transactions with related parties are disclosed in Note 10 of Schedule 17 to the financial statements in the Annual Report.
- During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- The Code of Conduct applicable to all Directors and employees of the Company has been posted on the Company's website. For the year under review, all Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said Code.
- **CEO / CFO Certificate(s)**

The Managing Director and the Chief Financial Officer have submitted to the Board of Directors annual certification relating to financial reporting and internal controls, in terms of Clause 49 of the Corporate Governance code.

9. Means of Communication

- The quarterly results are published in widely circulating national and local dailies. These are not sent individually to the shareholders.

	Name of News Paper	Edition
1.	The Financial Express(Gujarati)	Ahmedabad
2.	Loksatta (Gujarati)	Vadodara
3.	The Indian Express	Vadodara
4.	Business Standard	Ahmedabad

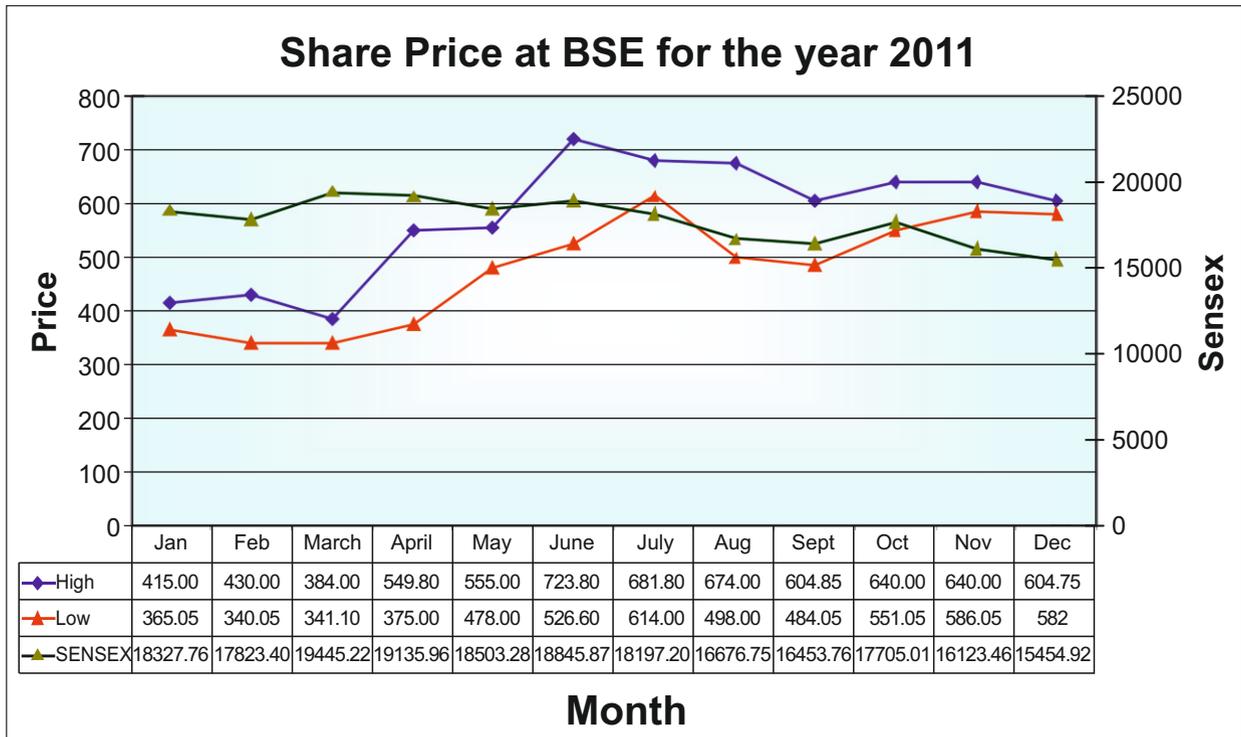
- The Company's results and official news releases are displayed on the Company's website. The Company's website address is www.ineosabsindia.co.in.
- The Management Discussion and Analysis Report forms a part of this Annual Report.

10. General Shareholder Information

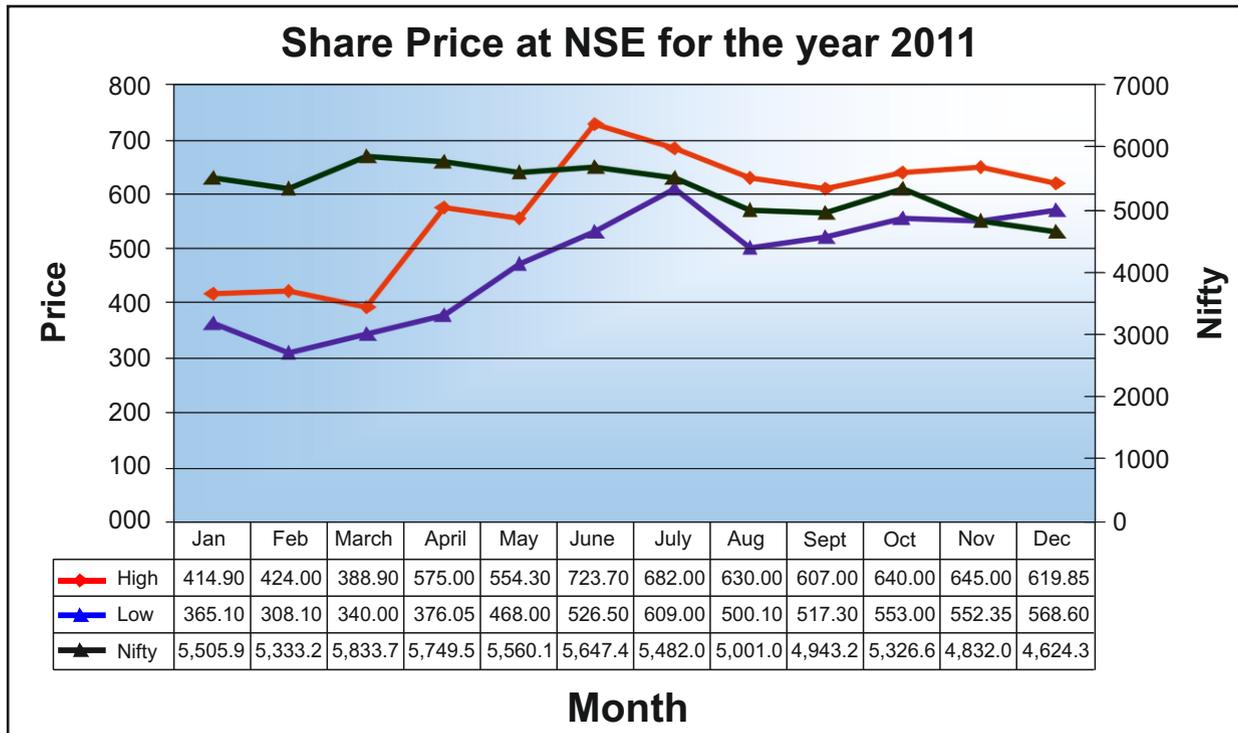
- AGM : (Date, Time and Venue) 24th April, 2012 (Tuesday) at 11.00 a.m. at ABS Towers, Old Padra Road, Vadodara - 07.
- Financial year : 1st January to 31st December.
The financial results will be adopted as per the following tentative schedule :
First Quarter: 24th April, 2012
Second Quarter: 24th July, 2012
Third Quarter: 29th October, 2012
Fourth Quarter: 15th February, 2013
- Dividend for the year 2011 : The Board of Directors of the Company has recommended a dividend of Rs.4.00 (@ 40 %) per Equity Share for the year ended December 31, 2011. Dividend when declared at the Annual general Meeting will be paid to the members', whose names appear on the Register of Members as on 16th April, 2012.
- Dividend Payment Date : 4th May, 2012 (Friday)
- Date of book closure : 16th April, 2012 (Monday) to 20th April, 2012 (Friday) (Both days inclusive).
- Corporate Identity Number (CIN) : L25200GJ1973PLC002436
- Listing on Stock Exchanges :
 - ▶ Bombay Stock Exchange Limited. (BSE)
Scrip Code :506222
 - ▶ National Stock Exchange of India Limited. (NSE)
Scrip Symbol : INEABS
 - ▶ Listing fees for the year 2011-12 have been paid to both the stock Exchanges within stipulated time.
- ISIN for NSDL & CDSL : INE 189B01011
- High/low of market price of the Company's shares traded along with the volumes on The Stock Exchange, Mumbai and on the National Stock Exchange during the calendar year 2011 is furnished below:

Month	BSE (SENSEX)				NSE (Nifty)				
	High Price (Rs.)	Low Price (Rs.)	No. of Shares	SENSEX	High Price (Rs.)	Low Price (Rs.)	No. of Shares	NIFTY	
Jan. 11	415.00	363.05	109,296	18327.76	414.90	365.10	73,740	5,505.90	
Feb. 11	430.00	340.05	82,464	17823.40	424.00	308.10	91,357	5,333.25	
Mar. 11	384.00	341.10	39,434	19445.22	388.90	340.00	34,086	5,833.75	
April 11	549.80	375.00	215,977	19135.96	575.00	376.05	174,993	5,749.50	
May 11	555.00	478.00	71,941	18503.28	554.30	468.00	55,099	5,560.15	
June 11	723.80	526.60	924,622	18845.87	723.70	526.50	1,287,538	5,647.40	
July 11	681.80	614.00	140,419	18197.20	682.00	609.00	161,206	5,482.00	
Aug. 11	674.00	498.00	64,253	16676.75	630.00	500.10	48,970	5,001.00	
Sep. 11	604.85	484.05	41,037	16453.76	607.00	517.30	51,549	4,943.25	
Oct. 11	640.00	551.05	106,231	17705.01	640.00	553.00	80,739	5,326.60	
Nov. 11	640.00	586.05	64,087	16123.46	645.00	552.35	72,730	4,832.05	
Dec. 11	604.75	582.00	51,803	15454.92	619.85	568.60	52,651	4,624.30	
Total Shares Traded			1,911,564		Total Shares Traded			2,184,658	
Average Shares Traded			159,297		Average Shares Traded			182,055	

- Share Performance of the Company in comparison to BSE (Sensex) :-



- Share Performance of the Company in comparison to NSE (Nifty) :-



- Distribution of shareholding as on 31st December, 2011

No. of shares ranging From – To	No. of Shareholders	% to Total	No. of Shares	% to Total
1 - 500	7,518	91.49	872,591	4.96
501 - 1100	368	4.48	292,618	1.66
1101 - 2000	151	1.84	225,620	1.28
2001 - 3000	54	0.66	136,448	0.78
3001 - 4000	32	0.39	112,179	0.64
4001 - 5000	18	0.22	82,340	0.47
5001 - 10000	37	0.45	263,521	1.50
10001 - *****	39	0.47	15,600,308	88.71
Total:	8217	100.00	17,585,625	100.00

- Dematerialisation of shares as on 31st December, 2011

Particulars	31 st December, 2011		31 st December, 2010	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
- NSDL	16,705,535	95.00	16,683,145	94.87
- CDSL	560,665	3.19	565,670	3.21
No. of Physical Shares	319,425	1.82	336,810	1.92
Total	17,585,625	100.00	17,585,625	100.00

- Category wise shareholding as on 31st December, 2011

Category	No. of Shares	% of Shareholding
Promoters		
- Indian Promoters	Nil	NIL
- Foreign Promoters INEOS ABS (Jersey) Limited.	14,653,705	83.33
Institutional Investors		
- Mutual Funds	20,531	0.12
- Banks, Financial Institutions	6,035	0.03
- FIs	120,169	0.68
- Trusts	4,990	0.02
Others		
- Corporate Bodies	415,947	2.37
- Indian Public	2,315,326	13.17
- NRIs / OCBs	39,797	0.23
- Shares with Depositories	9,125	0.05
Grand Total	17,585,625	100.00

-
- Registrar and Share Transfer Agent

M/s. Link Intime India Private Limited.
 (Unit: INEOSABS (India) Limited.)
 B -102 & 103, Shangrila Complex,
 First Floor, Opp. HDFC Bank,
 Near Radhakrishna Char Rasta,
 Akota, Vadodara - 390 020.
 Phone : 0265-2356573. Fax : 0265-2356791
 E-Mail : vadodara@linkintime.co.in
 - Share transfer system

All the transfers received are processed by the Registrar and Share Transfer Agents and are processed twice in a month or more depending on the volume of transfers. Share transfers are registered and returned within maximum of 30 days from the date of lodgement if documents are complete in all respects.
 - Exchange of Share Certificates.

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

Dividend declared for the year 2003 has been transferred to the Investor Education and Protection Fund (IEPF). As such, no claim shall lie in respect thereof.

The Special Dividend declared for the year 2004, which has remained unclaimed for a period of seven years, will be transferred to IEPF on 27.2.2012.

The Dividend declared for the year 2004, which has remained unclaimed is due for transfer to Investor Education & Protection Fund on 12th May, 2012.
 - Bank details for the purpose of dividend

Payment of Dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centres by crediting the dividend amount to the Bank of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under RBI centres, who have not furnished requisite information and who wish to avail of the NECS facility to receive dividend from the Company, may furnish the information to Link Intime India Private Limited, the Registrars and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants, in order to receive dividend through NECS mechanism.
 - Trading Window

In accordance with the Code of Conduct for prevention of insider trading adopted by the Company, Company closes trading window for designated employees from time to time. As per policy, trading window is closed from the third day of the close of the quarter for which financial results are prepared and opened after 3 days of conclusion of Board meeting in which the financial results are approved. The trading window is also closed during and after occurrence of price sensitive events as per the code for prevention of insider trading.
 - Outstanding GDRs / ADRs / Warrants or any convertible instruments, likely to impact on equity as on December 31, 2011

Not Issued.
 - Office of the Chairman

The Company has a Non-Executive Chairman.
 - Plant locations

The Company's plants are located at Nandesari, Katol and Poicha (Moxi) in Gujarat. Please refer page no. 1. of this Annual report for addresses of Plant Locations.
-

- Address for correspondence

Shareholders' correspondence should be addressed to the Company's Registrars and Share Transfer Agents at the address mentioned above.

Shareholders may also contact Mr. S M Vaishnav, Company Secretary, at the Registered office of the Company for any assistance.

Tel.Nos. 0265 - 2355861-63, 2355871-73

Email ID : secshare@ineosabsindia.co.in

Website : www.ineosabsindia.co.in

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

For and on behalf of the Board,

Mumbai
February 14, 2012

Andrew Pizzey
Chairman

Declaration by the Managing Director under Clause 49 of the Listing agreement regarding compliance with Business conduct guidelines (Code of Conduct)

In accordance with clause 49 I D of the listing agreement with the stock exchanges, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Business Conduct Guidelines (Code of Conduct) as applicable to them for the Financial Year ended on 31st December, 2011.

For INEOS ABS (India) Ltd.

Mumbai
February 14, 2012

R S Agrawal
Managing Director

**Auditors' Certificate regarding compliance of conditions of Corporate Governance
To the Members of INEOS ABS (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by INEOS ABS (INDIA) LIMITED, for the year ended December 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Mumbai,
February 14, 2012

Uday Shah
Partner
Membership Number F-46061

Management Discussion and Analysis

INEOS ABS (INDIA) Ltd - An Indian Corporate Entity of INEOS Global group.

INEOS and BASF, leading Chemical Industry players, signed letter of intent on November 29, 2010 confirming their mutual intention to conclude an agreement establishing the joint venture.

On May 30, 2011, INEOS and BASF planned to combine their global business activities in styrene monomers, polystyrene, acrylonitrile butadiene styrene, styrene-butadiene block copolymers and other styrene-based copolymers as well as copolymers blends into the new joint venture called Styrolution so that it is capable of meeting the long term needs of a rapidly changing market as it competes effectively with large scale producers from Asia and the Middle east.

Further on January 10, 2012, Styrolution (Jersey) Limited, the acquirer along with Styrolution Holding Gmbh and Styrolution Group Gmbh alongwith PACs named therein has made open offer in compliance with regulation 10 and 12 and other applicable provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 to the Equity Share holders of INEOS ABS (India) Ltd. to acquire a maximum number of 29,31,920 fully paid up equity shares of face value of Rs. 10 each, representing 16.67% of the voting capital of the Company at a price of Rs. 606.81/- per share payable in cash. Styrolution, as acquirer completed formal exercise of making public offer up to maximum acquisition of 16.67 % from the shareholders of the Company. In the process appropriate disclosures and approvals were filed with Stock exchange/s and SEBI.

On February 6, 2012 the public offer has been concluded. The Styrolution Companies, named as acquirers have successfully accepted 7,03,075 nos. of Equity Shares constituting 4% of total paid up Share Capital of the Company thereby raising the promoters equity holding to 87.33 from 83.33 %.

By the end of Q1-2012, Styrolution would be the promoters and form Board of Directors of the Company.

Opportunities and Threats

Your Board of Directors is aware of opportunities in the growing engineering thermoplastics market in India and expects to match the market demand along with corresponding increase in the production capacity.

The SAN capacity is being increased to 1 lakh TA and resultant products will be available from second half of 2013. The Company's engineering services are taking all possible steps for implementing on the expansion project and does not envisage major threat in completion of the same.

Products

Your Company products ABSOLAN and ABSOLAC continue their premier presence as preferred market choice among various user industries such as Automobiles, Telecommunications, Electronics and IT related accessories. During the year the products competed with cheaper imported materials and still maintained market share.

Internal Control Systems

Continuous periodic internal audit by external agency helps in strengthening the system and apply corrections wherever needed. Recent SAP introduction has helped in furthering system controls. Topmost priority is given in case of functional mandatory compliances and reporting of adequate steps taken and application of corrections if necessary. Risk management system review and regulatory environment enhances the control mechanism further.

Human Resource Development and Industrial Relations

Industrial relations across all levels continue to be cordial and the Company's staff has significantly contributed towards Company's overall efficiency and productivity. Continuous HR interaction has lead to healthy environment and forged a relationship of mutual trust.

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

Auditors' Report to the Members of INEOS ABS (India) Limited

1. We have audited the attached Balance Sheet of INEOS ABS (India) Limited (the "Company") as at December 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Mumbai
February 14, 2012

Uday Shah
Partner
Membership Number F-46061

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of INEOS ABS (India) Limited on the financial statements for the year ended December 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at December 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount under dispute* (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1969	Sales Tax including interest and penalty as applicable.	57.39	2001	Commissioner of Sales Tax (Appeals)
The Central Excise Act, 1944	Excise Duty including interest and penalty as applicable.	21.36	2005 to July 2011	Assistant Commissioner – Vadodara
		32.99	September 2004 to January 2010	Additional Commissioner – Vadodara
		5.27	March 1996 to September 2009	Deputy Commissioner Appeals – Vadodara
		9.82	September 2000 to February 2003	Joint Commissioner – Vadodara
The Income Tax Act, 1961	Income Tax including interest and penalty as applicable.	6.64	1991-1992	Assessing Officer
		30.86	2005-06 and 2006-2007	Commissioner of Income Tax – Appeals
		114.24	1999-2000 and 2005-2006	Honourable High Court of Gujarat

* Net of amount deposited under protest.

10. The Company has no accumulated losses as at December 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner

Membership Number: F-46061

Mumbai
February 14, 2012

Balance Sheet as at December 31, 2011

		(Rupees '000)	
	Schedule	As at December 31, 2011	As at December 31, 2010
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS			
Share Capital	1	175,856	175,856
Reserves and Surplus	2	<u>3,624,898</u>	<u>3,166,717</u>
		3,800,754	3,342,573
DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liability		233,424	252,744
Less: Deferred tax Assets		<u>51,987</u>	<u>39,272</u>
(Refer Note 5 of Schedule 17)		181,437	213,472
	Total...	<u>3,982,191</u>	<u>3,556,045</u>
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	3	3,241,236	3,176,339
Less: Depreciation		<u>1,949,019</u>	<u>1,814,498</u>
Net Block		1,292,217	1,361,841
Capital Work-in-Progress		<u>160,011</u>	<u>118,046</u>
		1,452,228	1,479,887
INVESTMENTS	4	1,013,718	926,470
CURRENT ASSETS, LOANS AND ADVANCES:			
Inventories	5	946,899	710,533
Sundry Debtors	6	1,238,912	1,093,992
Cash and Bank Balances	7	633,138	596,706
Loans and Advances	8	<u>656,359</u>	<u>409,175</u>
		<u>3,475,308</u>	<u>2,810,406</u>
Less: Current Liabilities and Provisions			
Current Liabilities	9	1,735,159	1,484,042
Provisions	10	<u>223,904</u>	<u>176,676</u>
		<u>1,959,063</u>	<u>1,660,718</u>
NET CURRENT ASSETS		1,516,245	1,149,688
	Total...	<u>3,982,191</u>	<u>3,556,045</u>
Notes to the financial statements	17		

Schedules referred to above and notes attached thereto form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
(Membership No. F-46061)
Mumbai, Dated : February 14, 2012

A.J. Pizzey
Director
R.S. Agrawal
Managing Director
S. M. Vaishnav
Company Secretary

S.M. Kulkarni
Director
Ravindra Kulkarni
Director
J.R. Patel
Director

Mumbai, Dated : February 14, 2012

Profit and Loss Account for the year ended December 31, 2011

	Schedule	Year Ended December 31, 2011	Year Ended December 31, 2010
(Rupees '000)			
INCOME :			
Sales and Related Income (Gross)	11	9,099,761	8,160,126
Less: Excise Duty on sales		845,126	736,447
Sales and Related Income (Net)		8,254,635	7,423,679
Other Income	12	112,703	54,823
		8,367,338	7,478,502
EXPENDITURE :			
Cost of Materials Consumed (Refer Note 12 of Schedule 17)		6,398,754	5,236,707
Personnel Cost	13	257,506	226,815
Manufacturing and other Expenses	14	686,343	503,632
Selling and Distribution Expenses	15	311,613	366,143
Depreciation	3	139,401	139,779
		7,793,617	6,473,076
(Increase)/Decrease in Stocks	16	(201,108)	(21,434)
		7,592,509	6,451,642
PROFIT BEFORE TAX		774,829	1,026,860
Provision for Tax - Current (including Wealth Tax)		267,200	348,000
- Deferred Tax (Refer Note 5 of Schedule 17)		(32,035)	(21,440)
(Refer Note 1(H) of Schedule 17)		235,165	326,560
PROFIT AFTER TAX		539,664	700,300
Balance brought forward from the Previous Year		2,090,558	1,544,784
AMOUNT AVAILABLE FOR APPROPRIATION		2,630,222	2,245,084
APPROPRIATIONS:			
Proposed Dividend		70,343	70,343
Tax on Proposed Dividend		11,140	11,683
Transferred to General Reserve		55,000	72,500
Balance carried to Balance Sheet		2,493,739	2,090,558
		2,630,222	2,245,084
Earnings Per Share (Basic/Diluted) (Rs.)		30.69	39.82
(Refer Note 26 of Schedule 17)			

Notes to the financial statements

17

Schedules referred to above and notes attached thereto form an integral part of the financial statements.

This is the Profit and Loss Account referred to in our report of even date.

A.J. Pizzey
DirectorS.M. Kulkarni
Director

For Price Waterhouse

R.S. Agrawal
Managing DirectorRavindra Kulkarni
Director

Firm registration Number: 301112E

S. M. Vaishnav
Company SecretaryJ.R. Patel
Director

Chartered Accountants

Uday Shah
Partner

(Membership No. F-46061)

Mumbai, Dated : February 14, 2012

Mumbai, Dated : February 14, 2012

Cash Flow Statement for the year ended December 31, 2011.

(Rupees '000)

	Year Ended December 31, 2011	Year Ended December 31, 2010
A Cash Flow from Operating Activities		
Net Profit before Tax	774,829	1,026,860
Adjustments for :		
a) Depreciation	139,401	139,779
b) Interest Income	(50,227)	(19,636)
c) Income from Investments-Dividends	(53,111)	(27,593)
d) Bad debts/Advances and Sundry balances written off	-	6,774
e) Provisions for Doubtful Debts/Advances written back (net)	(5,563)	(5,737)
f) Provision no longer required written back	(2,033)	-
g) Loss on Fixed Assets Sold/discarded	455	284
h) Provision for Contingency	47,500	-
i) Unrealised (Gain)/Loss	(42)	(6,099)
	<u>76,380</u>	<u>87,772</u>
Operating Profit before Working Capital Changes	851,209	1,114,632
Adjustments for changes in Working Capital		
a) (Increase) in Sundry Debtors and Other Receivables	(383,522)	(428,978)
b) (Increase) in Inventories	(236,366)	(135,633)
c) Increase in Trade and Other Payables	253,133	422,492
	<u>(366,755)</u>	<u>(142,119)</u>
Cash generated from operations	484,454	972,513
Taxes Paid (Net)	(271,160)	(420,122)
	<u>(271,160)</u>	<u>(420,122)</u>
Net cash from Operating Activities	<u>213,294</u>	<u>552,391</u>
B Cash Flow from Investing Activities		
a) Purchase of Fixed Assets	(114,044)	(90,100)
b) Proceeds from sale of Fixed Assets	1,847	1,995
c) Interest Received	51,168	17,898
d) Purchase of Investments	(6,213,420)	(5,648,936)
e) Proceeds from sale of Investment	6,126,172	5,435,315
f) Dividend Received	53,111	27,593
Net Cash (used in) Investing Activities	<u>(95,166)</u>	<u>(256,235)</u>
C Cash flow arising from Financing Activities		
a) Dividend Paid	(70,284)	(61,937)
b) Dividend Tax Paid	(11,412)	(10,464)
Net cash (used in) Financing Activities	<u>(81,696)</u>	<u>(72,401)</u>
Net Increase in Cash and Cash Equivalents A+B+C	36,432	223,755
Add-Balance at the beginning of the year	596,706	372,951
Cash & Cash Equivalents at the end of the year	<u>633,138</u>	<u>596,706</u>
Cash & Cash Equivalents comprise:		
Cash in hand	86	93
Balance with Scheduled banks	633,032	596,593
Balance with Non-Scheduled banks	20	20

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard-3, Cash Flow Statements, as notified u/s 211(3C) of the Companies Act, 1956.
- Cash & Cash Equivalents include Rs. 2,674 ('000) (Previous year Rs. 2,615 ('000)) which are not available for use by the Company. (Refer Schedule 7).
- Figures for the previous year have been regrouped and reclassified wherever necessary, to confirm to the current year's classification.

This is the Cash Flow referred to in our report of even date.

For Price Waterhouse
Firm registration Number: 301112E
Chartered Accountants

Uday Shah
Partner

(Membership No. F-46061)

Mumbai, Dated : February 14, 2012

A.J. Pizzezy
Director

R.S. Agrawal
Managing Director

S. M. Vaishnav
Company Secretary

Mumbai, Dated : February 14, 2012

S.M. Kulkarni
Director

Ravindra Kulkarni
Director

J.R. Patel
Director

Schedules forming part of the Balance Sheet as at December 31, 2011

	(Rupees '000)	
	As at December 31, 2011	As at December 31, 2010
Schedule 1		
SHARE CAPITAL		
Authorised		
50,000,000 (Previous Year 50,000,000) Equity Shares of Rs. 10 each	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid up		
17,585,625 (Previous Year 17,585,625) Equity Shares of Rs. 10 each fully paid-up	175,856	175,856
Of the above Equity Shares :		
a) 3,669,550 (Previous Year 3,669,550) Shares are allotted as fully paid up Bonus Shares by capitalisation of Rs. 17,000 ('000) out of General Reserve and Rs. 19,695 ('000) out of premium received on shares.		
b) 14,653,705 (Previous Year 14,653,705) Shares are held by Styrolution (Jersey) Limited (formerly known as Ineos ABS (Jersey) Limited), the Holding Company		
Total...	<u><u>175,856</u></u>	<u><u>175,856</u></u>
Schedule 2		
RESERVES & SURPLUS		
Capital Reserve :		
Profit on re-issue of Forfeited Shares As per last Balance Sheet	14	14
Share Premium Account :		
As per last Balance Sheet	432,839	432,839
General Reserve :		
As per last Balance Sheet	643,306	570,806
Add: Transfer from Profit and Loss account	<u>55,000</u>	<u>72,500</u>
	698,306	643,306
Profit and Loss Account	2,493,739	2,090,558
Total...	<u><u>3,624,898</u></u>	<u><u>3,166,717</u></u>

Schedules forming part of the Balance Sheet as at December 31, 2011

Schedule 3

FIXED ASSETS

(Refer Note 1(B) of Schedule 17)

(Rupees '000)

Description	Gross Block				Depreciation				Net Block	
	As at January 1, 2011	Additions	Deductions/ Adjustments	As at December 31, 2011	As at January 1, 2011	For the year	Deductions/ Adjustments	As at December 31, 2011	As at December 31, 2011	As at December 31, 2010
Freehold Land	6,062	-	-	6,062	-	-	-	-	6,062	6,062
Leasehold Land	17,143	-	-	17,143	2,397	240	-	2,637	14,506	14,746
Buildings	365,560	6,386	-	371,946	92,707	10,954	-	103,661	268,285	272,853
Plant & Machinery & Factory Equipments	2,670,882	60,200	3,341	2,727,741	1,643,714	121,453	3,187	1,761,980	965,761	1,027,168
Furniture, Fixtures & Office Equipments	87,086	2,117	417	88,786	61,512	4,037	254	65,295	23,491	25,574
Vehicles	29,606	3,376	3,424	29,558	14,168	2,717	1,439	15,446	14,112	15,438
Total	3,176,339	72,079	7,182	3,241,236	1,814,498	139,401	4,880	1,949,019	1,292,217	1,361,841
Previous Year	3,097,968	84,151	5,780	3,176,339	1,678,220	139,779	3,501	1,814,498		
Capital Work- in- Progress									160,011	118,046
Total									1,452,228	1,479,887

Notes:

- Buildings include cost of shares of the face value of One Thousand Rupees.
- Buildings include office premises at Mumbai amounting to Rs. 375 ('000) (Previous Year Rs. 375 ('000)) the Company is in possession of the said premises since allotment but the seller has disputed the titles for which the Company has filed a civil suit.
- Capital Work-in-Progress includes advances paid amounting to Rs. 54,049 ('000) [Previous year Rs. 28,072 ('000)] for procurement of capital goods.

Schedules forming part of the Balance Sheet as at December 31, 2011

	As at December 31, 2011	As at December 31, 2010
(Rupees '000)		
Schedule 4		
INVESTMENTS (At Cost)		
(Refer Note 1 (C) and 22 of Schedule 17)		
LONG TERM (Non Trade)		
UNQUOTED :		
1,000 (Previous Year 1,000) Shares of Rs. 25 each of Co-operative Bank of Baroda Limited, fully paid- up	25	25
QUOTED :		
5,000 (Previous Year 5,000) Equity Shares of Bank of Baroda of Rs.10 each fully paid up	425	425
CURRENT INVESTMENT (Non Trade)		
(Refer Note 22 of Schedule 17)		
UNQUOTED		
267,432 (Previous year 136,692) Units of UTI Liquid Cash Plan Institutional Daily Income Option Reinvestment (Face Value of Rs. 1,000 each), (NAV Rs. 1019.4457 Previous Year Rs. 1019.4457)	272,634	139,350
Nil (Previous Year 3,975,618) Units of UTI Fixed Income Interval Fund-Quarterly Interval Plan Series-I Institutional Dividend Plan Payout (Face Value of Rs. 10 each) (NAV Rs. NIL Previous Year Rs. 10.0138)	-	39,756
3,000,000 (Previous Year 3,000,000) Units of UTI Fixed Income Interval Fund Quarterly Interval Plan Series III Institutional Dividend Plan Payout (Face Value of Rs. 10 each) (NAV Rs. 10.0028 Previous Year Rs. 10.806)	30,000	30,000
Nil (Previous Year 9,999,950) Units of UTI Fixed Income Interval Fund Monthly Interval Plan Series II Dividend Payout (Face Value Rs. 10 each) (NAV Rs. NIL Previous Year Rs. 10.477)	-	100,000
10,107,630 (Previous Year 8,347,632) Units of SBI Mutual Fund L030DD SBI-Magnum Insta Cash Fund -Daily Dividend Option (Face Value Rs. 10 each) (NAV Rs. 16.7503 Previous Year Rs. 16.7503)	169,306	139,826
Nil (Previous Year 3,000,000) Units of UTI Fixed Income Interval Fund Quarterly Interval Plan Series VI Institutional Dividend Plan Payout (Face Value of Rs. 10 each) (NAV Rs. NIL Previous Year Rs. 10.0434)	-	30,000
9,999,150 (Previous Year 5,000,000) Units of UTI Fixed Income Interval Plan Quarterly Interval Plan Series V Dividend Payout (Face Value of Rs. 10 each) (NAV Rs. 10.0025 Previous Year Rs. 10.1077)	100,000	50,000
1,698,725(Previous Year 1,297,204) Units of ICICI Prudential Liquid Plus Plan Institutional Option Daily Dividend Reinvestment (Face value Rs. 10 each) (NAV Rs. 118.5150 Previous Year Rs. 118.5150)	201,325	153,738
Nil (Previous Year 5,000,000) units of SBI Mutual Fund (L200D SBI Debt Fund Series-90 Days 35 Series Dividend Payout (Face Value of Rs. 10 each)) (NAV Rs. NIL Previous Year Rs. 10.1483)	-	50,000
Nil (Previous Year 3,000,000) units of SBI Mutual Fund (L206D SBI Debt Fund Series-90 Days 36 Series Dividend Payout (Face Value of Rs. 10 each)) (NAV Rs. NIL Previous Year Rs. 10.0408)	-	30,000
18,630,915 (Previous Year 16,017,405) Units of HDFC Mutual Fund 3002/HDFC Liquid Fund Dividend Daily reinvest (Face Value of Rs. 10 each) (NAV Rs. 10.1982 Previous Year Rs. 10.1982)	190,003	163,350
5,000,000 (Previous Year Nil) units of SBI Mutual Fund L254D SBI Debt Fund Series - 90 Days Series 51 Dividend Payout (Face value Rs. 10 each) (NAV Rs. 10.1479 Previous Year Rs. NIL)	50,000	-
Total ...	<u>1,013,718</u>	<u>926,470</u>
1. Aggregate book value of quoted investments (Market value Rs. 3,304 ('000) (Previous Year Rs. 4,482 ('000))	425	425
2. Aggregate book value of unquoted investments	<u>1,013,293</u>	<u>926,045</u>
	<u>1,013,718</u>	<u>926,470</u>

Schedules forming part of the Balance Sheet as at December 31, 2011

(Rupees '000)

	As at December 31, 2011	As at December 31, 2010
Schedule 5		
INVENTORIES		
(Refer Note 1(D) of Schedule 17)		
Stores and Spares and Furnace Oil	39,725	33,546
Raw Materials (including material in transit)	545,556	529,709
Packaging Materials	1,988	3,704
Work-in-Process	93,307	42,929
Finished Products (including stock with Consignment Agents) (Refer Note 14 of Schedule 17)	266,323	100,645
Total ...	<u>946,899</u>	<u>710,533</u>
Schedule 6		
SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered Good	7,117	-
Considered Doubtful	11,652	14,189
	<u>18,769</u>	<u>14,189</u>
Less: Provision for Doubtful Debts	11,652	14,189
	<u>7,117</u>	<u>-</u>
Other Debts		
Considered Good	1,231,795	1,093,992
Considered Doubtful	-	3,026
	<u>1,231,795</u>	<u>1,097,018</u>
Less: Provision for Doubtful Debts	-	3,026
	<u>1,231,795</u>	<u>1,093,992</u>
Total ...	<u>1,238,912</u>	<u>1,093,992</u>
Schedule 7		
CASH AND BANK BALANCES		
Cash on Hand	86	93
With Scheduled Banks:		
In Current Accounts	126,696	101,955
In Deposit Accounts	503,662	492,023
In Unclaimed Dividend Accounts *	2,674	2,615
	<u>633,032</u>	<u>596,593</u>
With Non-Scheduled Bank (Co-operative Bank of Baroda Ltd.)		
In Current Account.	20	20
(Maximum balance during the year Rs. 20 ('000), Previous Year Rs. 20 ('000))		
Total ...	<u>633,138</u>	<u>596,706</u>

* Not available for use by the Company

Schedules forming part of the Balance Sheet as at December 31, 2011

	As at December 31, 2011	As at December 31, 2010
(Rupees '000)		
Schedule 8		
LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good (Refer Note 23 of Schedule 17)	373,883	248,970
Considered Doubtful	2,518	2,518
	<u>376,401</u>	<u>251,488</u>
Less: Provision for Doubtful Advances	2,518	2,518
	373,883	248,970
Balance with Excise Authorities	227,714	115,622
Balance with Customs Authorities	17,178	10,018
Advance Payment of Income Tax (Net of provision of Rs. 1,960,640 ('000) (Previous Year Rs. 1,693,440 ('000)))	34,618	30,658
Interest income accrued but not due	2,966	3,907
Total ...	<u><u>656,359</u></u>	<u><u>409,175</u></u>
Schedule 9		
CURRENT LIABILITIES		
Acceptances	1,305,906	972,463
Sundry Creditors		
- Micro and Small Enterprises (Refer Note 20 of Schedule 17)	-	24
- Others	416,680	501,537
	<u>416,680</u>	<u>501,561</u>
Interest Accrued but not due	3,169	1,117
Unclaimed Dividend *	2,674	2,615
Other Liabilities	6,730	6,286
Total ...	<u><u>1,735,159</u></u>	<u><u>1,484,042</u></u>
* There are no amount due and outstanding to be credited to Investor Education and Protection Fund.		
Schedule 10		
PROVISIONS		
Provision for Retirement Benefit (Refer Note 23 of Schedule 17)	14,900	14,900
Provision for Contingency (Refer Note 24 of Schedule 17)	127,250	79,750
Proposed Dividend	70,343	70,343
Tax on Proposed Dividend	11,411	11,683
Total ...	<u><u>223,904</u></u>	<u><u>176,676</u></u>

Schedules forming part of the Profit and Loss Account for the year ended December 31, 2011

	(Rupees '000)	
	Year Ended December 31, 2011	Year Ended December 31, 2010
Schedule 11		
SALES AND RELATED INCOME		
(Refer Note 1(E) of Schedule 17)		
Sales (Refer Note 13 of Schedule 17)	9,098,720	8,155,450
Storage Charges	1,041	4,676
Total...	<u>9,099,761</u>	<u>8,160,126</u>
Schedule 12		
OTHER INCOME		
Sundry Receipts	1,769	1,857
Interest Income (Gross) [Tax Deducted at Source Rs. 4,847 ('000), (Previous Year Rs. 2,179 ('000))]	50,227	19,636
Dividend on long term quoted Investment	83	75
Dividend on current unquoted investment	53,028	27,518
Provisions for Doubtful Debts/Advances written back (Net)	5,563	5,737
Provision no longer required written back	2,033	-
Total...	<u>112,703</u>	<u>54,823</u>
Schedule 13		
PERSONNEL COST		
Salaries, Wages and Bonus	213,676	188,290
Contribution to Provident and other Funds (Refer Note 23 of Schedule 17)	22,183	16,999
Staff Welfare Expenses	21,647	21,526
Total...	<u>257,506</u>	<u>226,815</u>

Schedules forming part of the Profit and Loss Account for the year ended December 31, 2011

	Year Ended December 31, 2011	Year Ended December 31, 2010
(Rupees '000)		
Schedule 14		
MANUFACTURING AND OTHER EXPENSES		
Stores and Spares consumed	29,485	34,493
Processing Charges	5,011	6,465
Power and Fuel (Net) (Refer Note 6 of Schedule 17)	277,496	251,481
Packing Material	43,701	40,805
Environment Expenses	8,638	4,955
Water Charges	3,923	2,378
Repairs and maintenance		
Buildings	4,449	1,844
Plant and Machinery	35,587	18,840
Others	<u>2,951</u>	<u>3,070</u>
	42,987	23,754
Rent	5,856	4,081
Rates & Taxes	2,469	1,575
Insurance	6,699	6,949
Printing & Stationery	1,400	1,330
Communication Expenses	4,695	3,186
Directors' Sitting Fees	530	460
Advertisements and Publicity	194	180
Legal and Professional Charges (includes IT related cost, Current Year - Rs. NIL, Previous Year Rs. 11,228 ('000))	41,870	61,978
Travelling & Conveyance Expenses	7,347	4,860
Auditors' Remuneration (Refer Note 7 of Schedule 17)	2,686	2,347
Donations	572	148
Loss on Fixed Assets Sold/discarded (Net)	455	284
Foreign Exchange Fluctuation (Net)	120,602	13,483
Bad debts/Advances & Sundry balances written off	-	6,774
Provision for Contingency (Refer Note 24 of Schedule 17)	47,500	-
Bank Charges & Other Financial Charges	16,091	17,996
Miscellaneous Expenses	16,136	13,670
Total...	<u>686,343</u>	<u>503,632</u>
Schedule 15		
SELLING AND DISTRIBUTION EXPENSES		
Rebates and Discounts	88,390	145,971
Commission on Sales	100,483	106,792
Freight and Forwarding Expenses	<u>122,740</u>	<u>113,380</u>
Total...	<u>311,613</u>	<u>366,143</u>
Schedule 16		
(INCREASE) / DECREASE IN STOCKS		
Closing Stock :		
Finished Products	266,323	100,645
Work-in-Process	<u>93,307</u>	<u>42,929</u>
	359,630	143,574
Less: Opening Stock :		
Finished Products	100,645	94,272
Work-in-Process	<u>42,929</u>	<u>24,653</u>
	143,574	118,925
Excise Duty on Increase/(Decrease) on Finished Goods	<u>14,948</u>	<u>3,215</u>
(INCREASE) / DECREASE	<u>(201,108)</u>	<u>(21,434)</u>

Schedule 17**Notes forming part of the Financial Statements for the year ended December 31, 2011****1. SIGNIFICANT ACCOUNTING POLICIES:****A. Basis of Accounting:**

The Financial Statements are prepared on accrual basis of accounting, in conformity with the applicable accounting principles generally accepted in India, and comply with the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Act.

B. Fixed Assets and Depreciation:

- i) Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the asset to the condition for its intended use. Interest on loans taken for procurement of specific assets accrued up to the date of acquisition/installation of the said assets is capitalised.
- ii) Depreciation for the year has been provided on all the fixed assets (except in the case of leasehold land which is being amortised over the period of the lease) on the Straight Line Method at the rates specified as per Schedule XIV to the Companies Act, 1956.

C. Investments:

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

D. Inventories:

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

- i) Raw Materials, (including stock lying at terminals) Packing Materials, Traded Goods and Stores and Spares are valued at moving weighted average cost after taking credit for CENVAT, wherever applicable and Material-in-transit at cost.
- ii) The cost of work-in-progress and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads and Excise duty as applicable. Net realizable value is the estimate of the selling price in the ordinary course of business as applicable.
- iii) Customs Duty as applicable is included in the cost of traded goods and raw materials lying in stock.

E. Revenue recognition:

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

Revenue in respect of Duty Draw back, Insurance and other claims is recognised only when these claims are accepted.

F. Research and Development:

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

G. Foreign Currency Transactions:

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

Premium or discount in respect of forward contracts is accounted over the period of contracts. The exchange difference measured by the change in rate between date of inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognised in the profit and loss account.

Schedule 17 (contd.)

Notes forming part of the Financial Statements for the year ended December 31, 2011

H. Taxes on Income :**Current Tax:**

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax:

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallise.

I. Retirement Benefits:

- a) In case of Defined Contribution plans, the Company's contributions to these plans are charged to the Profit and Loss Account as incurred. Liability for Defined Benefit plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. The obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return of plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the Balance Sheet date. The liability for leave encashment and compensated absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary.
- b) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Profit and Loss Account in the year in which they arise.

J. Provision and Contingent Liabilities:

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

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

K. Impairment of Asset :

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Schedule 17 (contd.)

Notes forming part of the Financial Statements for the year ended December 31, 2011

	2011 (Rupees '000)	2010 (Rupees '000)
2. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:		
a) Income Tax	25,759	12,718
b) Excise Duty	6,944	5,842
c) Sales Tax	7,262	5,739
d) Bank Guarantee	1,380	1,380
e) Claims against the Company not acknowledged as debt	7,683	7,683
f) Letter of Credit pending shipment	222,749	-
Note: Future cash outflows in respect of (a), (b) and (c) above are determinable on receipt of judgments/decisions pending with various forums/authorities.		
3. CAPITAL COMMITMENT:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advance)	19,258	7,230
4. MANAGERIAL REMUNERATION:		
Salary*	19,300	21,300
Contribution to Provident Fund	1,296	1,296
Monetary value of perquisites	417	462
	<u>21,013</u>	<u>23,058</u>
[* Includes Rs.4,000 ('000) towards annual performance bonus to Managing Director for the year 2011 in pursuance of the terms of agreement (Previous Year Rs. 6,000 ('000)), and Rs. 900 ('000) commission to Non Executive Directors. (Previous Year Rs. 900 ('000))]		
Computation of Net Profit in accordance with Section 349 and 309 (5) of the Companies Act, 1956		
Profit before taxes as per Profit and Loss Account	774,829	1,026,860
Add :		
Directors' Sitting Fees	530	460
Managerial Remuneration	21,013	23,058
Loss on Fixed Assets Sold/discarded (Net)	455	284
	<u>796,827</u>	<u>1,050,662</u>
Less :		
Provisions for Doubtful Debts/Advances written back(Net)	5,563	5,737
	<u>5,563</u>	<u>5,737</u>
Net Profit in accordance with Section 349 of the Companies Act, 1956.	<u>791,264</u>	<u>1,044,925</u>
Maximum Remuneration @ 5% of Net Profit (in accordance with Section 309(3) of the Companies Act, 1956.) to the Managing Director.	39,563	52,246
Commission to Non Executive Directors at 1% of Net Profit.	7,913	10,449
Remuneration as above	<u>21,013</u>	<u>23,058</u>

Schedule 17 (contd.)**Notes forming part of the Financial Statements for the year ended December 31, 2011**

5. The tax year for the Company is the financial year ending March 31 and the provision for taxation has been calculated for the year ending December 31, 2011. The ultimate tax liability will be determined on the basis of the figures for the period April 1, 2011 to March 31, 2012. The net deferred tax has been provided in Profit and Loss Account as per Accounting Standard 22 - 'Accounting for Taxes on Income' as notified u/s 211(3C) of the Companies Act, 1956, as detailed:

	2011 (Rupees '000)	2010 (Rupees '000)
Deferred tax Assets		
Arising on account of timing differences in:		
- Provision for doubtful debts and advances	4,597	6,552
- Provision for Leave encashment	4,830	4,950
- Disallowances under section 43B	1,270	1,280
- Provision for Contingency	41,290	26,490
	<u>51,987</u>	<u>39,272</u>
Deferred tax Liability		
Arising on account of timing difference in:		
- Depreciation	233,424	252,744
	<u>181,437</u>	<u>213,472</u>
Net Deferred Tax Liability		
Deferred Tax arising during the year		
Deferred tax Assets [Income / (Expenses)]		
Arising on account of timing differences in:		
- Provision for doubtful debts and advances	(1,955)	(1,950)
- Provision for Leave encashment	(120)	3,797
- Disallowances under section 43B	(10)	703
- Provision for Contingency	14,800	(620)
	<u>(19,320)</u>	<u>(19,510)</u>
Deferred tax Liability [(Income) / Expenses]		
Arising on account of timing difference in:		
- Depreciation	(19,320)	(19,510)
	<u>(19,320)</u>	<u>(19,510)</u>
Net Deferred Tax Income for the year	<u><u>(32,035)</u></u>	<u><u>(21,440)</u></u>

6. The Company has installed Wind Turbine Generators (WTG) at Lamba, Dhank and Pransla in Gujarat. The Local Power Station of the Madhya Gujarat Vij Co. Ltd. (MGVCL) grants credit for the power units generated by the WTG. Accordingly, the amount of Power and fuel consumption disclosed is net of such credit given by MGVCL aggregating to Rs. 38,956 ('000) (Previous Year Rs. 35,688 ('000)).

	2011 (Rupees '000)	2010 (Rupees '000)
7. Auditors' remuneration		
Audit fees	1,800	1,600
Tax Audit Fees	150	150
Others (Certification etc.)	700	550
Out of pocket expenses	36	47
	<u>2,686</u>	<u>2,347</u>
8. Research & Development Expenditure	9,645	8,547

9. The Company manufactures and sells ABS and SAN and does trading of Polycarbonates which belongs to the same product group i.e. "Highly Specialized Engineering Thermoplastics". The product has the same risks and returns, which are predominantly governed by market conditions, namely demand and supply position. The Company basically sells all the three products within the country and hence the segment based on geographical risk factors which may be present in different countries is not applicable. Thus, in the context of Accounting Standard 17 "Segment Reporting", as notified u/s 211(3C) of the Companies Act, 1956, there is only one identified reportable segment.

Schedule 17 (contd.)**Notes forming part of the Financial Statements for the year ended December 31, 2011**

10. Disclosure of the relationship and transactions with the related parties as defined in Accounting Standard 18 'Related Party Disclosures', as notified u/s 211(3C) of the Companies Act, 1956, are as follows:

RELATED PARTY TRANSACTIONS**List of Related Parties with whom transactions have taken place during the year 2011**

(as identified and certified by the management)

Holding Company

holds 83.33% of the equity share capital

Styrolution (Jersey) Limited

(formerly known as Ineos ABS (Jersey) Limited)
Channel Islands

Other Related parties

Ineos ABS (USA) Corporation (upto September 30, 2011)
Ohio (USA)

Ineos USA LLC (upto September 30, 2011)
Texas (USA)

Styrolution Koln GmbH
(formerly known as Ineos ABS (Deutschland) GmbH)
Germany

Shiva Pharmachem Limited
Vadodara (India)

Key Managerial Personnel

Managing Director

Mr. R.S. Agrawal

Schedule 17 (contd.)

Notes forming part of the Financial Statements for the year ended December 31, 2011

Related Party Transactions:

(Rupees '000)

	2011				2010			
	Holding Company	Other Related parties	Key Managerial personnel	TOTAL	Holding Company	Other Related parties	Key Managerial personnel	TOTAL
1. Purchase of goods								
Ineos USA LLC	-	834,500		834,500	-	1,155,144	-	1,155,144
Others	-	11,767		11,767	-	6,682	-	6,682
	-	8,46,267	-	8,46,267	-	11,61,826	-	11,61,826
2. Receiving of services								
Shiva Pharmachem Limited (for Engg. services)	-	6,875	-	6,875	-	-	-	-
Styrolution Koln GmbH (for IT services)	-	23,336	-	23,336	-	25,289	-	25,289
	-	30,241	-	30,241	-	25,289	-	25,289
3. Director's Remuneeration								
Mr. R. S. Agrawal	-	-	20,113	-	-	-	22,158	22,158
	-	-	20,113	-	-	-	22,158	22,158
4. Dividend proposed								
Styrolution (Jersey) Limited	58,614	-	-	58,614	58,614	-	-	58,614
	58,614	-	-	58,614	58,614	-	-	58,614
5. Outstanding Balances								
As on December 31,2011								
Balances of Creditors								
Ineos USA LLC	-	-	-	-	-	2,186	-	2,186
Shiva Pharmachem Limited	-	37	-	37	-	-	-	-
Styrolution Koln GmbH	-	30	-	30	-	-	-	-
	-	67	-	67	-	2,186	-	2,186

Schedule 17 (contd.)

Notes forming part of the Financial Statements for the year ended December 31, 2011

	2011 (Rupees '000)		2010 (Rupees '000)	
11. The Company manufactures/trades in Polymers. The relevant particulars are as under				
Particulars regarding capacities and production (as certified by the Managing Director)	ABS Resins MT	SAN Resins MT	ABS Resins MT	SAN Resins MT
Registered capacity P.A.	-Not Applicable-		-Not Applicable-	
Installed capacity (on triple shift working) P.A.	80,000	60,000	60,000	60,000
Actual Production :	56,726	50,263	54,904	49,414
Notes:				
Production includes quantity used for captive consumption.				
In terms of notification no. 477(E) dt. 25.07.1991, issued by the Department of Industrial Development, Ministry of Industry, Govt. of India, all the above items have been delicensed.				
	Qty. MT	Value (Rupees '000)	Qty. MT	Value (Rupees '000)
12. Consumption of raw materials *:				
Acrylonitrile	15,332	1,716,459	15,094	1,558,980
Butadiene	8,544	1,232,845	8,564	847,720
Styrene	42,567	2,904,274	41,342	2,331,456
Others	-	545,176	-	498,551
		6,398,754		5,236,707
* Includes usance interest Rs. 16,071 ('000) (Previous Year Rs. 9,018 ('000))				
	Qty. MT	Value (Rupees '000)	Qty. MT	Value (Rupees '000)
13. Sales				
ABS Resins	55,590	7,875,957	55,068	7,006,092
SAN Resins	11,124	1,222,763	11,224	1,149,358
		9,098,720		8,155,450
	Qty. MT	Value (Rupees '000)	Qty. MT	Value (Rupees '000)
14. Stocks of finished goods				
a) Opening Stock				
ABS Resins	653	52,272	817	57,596
SAN Resins	818	48,373	694	36,676
	1,471	100,645	1,511	94,272
b) Closing Stock				
ABS Resins	1,789	202,111	653	52,272
SAN Resins	732	64,212	818	48,373
	2,521	266,323	1,471	100,645
15. Value of Imports on CIF basis				
Raw Materials		4,900,428		4,106,573
Capital Goods		4,193		2,415
Stores & Spares		2,426		2,678
		4,907,047		4,111,666

Schedule 17 (contd.)

Notes forming part of the Financial Statements for the year ended December 31, 2011

16. Value of Imported & Indigenous Raw Materials and Stores consumed.	2011 (Rupees '000)		2010 (Rupees '000)	
	Value	%	Value	%
(a) Raw Materials :				
Imported *	5,036,386	78.71	4,224,786	80.68
Indigenous	1,362,368	21.29	1,011,921	19.32
	<u>6,398,754</u>	<u>100.00</u>	<u>5,236,707</u>	<u>100.00</u>
* Includes usance interest Rs.16,071 ('000) (Previous Year Rs. 9,018 ('000))				
(b) Stores & Spares :				
Imported	3,082	10.45	3,443	9.98
Indigenous	26,403	89.55	31,050	90.02
	<u>29,485</u>	<u>100.00</u>	<u>34,493</u>	<u>100.00</u>
17. Expenditure in Foreign Exchange				
Traveling Expenses	350		156	
Professional fees	21,029		22,899	
Others	188		4,231	
	<u>21,567</u>		<u>27,286</u>	
18. Earnings in Foreign Exchange				
FOB value of export/supply to Special Economic Zone	22,570		1,521	

19. The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Manufacturing and Other Expenses" in Schedule 14. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable in respect of residential and office premises on cancellable lease:

Rs. ('000)

Payable	As at December 31,2011	As at December 31,2010
Not Later than one year	3,717	2,073
Later than one year but not later than five years	2,575	-
Later than five years	-	-

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

		2011 (Rupees '000)	2010 (Rupees '000)
(a)	The principal amount and interest due thereon remaining unpaid to suppliers		
	(i) Principal	-	24
	(ii) Interest due thereon	2	2
(b)	(i) The delayed payments of principal amount paid beyond the appointed date during the entire accounting year.	24	-
	(ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act,2006	-	-
(c)	(i) Normal interest accrued during the year, for all the delayed payments, as per the agreed terms.	-	-
	(ii) Normal interest for the period of delay in making payment, as per the agreed terms.	-	-
(d)	(i) Total interest accrued during the year.	5	3
	(ii) Total interest accrued during the year and remaining unpaid.	5	3
(e)	Included in (d) above is Rs. 3 ('000) being interest on amounts outstanding as at the beginning of the accounting year.	3	1

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

Schedule 17 (contd.)**Notes forming part of the Financial Statements for the year ended December 31, 2011**

21. The Company has undertaken necessary steps to comply with the Transfer Pricing regulations. The Management is of the opinion that the international transactions are at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
22. Details of Current Investments bought and sold during the year

Name of the Fund	2011	2010
	Purchase of Units *	Purchase of Units *
	No. of units	No. of units
UTI Liquid Cash Plan Institutional Daily Income Option Reinvestment (Face Value of Rs. 1,000 each)	3,632,643	3,876,140
UTI Treasury Advantage Fund Plan Institutional Daily Income Option Reinvestment (Face Value of Rs. 1,000 each)	-	357,351
UTI Fixed Income Interval Fund-Quarterly Interval Plan Series-I Institutional Dividend Plan Payout (Face Value of Rs. 10 each)	-	1,750,000
UTI Fixed Income Interval Fund Monthly Interval Plan Series I Dividend Reinvestment (Face Value Rs. 10 each)	1,997,164	1,019,209
UTI Fixed Income Interval Fund Series II Quarterly Interval Plan V Institutional Dividend Payout (Face Value Rs. 10 each)	-	3,000,000
UTI Fixed Income Interval Fund-Quarterly Interval Plan Series III Institutional Dividend Payout (Face Value of Rs. 10 each)	-	3,000,000
UTI Fixed Income Interval Fund Monthly Interval Plan Series II Dividend Payment (Face Value Rs. 10 each)	-	14,999,800
UTI Fixed Income Interval Fund-Quarterly Interval Plan Series VI Institutional Dividend Payout (Face Value of Rs. 10 each)	-	3,000,000
UTI Fixed Income Interval Fund-Quarterly Interval Plan Series V Institutional Dividend Payout (Face Value of Rs. 10 each)	4,999,150	5,000,000
L189D SBI Debt Fund Series - 90 Days Series 33 Dividend Payout (Face Value Rs. 10 each)	-	3,000,000
L197D SBI Debt Fund Series - 90 Days Series 34 Dividend Payout (Face Value Rs. 10 each)	-	3,000,000
SBI Mutual Fund L030DD SBI-Magnum Insta Cash Fund-Daily Dividend Option (Face Value Rs. 10 each)	59,609,708	30,546,198
SBI Mutual Fund L147ID SBI-SHF Ultra Short Term Fund Institutional Plan- Daily Dividend Option (Face Value Rs. 10 each)	-	275,931
L200D SBI Debt Fund Series - 90 Days Series 35 Dividend Payout (Face Value Rs. 10 each)	-	5,000,000
L206D SBI Debt Fund Series - 90 Days Series 36 Dividend Payout (Face Value Rs. 10 each)	-	3,000,000
ICICI Prudential Liquid Plus Plan Institutional Option Daily Dividend Reinvestment (Face Value Rs. 100 each)	5,702,478	1,303,935
HDFC Mutual Fund 3002/HDFC Liquid Fund Dividend Daily Reinvest (Face Value of Rs. 10 each)	54,502,515	20,920,231
UTI Fixed Income Interval Fund Series II-Quarterly Interval Plan Series IV Institutional Dividend Payout (Face Value of Rs. 10 each)	2,999,670	-
L211D SBI Debt Fund Series - 90 Days Series 39 Dividend Payout	2,000,000	-
L211D SBI Debt Fund Series - 90 Days Series 38 Dividend Payout	5,000,000	-
L211D SBI Debt Fund Series - 90 Days Series 43 Dividend Payout	3,000,000	-
L242D SBI Debt Fund Series - 90 Days Series 48 Dividend Payout	3,000,000	-
L254D SBI Debt Fund Series - 90 Days Series 51 Dividend Payout	5,000,000	-
Total	151,443,328	103,048,795

* including dividend reinvested

Schedule 17 (contd.)

Name of the Fund	2011	2010
	Redemption of Units	Redemption of Units
	No. of Units	No. of Units
UTI Liquid Cash Plan Institutional Daily Income Option Reinvestment (Face Value of Rs. 1,000 each)	3,501,903	3,752,039
UTI Treasury Advantage Fund Plan Institutional Daily Income Option Reinvestment (Face Value of Rs. 1,000 each)	-	718,022
UTI Fixed Income Interval Fund-Quarterly Interval Plan Series-I Institutional Dividend Plan Payout (Face Value of Rs. 10 each)	3,975,618	-
UTI Fixed Income Interval Fund Monthly Interval Plan Series I Dividend Reinvestment (Face Value Rs. 10 each)	1,997,164	4,206,120
UTI Fixed Income Interval Fund Series II Quarterly Interval Plan V Institutional Dividend Payout (Face Value Rs. 10 each)	-	3,000,000
UTI Fixed Income Interval Fund Monthly Interval Plan Series II Dividend Payout (Face Value Rs. 10 each)	9,999,950	4,999,850
L189D SBI Debt Fund Series - 90 Days Series 33 Dividend Payout	-	3,000,000
L197D SBI Debt Fund Series - 90 Days Series 34 Dividend Payout	-	3,000,000
SBI Mutual Fund L030DD SBI-Magnum Insta Cash Fund-Daily Dividend Option (Face Value Rs. 10 each)	57,849,710	23,581,668
SBI Mutual Fund L147ID SBI-SHF Ultra Short Term Fund Institutional Plan-Daily Dividend Option (Face Value Rs. 10 each)	-	21,324,715
ICICI Prudential Liquid Plus Plan Institutional Option Daily Dividend Reinvestment (Face Value Rs. 100 each)	5,300,958	436,255
HDFC Mutual Fund 3002/HDFC Liquid Fund Dividend Daily Reinvest (Face Value of Rs. 10 each)	51,889,005	4,902,826
UTI Fixed Income Interval Fund Quarterly Interval Plan Series VI Institutional Dividend Plan Payout (Face Value of Rs. 10 each)	3,000,000	-
UTI Fixed Income Interval Fund Series II-Quarterly Interval Plan Series IV Institutional Dividend Payout (Face Value of Rs. 10 each)	2,999,670	-
SBI Mutual Fund (L200D SBI Debt Fund Series-90 Days 35 Series Dividend Payout (Face Value of Rs. 10 each))	5,000,000	-
SBI Mutual Fund (L206D SBI Debt Fund Series-90 Days 36 Series Dividend Payout (Face Value of Rs. 10 each))	3,000,000	-
L211D SBI Debt Fund Series - 90 Days Series 39 Dividend Payout	2,000,000	-
L211D SBI Debt Fund Series - 90 Days Series 38 Dividend Payout	5,000,000	-
L211D SBI Debt Fund Series - 90 Days Series 43 Dividend Payout	3,000,000	-
L242D SBI Debt Fund Series - 90 Days Series 48 Dividend Payout	3,000,000	-
Total	161,513,978	72,921,495

Schedule 17 (contd.)**Notes forming part of the Financial Statements for the year ended December 31, 2011****23. Disclosure requirements under Revised Accounting Standard 15 on "Employee Benefits", as notified u/s 211(3C) of the Companies Act, 1956**

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

1 Defined contribution plans

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

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

	2011 (Rupees '000)	2010 (Rupees '000)
During the year, the Company has recognised the following amounts in the Profit and Loss Account:		
- Employer's Contribution to Provident Fund	10,582	8,883
- Employer's Contribution to Superannuation Fund	3,393	2,803
- Employer's Contribution to Employee's state insurance	1,839	1,442

Included in Contribution to Provident Fund and other funds (Refer Schedule 13)

2 Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)

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

Discount Rate (per annum)	8.60%	8.00%
Rate of increase in Compensation levels (per annum)	5.00%	5.00%
Rate of Return on Plan Assets (for Funded Scheme)	8.69%	8.51%

A) Changes in the Present Value of Obligation

Present value of Obligation as at January 1, 2011	36,154	31,059
Interest cost	3,109	2,485
Current Service Cost	2,501	2,146
Benefits Paid	(1,196)	(1,485)
Actuarial (gain)/loss on obligations	3,950	1,949
Present value of Obligation as at December 31, 2011	44,518	36,154

B) Changes in the Fair Value of Plan Assets

(For Funded Scheme)

Present Value of Plan Assets as at January 1, 2011	36,725	31,821
Actual Return on Plan Assets	3,191	2,709
Contributions	9,000	3,680
Benefits Paid	(1,196)	(1,485)
Fair Value of Plan Assets as at December 31, 2011	47,720	36,725

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Present Value of funded Obligation as at December 31, 2011	44,518	36,154
Fair Value of Plan Assets as at the end of the year	47,720	36,725
Funded Status	3,202	571
Unrecognised Actuarial (gains)/losses		
Unfunded Liability/(Net Asset) Recognised in Balance Sheet	(3,202)	(571)
Included in Loans and Advances (Refer Schedule 8)		

D) Amount recognised in the Balance Sheet

Present Value of Obligation as at December 31, 2011	44,518	36,154
Fair Value of Plan Assets as at the end of the year	47,720	36,725
Liability/(Asset) recognised in the Balance Sheet	(3,202)	(571)
Included in Loans and Advances (Refer Schedule 8)		

Schedule 17 (contd.)

Notes forming part of the Financial Statements for the year ended December 31, 2011

	2011 (Rupees '000)	2010 (Rupees '000)		
E) Expenses recognised in the Profit and Loss Account				
Current Service Cost	2,501	2,146		
Interest Cost	3,109	2,485		
Actual Return on Plan Assets	(3,191)	(2,709)		
Settlement Cost/(Credit)				
Net actuarial (gain)/loss recognised in the year	3,950	1,949		
Total Expenses recognised in the Profit and Loss Account	6,369	3,871		
Included in Contribution to Provident and Other Funds (Refer Schedule 13)				
F) Actual Return on Plan Assets				
Expected Return on Plan Assets	3,191	2,709		
Actuarial gain/(loss) on Plan Assets	-	-		
Actual Return on Plan Assets	3,191	2,709		
G) Experience Adjustment				
On Plan Liabilities	3,950	1,949	2,517	573
On Plan Assets	32	163	252	392
H) Expected employer's contribution for the next year				
	6,188	3,323		
I) Investment details of Plan Assets				
Administered by LIC of India	100%	100%		

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

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

There is no significant change in the accounting estimates due to applicability of AS-15 (Revised) as the parameters considered in the year 2011 are the same as those considered in the year 2010.

- 3 The Actuarial liability for leave encashment and compensated absences as at year end is Rs. 9,315 ('000) (Previous Year Rs. 9,906 ('000)). Current year charge is included in Salaries, Wages and Bonus (Refer Schedule 13).

24. Provision for Contingencies

(Rupees '000)

Particulars	2011	2010
Carrying Amount at the beginning of the year	79,750	-
Additions during the year	47,500	79,750
Utilisation during the year	-	-
Carrying Amount at the close of the year	127,250	79,750

Represents estimates made for probable liabilities arising out of commercial transactions with parties and pending settlement of duties/levies with various government authorities. The information usually required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" notified under section 211 (3C) of the Companies Act 1956, is not disclosed on the grounds that it can be expected to prejudice the interest of the Company. The timing of the outflow with regard to the said matters depends on exhaustion of remedies available to the Company under the Law and hence the Company is not able to reasonably ascertain the timing of the outflow.

25. Consequent upon the formation of 50:50 Global joint venture between INEOS and BASF, bringing together key styrenics business of the two joint venture partners worldwide effective October 1, 2011, M/s Styrolution (Jersey) Limited (Formerly known as INEOS ABS (Jersey) Limited), the acquirer, along with persons acting in concert has in terms of SEBI (SAST) Regulation 1997, made a public offer to the shareholders of the company, vide offer document dated January 5, 2012. The cash offer price is Rs.606.81 (Rupees six hundred six and paise eighty one only) for one fully paid up equity share of Rs. 10 each to acquire maximum of 2,931,920 equity share representing balance 16.67% of the capital of the Company.

Schedule 17 (contd.)**Notes forming part of the Financial Statements for the year ended December 31, 2011****26. Earnings Per Equity Share (EPS)**

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

Values used in calculating EPS:

	2011	2010
a) Numerator : Profit After Tax (Rs.'000)	539,664	700,300
b) Denominator : Number of Equity Shares	17,585,625	17,585,625
Earnings Per Share (Basic/Diluted) (Rs.)	30.69	39.82
Face value per share (Rs.)	10	10

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

27. Net dividend remitted in foreign exchange

	1-1-2010 to 31-12-2010	1-1-2009 to 31-12-2009
Period to which dividend relates	One	One
Number of non-resident shareholders	14,653,705	14,653,705
Number of equity shares held on which dividend was due	58,614	51,288
Amount remitted (Rs.'000)		

28. Figures for the Previous Year have been regrouped and reclassified wherever necessary, to conform to the current year's classification.

Signatures to Schedules 1 to 17

A.J. Pizzey
DirectorS.M. Kulkarni
DirectorFor Price Waterhouse
Firm registration Number: 301112ER.S. Agrawal
Managing DirectorRavindra Kulkarni
Director

Chartered Accountants

S. M. Vaishnav
Company SecretaryJ.R. Patel
DirectorUday Shah
Partner
(Membership No. F-46061)
Mumbai, Dated : February 14, 2012

Mumbai, Dated : February 14, 2012

**Additional information pursuant to Part IV of Schedule VI to the Act.
Balance Sheet Abstract And Company's General Business Profile**

I	Registration Details		
	Registration No.	2436	State Code 04
	Balance Sheet Date	31 12 11	
		Date Month Year	
II	Capital raised during the year (Amount in Rs. Thousands)	NIL	
	Public Issue	NIL	Rights Issue
	Bonus Issue	NIL	Private Placement
III	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
	Total Liabilities	5993241	Total Assets
Sources of Funds	Paid up capital	175856	Reserves & Surplus
	Secured Loans	NIL	Unsecured Loans
Application of Funds	Net Fixed Assets	1452228	Investments
	Net Current Assets	1516245	Miscellaneous Expenditure
	Accumulated Losses	NIL	
IV.	Performance of Company (Amount in Rs. Thousands)		
	Turnover	8367338	Total Expenditure
	+ - Profit / Loss Before Tax	+774829	+ - Profit / Loss After Tax
	Earnings per Share in Rs. (Profit for the year / Paid up Equity)	30.69	Dividend Rate %
V.	Generic Names of Three Principal Products / Services of the Company (as per monetary terms)		
	Item Code No.	390330	
	Product Description	ACRYLONITRILE BUTADIENE-STYRENE (ABS)COPOLYMER	
	Item Code No.	390320	
	Product Description	STYRENE-ACRYLONITRILE (SAN)COPOLYMER	
	Item Code No.	390230	
	Product Description	SHEETS OF POLYMER OF STYRENE	
	A. J. Pizey Director		S. M. Kulkarni Director
	R. S. Agrawal Managing Director		Ravindra Kulkarni Director
	S. M. Vaishnav Company Secretary		J.R. Patel Director

INEOS ABS (INDIA) Limited

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

PROXY FORM

39th Annual General Meeting to be held on 24th April, 2012

Members Folio/DP ID No. _____

No. of Shares _____

I / We _____

of _____

_____ being
a Member / Members of INEOS ABS (INDIA) Limited hereby appoint _____

_____ of _____

or failing him _____ of _____

as my / our proxy to attend and vote for me / us, on my / our behalf at the 39th Annual General Meeting of the Company to be held at the Regd. Office at 11.00 a.m. on Tuesday, 24th April, 2012.

Signed this _____ day of _____ 2012

Signature _____

Affix a 1
Rupee
Revenue
Stamp

Note : The proxy form to be valid must reach the Registered Office of the Company not later than 48 hours before the time for holding the Meeting.

INEOS ABS (INDIA) Limited

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

ATTENDANCE SLIP

39th Annual General Meeting to be held on 24th April, 2012

Members Folio/DP ID No _____

Mr./Mrs./Miss _____

(Member's Name in Block Letters)

_____ I certify that I am a Registered Member / Proxy
for the Registered Member of the Company. I hereby record my presence at the 39th Annual General Meeting of the Company to be
held at the Registered Office at 11.00 a.m. on Tuesday, 24th April, 2012.

_____ If signed by proxy, his/her name

_____ Member's/Proxy's Signature

IMPORTANT NOTE

Members / Proxy holders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.