

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of INEOS ABS (India) Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

Styrolution (Jersey) Limited (Acquirer) (formerly known as INEOS ABS (Jersey) Limited)

a limited liability company, incorporated under the laws of Jersey

(Registered Office: Ogier House, The Esplanade, St Helier, JE4 9WG, Jersey, Tel: +44-1534-504-000, Fax: +44-1534-504-444)

along with the following Persons Acting in Concert (PAC)

Styrolution Holding GmbH (JVCo)

a limited liability company incorporated under the laws of Federal Republic of Germany

(Registered Office: Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Tel: +49-621-60-45375, Fax: +49-621-60-55515)

Styrolution Group GmbH (Holdco)

a limited liability company incorporated under the laws of Federal Republic of Germany

(Registered Office: Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Tel: +49-621-60-45375, Fax: +49-621-60-55515)

and

BASF SE (BASF)

a listed company incorporated under the laws of Federal Republic of Germany

(Registered Office: 67056 Ludwigshafen, Germany, Telephone: +49-621-60-0, Fax: +49-621-60-42525)

MAKE A CASH OFFER AT Rs.606.81 PER FULLY PAID-UP EQUITY SHARE (FACE VALUE OF Rs.10/- EACH) TO ACQUIRE

2,931,920 Shares representing 16.67% of the Current Equity Capital of

INEOS ABS (India) Limited (Target Company)

a public limited company incorporated under the Companies Act

(Registered Office: 6th Floor, ABS Towers Old Padra Road Vadodara - 390 007, Gujarat, India, Tel: +91-26-5235-5871, Fax +91-26-5234-1012)

Note:

- This Offer is being made pursuant to regulation 10 and regulation 12 and in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.
- This Offer is not subject to a minimum level of acceptance.
- This Offer is subject to certain statutory and regulatory approvals described in detail in Section IX. The Acquirer and the PACs made an application dated November 2, 2011 to obtain RBI approval inter alia for the acquisition/transfer of the Shares tendered pursuant to this Offer, as required. RBI in its reply dated November 11, 2011 has advised the Acquirer and the PACs to peruse the transactions in light of A. P. (DIR Series) Circular No. 43 dated November 4, 2011 (the "Circular"). The Circular covers transfer of shares between a person resident in India and a person not resident in India without prior approval of the RBI subject to certain conditions.
- Specific approval of the RBI needs to be obtained by overseas corporate body ("OCB") / non-resident Indian ("NRI") shareholders in the event any OCB/NRI shareholder tenders Share(s) in the Offer
- If there is any upward revision of the Offer Price by the Acquirer/PACs until the last permitted date for revision (January 25, 2012, which is seven (7) working days prior to expiration of the Offer) or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the period that the Offer is open and accepted under the Offer.
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer (February 1, 2012).
- **There has been no competitive bid.**
- The Offer is not a competitive bid.
- A copy of the Public Announcement and this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) is expected to be available on SEBI's website (www.sebi.gov.in).

Manager to the Offer		Registrar to the Offer
	Kotak Mahindra Capital Company Limited Bakhtawar, 1 st Floor, 229, Nariman Point Mumbai 400 021 Tel: +91 22 6634 1100, Fax: +91 22 284 0492 Contact Person: Mr. Ganesh Rane Email: project.ineosoffer@kotak.com	Link Intime India Pvt. Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078 Tel: +91 22 2596 0320; Fax: +91 22 2596 0329 Contact Person: Mr. Pravin Kasare email: ial.offer@linkintime.co.in

Activity	Date	Day
Public Announcement	October 22, 2011	Saturday
Specified Date*	November 11, 2011	Friday
Last date for a competitive bid, if any	November 12, 2011	Saturday
Last date for dispatch of Letter of Offer to the Shareholders of the Target Company	January 12, 2012	Thursday
Offer Opens on	January 16, 2012	Monday
Last date for revising the Offer Price	January 25, 2012	Wednesday
Last date for withdrawal by Shareholders	February 1, 2012	Wednesday
Offer Closes on	February 6, 2012	Monday
Last date by which acceptance/rejection would be intimated and corresponding payment for acquired Shares and/or the share certificate/demat delivery instruction for rejected Shares will be dispatched/issued	February 21, 2012	Tuesday

*Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all Eligible Shareholders are eligible to participate in the Offer.

NOTE: Duly signed Application cum Transfer Deed(s) together with share certificate(s) should be dispatched by registered post/courier or hand delivered to the Registrar to the Offer or their collection centres so as to reach not later than 4.30 pm on February 6, 2012.

Risk Factors

Risks factors: (i) relating to the Offer, (ii) relating to the “Acquisition”, and (iii) involved in associating with the Acquirer/PACs and the likely adverse affect of these risk factors on the Shareholders.

I. Risks relating to the Offer:

- The Offer is subject to the receipt of certain statutory and regulatory approvals described in detail in Section IX. In the event any of the required statutory approvals are refused or under such circumstances as in the opinion of SEBI merit withdrawal of the Offer, the Offer may be withdrawn in terms of regulation 27 of the Regulations. The Offer is subject to the Acquirer obtaining approval from the Reserve Bank of India (“RBI”) under the Foreign Exchange Management Act, 1999, as amended, for the acquisition / transfer of the Shares tendered pursuant to this Offer and payment of consideration for all of the above, as required. The Acquirer filed an application dated November 2, 2011 with RBI for approval to acquire Shares from nonresident persons pursuant to the Offer. RBI in its reply dated November 11, 2011 has advised the Acquirer and the PACs to peruse the transactions in light of A. P. (DIR Series) Circular No. 43 dated November 4, 2011 (the “Circular”). The Circular covers transfer of shares between a person resident in India and a person not resident in India without prior approval of the RBI subject to certain conditions. However, the Circular does not provide for transfer of shares from Non-Resident Indians/OCB to Non-Resident. Specific approval of the RBI needs to be obtained by overseas corporate body (“OCB”) / non-resident Indian (“NRI”) shareholders in the event any OCB/NRI shareholder tenders Share(s) in the Offer.
- In the event that either: (a) regulatory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer/PACs from performing its obligations hereunder, or (c) SEBI instructing the Acquirer/PACs not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares are accepted under the Offer as well as the return of Shares not accepted under the Offer by the Acquirer/PACs may get delayed. In case of delay, due to non-receipt of statutory approval(s), then in accordance with regulation 22(12) of the Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer/PACs, grant an extension for the purpose of completion of the Offer subject to the Acquirer/PACs agreeing to pay interest to the validly tendering Shareholders. Further, Shareholders should note that after the last date of withdrawal i.e. February 1, 2012, Shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed.
- The tendered Shares and documents would be held by the Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Shares. The Acquirer/PACs makes no assurance with respect to the market price of the Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- The Acquirer, the PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Letter of Offer/PA and anyone placing reliance on any other source of information (not released by the Acquirer, the PACs, or the Manager to the Offer) would be doing so at his/her/their own risk.

II. Risks relating to Acquirer/PACs and the Target Company

- Acquirer and the PACs are making this Offer as per Regulations 10 and 12 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations as the Acquirer and the PACs triggered these Regulations by change in control of the company holding shares of and having control over the Target Company. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirer and PACs cannot provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirers and PACs, but are only indicative. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “US Dollars” or “\$” is to the United States Dollar and “EUR” or “€” is to EURO. Unless otherwise stated, the Rupee equivalent quoted in each case is calculated in accordance with the Reserve Bank of India rate as on the reference date. In this Letter of Offer, any discrepancy in any table between the total and sums of amounts listed are due to rounding off.

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Key Definitions

Acquirer	Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited), a limited liability company incorporated on June 19, 2007, under the laws of Jersey with its registered office at Ogier House, The Esplanade, St Helier, JE4 9WG, Jersey, Telephone: +44-1534-504-000, Fax: +44-1534-504-444
Acquisition/ Transaction	Acquisition shall have the meaning ascribed to it in paragraph 3 of this Letter of Offer
Agreement	Global joint venture agreement dated May 27, 2011 described in paragraph 2 of this Letter of Offer
BASF	BASF SE, a listed company incorporated under the laws of Federal Republic of Germany with its registered office at 67056 Ludwigshafen, Germany, Telephone: +49-621-60-0, Fax: +49-621-60-42525
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended
Current Equity Capital	The issued and paid-up equity capital of the Target Company comprising of 17,585,625 Shares of Rs.10/- each as on the date of the Public Announcement as per the information from the Target Company
Depositories	CDSL and NSDL
Diluted Equity Capital or Voting Capital	The issued and paid-up equity capital of the Target Company as expected to be as on the date 15 days after the scheduled closing of the Offer as calculated in paragraph 10 of this Letter of Offer
Eligible Shareholders	All shareholders/beneficial owners (registered or otherwise) of Shares (other than the Acquirer and the PACs)
FEMA	Foreign Exchange Management Act, 1999, as amended
Form of Acceptance-cum-Acknowledgment	Form of Acceptance-cum-Acknowledgment attached to this Letter of Offer
Form of Withdrawal	Form of Withdrawal attached to this Letter of Offer
GAAP	Generally Accepted Accounting Principles
Global Transaction	The joint venture as described in paragraph 2 of this Letter of Offer
Holdco	Styrolution Group GmbH, a limited liability company incorporated under the laws of Federal Republic of Germany with its registered office at Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Telephone: +49-621-60-45375, Fax: +49-621-60-55515
INEOS Holding	INEOS Industries Holdings Limited, a wholly owned subsidiary of INEOS AG, is a private limited company having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom, Tel: +44-2380-287067 Fax: +44-2380-287069
I-T Act	Income-tax Act, 1961, as amended
JVCo	Styrolution Holding GmbH, a limited liability company incorporated under the laws of Federal Republic of Germany with its registered office at Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Telephone: +49-621-60-45375, Fax: +49-621-60-55515
Lac / Lacs	1,00,000 units
Letter of Offer	This Letter of Offer dated January 5, 2012
Manager to the Offer/KMCC	Kotak Mahindra Capital Company Limited, the merchant banker appointed by the Acquirer and the PACs pursuant to the Regulations, having its registered office at Bakhtawar 1 st Floor, 229 Nariman Point, Mumbai - 400 021, +91 22 6634 1100, Email: project.ineosoffer@kotak.com, Contact Person: Ganesh Rane
Maximum Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 1,779,125,705/- (Rupees One Billion Seven Hundred Seventy Nine Million One Hundred Twenty Five Thousand Seven Hundred and Five Only)
Mn / Million	1,000,000 units
NRI	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited

OCB	Overseas Corporate Body as defined in Regulation 2 (xi) Foreign Exchange Management (Deposit) Regulations, 2000
Offer	The Offer being made by the Acquirer and the PACs for acquiring 2,931,920 Shares representing 16.67% of the Current Equity Capital, from the Shareholders at the Offer Price payable in cash
Offer Period	Offer period from the date of the opening of the Offer on January 16, 2012 to the closing of the Offer on February 6, 2012 (both days inclusive)
Offer Price	Price of Rs. 606.81 (Rupees Six Hundred and Six and Paise Eighty One Only) per Share
Offer Size	2,931,920 Shares representing 16.67% of the Current Equity Capital
PACs/Persons Acting in Concert	Styrolution Holding GmbH, a limited liability company incorporated under the laws of Federal Republic of Germany with its registered office at Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Telephone: +49-621-60-45375, Fax: +49-621-60-55515; along with Styrolution Group GmbH, a limited liability company incorporated under the laws of Federal Republic of Germany with its registered office at Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Telephone: +49-621-60-45375, Fax: +49-621-60-55515; along with BASF SE, a listed company incorporated under the laws of Federal Republic of Germany with its registered office at 67056 Ludwigshafen, Germany, Telephone: +49-621-60-0, Fax: +49-621-60-42525
Paid-up Capital	Fully paid-up equity capital of the Target Company of Rs. 175,856,250/- comprising of 17,585,625 Shares of face value of Rs.10/- each
Public Announcement/PA	Public announcement of this Offer made on behalf of the Acquirer and the PACs to the Shareholders, which was published in all editions of Financial Express, all editions of Jansatta, Mumbai edition of Navshakti and Vadodara edition of Vadodara Samachar on October 22, 2011
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited, the registrar appointed by the Acquirer and the PACs, having its office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078, Tel: +91-22-2596-0320; Fax: +91-22-2596-0329; email: ial.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare
Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Rs./ Rupees/ INR	The lawful currency of the Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
Share(s)	Each fully paid-up equity share of the Target Company having a face value of Rs.10/- each
Shareholder(s)	Shareholders of the Target Company
Specified Date	November 11, 2011, being the date for the purpose of identifying shareholders of the Target Company to whom the Letter of Offer will be sent
Stock Exchanges	BSE and NSE
Target Company	INEOS ABS (India) Limited (formerly known as LANXESS ABS Limited), a company incorporated under the Companies Act, with its registered office at 6th Floor, ABS Towers Old Padra Road Vadodara - 390 007, Gujarat, India, Telephone: +91-026-5235-5871; Fax: +91-026-5234-1012

Note: All capitalized terms used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.

I. Disclaimer Clause

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF INEOS ABS (India) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 4, 2011 TO SEBI IN ACCORDANCE WITH THE REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

FORWARD LOOKING STATEMENTS

Certain statements in this Letter of Offer are not historical and may constitute forward-looking statements reflecting financial performance. When used in this Letter of Offer, words such as “estimate”, “intend”, “expect”, “will”, “may”, “anticipate” and similar expressions are intended to identify forward-looking statements - which are, by their very nature, not guarantees of future operational or financial performance and are subject to risks and uncertainties. Forward-looking statements are based on management’s estimates, beliefs and opinions on the date the statements are made. Actual results may differ from these estimates, beliefs and opinions.

II. Details of the Offer

Background of the Offer

- 1 This Offer is being made by Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited), (“Acquirer”), along with Styrolution Holding GmbH (“JVCo”), Styrolution Group GmbH (“Holdco”) and BASF SE (“BASF”) (hereinafter together referred to as persons acting in concert with Acquirer or “PACs”) pursuant to and in compliance with, among others, regulation 10 and regulation 12 of the Regulations, due to completion of the transaction as per the Agreement (described below) resulting in a proposed indirect change in control of the Target Company arising due to change in control of the Acquirer and indirect acquisition of more than 15% of the voting rights of the Target Company.
- 2 The JVCo, BASF and INEOS Industries Holdings Limited (“INEOS Holdings”) announced on May 30, 2011 that they have entered into a master agreement dated May 27, 2011 (“Agreement”) whereby INEOS Holdings and BASF have agreed to form a joint venture, conducted through the JVCo, for combining the global business activities of their respective groups in styrene monomers and styrene based polymers (“Global Transaction”).
- 3 As part of the Global Transaction, which was consummated on October 1, 2011:
 - a. BASF and INEOS Holdings have transferred identified businesses and assets to the Holdco in accordance with the provisions of the Agreement.
 - b. The Holdco is indirectly held by the JVCo.
 - c. 50% shareholding of the JVCo is directly and indirectly held by BASF. The remaining 50% shareholding is held by INEOS Holdings, a wholly owned subsidiary of INEOS AG.
 - d. INEOS Holdings has also transferred its shareholding in the Acquirer to the Holdco in exchange for shares in the JVCo.
 - e. Post completion of the Global Transaction, the JVCo holds 100% of the shareholding of the Acquirer through its intermediate wholly owned subsidiaries including the Holdco.

The above proposed events including the Offer are hereinafter collectively referred to as the “Transaction” or “Acquisition”.

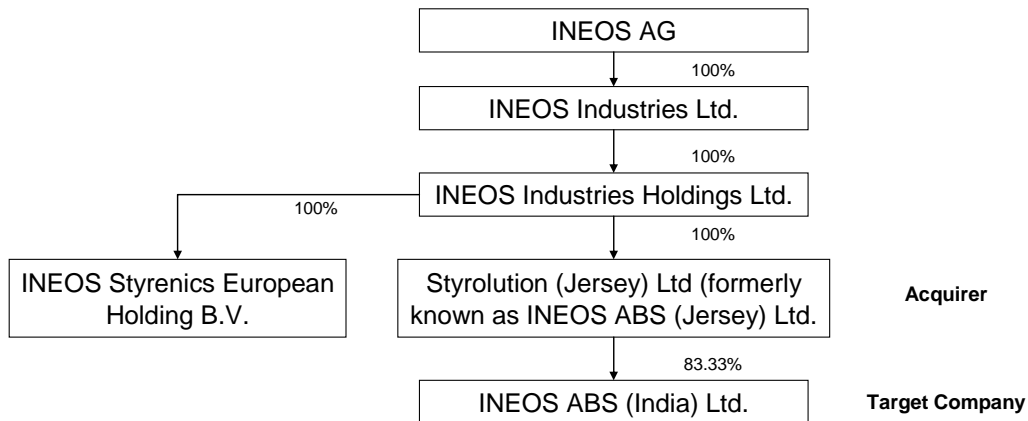
For the purposes of this Offer, considering that the JVCo holds 100% of the shareholding of the Acquirer through its intermediate wholly owned subsidiaries, certain entities related with the Acquirer/PACs could be deemed to be acting in concert with the Acquirer. A list of such entities is as follows:

Name	Relationship
BASF SE	Indirectly holds 50% of the Acquirer
BASF Antwerpen N.V.	Direct subsidiary of BASF SE
INEOS AG	Indirectly holds 50% of the Acquirer
INEOS Industries Limited	Indirectly holds 50% of the Acquirer
INEOS Industries Holdings Limited	Indirectly holds 50% of the Acquirer
INEOS Styrenics European Holding B.V.	Direct subsidiary of INEOS Industries Holdings Limited
Styrolution Holding GmbH	Indirectly owns 100% of the Acquirer
Styrolution Beteiligungs GmbH	Indirectly owns 100% of the Acquirer
Styrolution Group GmbH	Indirectly owns 100% of the Acquirer

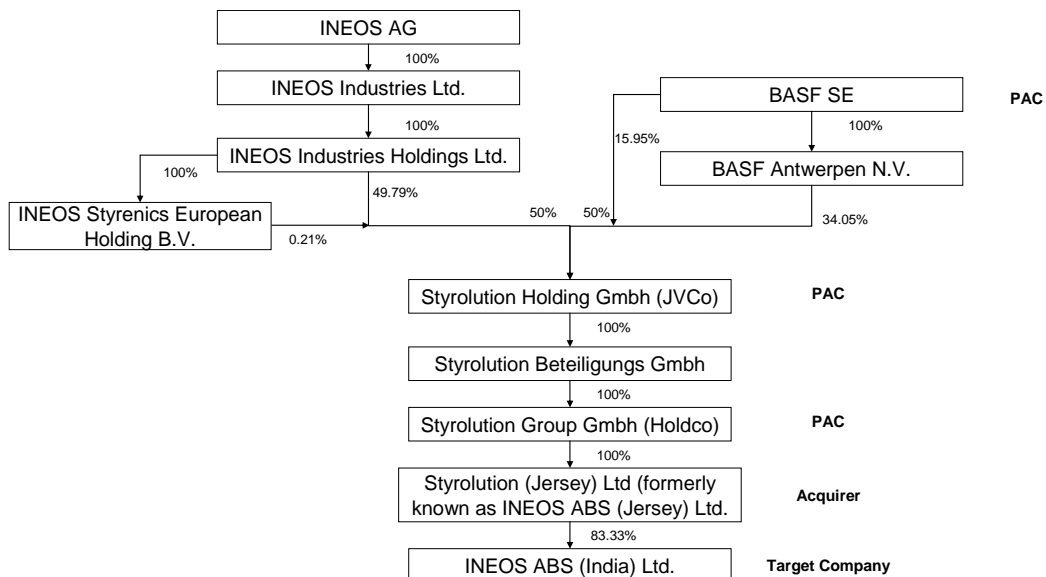
However, other than the PACs mentioned in paragraph 1, above, such entities are not persons acting in concert with the Acquirer for the purposes of this Offer.

The following diagrams summarize the corporate structure of the Target Company, before and after the Global Transaction:

Before the Global Transaction



After the Global Transaction



- 4 Salient features of the Global Transaction are as under:
- As a result of the Global Transaction, a joint venture has been established by BASF and INEOS Holdings (together, the "Parties") to combine the existing styrene monomer ("SM"), polystyrene ("PS") and acrylonitrile-butadiene-styrene ("ABS") businesses of the Parties, together with certain related products. The Parties have transferred identified businesses and assets to Styrolution Group GmbH ("Holdco"), including INEOS Styrenics' assets and BASF Styrenics' assets, among others.
 - Due to a substantial difference in the value of the assets and businesses that have been transferred by BASF and those that have been transferred by INEOS, BASF has received EUR 600 million in addition to the relevant portion of shares in the JVCo. However, no specific value has been attributed or allocated for transfer of interest in the Target Company as part of the Global Transaction.
 - The Holdco is indirectly held by the JVCo, and 50% shareholding of the JVCo is directly and indirectly held by BASF. The remaining 50% shareholding is held by INEOS Holdings, a wholly owned subsidiary of INEOS AG. Each shareholder has joint control over the JVCo.
 - The JVCo currently holds 100% of the shareholding of the Acquirer through its intermediate wholly owned subsidiaries including the Holdco.
 - Since the Acquirer already held 83.3% of the shares of the Target Company, the change in control of the Acquirer has resulted in the proposed change in control of the Target Company by way of an indirect acquisition, thereby triggering the Offer.
- 5 As of the date of the PA, the authorized share capital of Target Company is Rs. 500,000,000 (Rupees Five Hundred Million Only) consisting of 50,000,000 (Fifty Million Only) Shares. The paid up share capital of the Target Company is Rs 175,856,250 (Rupees One Hundred Seventy Five Million Eight Hundred Fifty Six Thousand Two Hundred and Fifty Only) consisting of 17,585,625 (Seventeen Million Five Hundred Eighty Five Thousand Six Hundred and Twenty Five Only) Shares.
- 6 As of the date of the PA, the Acquirer holds 14,653,705 (Fourteen Million Six Hundred Fifty Three Thousand Seven Hundred and Five Only) Shares representing 83.33% of the share capital of the Target Company. Other than above, the Acquirer and PACs do not hold any share of the Target Company.
- 7 The Acquirer, the PACs and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

Details of the Proposed Offer

- 8 In accordance with regulation 14(1) and regulation 15(1) of the Regulations, the Acquirer and the PACs issued a Public Announcement (PA) on October 22, 2011 which appeared in all editions of Financial Express, all editions of Jansatta, the Mumbai edition of Navshakti and the Vadodara edition of Vadodara Samachar. A copy of the PA is expected to be available on SEBI's website (www.sebi.gov.in).
- 9 Pursuant to this Offer, the Acquirer and the PACs propose to acquire 2,931,920 (Two Million Nine Hundred Thirty One Thousand Nine Hundred and Twenty Only) Shares of the Target Company ("Offer Size") from the shareholders of the Target Company as mentioned in paragraph 151 below, representing 16.67% of the Voting Capital of the Target Company, at a price of Rs. 606.81 (Rupees Six Hundred and Six and Paise Eighty One Only) for each Share of the Target Company ("Offer Price"), to be paid in cash in accordance with the Regulations and subject to the terms and conditions mentioned in the PA and as will be set out in this Letter of Offer.
- 10 Based on the available information, the Voting Capital of the Target Company as on date of the PA has been calculated as under:

Issued share capital of the Target Company	Issued shares	Voting rights	% of Issued shares	% of Voting rights
Issued share capital	1,75,85,625	1,75,85,625	100	100
Partly paid up share capital	NIL	NIL	NIL	NIL
Total	1,75,85,625	1,75,85,625	100	100
EMERGING VOTING CAPITAL				

Issued share capital of the Target Company	Issued shares	Voting rights	% of Issued shares	% of Voting rights
(at the expiry of 15 days from closure of the Offer)				
Issued share capital as on date of PA		1,75,85,625		
Add: shares to be issued upon conversion during the offer		NIL		
Voting Capital		1,75,85,625		

- 11 There are no partly paid-up Shares in the Target Company. This Offer is not subject to any minimum level of acceptance or any differential pricing.
- 12 The Acquirer and the PACs or any of their directors have not acquired nor have been allotted any Shares of the Target Company in the 12 (twelve) months prior to the date of the PA.

However, the Acquirer or PACs may acquire Shares of the Target Company on the Stock Exchanges, or through negotiation or otherwise, in compliance with and subject to the provisions of the Regulations and applicable law during the pendency of the Offer, and all details of such purchases will be disclosed by the Acquirer and the PACs to the Stock Exchanges and to the Manager to the Offer within 24 hours of such acquisition in terms of regulation 22(17) of the Regulations.

As per regulation 20(7) of the Regulations, where any such aforementioned acquisition is at a price higher than the Offer Price, then, the highest price paid for such acquisition shall be payable for all acceptances received under the Offer. Further, no such acquisition shall be made during the last seven (7) working days prior to the closure of the Offer, except Shares accepted in the Offer.

- 13 The Acquirer and the PACs have not acquired any Shares since the date of the PA and up to the date of this Letter of Offer.
- 14 The Offer is not a competitive bid. There have been no competitive bids as of the date of this Letter of Offer.
- 15 To the extent of the Offer Size, all the Shares of the Target Company that are validly accepted in this Offer are proposed to be acquired by the Acquirer, subject to the terms and conditions of the Offer and receipt of statutory approvals as mentioned in section IX. As the Shares trade in the compulsory dematerialized settlement segment of BSE and NSE, the minimum marketable lot for the Shares is 1 (one).
- 16 There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under this Letter of Offer are to be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
- 17 This Offer is being made to all Eligible Shareholders of the Target Company.
- 18 This Letter of Offer is being sent to all Eligible Shareholders of the Target Company whose names appeared in the Register of Members of the Target Company and the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on November 11, 2011, being the Specified Date, as required under the Regulations.

Object of the Acquisition/Offer

- 19 This Offer is being made by the Acquirer and the PACs in accordance with Regulations 10 and 12 of the Regulations pursuant to completion under the Agreement resulting in a proposed indirect change in control of the Target Company arising due to change in control of the Acquirer and indirect acquisition of more than 15% of the voting rights of the Target Company.
- 20 The Target Company is engaged in the business of manufacturing specialised engineering thermoplastics. The JVCo has been formed to combine the global business of BASF and INEOS Holdings with respect to styrene monomers and styrene based polymers, including specialised engineering thermoplastics, and the Offer has been made pursuant to such global combination of the businesses. The indirect acquisition of Shares by acquisition of the Acquirer by the JVCo and the direct acquisition of Shares by the Acquirer under this Offer is part of the Global Transaction.

III. Background of the Acquirer

Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited) (“Acquirer”)

- 21 The Styrolution (Jersey) Limited is a company incorporated under the laws of Jersey on June 19, 2007. The company was earlier known as INEOS ABS (Jersey) Limited. The company changed its name to Styrolution (Jersey) Limited on October 14, 2011.
- 22 The registered office of Acquirer is situated at Ogier House, The Esplanade, St Helier, JE4 9WG, Jersey Telephone: +44-1534-504-000, Fax: +44-1534-504-444.
- 23 The issued and paid up capital of the Acquirer as on the date of the PA consists of 200 (Two Hundred Only) ordinary shares of EUR 1 each, aggregating to EUR 200 (Equivalent to Rs. 13,807/- using the RBI Reference rate EUR/Rs. = 69.035 (source: www.rbi.org.in) dated October 24, 2011).
- 24 Acquirer is an investment company and both the JVCo and Holdco have authorized the Acquirer to acquire the Shares from the equity shareholders of the Target Company.
- 25 The Acquirer is a wholly owned direct subsidiary of the Holdco. The shareholding pattern of Acquirer as on the date of the PA is as follows:

Sl. No.	Name of the Entity	Number of Shares	Percentage Shareholding
1	Promoter - Styrolution Group GmbH (Holdco)	200	100%

- 26 Brief history of Acquirer and some major events are summarized as under:

June 19, 2007	Incorporation of the Acquirer as INEOS ABS (Jersey) Limited
June 28, 2007	Share purchase agreement (SPA) to acquire 69.8% shares of the Target Company (then Lanxess ABS Limited).
March 13, 2008	Completion of the mandatory open offer pursuant to the SPA.
May 27, 2011	Master agreement for the Global Transaction between BASF, INEOS Holdings and JVCo to establish a joint venture, conducted through the JVCo, for combining the global business activities of their respective groups in styrene monomers and styrene based polymers.
October 1, 2011	Completion of the Global Transaction and establishment of the joint venture. This resulted in triggering of the open offer due to indirect acquisition of control of the Acquirer and thereby proposed indirect control of the Target Company.
October 14, 2011	Company changed its name to Styrolution (Jersey) Limited from INEOS ABS (Jersey) Limited

- 27 The details of the Board of Directors of Acquirer as on the date of the Letter of Offer are as follows:

Title	Name	Date of Birth	Date of Appointment	Qualification, Experience & Brief Profile	Residential / Corporate Address
MD and CEO	Roberto Gualdoni	Sep 9, 1956	Oct 4, 2011	Roberto Gualdoni has been CEO of Styrolution GmbH since its foundation by the BASF Group in Jan 2011 and President of the BASF Group's Styrenics division since 2010. Before joining BASF Group's Styrenics division, he headed, as Sr. Vice President, BASF Group's global procurement of raw materials, as well as various operational business units in the polymers business—together having served the BASF Group for 24 years. He holds a degree in Industrial Engineering from Universidad de Buenos Aires (Argentina) and an MBA from INSEAD, Fontainebleau (France).	In den Weingaerten 29, 67517 Wachenheim, Weinstrasse, , Germany

Title	Name	Date of Birth	Date of Appointment	Qualification, Experience & Brief Profile	Residential / Corporate Address
President EMEA	Martin Pugh	Feb 6, 1953	Oct 4, 2011	Martin Pugh is Regional Head EMEA at Styrolution. He previously held the position of Managing Director for Europe at INEOS Styrenics, a role he assumed following INEOS NOVA JV. He began his career in 1975 at Mobil Oil Company. He then held a variety of positions at Dow Chemical during a 20-year period, working and living in the UK, Dubai, Sweden and Switzerland. He joined NOVA Chemicals as Vice President/Managing Director for Europe in 2002. He served on the board as Vice President of Plastics Europe until Feb 2011. Martin Pugh holds a Bachelor of Science degree in industrial chemistry and management studies from Loughborough University in the UK.	En Charmont 32, Avry-devant-Pont, CH-1644, Switzerland
CFO EMEA	Mathew Rimmer	Jan 17, 1971	Oct 4, 2011	Mathew Rimmer is the Vice President for Finance EMEA at Styrolution. He is a Chartered Management Accountant (ACMA) by qualification. He has extensive experience in various finance positions in the chemical industry over the last 13 years. He worked initially for Ciba Specialty Chemicals, before joining NOVA Chemicals and then later the INEOS NOVA joint venture.	Route de la Chaniaz 5 Blonay 1807 Vaud Switzerland

None of the above directors is a director of the Target Company as of the date of the Letter of Offer.

- 28 The shares of Acquirer are not listed on any stock exchange.
- 29 The financial statements of the Acquirer are not required to be audited as per the laws applicable to the Acquirer. For the purpose of including the financial information of the Acquirer into this Letter of Offer, historical financial statements of the Acquirer have been audited by PricewaterhouseCoopers LLP. The historical financial information below is extracted without material adjustment from the financial information which has been prepared by the Acquirer and audited by PricewaterhouseCoopers LLP, specifically for inclusion in this Letter of Offer. The historical financial information relating to the Acquirer and the report thereon by PricewaterhouseCoopers LLP is available for inspection by the shareholders as per Section XI of this Offer Letter.

The financial information of the Acquirer has been prepared in accordance with the accounting policies as set out in the Statement of Accounting Policies included within the financial information. The audited historical financial information for the three years ended 31 December 2010 and the nine months ended 30 September 2011 is provided below.

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10		30-Sep-11	
	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs
Administrative expenses	(0.4)	(308)	(0.1)	(64)	(1.1)	(771)	(4.0)	(2,749)
Exceptional administrative expenses	-	-	-	-	-	-	(3.8)	(2,599)
Total administrative expenses	(0.4)	(308)	(0.1)	(64)	(1.1)	(771)	(7.7)	(5,348)
Foreign exchange (losses)/gains	0.2	131	0.7	503	2.6	1,771	(1.8)	(1,248)
Operating (loss)/profit	(0.3)	(177)	0.6	439	1.4	1,000	(9.6)	(6,596)
Impairment of fixed asset investments	-	-	(2.7)	(1,882)	-	-	-	-
Revision to estimate on final settlement of purchase consideration	-	-	46.4	32,015	-	-	-	-

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10		30-Sep-11	
	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs
Income from subsidiary undertakings	0.7	483	0.5	375	0.9	600	0.9	622
Interest receivable and similar income	9.5	6,524	13.4	9,264	6.1	4,212	10.1	7,000
Interest payable and similar charges	(2.6)	(1,787)	(1.1)	(726)	(0.7)	(490)	(0.4)	(276)
Profit on ordinary activities before taxation	7.3	5,043	57.2	39,486	7.7	5,323	1.1	750
Taxation on profit on ordinary activities	(1.8)	(1,277)	(2.9)	(2,035)	(1.9)	(1,322)	(1.1)	(763)
(Loss)/profit for the period	5.5	3,766	54.2	37,451	5.8	4,001	(0.0)	(14)

Note:

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

Balance Sheet	31-Dec-08		31-Dec-09		31-Dec-10		30-Sep-11	
	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs
Sources of Funds								
Called up share capital	0.0	0	0.0	0	0.0	0	0.0	0
Share premium account	91.3	63,061	47.9	33,079	47.9	33,079	NIL	NIL
Profit and loss account	(33.9)	(23,377)	20.4	14,074	26.2	18,074	4.9	3,405
Total shareholders' funds	57.5	39,684	68.3	47,153	74.1	51,154	4.9	3,405
Total Loans	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	57.5	39,684	68.3	47,153	74.1	51,154	4.9	3,405
Uses of Funds								
Intangible Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Investments	100.4	69,296	92.5	63,884	91.8	63,373	69.2	47,783
Total Fixed Assets	100.4	69,296	92.5	63,884	91.8	63,373	69.2	47,783
Current Assets	13.5	9,353	16.0	11,013	33.6	23,165	4.4	3,031
Creditors: amounts falling due within one year	(56.3)	(38,890)	(40.2)	(27,743)	(51.3)	(35,385)	(68.7)	(47,410)
Net Current Assets	(42.8)	(29,537)	(24.2)	(16,731)	(17.7)	(12,220)	(64.3)	(44,379)
Creditors: amounts falling due after more than one year	(0.1)	(75)	NIL	NIL	NIL	NIL	NIL	NIL
Total	57.48	39,684	68.3	47,153	74.1	51,154	4.9	3,405

Note:

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

Other Financial Data	31-Dec-08		31-Dec-09		31-Dec-10		30-Sep-11	
	EUR	Rs.	EUR	Rs.	EUR	Rs.	EUR	Rs.
Dividend Per Share	NIL	NIL	217,150	14,990,950	NIL	NIL	345,730	23,867,471
Earning Per Share***	54,558	3,766,412	271,246	18,725,468	28,975	2,000,289	(101)	(6,938)
Return on Net Worth^	9.49%		79.42%		7.82%		-0.41%	
Book Value Per Share**	574,838	39,683,941	341,516	23,576,523	370,491	25,576,812	24,660	1,702,403

Note:

**Book Value per Share calculated as Total Shareholders' Equity / Shares outstanding at the end of the period

***Earning per share calculated as Profit for the period / Shares outstanding at the end of the period

^Return on Net Worth calculated as Profit for the period / Total Shareholders' Equity at the end of the period

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

- 30 The reasons for rise/fall in Profit before Depreciation, Interest and Tax and PAT in the recent financial years are as follows:

For the Fiscal Year Ended December 31, 2010

Reasons for change Profit before Depreciation, Interest and Tax

Profit before Depreciation, Interest and Tax reduced significantly in 2010 over 2009 due to EUR 46.4 Mn (Equivalent to Rs. 32,032.24 Lacs using the RBI Reference rate EUR/Rs. = 69.035 (source: www.rbi.org.in) dated October 24, 2011) of one off income relating to the settlement of contingent consideration on the acquisition of businesses in 2007 being reported in the results for 2009. The said amount is disclosed under the head 'Revision to estimate on final settlement of purchase consideration' in the Profit & Loss Statement of the financial year 2009. Excluding this effect, the other principle factor impacting the results for 2010 is exchange gains and losses on retranslation of foreign currency denominated assets.

Reasons for change in Profit after Tax

Profit after Tax reduced significantly in 2010 due to the factors outlined above, a reduction in interest receivable on fixed asset investments and lower amortization of discounts on loans receivable.

For the Fiscal Year Ended December 31, 2009

Reasons for change in Profit before Depreciation, Interest and Tax

Profit before Depreciation, Interest and Tax increased significantly in 2009 over 2008 due to EUR 46.4 Mn (Equivalent to Rs. 32,032.24 Lacs using the RBI Reference rate EUR/Rs. = 69.035 (source: www.rbi.org.in) dated October 24, 2011) of one off income relating to the settlement of contingent consideration on the acquisition of businesses in 2007. Excluding this effect, the other principle factor impacting the results for 2009 is the impairment of fixed asset investments.

Reasons for change in Profit after Tax

Profit after Tax increased significantly in 2009 due to the factors outlined above, an increase in amortization of discounts on loans receivable offset by reduced interest receivable on fixed asset investments.

- 31 The significant accounting policies applied in the preparation of the financials information presented in this document are set out below:

Summary of significant accounting policies

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment. Loans to subsidiary undertakings are recorded at the lower of recoverable amounts or the price at which the loans were purchased. Any discount between the recorded amount and the amount receivable at maturity is amortized and credited to the profit and loss account at the effective interest rate over the life of the loan.

Foreign currencies

Transactions are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies in the balance sheet are translated at the closing rate for the period. All translation gains or losses on the settlement of monetary assets and liabilities are included in the determination of profit for the year. Exchange differences on long-term monetary items outstanding at the balance sheet date are dealt with in the profit and loss account.

- 32 No adjustments are required in the above financial information pursuant to the provisions of Annexure I, item 11 of the Standard Letter of Offer of SEBI.
- 33 Compliance Officer:
Mr. Ross Wonnick, Styrolution America LLC, 25846 SW Frontage Road, Channahon, Illinois USA 60601, Tel: +1 815 423 1289
- 34 There are no material pending litigations involving the Acquirer.

- 35 The Acquirer had no contingent liabilities as at December 31, 2010.
- 36 As on the date of PA, the Acquirer holds 14,653,705 (Fourteen Million Six Hundred Fifty Three Thousand Seven Hundred and Five Only) Shares representing 83.33% of the share capital of the Target Company. Other than as stated above, the Acquirer and/ or any of its directors have neither acquired nor have been allotted any Shares of the Target Company in the last 12 (twelve) months. The Acquirer has complied with the applicable provisions of Chapter II of the Regulations within the time specified in the Regulations.
- 37 Status of corporate governance: Acquirer is a private company and is not required to comply with corporate governance requirements under the law applicable to the Acquirer.
- 38 Apart from the Global Transaction, there has been no merger/demerger/spin-off involving Acquirer during last three years.
- 39 Acquirer has not promoted any other company in India during the last three years.
- 40 Acquirer was initially incorporated by the name of INEOS ABS (Jersey) Limited, however subsequently its name was changed to Styrolution (Jersey) Limited and fresh certificate of incorporation dated October 14, 2011 was obtained from Jersey Financial Services Commission Registry.

IV. Background of the PACs

Styrolution Holding GmbH (“JVCo”)

- 41 JVCo is a limited liability company incorporated under the laws of the Federal Republic of Germany on March 2, 2011, with its corporate seat in Frankfurt am Main and which is registered in the commercial register at the local court of Frankfurt am Main under HRB 92003.
- 42 The registered office of JVCo is situated at Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Telephone: +49-621-60-45375, Fax: +49-621-60-55515.
- 43 JVCo is a holding company for Holdco and indirectly owns 100% shareholding in Holdco.
- 44 The shares of JVCo are not listed on any stock exchange.
- 45 As of the date of the PA, the authorized share capital of JVCo is EUR 10,000,000 (Equivalent to Rs. 690,350,000/- using the RBI Reference rate EUR/Rs. = 69.035 (source: www.rbi.org.in) dated October 24, 2011) consisting of 10,000,000 Million shares of EUR 1 each.
- 46 The shareholding pattern of JVCo is as below:

Name of Shareholder	% shareholding
INEOS Industries Holdings Limited	49.79%
BASF SE	15.95%
BASF Antwerpen N.V.	34.05%
INEOS Styrenics European Holding B.V.	0.21%

Information on INEOS Industries Holdings Limited

INEOS Industries Holdings Limited is a wholly owned subsidiary of INEOS Industries Limited, and INEOS Industries Limited is a wholly owned subsidiary of INEOS AG. James A. Ratcliffe, Andrew Currie and John Reece maintain significant influence over INEOS Industries Holding Limited through their combined 100.0% voting shareholdings in INEOS AG.

Messrs. Ratcliffe, Currie and Reece, through INEOS AG, also control (i) INEOS Group Holdings SA, which produces a range of chemicals including petrochemicals, specialty chemicals and oil products, (ii) Kerling plc, which produces chloralkali and polyvinyl chloride (PVC), (iii) INEOS Paraform Holdings Ltd., which manufactures formaldehyde-based chemicals and (iv) INEOS Technologies (Holdings) Ltd., which operates an electrolysis technology business.

Information on BASF Antwerpen N.V.

BASF Antwerpen N.V. operates a large, integrated production site of the BASF Group, located in Antwerp, Belgium. They are 100% directly or indirectly owned by BASF SE and their financial results are included in the consolidated results of BASF group.

Information on BASF SE

BASF SE is a listed European Company ("Societas Europaea") incorporated on January 30, 1952 under the laws of Germany. The registered office of BASF is situated at 67056 Ludwigshafen, Germany, Telephone: +49-621-60-0, Fax: +49-621-60-42525. BASF is a public limited company whose shares are principally traded on the Frankfurt Stock Exchange, and it is also listed on the London and Swiss Stock Exchanges.

BASF is a chemical company with about 110,000 employees and close to 390 production sites worldwide. Its portfolio ranges from chemicals, plastics, performance products, functional solutions, agricultural solutions to crude oil and natural gas.

BASF is a widely held listed company with 100% public shareholding, including holding by institutional and private investors and there is no promoter or person who is in control of BASF SE. The share capital of BASF group (BASF group's reporting includes BASF SE, the parent company, with its headquarters in Ludwigshafen, Germany, as well as all of its material subsidiaries) is EUR 1,176 million.

BASF group reported consolidated revenues of EUR 63,873 million, consolidated profit after tax of EUR 4,557 million and total consolidated shareholders' equity of EUR 22,607 million (includes subscribed capital, capital surplus, retained earnings and other comprehensive income) for the year ended December 31, 2010.

Information on INEOS Styrenics European Holding B.V.

INEOS Styrenics European Holding B.V. is a wholly owned subsidiary of INEOS Industries Holding. It is an investment company and does not have income generating operations.

47 JVCo is a holding company and has been setup for the purpose of the Global Transaction

48 Brief history of JVCo is as under:

March 2, 2011	JVCo was incorporated on March 2, 2011
May 27, 2011	JVCo entered into the Agreement on May 27, 2011
October 1, 2011	Completion of the Global Transaction and establishment of the joint venture.

49 The shares of JVCo are not listed on any stock exchanges.

50 As on the date of PA, JVCo does not hold any Shares in the Target Company. JVCo has not acquired any stake in Target Company prior to the Public Announcement for this Offer.

51 The provisions of Chapter II regulations of SEBI Takeover Code do not apply to JVCo as JVCo does not hold any Shares in the Target Company.

52 The details of the Supervisory Board of the JVCo as on the date of the PA are as follows:

Title	Name	Date of Birth	Date of Appointment	Qualification, Experience & Brief Profile	Residential / Corporate Address
Vice Chairman	Dr. Martin Brudermueller	May 5, 1961	Oct 1, 2011	Dr. Martin Bruder Müller was born in Stuttgart, Germany, in 1961. He studied chemistry at the University of Karlsruhe, Germany. After earning his doctorate, he did a postdoc at the University of California, Berkeley, U.S. He is the Vice Chairman of the Board of Executive Directors of BASF SE. He started his career in the Ammonia Laboratory at BASF in 1988. In 2001, he became Senior Vice President of Strategic Planning division of BASF Group. He has over 24 years of industry experience.	No. 1 Connaught Place, Central, Hong Kong
Chairman	Calum Maclean	Dec 8, 1963	Oct 1, 2011	Calum MacLean is the CEO of INEOS Olefins & Polymers Europe. Formerly from BP Chemicals, Mr. MacLean joined Inspec in 1992 becoming Business Director Antwerp in 1995. He was later part of the INEOS MBO in April 1998 and has held a number of executive positions across INEOS. Mr MacLean managed the integration of EVC into INEOS in 2005 before becoming its CEO. In 2006, following INEOS' acquisition of Innovene, BPs petrochemicals business Mr MacLean became the CEO of INEOS Refining. In July 2011 he led the business into a new trading and Refining Joint Venture with PetroChina. Mr. MacLean has 25 years experience in the chemical industry.	Avenue des Uttins 3, CH-1180 Rolle, Vaud, Switzerland

Title	Name	Date of Birth	Date of Appointment	Qualification, Experience & Brief Profile	Residential / Corporate Address
Board Member	James Ratcliffe	Oct 18, 1952	Oct 1, 2011	James A. Ratcliffe has been the Chairman of INEOS Capital since 1998. Mr. Ratcliffe, who has over 30 years of experience in the chemical industry, is experienced in managing buyouts of chemical companies. In 1992, he led the successful buyout of Inspec Group plc. In 1998, he left Inspec to lead the acquisition of INEOS plc (now INEOS Oxide) from Inspec. Mr. Ratcliffe started his career with Exxon Chemicals before moving to Courtaulds. He then completed his MBA at London Business School before joining Advent International and then Inspec.	Avenue des Uttins 3, CH-1180 Rolle, Vaud, Switzerland
Board Member	Manfredo Ruebens	July 7, 1963	Oct 1, 2011	Mr. Manfredo Ruebens has done his Dipl. Kaufmann in Business Administration. He serves as President of Finance Division of BASF SE. He also serves as Member of Supervisory Board at Wintershall Holding GmbH. He has over 21 years of industry experience.	Carl-Bosch-Straße 38, 67056 Ludwigshafen, Germany

None of the above directors was a director of the Target Company as of the date of the PA.

- 53 Since JVCo is newly incorporated, it does not have any audited financial statements.
- 54 Compliance Officer of JVCo:
Mr. Ross Wonnick, Styrolution America LLC, 25846 SW Frontage Road, Channahon, Illinois USA 60601, Tel: +1 815 423 1289
- 55 There are no pending litigations involving the JVCo.
- 56 Status of corporate governance: JVCo is a private limited liability company and is not required to comply with corporate governance requirements under the law applicable to the JVCo.
- 57 There has been no merger/demerger/spin-off involving JVCo during last three years.
- 58 Details of company promoted by JVCo in India:

Company Name	Styrolution India Private Limited (Formerly known as BASF Styrenics Private Limited)		
Date of Incorporation	18-July-1990		
Nature of Business	Manufacture of Polystyrene		
For the year ending and as on	March 31, 2000	March 31, 2010	March 31, 2011
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	6,154	6,154	6,154
Reserves (excluding revaluation reserve)	472	1,814	3,543
Total Income	30,593	34,511	47,095
Profit After Tax	841	1,342	1,729
Earnings Per Share (Rs.)*	-1.37	2.18	2.81
Net Asset Value	10.77	12.95	15.76

Note: The above financial information is extracted from standalone audited financial statements (Source: Annual Reports of the company dated July 13, 2011 and June 25, 2010)

*Earning Per Share calculated as AS 20 issued by ICAI.

- 59 JVCo has not changed its name since inception.

Styrolution Group GmbH (“Holdco”)

- 60 Holdco is a limited liability company incorporated under the laws of the Federal Republic of Germany on April 19, 2011, with its corporate seat in Frankfurt am Main and which is registered in the commercial register at the local court of Frankfurt am Main under HRB 91762.
- 61 The registered office of Holdco is situated at Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany, Telephone: +49-621-60-45375, Fax: +49-621-60-55515.

- 62 The Styrolution Beteiligungs GmbH holds 100% shareholding of HoldCo. JVCo holds 100% shareholding of Styrolution Beteiligungs GmbH, thereby making Holdco an indirect wholly owned subsidiary of the JVCo.
- 63 The shares of Holdco are not listed on any stock exchange.
- 64 As of the date of the PA, the authorized share capital of Holdco is EUR 10,000,000 (Equivalent to Rs. 690,350,000/- using the RBI Reference rate EUR/Rs. = 69.035 (source: www.rbi.org.in) dated October 24, 2011) 10,000,000 Million shares of EUR 1 each.

- 65 The shareholding pattern of Holdco is as below:

Name of Shareholder	% shareholding
Styrolution Beteiligungs GmbH	100%

Information on Styrolution Beteiligungs GmbH

Styrolution Beteiligungs GmbH is a wholly owned direct subsidiary(100%) of JVCo.

- 66 Holdco is a holding company and has been setup for the purpose of the Global Transaction
- 67 Brief history of Holdco is as under:

April 29, 2011	Holdco was incorporated on April 29, 2011
May 27, 2011	JVCo entered into the Agreement on May 27, 2011
October 1, 2011	Completion of the Global Transaction and establishment of the joint venture.

- 68 The shares of Holdco are not listed on any stock exchanges.
- 69 As on the date of PA, Holdco does not hold any Shares in the Target Company. Holdco has not acquired any stake in Target Company prior to the Public Announcement for this Offer.
- 70 The provisions of Chapter II regulations of SEBI Takeover Code do not apply to Holdco as Holdco does not hold any Shares in the Target Company.
- 71 The details of the Board of Directors of the Holdco as on the date of the PA are as follows:

Title	Name	Date of Birth	Date of Appointment	Qualification, Experience & Brief Profile	Residential Address
MD and CEO	Roberto Gualdoni	Sep 9, 1956	May 4, 2011	Roberto Gualdoni has been CEO of Styrolution GmbH since its foundation by the BASF Group in Jan 2011 and President of the BASF Group's Styrenics division since 2010. Before joining BASF Group's Styrenics division, he headed, as Sr. Vice President, BASF Group's global procurement of raw materials, as well as various operational business units in the polymers business—altogether having served the BASF Group for 24 years. He holds a degree in Industrial Engineering from Universidad de Buenos Aires (Argentina) and an MBA from INSEAD, Fontainebleau (France).	In den Weingaerten 29, 67517 Wachenheim, Weinstrasse, , Germany
CFO	Christoph de la Camp	Feb 28, 1963	May 4, 2011	Chris de la Camp is the CFO of Styrolution, having previously been CFO of INEOS Styrenics and INEOS NOVA in the US. He joined BP in 1994, where he worked in strategic planning, sales management, project management and integration management in BP's European Retail and Commercial Fuels businesses in Belgium & Germany. In 2003 he became Performance and Control Manager of BP's European Styrenics Business and in 2005 Finance Director for the NOVA Innovene JV in Switzerland. A German national by birth, he grew up in the UK and gained a degree in civil engineering from Imperial College London and an MBA from the London Business School.	546 N. Oak Street, Hinsdale, Illinois 60521/USA

Title	Name	Date of Birth	Date of Appointment	Qualification, Experience & Brief Profile	Residential Address
President Americas	Kevin McQuade	Nov 17, 1956	Oct 4, 2011	Kevin McQuade has previously been CEO of INEOS Styrenics. His career began in 1980 at Mobil Chemical Company, where he held various technical, production and commercial positions before moving to BASF in 1992 and becoming Business Director for the Styrenics division. In 2005 he was elected Commercial Director of the Styrenics business unit of INEOS, with responsibility for global sales and marketing activities for styrene monomer and styrenic polymers. He went on to represent INEOS as a board member during the time of the NOVA Innovene joint venture and subsequently becoming CEO of the INEOS NOVA joint venture and later INEOS Styrenics. Kevin McQuade holds chemical engineering degrees from The Cooper Union and the University of Delaware and an MBA from New York University.	401 Kirkwood Cove, Burr Ridge, IL 60527, USA
President EMEA	Martin Pugh	Feb 6, 1953	Oct 4, 2011	Martin Pugh is Regional Head EMEA at Styrolution. He previously held the position of Managing Director for Europe at INEOS Styrenics, a role he assumed following INEOS NOVA JV. He began his career in 1975 at Mobil Oil Company. He then held a variety of positions at Dow Chemical during a 20-year period, working and living in the UK, Dubai, Sweden and Switzerland. He joined NOVA Chemicals as Vice President/Managing Director for Europe in 2002. He served on the board as Vice President of Plastics Europe until Feb 2011. Martin Pugh holds a Bachelor of Science degree in industrial chemistry and management studies from Loughborough University in the UK.	En Charmont 32, Avry-devant-Pont, CH-1644, Switzerland
President Asia-Pacific	HyungTae Chang	Jan 23, 1952	Oct 4, 2011	HT Chang has previously served as Senior Vice President/Business Director for the Asia-Pacific region within BASF's Styrenics division. He started his career in 1977 as Manager for Chemicals & Plastics at FOHAG, a former part of the BASF group. Subsequently he joined Hyosung BASF in Korea as Department Manager and Assistant Director, before being appointed a board member in 1994 and Director in 1996. He then moved to the Hyosung Corporation, where he became President of the Chemical Business division in 1998. In 2001, he relocated to Singapore to work for BASF South East Asia, gaining in-depth experience in the field of styrenics. HT Chang holds a degree in chemical engineering from Seoul National University and an MBA from Sogang University, Seoul.	99 Farrer Drive, #01-02, Sommerville Park, Singapore 259293

None of the above directors was a director of the Target Company as of the date of the PA.

72 Since Holdco is newly incorporated, it does not have any audited financial statements.

73 Compliance Officer of Holdco:

Mr. Ross Wonnick, Styrolution America LLC, 25846 SW Frontage Road, Channahon, Illinois USA 60601, Tel: +1 815 423 1289

74 There are no pending litigations involving the Holdco.

75 Status of corporate governance: Holdco is a private limited liability company and is not required to comply with corporate governance requirements under the law applicable to.

76 There has been no merger/demerger/spin-off involving Holdco during last three years.

77 Details of company promoted by Holdco in India:

Company Name	Styrolution India Private Limited (Formerly known as BASF Styrenics Private Limited)		
Date of Incorporation	18-July-1990		
Nature of Business	Manufacture of Polystyrene		
For the year ending and as on	March 31, 2000	March 31, 2010	March 31, 2011
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	6,154	6,154	6,154
Reserves (excluding revaluation reserve)	472	1,814	3,543
Total Income	30,593	34,511	47,095
Profit After Tax	841	1,342	1,729
Earnings Per Share (Rs.)*	-1.37	2.18	2.81
Net Asset Value	10.77	12.95	15.76

Note: The above financial information is extracted from standalone audited financial statements (Source: Annual Reports of the company dated July 13, 2011 and June 25, 2010)

**Earning Per Share calculated as AS 20 issued by ICAI.*

78 Holdco has not changed its name since inception.

BASF SE ("BASF")

79 BASF SE is a listed European Company ("Societas Europaea") incorporated on January 30, 1952 under the laws of Germany.

80 The registered office of BASF is situated at 67056 Ludwigshafen, Germany, Telephone: +49-621-60-0, Fax: +49-621-60-42525.

81 On January 14, 2008, BASF converted from a German Aktiengesellschaft into a European Company ("Societas Europaea" or SE) with the name BASF SE, Company's headquarters and chief administrative offices continuous to remain in Ludwigshafen, Germany.

82 BASF is a chemical company with about 110,000 employees and close to 390 production sites worldwide. Its portfolio ranges from chemicals, plastics, performance products, functional solutions, agricultural solutions to crude oil and natural gas. It has a presence in the following regions: Europe, North America, Asia Pacific, South America, Africa and the Middle East.

83 As mentioned in paragraph 4, the Holdco is indirectly held by the JVCo, and 50% shareholding of the JVCo is directly and indirectly held by BASF. The remaining 50% shareholding is held by INEOS Holdings, a wholly owned subsidiary of INEOS AG. Each shareholder has joint control over the JVCo.

84 BASF is a public limited company whose shares are principally traded on the Frankfurt Stock Exchange, and it is also listed on the London and Swiss Stock Exchanges. BASF has not been subject to any penal action by the German Stock Exchange (Deutsche Börse), London Stock Exchange and Swiss Stock Exchange and securities regulators of various jurisdictions. The closing price of equity shares of BASF SE on the Deutsche Börse as on January 4, 2012 was EUR 56.16 per share (Equivalent to Rs. 3,889.00 using the RBI Reference rate EUR/Rs. = 69.2485 (source: www.rbi.org.in) dated January 4, 2012)

85 BASF is a widely held listed company with 100% public shareholding, including holding by institutional and private investors and there is no promoter or person who is in control of BASF SE.

86 As of June 30, 2011, the share capital of BASF group (BASF group's reporting includes BASF SE, the parent company, with its headquarters in Ludwigshafen, Germany, as well as all of its material subsidiaries) is EUR 1,176 million. (Equivalent to Rs. 81,185.16 million using the RBI Reference rate EUR/Rs. = 69.035 (source: www.rbi.org.in) dated October 24, 2011) consisting of 918.5 million shares of EUR 1.28 each (Only theoretical face value of shares because shares of BASF SE do not have a face value).

87 Brief history of BASF Group and some major events are summarized as under:

Period	Event
1865 – 1901	Friedrich Engelhorn founds Badische Anilin & Soda Fabrik to produce coal tar dyes. Soon thereafter, the company gains a leading position in the world dyes market with methylene blue, alizarin and indigo
1901– 1925	The synthesis of ammonia by the Haber-Bosch process paves the way for the production of synthetic nitrogen fertilizers. In 1919, the Nobel Prize in chemistry is awarded to Fritz Haber.
1925 – 1945	BASF becomes part of IG Farbenindustrie AG. Advances in high pressure technology enable the production of synthetic gasoline and rubber and products from acetylene. In 1931, the Nobel Prize in chemistry is awarded to Carl Bosch.
1945 – 1953	Reconstruction after the severe damage during the Second World and War takes a number of years. BASF is reestablished as an independent company in 1952.
1953 – 1965	Germany's economic miracle paves the way for the plastics era. BASF expands into markets with products such as polystyrene, Styropor®, nylon and polyethylene.
1965 – 2004	BASF develops into a transnational company with production sites in Europe, North and South America and Asia.
Since 2004	BASF becomes the world's leading chemical company. In 2005, the new Verbund site in Nanjing, China, begins operation. It represents the largest single investment project in BASF's history. In 2006, BASF acquired Engelhard Corporation, USA and Degussa AG. In 2009, BASF acquired Ciba Holding AG, Switzerland. In 2010, BASF acquired Cognis Holding GmbH, Germany.
2008	BASF converted from a German Aktiengesellschaft into a European Company ("Societas Europaea" or SE) with the name BASF SE
2011	Master agreement for the Global Transaction between BASF, INEOS Holdings and JVCo to establish a joint venture, conducted through the JVCo, for combining the global business activities of their respective groups in styrene monomers and styrene based polymers.

88 The details of the Board of Directors of BASF as on the date of the Letter of Offer are as follows:

Name of Director	Date of Birth	Designation, Date of Appointment	Qualification	Residential / Corporate Address
Dr. Kurt Bock	1958	Chairman, May 6, 2011; Board Member, January 1, 2003	Kurt Bock was born in Rahden, Germany, in 1958. From 1977 to 1982, he studied business administration at the universities of Münster and Cologne as well as at Pennsylvania State University. After three years in research, he received his doctorate in economics from the University of Bonn	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany
Dr. Stefan Marcinowski	1953	Board Member, May 15, 1997	From 1971 to 1976, he studied chemistry at the Universities of Stuttgart and Freiburg. He obtained his doctorate under Professor Grisebach in 1978 and stayed as an assistant at the Biochemical Institute in Freiburg until 1979.	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany
Dr. Martin Bruder Müller	1961	Board Member, January 1, 2006	He studied chemistry at the University of Karlsruhe. After taking his doctorate he spent a postdoc period at the University of California, Berkeley	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany
Dr. Andreas Kreimeyer	1955	Board Member, January 1, 2003	He studied biology at the Universities of Hanover and Hamburg.	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany
Dr. Harald Schwager	1960	Board Member, January 1, 2008	He studied chemistry at the University of Karlsruhe. He received his doctorate from the Max-Planck-Institut in Muelheim/Ruhr in 1986.	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany
Dr. Hans-Ulrich Engel	1959	Board Member, March 4, 2008	He studied law at Goettingen and Freiburg Universities from 1977-1983. He completed in-service training from 1984-1987 at the Higher Regional Court, Oldenburg, Germany, before earning his doctorate at Goettingen University.	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany

Name of Director	Date of Birth	Designation, Date of Appointment	Qualification	Residential / Corporate Address
Michael Heinz	1964	Board member, May 06, 2011	Michael Heinz was born in Mannheim, Germany, in 1964. In 1987 he received his degree in Business Administration from the College of Applied Sciences in Ludwigshafen, Germany, and in 2000 his Master of Business Administration (MBA) from Duke University, North Carolina, U.S.	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany
Margret Suckale	1956	Board Member, May 06, 2011	Margret Suckale was born in Hamburg, Germany, in 1956. She studied law from 1975 to 1980 at the University of Hamburg. After that, she worked there as a research associate until 1985. Margret Suckale holds a Master of Business Administration from Northwestern University, Illinois, U.S., and an Executive Master of European and International Business Law from the University of St. Gallen, Switzerland.	Carl-Bosch-Str. 38, 67056 Ludwigshafen, Germany

None of the above directors is a director of the Target Company as of the date of the Letter of Offer.

Details of responsibility, profile and experience of Directors of the Executive Board

Dr. Kurt Bock

Currently, Dr. Kurt Bock is the Chairman of the Board of Executive Directors, BASF SE, responsible for Legal, Taxes & Insurance; Strategic Planning & Controlling; Communications & Government Relations; Global Executive Human Resources; Investor Relations and Compliance

Professional Career:

1985	Joined BASF, Finance Division
1987	Staff to BASF's Chief Financial Officer
1991	Head of Technology, Planning and Controlling, Engineering Plastics, BASF
1992	Senior Vice President Finance, from 1994 onwards Senior Vice President Finance and Accounting, Robert Bosch GmbH, Stuttgart, Germany
1996	Managing Director Robert Bosch Ltda., Campinas, Brazil
1998	Chief Financial Officer BASF Corporation, New Jersey, U.S.
2000	President Logistics & Information Services, BASF
2003	Member of the Board of Executive Directors and Chief Financial Officer of BASF from 2007 onwards also Chairman and Chief Executive Officer of BASF Corporation, New Jersey, U.S
2011	Chairman of the Board of Executive Directors, BASF, responsible for Legal, Taxes & Insurance; Strategic Planning & Controlling; Communications & Government Relations; Global Executive Human Resources; Investor Relations and Compliance

Dr. Stefan Marcinowski

Currently, Dr. Stefan Marcinowski is responsible for the divisions Crop Protection; Coatings; BASF Plant Science; the Region South America and Specialty Chemicals Research.

Professional Career:

1985	Joined BASF's main laboratory to work in biotechnological research
1987	Staff to the Chairman of the Board of Executive Directors
1991	Senior Vice President Public Relations department
1992	Vice-Presidente Executivo BASF S.A., São Paulo, Brazil
1996	President Plastic Foams & Reaction Resins division
1998	Appointed member of the Board of Executive Directors of BASF

Dr. Martin Bruder Müller

Currently, Dr. Martin Bruder Müller is responsible for the divisions Performance Polymers and Polyurethanes as well as for Market & Business Development Asia Pacific; Regional Functions & Country Management Asia Pacific headquartered in Hong Kong.

Professional Career:

1988	Started work in the Ammonia Laboratory at BASF
1993	New business development/marketing, Intermediates division
1995	Transfer to BASF Italia Spa, Milan, Italy, Head of Marketing and Sales Intermediates, pharmaceutical chemicals
1997	Staff to the Vice Chairman of the Board of Executive Directors, Department Chemicals
1999	Director production fat-soluble vitamins, Fine Chemicals Operating division
2001	Senior Vice President Strategic Planning BASF Group
2003	President Functional Polymers division
2006	Member of the Board of Executive Directors of BASF
2011	Vice Chairman of the Board of Executive Directors, BASF

Dr. Andreas Kreimeyer

Currently, Dr. Andreas Kreimeyer is responsible for the divisions Inorganics; Petrochemicals and Intermediates; Chemicals Research & Engineering and BASF Future Business. In addition, he is Research Executive Director.

Professional Career:

1986	Joined the Main Laboratory of BASF and became group leader for biotechnology
1993	Staff to the Chairman of the Board of Executive Directors
1995	Transfer to Singapore, work within the South East Asia/Australia region
1998	President of the Fertilizers division
2000	President of the Dispersions division
2001	President of the Functional Polymers division
2003	Member of the Board of Executive Directors of BASF

Dr. Harald Schwager

Currently, Dr. Harald Schwager is responsible for Oil & Gas; Construction Chemicals; Region Europe and Global Procurement & Logistics.

Professional Career:

1988	Joined polypropylene catalyst research at BASF
1990	Technical service for polypropylene
1994	Marketing and sales for polyvinyl chloride (PVC)
1998	Head of the polyvinyl chloride business unit headquartered in Brussels, Belgium
1999	Managing Director of the European companies of Solvin S.A., a joint venture of Solvay S.A. and BASF, in Brussels, Belgium
2003	President Inorganics division BASF Group
2006	President Verbund Site Management Ludwigshafen, since 2007 also Verbund Site Management Europe
2008	Member of the Board of Executive Directors, BASF

Dr. Hans-Ulrich Engel

Currently, Dr. Hans-Ulrich Engel is responsible for Finance; Catalysts; Market & Business Development North America; Regional Functions North America; Information Services; Corporate Controlling; Corporate Audit.

Professional Career:

1988	Joined legal department of BASF
1993	Delegation to BASF Corporation, Mount Olive, New Jersey, U.S.
1994	Return to legal department of BASF
1996	Staff to the Chairman of the Board of Executive Directors of BASF
1997	Managing Director of BASF Schwarzheide GmbH, Schwarzheide, Germany
2000	Executive Vice President and Chief Financial Officer of BASF Corporation and President Regional Functions North America, Mount Olive, New Jersey, U.S.
2006	Projects in association with the acquisition of Engelhard Corporation
2008	President Legal, Taxes & Insurance, BASF
2008	Member of the Board of Executive Directors of BASF
2011	Chief Financial Officer of BASF SE, Chairman and Chief Executive Officer of BASF Corporation, Florham Park, New Jersey, U.S.

Michael Heinz

Currently, Michael Heinz is responsible for the divisions Dispersions & Pigments; Care Chemicals; Nutrition & Health; Paper Chemicals; Performance Chemicals; the Polymer Research Competence Center and perspectives, an internal program to bring the BASF business models in line with the needs of its customers in all relevant markets.

Professional Career:

1984	Joined BASF
1986	Marketing Fine Chemicals, BASF
1989	Product Manager Fine Chemicals, BASF Corporation, Parsippany, New Jersey, U.S.
1995	Business Manager Consumer Products and Life Science division; Manager Reporting and Controlling, BASF Corporation
1996	General Manager of BASF Ecuatoriana S.A., Quito, Ecuador
1997	Director Marketing Crop Protection, BASF Corporation, Research Triangle Park, North Carolina, U.S.
1999	President and General Manager of BASF de Mexico S.A. and BASF Central America and the Caribbean, Mexico City, Mexico
2002	Group Vice President Global Strategic Marketing, Agricultural Products division, Mount Olive, New Jersey, U.S., from 2004 in Limburgerhof, Germany
2005	President Agricultural Products division, renamed Crop Protection division at the beginning of 2008, BASF
2009	Chief Executive Officer and Integration Lead Ciba AG, Basel, Switzerland
2010	Integration Lead Cognis GmbH
2011	Member of the Board of Executive Directors, BASF

Margret Suckale

Currently, Margret Suckale is responsible for Human Resources; Engineering & Maintenance; Environment, Health & Safety; Verbund Site Management Europe. She is Industrial Relations Director and Site Director of Ludwigshafen.

Professional Career:

1985	Legal Adviser for Marketing, Sales, Contract, Competition, Antitrust and Trademark Law, Labor Law, Supply and Distribution; Employee Relations Services Manager; ER Policies & Labor Relations Manager, Mobil Oil AG, Hamburg, Germany
1993	Employee Relations Manager for Austria, Poland, Hungary, Slovakia and the Czech Republic, Mobil Oil Austria AG, Vienna, Austria
1995	Employee Relations Manager, Nordic, Responsible for Human Resources and Law for Denmark, Mobil Nordic Office, Copenhagen, Denmark; Member of the Staff Redesign Project, Mobil Europe Ltd., London, UK
1996	Joint Venture Mobil/BP, Integration Team, Mobil Europe Ltd., London, UK
1997	Head of Legal Division, Deutsche Bahn AG, Berlin, Germany
2004	Head of Central Staff Units, Deutsche Bahn AG, Berlin
2005	Member of the Management Board, Responsible for Human Resources and Services, Deutsche Bahn AG, Berlin
2009	Senior Vice President Global HR Executive Management and Development, also responsible for the human resources project Diversity + Inclusion, BASF SE, Ludwigshafen, Germany
2011	Member of the Board of Executive Directors and Industrial Relations Director, BASF SE

- 89 The consolidated financial information for the BASF Group (BASF group's reporting includes BASF SE, the parent company, with its headquarters in Ludwigshafen, Germany, as well as all of its material subsidiaries) for last three years and six months ending June 2011, as extracted from its audited financial statements are as follows (except for the financials for six months ending Jun 2011, which are extracted from the half yearly published financial statements certified by the management of BASF and confirmed by the auditors that the numbers in the Letter of Offer are the same as contained in the half-year results as published by BASF):

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10		30-Jun-11	
	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs
Sales	62,304	43,011,566	50,693	34,995,913	63,873	44,094,726	37,822	26,110,418
Other Operating Income	1,304	900,216	1,189	820,826	1,140	786,999	570	393,500
Total Revenue	63,608	43,911,783	51,882	35,816,739	65,013	44,881,725	38,392	26,503,917
Total Operating Expenses ²	57,145	39,450,051	48,205	33,278,322	57,252	39,523,918	33,625	23,213,019
Profit Before Depreciation, Interest and Tax³	9,562	6,601,127	7,388	5,100,306	11,131	7,684,286	6,380	4,404,433
Depreciation & Amortization ⁴	3,180	2,195,313	3,740	2,581,909	3,393	2,342,358	1,613	1,113,535
Interest Result ⁵	(427)	(294,779)	(600)	(414,210)	(623)	(430,088)	(294)	(202,963)
Profit Before Tax & Minority Interests	5,976	4,125,532	3,079	2,125,588	7,373	5,089,951	5,476	3,780,357
Tax Expense	2,671	1,843,925	1,424	983,058	2,299	1,587,115	1,379	951,993
Profit after Tax⁶	2,912	2,010,299	1,410	973,394	4,557	3,145,925	3,865	2,668,203

Note:

(1) Total Revenues computed as Sales plus Other Operating Income

(2) Total Operating Expense has been computed as Total Revenues less Earnings before Interest and Taxation

(3) Profit before Depreciation Interest and Tax = Income from Operations (EBIT) before Depreciation and Amortization (EBITDA)

(4) Depreciation and Amortization of Intangible Assets, Property, Plant and Equipment and Financial Assets

(5) Interest Result computed as Interest Expenses less Interest Income

(6) Profit after Tax = Net Income (after considering Minority Interests)

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

Balance Sheet	31-Dec-08		31-Dec-09		31-Dec-10		30-Jun-11	
	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs	EUR Mn	Rs. Lacs
Sources of Funds								
Paid in share capital ⁷	4,417	3,049,270	4,400	3,040,990	4,392	3,032,010	4,392	3,032,010
Retained Earnings (excluding revaluation reserves)	13,250	9,147,130	12,910	8,916,560	15,817	10,919,260	17,690	12,217,810
Networth (excluding comprehensive income and minority interests) ⁸	17,667	12,196,410	17,320	11,957,550	20,209	13,951,280	22,090	15,249,830
Minority Interests and Other Comprehensive Income ⁹	1,050	728,310	1,280	889,170	2,440	1,689,970	880	610,260
Total Stockholders' Equity	18,727	12,924,730	18,600	12,846,720	22,657	15,641,260	22,970	15,860,100
Long-term Loans	8,290	5,723,000	12,440	8,590,710	11,670	8,056,380	10,230	7,068,490
Short-term Loans	6,220	4,296,730	2,370	1,639,580	3,360	2,325,780	3,850	2,661,990
Other long-term Liabilities ¹⁰	7,550	5,214,210	8,530	5,892,130	9,490	6,556,940	9,860	6,811,680
Other short term Liabilities ¹¹	10,070	6,952,510	9,300	6,423,700	12,190	8,421,580	12,330	8,517,530
Total	50,860	35,111,200	51,260	35,392,860	59,390	41,001,950	59,270	40,919,800
Uses of Funds								
Net Fixed Assets ¹²	15,030	10,377,340	16,280	11,242,350	17,240	11,902,320	16,770	11,581,310
Investments Accounted for using the Equity Method	1,140	791,140	1,340	925,060	1,320	916,780	1,260	871,220
Short-term Assets	21,270	14,686,500	19,580	13,521,880	24,860	17,162,790	26,770	18,482,740
Other Assets ¹³	13,400	9,256,210	14,050	9,703,560	15,960	11,020,050	14,460	9,984,530
Total miscellaneous expenditure not written off								
Total	50,860	35,111,200	51,260	35,392,860	59,390	41,001,950	59,270	40,919,800

Note:

(7) Paid in Share Capital computed as Subscribed Capital plus Capital Surplus.

(8) Net Worth (excluding Other Comprehensive Income & Minority Interests) computed as Paid in Share Capital plus Retained Earnings (excluding Revaluation Reserves).

(9) Minority Interests and Other Comprehensive Income computed as Minority Interests plus Other Comprehensive Income.

(10) Other long-term Liabilities computed as Provisions for Pensions and similar Obligations plus Other Provisions plus Deferred Tax Liabilities plus Other long-term Liabilities.

(11) Other short-term Liabilities computed as Accounts Payable, Trade plus Provisions plus Tax Liabilities plus Other short-term Liabilities as well as Liabilities of disposal groups.

(12) Net Fixed Assets are defined as Property Plant and Equipment (net carrying amount).

(13) Other Assets computed as Intangible Assets plus Other financial Assets plus Deferred Tax Assets plus Other Receivables and miscellaneous long-term Assets.

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

Other Financial Data	31-Dec-08		31-Dec-09		31-Dec-10		30-Jun-11	
	EUR	Rs.	EUR	Rs.	EUR	Rs.	Rs.	EUR
Dividend ¹⁴ (%)	152.34		132.81		171.88		NA	
Earning Per Share ¹⁵	3.13	216.08	1.54	106.31	4.96	342.41	4.21	290.64
Return on Equity after Taxes ¹⁶	17.0		8.9		24.6		NA	
Book Value Per Share ¹⁷	19.1	1,318.57	18.9	1,304.76	22	1,518.77	24.1	1,663.74

Note:

The above financial information is extracted from audited financial statements (except for the financials for six months ending Jun 2011, which are derived from the half yearly published financial statements certified by the management of BASF)

(14) Computed as Dividend per Share divided by Face Value of EUR 2.56 per Share; (EUR 1.28 per Share in 2008 after Stock split). However, the Face Value is only a theoretical/mathematical value as the shares of BASF SE do not have a Face Value.

(15) In 2008, there was a two-for-one stock split. Earnings Per Share = Profit after Tax / Number of outstanding Equity Shares at the close of the year/period.

(16) Return on Equity after Taxes = Profit after Tax/Average Net Worth. The Return on Equity after Taxes is not reflected for half year ending 30th June 2011, as the full year PAT is used as a base in earlier years.

(17) In 2008, there was a two-for-one stock split. Book Value per Share = Equity of Shareholder of BASF SE/No. of Equity Shares at the close of the year/period.

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

90 The reasons for rise/fall in total income and PAT in the last three financial years are as follows:

For the Fiscal Year Ended December 31, 2010

Reasons for change in income from operations

BASF achieved record sales and earnings in 2010. As compared with 2009, sales increased by 26% to EUR 63,873 million. The change in sales was due to the following factors:

Factors influencing sales	2010 (million EUR)	2010 (Rs. Lacs)	Change compared with 2009 (%)
Volumes	5,718	3,947,421	11.3
Prices	3,923	2,708,243	7.7
Currencies	2,364	1,631,987	4.7
Acquisitions & changes in the scope of consolidation	1,233	851,202	2.4
Divestitures	(58)	(40,040)	(0.1)
	13,180	9,098,813	26.0

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

As a result of the economic recovery, demand from our key customer sectors increased and sales volumes rose significantly. Business developed positively in all regions, with growth impetus coming particularly from Asia. Prices of many products were higher than the year before. In the Petrochemicals and Catalysts divisions in particular there were substantial price increases. The appreciation of numerous currencies against the euro also helped to boost the already good sales. In addition, the full-year inclusion of the former Ciba businesses had a positive impact on sales growth. Other company purchases and divestitures only had a small influence on sales; the acquisition of Cognis took effect on December 9, 2010.

Reasons for change in profits

Net income increased significantly from EUR 1,410 million to EUR 4,557 million.

The financial result improved from minus EUR 598 million in 2009 to minus EUR 388 million. While the interest result declined slightly to minus EUR 623 million, income from participations rose from EUR 133 million to EUR 299 million. This development is mainly attributable to higher equity income from OAO Severnftgazprom.

Other financial expenses and income improved by EUR 67 million, primarily due to lower expenses for pension obligations.

Income before taxes and minority interests increased sharply from EUR 3,079 million to EUR 7,373 million. The return on assets thus rose to 14.7% compared with 7.5% in the previous year. Income taxes increased in line with the rise in income before taxes and minority interests, and grew from EUR 1,424 million to EUR 2,299 million. However, the tax rate dropped considerably from 46.2% to 31.2%, mainly because of the lower share of earnings from the highly-taxed Oil & Gas segment.

Minority interests increased from EUR 245 million to EUR 517 million. The greatest increases occurred at BASF FINA Petrochemicals Limited Partnership in Texas and BASF PETRONAS Chemicals Sdn. Bhd. in Malaysia.

Net income more than tripled, rising from EUR 1,410 million to EUR 4,557 million. Earnings per share thus rose from EUR 1.54 to EUR 4.96.

For the Fiscal Year Ended December 31, 2009

Reasons for change in income from operations

In 2009, business was shaped by the economic crisis and the integration of Ciba. Sales declined by 19% to EUR 50,693 million. The change in sales was due to the following factors:

Factors influencing sales	2009 (million EUR)	2009 (Rs. Lacs)	Change compared with 2008 (%)
Volumes	(5,913)	(4,082,040)	(9.4)
Prices	(8,505)	(5,871,427)	(13.7)
Currencies	389	268,546	0.6
Acquisitions & changes in the scope of consolidation	2,453	1,693,429	4.0
Divestitures	(35)	(24,162)	(0.1)
	(11,611)	(8,015,654)	(18.6)

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

Sales volumes in the first half of 2009 were slightly below the level achieved in the same period of 2008, but demand recovered in the second half of the year. The fourth quarter of 2009 was the first in which volumes exceeded the same period of the previous year, however volumes in the fourth quarter of 2008 had already been severely impacted by the onset of economic crisis. Prices declined significantly in nearly all divisions.

Currency effects had a positive impact on sales. The average euro/dollar exchange rate in 2009 was \$1.39 per euro, compared with \$1.47 per euro in 2008. Acquisitions contributed EUR 2,451 million to sales. This was primarily due to the acquisition of Ciba Holding AG on April 9, 2009. Divestitures reduced sales by EUR 35 million.

Reasons for change in profits

Net income decreased from EUR 2,912 million to EUR 1,410 million.

The financial result was minus EUR 598 million in 2009, compared with minus EUR 487 million in 2008.

Earnings of companies accounted for using the equity method increased compared with the previous year. In particular, this was the result of exchange rate gains from the foreign currency loans at the production company for the Yuzhno Russkoye natural gas field (OAO Severneftegazprom). Other income from participation increased due to higher dividend income.

The financing of Ciba acquisition led to an increase in interest expenses. Interest income declined, primarily due to repayment of loans by OAO Severneftegazprom (which is accounted for using the equity method) and the lower level of interest rates.

Other financial expenses increases as a result of higher expenses for pension benefits compared with the previous year.

Income before taxes and minority interests amounted to EUR 3,079 million compared with EUR 5,976 million in 2008. The return on assets declined to 7.5% (2008:13.5%).

The tax rate of 46.2% was 1.5 percentage points higher than 2008 due to one-time effects related to the integration of Ciba. In 2008, the tax rate was lower as a result of higher profits from companies in countries with lower tax burdens.

The rise in the tax rate would have been even higher without the decline in the non-compensable income taxes on oil production, which decreased from EUR 1,851 million in 2008 to EUR 870 million in 2009 as a result of lower oil prices.

Minority interests were mainly related to Gazprom's stakes in natural gas trading companies as well as in

German Wintershall subsidiary that holds production and exploration to onshore concessions in Libya.

Earnings per share were EUR 1.54 compared with EUR 3.13 in 2008. Adjusted for special items and the amortization of intangible assets, earnings per share amounted to EUR 3.01 in 2009 (2008: EUR 3.85)

For the Fiscal Year Ended December 31, 2008

Reasons for change in income from operations

Sales in 2008 rose by 7.5% compared with the previous year to EUR 62,304 million. The change in sales was due to the following factors:

Factors influencing sales:

Factors influencing sales	2008 (million EUR)	2008 (Rs. Lacs)	Change compared with 2007 (%)
Volumes	178	122,882	0.3
Prices	6,781	4,681,263	11.7
Currencies	(2,567)	(1,772,128)	(4.4)
Acquisitions & changes in the scope of consolidation	235	162,232	0.4
Divestitures	(274)	(189,156)	(0.5)
	4,353	3,005,094	7.5

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

In the first half of the year, sales volumes increased in almost all areas of BASF's portfolio. Toward the end of the year, however, demand in many sales markets declined significantly. Nevertheless, on average BASF increased prices in all divisions in 2008 compared with 2007. BASF was, however, unable to pass on fully raw material prices, which were very volatile and on average higher than in 2007.

Acquisitions contributed EUR 278 million to the sales increase, while divestitures reduced sales by EUR 274 million. The main divestitures were the sale of the lysine and premixes businesses; the sale of the pharmaceuticals manufacturing business in Shreveport, Louisiana; and the sale of WIBARCO, a subsidiary involved in the surfactant business.

Currency effects reduced sales by 4.4%, or EUR 2,567 million. The average Euro/ US Dollar exchange rate was US-\$1.47 per Euro, compared with US-\$1.37 per Euro in 2007.

Reasons for change in profits

Net income declined by EUR 1,153 million, or 28.4%, to EUR 2,912 million. The financial result declined to minus EUR 487 million compared with minus EUR 381 million in 2007. This was due to losses from foreign currency transactions at the production company for the Yuzhno Russkoye natural gas field, which is consolidated using the equity method. This was partially offset by lower interest rates for the U.S. dollar and gains from the hedging of foreign currency risks.

Income before taxes and minority interests amounted to EUR 5,976 million compared with EUR 6,935 million in 2007. The return on assets was 13.5% in 2008 compared with 16.4% in 2007. The tax rate of 44.7% was approximately seven percentage points higher than in 2007. This was due to the higher level of non-compensable income taxes on oil production, which increased from EUR 1,302 million in 2007 to EUR 1,851 million in 2008. Furthermore, the German Corporate Tax Reform resulted in non-recurring, non-cash income of EUR 229 million in 2007. Minority interests were mainly related to Gazprom's stakes in natural gas trading companies as well as in a German Wintershall subsidiary that holds production and exploration rights to onshore concessions in Libya. Earnings per share were EUR 3.13 compared with EUR 4.16 in 2007. In the second quarter, BASF conducted a two-for-one stock split. The earnings per share figure for 2007 has been adjusted accordingly.

- 91 The significant accounting policies applied in the preparation of the financials information presented in this document are set out below:

Summary of significant accounting policies

Basis of presentation

The Consolidated Financial Statements of BASF SE as of December 31, 2010, have been prepared in accordance with the International Financial Reporting Standards (IFRS) which are endorsed by the European Union and Section 315a (1) of the German Commercial Code (HGB). All of the binding IFRS in

the fiscal year 2010 as well as the pronouncements of the International Financial Reporting Interpretations Committee (IFRIC) were applied. Those IFRSs which had not been endorsed by the European Union at the balance sheet date had no effect on BASF's Consolidated Financial Statements.

The accounting policies that have been applied are the same as those in 2009. Exceptions to this are changes required by the application of new or revised standards and interpretations.

Scope and principles of consolidation

The Consolidated Financial Statements include BASF SE, the parent company, with its headquarters in Ludwigshafen, Germany, as well as all the material subsidiaries in which BASF SE directly or indirectly exercises a majority of the voting rights. Material, jointly operated companies are included on a proportional consolidation basis. Associated companies are accounted for using the equity method. These are companies in which the Company has an interest of at least 20% or can exercise a significant influence over the operating and financial policies.

Assets and liabilities of consolidated companies are accounted for and valued uniformly in accordance with the principles described herein. For companies accounted for using the equity method, material deviations from our accounting policies are adjusted for.

Transactions between consolidated companies as well as intercompany profits resulting from sales and services rendered between consolidated companies are eliminated in full. For jointly operated companies, this is conducted on a pro rata basis. Material inter-company profits related to companies accounted for using the equity method are eliminated.

Capital consolidation at the acquisition date is based on the purchase method. Initially, all assets, liabilities and additional intangible assets that are to be capitalized are valued at fair value. Finally, the acquisition cost is compared with the proportionate share of the net assets acquired at fair value. The resulting positive differences are capitalized as goodwill and are only written down in the case of impairment.

The incidental acquisition costs of a business combination are recognized in the income statement.

Revenue Recognition

Revenues from the sale of goods or the rendering of services are recognized upon the transfer of ownership and risk to the buyer. Expected rebates and other trade discounts are either accrued or deducted. Provisions are made to cover the return of products, estimated future warranty obligations and other claims.

Revenues from the sale of precious metals to industrial customers as well as some revenues from natural gas trading are recognized at the time of shipment and the corresponding purchase price is recorded at cost of sales. Revenues from the trading of precious metals and their derivatives with broker-traders, where as a rule there is no physical delivery, are recorded on a net basis. Revenues from natural gas trading activities of a project company consolidated by BASF are also recorded on a net basis.

In certain cases, customer acceptance is required on delivery. In these cases, revenues are recognized after customer acceptance occurs.

Payments relating to the sale or licensing of technologies or technological expertise are recognized in income according to the contractually agreed transfer of the rights and obligations associated with those technologies.

Translation of foreign currency financial statements

The translation of foreign currency financial statements depends on the functional currencies of the consolidated companies. Translation into the reporting currency is based on the current rate method: balance sheet items are translated to euro at year-end rates; expenses and income are translated to euro at monthly average rates and accumulated for the year. The translation adjustments due to the use of the closing rate method are shown under currency translation adjustments as a component of other comprehensive income in equity and are recognized in income only upon the disposal of a company.

Intangible assets including goodwill

Intangible assets with determinate useful lives are valued at cost less scheduled straight-line amortization. Impairment losses are recognized if the recoverable amount of the asset is permanently lower than the carrying amount. The recoverable amount is the higher of fair value less selling costs and value-in-use.

Impairment losses are reversed if the reasons behind the impairment no longer exist. Intangible assets with indefinite useful lives are trade names and trademarks that have been acquired as part of acquisitions. They are tested for impairment annually. The goodwill impairment test is based on cash-generating units and compares the recoverable amount of the unit with the respective carrying amount.

Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost less scheduled depreciation over their estimated useful lives. The revaluation method is not used. The cost of self-constructed plants includes direct costs, appropriate allocations of material and manufacturing costs, and an appropriate share of the administrative costs for those areas involved in the construction of the plants. Borrowing costs that are incurred during the period of construction are capitalized. Expected costs related to scheduled maintenance turnarounds of large-scale plants are capitalized as part of the asset and depreciated using the straight-line method over the period to the next planned turnaround. Both movable and immovable fixed assets are depreciated using the straight-line method. Impairment losses are recorded whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Leasing

According to IAS 17, leasing contracts are classified as either finance or operating leases. Assets which are subject to operating leases are not capitalized. Lease payments are charged to income in the year they are incurred. A lease is classified as a finance lease if it transfers substantially all of the risks and rewards related to the leased asset. Assets subject to a finance lease are recorded at the present value of the minimum lease payments. A leasing liability is recorded in the same amount. The periodic lease payments are divided into principal and interest components. The principal component reduces the outstanding liability, while the interest component represents an interest expense. Depreciation takes place over the shorter of the useful life of the asset or the period of the lease. Leases can be embedded within other contracts. If IFRS requires separation, then the embedded lease is recorded separately from its host contract and each component of the contract is carried and valued in accordance with the applicable regulations.

Financial instruments

Financial assets and financial liabilities are recorded on the balance sheet when the BASF Group becomes a party to a financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset, with all risks and rewards of ownership, is transferred. Financial liabilities are derecognized when the contractual obligation expires or is discharged or cancelled. Standard purchases and sales of financial instruments are accounted for using the settlement date and in precious metals trading using the day of trading. Financial instruments include primary instruments such as accounts receivable and accounts payable, investments and equity instruments. Financial instruments also include derivatives, which are matched to underlying primary financial instruments and used to hedge risks, such as those arising from changes in currency exchange and interest rates. Financial assets and liabilities are divided into the following valuation categories: Financial assets and liabilities that are measured at fair value and recognized through profit or loss, Loans and receivables, Held-to-maturity financial assets, Available-for-sale financial assets and Financial liabilities which are not derivatives.

Deferred tax assets and liabilities

Deferred tax assets are recorded for temporary differences between the carrying amount of assets and liabilities in the financial statements and the carrying amounts for tax purposes. In addition, deferred taxes are recorded for tax loss carry forwards to the extent that it is probable that future taxable profit for the relevant tax authority will be available against which the tax loss carry forwards can be utilized.

Inventories

Inventories are carried at costs. If the listed, market, or fair value of the sales product which forms the basis for the net realizable value is lower, then this is applied. The net realizable value is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale. Cost of sales includes, in addition to direct costs, an appropriate allocation of production overhead costs based on normal utilization rates of the production plants.

Pension provisions

Provisions for pensions are based on actuarial computations made according to the projected unit credit method. Similar obligations, especially those arising from commitments in North America to pay the healthcare costs and life insurance premiums of retired staff and their dependents, are included in pension provisions. Actuarial profits and losses are offset against retained earnings. The calculation of pension provisions is based on actuarial reports.

Other provisions

Other provisions are accrued when there is a present obligation as a result of a past event and when there is a probable outflow of resources whose amount can be reliably estimated. Provisions are made at the probable settlement value.

Provisions for German trade income tax, German corporate income tax and similar income taxes are made in the amount necessary to meet the expected payment obligations, less any prepayments that have been made. Other taxes assessed are appropriately considered.

Provisions are established for certain environmental protection measures and risks if the measures are considered likely as a result of legal or regulatory obligations or other events and these measures have not to be capitalized. Provisions for required recultivations primarily concern the filling of wells and the removal of production facilities upon the termination of production in the Oil & Gas segment. The present value of the obligation increases the cost of the respective asset when it is initially recognized.

Provisions are made for expected severance payments or similar personnel expenses as well as for demolition expenses and other charges related to the closing down of operations that have been planned and publicly announced by management.

Provisions for long service and anniversary bonuses are predominantly calculated based on actuarial principles. For contracts signed under the early retirement programs, provisions for the supplemental payments are provided in their full amount and the wage and salary payments due during the passive phase of agreements are accrued in installments. Provisions are recorded for the expected costs that are anticipated to be contracted during the term of the collective bargaining agreements. The probable amount required to settle long-term obligations is discounted if the effect of discounting is material. In this case, valuation of the provision is done at present value. Related financing costs are shown in other financial results.

Foreign currency transactions

Foreign currency transactions: The cost of assets acquired in foreign currencies and revenue from sales in foreign currencies are recorded at the exchange rate on the date of the transaction. Foreign currency receivables and liabilities are valued at the exchange rates on the balance sheet date. Foreign exchange gains or losses resulting from the conversion of assets and liabilities are reported as other operating expenses or other operating income.

92 No adjustments are required in the above financial information pursuant to the provisions of Annexure I, item 11 of the Standard Letter of Offer of SEBI.

93 Compliance Officer:

The chief compliance officer of BASF SE is Dr. Helmut Rödder. Address: BASF SE, CCO-D 100, 67056 Ludwigshafen, Germany. Tel. +49 621 60-49985. Fax: +49 621 60-20540.

94 Pending litigations involving the Acquirer:

Since 2005, a total of 38 class action lawsuits, among others, against BASF SE and BASF Corporation have been filed in U.S. courts. It was alleged that sales of TDI, MDI and polyether polyols had violated antitrust laws on price fixing. The class certification for the class action suits has been granted and the discovery process is currently underway. In addition, two plaintiffs are pursuing their claim outside of the class action process in parallel suits. BASF is defending itself against these lawsuits. At the end of 2007, the U.S. Department of Justice ceased an inquiry on alleged price fixing. In addition, BASF SE and its affiliated companies are defendants in or parties to further judicial and arbitral proceedings. Based on the current state of knowledge these proceedings will have no material influence on the economic situation of BASF.

Source: Annual Report, 2010

- 95 Contingent liabilities stated in the audited financial statements of the Acquirer at December 31, 2010 were as follows:

As on 31st December 2010, the contingent liabilities and other financial obligations of BASF Group are as under:-

Contingent Liabilities at nominal value

	As on 31 st Dec 2010 (EUR million)	As on 31 st Dec 2010 (Rs lacs)
Bills of Exchange	7	4,832
Thereof to affiliated companies	-	-
Guarantees	510	352,079
Thereof to affiliated companies	8	5,523
Warranties	96	66,274
Granting collateral of behalf of third party liabilities	14	9,665
Total	627	432,849

Other financial obligations

	As on 31 st Dec 2010 (EUR million)	As on 31 st Dec 2010 (Rs lacs)
Construction in progress	4,642	3,204,605
Thereof purchase commitments	752	519,143
For the purchase of intangible assets	8	5,523
Obligations arising from long term leases (excluding financial leases)	1,679	1,159,098
Payment and loan commitments and other financial obligations	3	2,071
Total	6,324	4,365,773

Obligations arising from long term leases (excluding financial leases)

	As on 31 st Dec 2010 (EUR million)	As on 31 st Dec 2010 (Rs lacs)
2011	521	359,672
2012	304	209,866
2013	242	167,065
2014	145	100,101
2015	116	80,081
2016 and thereafter	351	242,313
Total	1,679	1,159,098

Assets used under long-term leases primarily concern buildings and IT infrastructure

Purchase obligations from long-term natural gas and raw material supply contracts

BASF has entered into long-term purchase contracts for natural gas in the Natural Gas Trading business sector, which are subject to continual price adjustments. These purchase obligations relate to long-term supply contracts with customers with terms between one and twenty years. The increase in purchase obligations compared with the previous year resulted in particular from higher purchase prices.

BASF purchases raw materials both on the basis of long-term contracts and on spot markets. The fixed purchase obligations of long-term purchase contracts with a remaining term of more than one year as of December 31, 2010, are as follows:

	As on 31 st Dec 2010 (EUR million)	As on 31 st Dec 2010 (Rs lacs)
2011	10,433	7,202,422
2012	8,771	6,055,060
2013	7,817	5,396,466
2014	6,798	4,692,999
2015	6,636	4,581,163
2016 and thereafter	95,836	66,160,383
Total	136,292	94,089,182

Notes: The above financials are extracted from audited financial statements

The above figures have been converted into INR using the RBI Reference rate EUR/INR = 69.035 (source: www.rbi.org.in) dated October 24, 2011

96 As on the date of PA, BASF does not hold any Shares in the Target Company. BASF has not acquired any stake in Target Company prior to the Public Announcement for this Offer.

97 The provisions of Chapter II regulations of SEBI Takeover Code do not apply to BASF as BASF does not hold any Shares in the Target Company.

98 Status of corporate governance:

The Board of Executive Directors of BASF SE is responsible for the management of the company and represents or has represented according to its by-laws BASF SE in all business undertakings with third parties. Its activities and decisions are aligned to the company's interests, and it is dedicated to the goal of increasing the company's value in the long term. The Board of Executive Directors reports to the Supervisory Board regularly, comprehensively and in a timely manner on all material matters concerning the company with regard to strategic planning, business development, risk issues and risk management. Furthermore, they agree on corporate strategy. Where required by the Articles of Association of BASF SE, the Board of Executive Directors must have the approval of the Supervisory Board for certain transactions before they are concluded.

The Supervisory Board of BASF SE appoints the members of the Board of Executive Directors and monitors and advises the Board of Executive Directors on management issues. The Supervisory Board of BASF SE comprises 12 members and in accordance with the German Act on the Involvement of Employees in a European Company, consists in equal parts of shareholder representatives - elected by shareholders at the Annual Meeting - and employee representatives. The Supervisory Board has established three committees with equal representation from shareholders and employee representatives: the Nomination Committee, the Audit Committee; and the Personnel Committee.

BASF accords great importance to good corporate governance. BASF therefore supports the German Corporate Governance Code, which it regards as an important tool in the capital market-focused continuing development of corporate governance and control, and advocates responsible corporate governance that focuses on a sustainable increase in the value of the company.

BASF SE follows all recommendations of the German Corporate Governance Code in its revised version of May 2010. This applies also to the Code's new recommendations regarding the composition of the Board of Executive Directors and the Supervisory Board as well as diversity in the staffing of executive positions.

In the same manner, BASF fulfills nearly all of the nonobligatory suggestions of the German Corporate Governance Code.

99 Apart from the Global Transaction, there has been no merger/demerger/spin-off involving BASF during last three years.

100 The following are the details of the companies promoted by BASF in India as on 31st October, 2011

Company Name	BASF India Limited		
Date of Incorporation	May 13, 1943		
Nature of Business	Manufactures and markets expandable polystyrene, tanning agents, leather chemicals and auxiliaries, crop protection chemicals, textile chemicals, dispersions and specialty chemicals, performance plastics, automotive and coil coatings, construction chemicals, polystyrene and polyurethane systems. Also markets a wide range of intermediates, catalysts and other chemicals for life sciences, chemicals and allied industries in India.		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	4,329	4,077	2,819
Reserves (excluding revaluation reserves)	92469	82500	35704
Total Income	309,392	139,414	112,582
Profit After Tax	11,783	9,681	6,864
Earnings Per Share (Rs.)	27.22	25	24.35
Net Asset Value	96,798	86,577	38,523

Company Name	BASF Polyurethanes India Limited (Merged with BASF India Limited vide Order passed by the Hon'ble High Court of Bombay dated January 14, 2011)		
Date of Incorporation	April 6, 2005		
Nature of Business	Manufacturing & trading of polyurethane system products		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	NA*	900	900
Reserves (excluding revaluation reserves)	NA*	(2,266)	(2,190)
Total Income	NA*	25,167	20,525
Profit After Tax	NA*	(76)	(2,005)
Earnings Per Share (Rs.)*	NA*	(0.84)	(22.28)
Net Asset Value	NA*	(1,366)	(1,290)

Note:* Since merged with BASF India Limited vide Order passed by the Hon'ble High Court of Bombay on January 14, 2011, the financial details for the year ended 31st March, 2011 are not available

Company Name	BASF Coatings (India) Private Limited (Merged with BASF India Limited vide Order passed by the Hon'ble High Court of Bombay dated January 14, 2011)		
Date of Incorporation	December 26, 1995		
Nature of Business	Manufacture and trading of synthetic specialty coatings		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	NA*	3,718	1,187
Reserves (excluding revaluation reserves)	NA*	150	150
Total Income	NA*	22,907	17,321
Profit After Tax	NA*	(689)	(1,986)
Earnings Per Share (Rs.)	NA*	(4.72)	(16.72)
Net Asset Value	NA*	3,868	1,337

Note:* Since merged with BASF India Limited vide Order passed by the Hon'ble High Court of Bombay on January 14, 2011, the financial details for the year ended 31st March, 2011 are not available

Company Name	BASF Construction Chemicals (India) Pvt. Ltd (Merged with BASF India Limited vide Order passed by the Hon'ble High Court of Bombay dated January 14, 2011)		
Date of Incorporation	March 30, 1995		
Nature of Business	Manufacturing and trading of construction chemicals		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	NA*	246	246
Reserves (excluding revaluation reserves)	NA*	2,168	1,182
Total Income	NA*	19,097	17,264
Profit After Tax	NA*	985	56
Earnings Per Share (Rs.)	NA*	39.97	2.29
Net Asset Value	NA*	2,414	1,428

Note:* Since merged with BASF India Limited vide Order passed by the Hon'ble High Court of Bombay on January 14, 2011, the financial details for the year ended 31st March, 2011 are not available

Company Name	BASF Catalyst (India) Private Limited		
Date of Incorporation	May 15, 1997		
Nature of Business	Manufacture and sale of exhaust catalysts for controlling the emissions of petrol, diesel and GNG/LPG internal combustion engines used in mobile and stationary applications.		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	918	918	918
Reserves (excluding revaluation reserves)	13,080	9,307	6,868
Total Income	52,111	28,997	23,061
Profit After Tax	3,774	2,821	1,333
Earnings Per Share (Rs.)	41.12	30.74	14.53
Net Asset Value	13,998	10,225	7,786

Company Name	BASF Asia Pacific (India) Private Limited		
Date of Incorporation	July 17, 1996		
Nature of Business	Holding Company of BASF Catalyst (India) Private Limited		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	40	40	40
Reserves (excluding revaluation reserves)	623	605	628
Total Income	55	54	238
Profit After Tax	17	(22)	59
Earnings Per Share (Rs.)	4.38	(5.50)	14.65
Net Asset Value	663	645	668

Company Name	Styrolution India Private Limited		
Date of Incorporation	November 8, 1994		
Nature of Business	Manufacture of general purpose polystyrene, high impact polystyrene and rendering of technical services to various industries		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	6,154	6,154	6,154
Reserves (excluding revaluation reserves)	3,543	1,814	472
Total Income	47,096	34,511	30,859
Profit After Tax	1,729	1,342	(842)
Earnings Per Share (Rs.)	2.81	2.18	(1.37)
Net Asset Value	9,697	7,968	6,626

Company Name	Cognis Specialty Chemicals Private Limited (Entire business of Cognis including all its assets and liabilities purchased by BASF India Limited with effect from July 1, 2011)		
Date of Incorporation	February 11, 2009		
Nature of Business	Trades in products and solutions for personal care, home care and modern nutrition.		
For the year ending and as on	March 31, 2011	March 31, 2010	March 31, 2009
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Equity Capital	100	100	NA
Reserves (excluding revaluation reserves)	484	68	NA
Total Income	5,778	550	NA
Profit After Tax	416	68	NA
Earnings Per Share (Rs.)	41.62	6.76	NA
Net Asset Value	584	168	NA

None of the companies stated above is a sick industrial company.

None of the stated above companies, except BASF India Limited ("BASF India"), are listed on any of the stock exchanges. BASF India is listed on Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

- 101 Change in the name of the BASF since inception: On June 26, 1973, BASF changed its name from "Badische Anilin- & Soda-Fabrik Aktiengesellschaft" to "BASF Aktiengesellschaft". The name was changed to "BASF SE" on January 14, 2008 upon BASF's conversion into a European Company.

Disclosure in terms of regulation 16(ix) of the Regulations

- 102 The Offer is being made in compliance with Regulation 10 and Regulation 12 and other applicable provisions of Regulations, pursuant to the Global Transaction, which has resulted in the indirect acquisition of shares of the Target Company by the PACs.
- 103 The Acquirer and the PACs may appoint their nominees on the Board of the Target Company in accordance with the Regulations, Companies Act and the Articles of Association of the Target Company. Hence, in accordance with regulation 22(7) of the Regulations, the Acquirer and the PACs may deposit 100% of the Maximum Consideration (as defined in paragraph below) to entitle the appointment of their nominees on the Board of the Target Company.
- 104 The Target Company is engaged in the business of manufacturing specialised engineering thermoplastics. The JVCo has been formed to combine the global business of BASF and INEOS Holdings with respect to styrene monomers and styrene based polymers and the Offer has been made pursuant to such global combination of the businesses. The indirect acquisition of Shares by acquisition of the Acquirer by the JVCo and the direct acquisition of Shares by the Acquirer under this Offer is part of the Global Transaction.
- 105 As of the date of the PA, the Acquirer and the PACs do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 2 (two) years, except in the ordinary course of business and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities, financing, business or otherwise of the Target Company, which will be done subject to receipt of statutory approvals wherever necessary. Further, subject to the requisite approvals, the Acquirer and the PACs may evaluate options regarding disposal of any surplus assets. The Acquirer and the PACs undertake that the Acquirer and / or the PACs shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.
- 106 The Acquirer and the PACs reserve the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, merger (including but not limited to merger with itself or any of its subsidiaries), demerger/delisting of the Shares of the Target Company from the Stock Exchanges and/or sale of assets or undertakings, at a later date. Such decisions will be taken by the respective boards of directors of the Acquirer and the PACs and/or the board of the Target Company in accordance with procedures set out by applicable law, and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time. The Acquirer and the PACs will evaluate and consider such proposals from time to time in accordance with the business requirements, if appropriate.

V. Option in terms of Regulation 21(2)

- 107 As the public shareholding is already below the minimum level required as per the listing agreement entered into by the Target Company with the BSE and the NSE, (the "Listing Agreements"), the Acquirer and PACs shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreements and notification of the Government of India dated June 4, 2010, and subsequent amendment thereto, amending the Securities Contracts (Regulation) Rules, 1957 within the time stipulated therein as required under regulation 21(2) of the Regulations.
- 108 Subsequent to completion of the Offer, the Acquirers and the PACs may also exercise the option of delisting the shares of the Target Company following the procedure stipulated under SEBI (Delisting of Equity Shares) Regulations, 2009 subject to various factors including the financial position of the Acquirers and the PACs, prevailing market and economy conditions, market price of the Target Company and the regulatory framework for delisting.

VI. Background of the Target Company

109 INEOS ABS (India) Limited is a public limited company incorporated on December 7, 1973 as ABS Plastics Limited under the Companies Act, 1956. The Target Company changed its name to ABS Industries Limited in 1992. In 1997, the Target Company was renamed Bayer ABS Limited pursuant to acquisition of a majority stake in it by Bayer AG. In 2004, as part of a restructuring process by the Bayer group, the Target Company became part of the LANXESS group and was renamed LANXESS ABS Limited. In June 2007, the Acquirer entered into a share purchase agreement with the then promoter group to acquire majority stake in the Target Company. The name of the Target Company was subsequently changed to INEOS ABS (India) Limited on June 17, 2008. It has its registered office at 6th Floor, ABS Towers Old Padra Road Vadodara - 390 007, Gujarat, India, Telephone: +91-026-5235-5871; Fax: +91-026-5234-1012.

110 The Target Company is a manufacturer of Acrylonitrile Butadiene Styrene (ABS) and Styrene Acrylonitrile (SAN) in India. ABS and SAN are versatile engineering thermoplastic material and their impact resistant and other properties have widespread applications in manufacture of house wares, medical equipment and in industries such as the electronics, automotive, telecom and others. The Target Company has manufacturing plants at Nandesari, Moxi & Katol near Vadodara in the state of Gujarat.

111 The equity shares of the Target Company are listed on various stock exchanges as under:

Stock Exchange	Date of Listing
Bombay Stock Exchange	14 th October, 1977
National Stock Exchange	29 th March, 1995

112 The locations and other details of the manufacturing facilities and registered offices of the Target Company are as follows:

Sr. Nos.	Location	Address
1	Vadodara Registered Office	6 th Floor, ABS Towers, Old Padra Road, Vadodara – 390 007. Phones: 0265-2355861-63, 2355871-73 Fax: 0265-2341012, 2355860, 2355950, 2355960
2	Nandesari	51, GIDC Industrial Estate, Nandesari – 391 340. Dist. Vadodara, Phones: 0265-2840319, 2840285, 2840559, 2841010 Fax: 0265- 2840827
3	Katol	Halol- Kalol Road, Katol – 389 330, Taluka – Kalol, Dist – Panchmahal, Gujarat Phones: 02676 - 235980, 235891, 235802, 235803. Fax: 02676 – 235518
4	Moxi (R & D Centre)	Sankarda – Bhadarva Road, Post : Poicha – 391 350 Taluka : Savli, Dist: Vadodara Phones: 02667 – 244350, 244370, 244380 Fax: 02667 – 244340

113 As of the date of the Public Announcement, the total authorised share capital of the Target Company is Rs. 500,000,000 (Rupees Five Hundred Million Only) consisting of 50,000,000 (Fifty Million Only) Equity Shares of face value of Rs.10/- each. The total paid up share capital of the Target Company is Rs 175,856,250 (Rupees One Hundred Seventy Five Million Eight Hundred Fifty Six Thousand Two Hundred and Fifty Only) consisting of 17,585,625 (Seventeen Million Five Hundred Eighty Five Thousand Six Hundred Twenty Five Only) Equity Share of face value of Rs.10/- each. There are no partly paid-up Shares in the Target Company.

114 The share capital structure as on the date of the PA, was as follows:

Paid-up Shares of the Target Company	No. of Shares/voting rights	% of Shares/voting rights
Fully paid-up equity Shares	17,585,625	100%
Partly paid-up equity Shares	NIL	NIL
Total paid-up equity Shares	17,585,625	100%
Total voting rights in the Target Company	17,585,625	100%

115 Build-up of the current capital structure of the Target Company since inception until the date of the PA is as follows:

Date of Allotment	Details of Shares		Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of compliance
	No	%				
Between 1973 and 1988	17,00,000	9.67	1,70,00,000	Subscribers to memorandum of association	Promoters	Complied with all applicable provisions
1989	19,69,550	11.20	3,66,95,500	Rights Issue (1:1)	Public Shareholders	Complied with all applicable provisions
1990	36,69,550	20.87	7,33,91,000	Bonus Issue (1:1)	Public Shareholders	Complied with all applicable provisions
1992	18,32,900	10.42	9,17,20,000	Rights Issue (2:1)	Public Shareholders	Complied with all applicable provisions
1993	18,30,700*	10.41	11,00,27,000	Rights Issue (2:1)	Public Shareholders	Complied with all applicable provisions
1994	2,300*	0.01	11,00,50,000	Rights Issue (2:1)	Public Shareholders	Complied with all applicable provisions
1995	625**	0.00	11,00,56,250	Rights Issue (2:1)	Public Shareholders	Complied with all applicable provisions
1995	10,00,000	5.69	12,00,56,250	Equity Warrant Conversion	Public Shareholders	Complied with all applicable provisions
1996	55,80,000	31.73	17,58,56,250	Preferential Equity Issue	Preferential Equity Issued to Bayer Industries Limited	Complied with all applicable provisions

Note:

* Shares issued to the delayed applicants of the Rights Issue.

** 625 shares were allotted against pending rights issue application after complying with the due procedure.

116 There has been no suspension of trading of the Shares of the Target Company on the Stock Exchanges.

117 There has not been any non-listing of any of the Shares of the Target Company at the Stock Exchanges.

118 There are no equity-linked instruments, which are outstanding in Target Company as of date of the PA. No person, directly or indirectly, is entitled to subscribe to or be allotted any equity shares in the Target Company, by virtue of any agreement / option / right.

119 The Target Company and the Promoters have complied with the applicable provisions of Chapter II of the Regulations within the time specified in the Regulations.

120 The Target Company has complied with the listing requirements of the Stock Exchanges. No penal/punitive actions have been taken by the Stock Exchanges.

121 The Target Company has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

122 The Board of Directors of the Target Company, as of the date of the PA, is as follows:

Name	Designation and Appointment date as director	Experience and qualification	Residential address
Mr. Gerhard Franken	Chairman Mar 13, 2008	Dr. Gerhard Franken is a PhD in Process Engineering and has spent over 35 years in the chemicals industry. He has worked in research, sales and marketing and commercial / business roles with RWE, BP and INEOS. He is currently Chairman of INEOS ABS. Dr. Franken has worked in Germany, UK, France and Switzerland.	Von Nell Breuning Strasse 1, Koeln, Germany – 050858.

Name	Designation and Appointment date as director	Experience and qualification	Residential address
Mr. R S Agrawal	Managing Director Dec 7, 1973	He is a first generation technocrat entrepreneur since inception of the company and at present is the Managing Director of INEOS ABS (India) Ltd., Vadodara. He is a Post Graduate in Chemical Engineering from the Stevens Institute of Technology, New Jersey, USA. He introduced Engineering Thermoplastics in India in the year 1976 by putting up ABS Plastics Ltd. and has made pioneer efforts in developing the market of ABS and SAN resins, the first of engineering thermoplastics to be produced in the country, which has grown many folds. Mr. Agrawal has also promoted M/s. Shiva Pharmachem Pvt Ltd, a company manufacturing specialty chemicals near Vadodara.	61- Alkapuri Soc., Alkapuri, Vadodara - 390005
Mr. Andrew Pizzey	Director Mar 13, 2008	Mr. Andrew Pizzey is a bachelor in banking & finance and also 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 INEOS ABS.	7, Yewberry Way, Chandler's Ford, Eastleigh, SO53 4PE, United Kingdom.
Mr. S M Kulkarni	Non-executive Director Feb 8, 2005	He is a bachelor in Engineering from University of Pune and is also a fellow of the Institute of Engineers India, Institute of Management, U.K. and Institute of Directors, U.K. He currently acts as corporate and business advisor to several Indian and international companies. He has had a distinguished international career spanning over 40 years as head of major Indian and multinational companies in wide ranging areas of businesses from information technology to Biotechnology, financial services to venture funds, industrial products to specialty chemicals, construction to property development. He is associated with several educational institutions such as Vidyaprathishthan - Baramati and University of Pune's School of Management. He is involved with several NGO's in the city and also acts as a trustee of various research centers, charitable trusts and hospital councils.	161 A, Twin Towers, 6 Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025
Mr. Jai R Patel	Non-executive Director Dec 29, 2005	He is Bachelor of Commerce, Associate member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He was associated with the German FAG group of Bearing companies for 30 years and more and also handled various managerial functions. In 1977, he took over as Managing Director of FAG Bearings Ltd. Subsequently, he was promoted as Vice Chairman and Managing Director before retiring in 2000. His area of expertise includes Finance, Accounts and Administration and possesses professional experience of more than 44 years. He is also actively involved with various social and welfare associations and federations as well as various trusts.	3, Green Park, Tandalja Road, Vadodara - 390020
Mr. Ravindra Kulkarni	Non-executive Director Mar 13, 2008	Mr. Ravindra Kulkarni is an Advocate by profession and presently a partner of Khaitan & Co. He has immense experience in all aspects of Corporate law; M&A, cross-border transactions in Capital Markets; in Securities Law, in Restructuring, in Privatization, in Foreign Investment, in Joint Venture and Foreign Collaboration, in Infrastructure and Project Financing, 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.	1) 2, Samruddhi, Plot No. 19, TPS VI, Relief Road, Santacruz (West), Mumbai - 400 054 2) C/O KHAITAN & CO. One Indiabulls Centre, 13TH Floor, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai-400 013

123 None of the directors of the Acquirer were on the board of directors of the Target Company as of the date of the Public Announcement.

- 124 The Target Company was not involved in any merger/demerger/spin offs during the last 3 years.
- 125 The historical consolidated financial information of the Target Company for the three financial years ended on December 31, 2010, as extracted from its audited financial statements issued by the statutory auditors of the Target Company are as set forth below. A limited review has been carried out by the statutory auditors of the Target Company on the financial information for the nine months ended September 30, 2011.

Profit & Loss Statement (Rupees Lacs)	31-Dec-08	31-Dec-09	31-Dec-10	Nine Months Ended 30-Sep-11
Income from operations	60,407	55,913	74,237	61,451
Other Income	669	445	548	856
Total Income	61,076	56,358	74,785	62,307
Total Expenditure	56,901	47,416	63,119	54,749
Profit Before Depreciation, Interest and Tax	4,175	8,941	11,666	7,558
Depreciation & Amortization	1,465	1,449	1,398	1,055
Interest	0	0	0	0
Profit Before Tax	2,709	7,493	10,269	6,503
Provision for Tax	914	2,594	3,266	2,065
Profit After Tax	1,795	4,899	7,003	4,438

Balance Sheet Statement (Rupees Lacs)	31-Dec-08	31-Dec-09	31-Dec-10	Nine Months Ended 30-Sep-11
<i>Sources of funds</i>				
Paid-up share capital	1,759	1,759	1,759	NA
Reserves and Surplus (excluding revaluation reserves)	21,306	25,484	31,667	NA
Networth (excluding revaluation reserve)	23,064	27,243	33,426	NA
Secured loans	0	0	0	NA
Unsecured loans	0	0	0	NA
Deferred tax liability	2,763	2,349	2,135	NA
Total	25,827	29,592	35,560	NA
<i>Uses of funds</i>				
Net fixed assets (including goodwill)	16,120	15,318	14,799	NA
Investments	4,491	7,128	9,265	NA
Net current assets	5,216	7,145	11,497	NA
Total miscellaneous expenditure not written off	0	0	0	NA
Total	25,827	29,592	35,560	NA

Other Financial Data	31-Dec-08	31-Dec-09	31-Dec-10	Nine Months Ended 30-Sep-11
Dividend (%)	25%	35%	40%	NA
Book Value per share* (Rs.)	131.15	154.92	190.07	NA
Earning per Share** (Rs.)	10.21	27.86	39.82	24.24
Return on Networth*** (%)	7.78%	17.98%	20.95%	NA
P/E Multiple#	8.76	6.47	9.50	16.95^

The above financial information is extracted from audited financial statements (Source: Annual reports of the Target Company dated February 17, 2011 and February 26, 2010)

*Book Value per Share calculated as the Networth / Number of equity shares outstanding at the end of the year

**Earning per share calculated as by dividing the profit attributable to the equity shareholders by average number of equity shares outstanding during the year (Source: Annual Report)

***Return on Networth calculated as Profit after Tax/Networth as at the end of the year

P/E Multiple has been calculated as closing stock price at the end of the calendar year on BSE divided by Earning Per Share for the respective calendar year

^ Annualized, based on closing price on BSE as on Sep 30, 2011

Auditor of the Target Company:

M/s. Price Waterhouse,
Chartered Accountants,

Firm Registration No.: 301112E

Address: 252 VEER SAVARKAR MARG, SHIVAJI PARK, DADAR (WEST), MUMBAI – 400 028

Tel: +91-22-6669 1000

Email: uday.shah@in.pwc.com

126 The Significant Account policies of the Target Company as per the audited financial statements for 2010 are:

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.

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 capitalized.
- ii) Depreciation for the year has been provided on all the fixed assets (except in the case of leasehold land which is being amortized over the period of the lease) on the Straight Line Method at the rates specified as per Schedule XIV to the Companies Act, 1956.

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.

Inventories

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

- i) Raw Materials, Packing Materials, Stores and Spares are valued at weighted average cost after taking credit for CENVAT, wherever applicable.
- ii) Work-in-process and Material-in-transit (including stock lying at terminals) are valued at cost.
- iii) Finished goods and traded goods are valued at lower of cost and net realisable value.
- iv) Customs Duty and Excise Duty as the case may be, are included in the cost of finished products, traded goods and raw materials lying in stock.

Revenue recognition

The Target 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.

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.

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 recognized 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 recognized in the profit and loss account.

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.

Retirement Benefits

- a) In case of Defined Contribution plans, the Target 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 Target 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.

Provision and Contingent Liabilities

The Target 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.

Impairment of Asset

The Target Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Target 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 recognized 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.

127 The reasons for rise/fall in total income and PAT in the last three financial years are as follows:

For the Year Ended December 31, 2010

Reasons for change in sales and profits

The revenue of the Target Company stood at Rs. 74,785 Lacs and Profit after Tax at Rs. 7,003 Lacs during the year ended December 31, 2010. The volumes sales during the year have been at 66,292 MT, representing a growth of 4.5%.

Income from operations for 2010 show an increase of Rs. 2,108 Mn (35%) and profit after tax increased by Rs.210 Mn (43%). The operating profit before interest, depreciation and tax has increased by Rs.272 Mn (30%). The Earning per Share increased from Rs.27.86 to Rs.39.82 (43%). Some of the key reasons are as follows:

- The Target Company was able to manage and optimize price realization and increase in sales during 2010.
- The Target Company managed to grow and expand its capacities.
- During 2010, the automotive industry and durable goods sectors continued their growth in line with the past trend. There have been instances of customers resorting to polymer substitution albeit to a very low extent due to high prices and uncertainties in supplies.
- During the year crude prices continued to be volatile influencing the prices of basic raw material.
- Company could increased its sales volume and also improve the margin due to higher prices in the increasing market price trend of the finished product.

This resulted in significant growth in cash margin and resultant increase in the net profit of the Target Company.

For the Year Ended December 31, 2009

Reasons for change in sales and profits

The revenue of the Target Company stood at Rs. 56,358 Lacs and Profit after Tax at Rs. 4,899 Lacs during the year ended December 31, 2009. The volumes sales during the year have been at 63,443 MT, representing a growth of 12%.

Income from operations has come down by Rs.851 Mn (12% Negative). The PAT however increased by Rs.310 Mn(173%). The operating profit has more than doubled by Rs.477 Mn (114%). The Earning per Share increased from Rs.10.21 to Rs.27.86 (173%). Some of the key reasons are as follows:

- The volume has gone up by 4K MT.
- The last quarter of 2008 saw down trend due to global melt down. However Target Company's sales started showing steady increase of the volume from Q1 2009.
- Target Company has suffered substantial exchange loss in the year 2008 of Rs.127 Mio which has been restricted to only Rs.4 Mn after the rupee appreciation.
- During 2009, the crude prices which has sky rocketed in 2008, started stabilizing having positive impact of the Target Company's profitability.
- The margins increased substantially due to better management of Forex transactions and better realization of the finished products.

This contributed for the significant growth in cash margin and resultant increase in the net profit of the Target Company.

For the Year Ended December 31, 2008

Reasons for change in sales and profits

The revenue of the Target Company stood at Rs. 61,076 Lacs and Profit after Tax at Rs. 1,795 Lacs during the year ended December 31, 2008. The volumes sales during the year have been at 56,459 MT.

Income from operations increased by Rs.463 Mn (7%). However the PAT decreased by Rs.170 Mn (49% Negative). The operating profit has decreased by Rs.260 Mn (38% Negative). The Earning per Share decreased to Rs.10.21 from Rs.19.88 (51% Negative). Some of the key reasons are as follows:

- In the middle of 2008, crude prices touched an all time high of US\$147 per barrel and by end of the 2008 dropped to below US\$50. The severe price volatility of crude had a cascading effect on petrochemicals as well and raw materials prices showed similar volatility.
- The last quarter showed signs of global recession and considerable drop in demand. This resulted into reduced prices for finished goods which lowered price realization ultimately. In view of the recession, user industries also had shown truncated demand compared to the previous year.
- The company has also suffered exchange loss due to sudden change in the dollar rupee parity and notional loss was booked at Rs.127 Mn in 2008.

The above factors contributed for the loss in cash margin and resultant decrease in net profit of the Target Company.

128 The Target Company has complied with the provisions of Chapter II of SEBI (SAST) Regulations within the time specified in the SEBI (SAST) Regulations except in the case of shareholding of Bayer Industries Private Limited (later acquired by LANXESS India Private Limited), where there was a delay, of 32 days for disclosure under Regulation 8 (3) for FY 1999-2000; 153 days delay for disclosure under Regulation 8 (3) for FY 2000-2001 and 60 days delay for disclosure under Regulation 8 (3) for FY 2001-2002. The Target Company had filed an application for condonation of delay in compliance under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with SEBI vide their letter dated November 07, 2007. The said consent application has been disposed of by consent order dated 12 September 2008 and the Target Company paid settlement charges of Rs 200,000 towards such settlement.

129 Pending Litigations

The following is the list of material litigation by and against the Company as on October 31, 2011:

1	INEOS ABS (India) Limited (formerly known as LANXESS ABS Limited) Vs. GSL (I) Limited: (Claim for Rs.20 million cheque bounced on account of repayment of ICD by the defaulting company u/s 138 of NI Act) : Cheque for Rs. 20 million toward repayment of inter corporate deposit repayment issued by the defendant was dishonoured.
2	Bharat Heavy Electricals Limited Vs. INEOS ABS (India) Limited (formerly known as LANXESS ABS Limited): The wind mills installed in the initial years showed considerable deficiency in services compared to what was promised when the orders were placed. The company had sought compensation for loss of power generation for 35 wind mills installed. In order to negotiate compensation for the deficiency and part performance of contract, company did not pay Rs.18.14 million, a claim made by BHEL for the equipment purchase price.
3	INEOS ABS (India) Limited (formerly known as LANXESS ABS Limited) Vs. Bharat Heavy Electricals Limited: In view of the considerable deficiency in services of operation of 35 wind mills, the company arrived at an estimation of loss of potential power generation and claim of compensation arising out of the part performance of the contract by BHEL. Subject matter is pending in the court. Approximate claim amount is Rs.80 million.

4	<p>INEOS ABS (India) Limited (formerly known as LANXESS ABS Limited) Vs. National Education Films Limited:</p> <p>In 1978, the company had entered into an agreement to purchase office premises at Nariman Point, Mumbai. The seller company was paid full and final consideration in terms of the agreement to sell but did not fulfill the promise to execute the sale agreement so as to pass on the legal title unto the name of the company and hence the suit was filed before the Bombay High Court which is pending since 1981.</p>
5	<p>United Storage Tanks and Terminals Limited (USTTL) Vs. INEOS ABS (India) Limited (formerly known as LANXESS ABS Limited):</p> <p>USTTL offers storage facilities at Kandla for the use of which the company had a long term agreement. The company has been paying rent and standard charges right through the contractual period. As a consequence of the 26th January 2001 earthquake at Kandla, the port authorities prohibited the storage of chemicals like butadiene indefinitely. The company has taken the position that the contract has got frustrated and consequently the parties are no longer bound by it.</p> <p>USTTL claims damages for premature termination of the storage agreement. The claimed damages are calculated on the basis of idle capacity and other operating charges for the perceived period of the agreement. The company has accrued for the minimum possible amount of liability as contingent liability in the books. Proceedings have been instituted in the High Court of Bombay by the Target Company challenging the arbitration award in the matter.</p>

130 Pre and post Offer shareholding pattern of the Target Company is as follows:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer as on Oct 21, 2011		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(A)+(B) = (C)	
	No.	%*	No.	%*	No.	%*
(1) Promoter Group						
(a) Acquirer @	14,653,705	83.33	2,931,920	16.67	17,585,625	100.00
(b) PACs @	NIL	-	NIL	-	NIL	-
(c) Promoters other than (a) & (b) above:	NIL	-	NIL	-	NIL	-
Total 1 (a+b+c)	14,653,705	83.33	2,931,920	16.67	17,585,625	100.00
TOTAL (Promoter Group) (1)	14,653,705	83.33	2,931,920	16.67	17,585,625	100.00
(2) Parties to the Agreement other than (1)(a) and (1)(b) above	NIL	-	NIL	-	NIL	-
(3) Public (other than Acquirer & PACs) – Details summarized below						
(a) Financial Institutions/ Banks	5,900	0.03	(5,900)	(0.03)	NIL	-
(b) Mutual Funds/ UTI	20,531	0.12	(20,531)	(0.12)	NIL	-
(c) FIs	87,739	0.50	(87,739)	(0.50)	NIL	-
(d) Others	2,817,750	16.02	(2,817,750)	(16.02)	NIL	-
Total (3)	2,931,920	16.67	(2,931,920)	(16.67)	NIL	-
(3) Custodians and against which Depository Receipts have been issued	NIL	-	NIL	-	NIL	-
GRAND TOTAL (1+2+3+4)	17,585,625	100.00	NIL	-	17,585,625	100.00

* Percentage calculated based on Current Equity Capital.

Figures in bracket represent negative number

@ The Acquirer and PACs have not acquired any Shares since the date of the PA and up to the date of the Letter of Offer.

As on Oct 21, 2011, there were 8,337 public shareholders holding 2,931,920 Shares of the Target Company

131 In 2007, INEOS Group, a leading the global Chemical company, entered into an agreement with LANXESS AG, Germany, to acquire world over the styrenic business (ABS) and in the process, on June 28, 2007, Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited) entered into an agreement with the then promoters of the Target Company and LANXESS INDIA Pvt. Limited to acquire majority stake

in the Target Company. Subsequently, INEOS Group made an offer to the general shareholders through an open offer, to acquire 20% stake in the Target Company at a price stated in the open offer. Thus, Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited), then acquired 83.33% of total paid up capital in the Target Company after the completion of open offer, which closed on March 5, 2008. The 83.33% stake comprised of 69.80% stake acquired from the selling promoters and 13.53% stake acquisition via open offer.

From 13th March, 2008, Styrolution (Jersey) Limited (formerly known as INEOS ABS (Jersey) Limited), part of INEOS Group, held 83.33% of paid up capital comprising 14,653,705 Shares of the Target Company, and were disclosed as the promoters of the Target Company.

Since then, there have not been any changes in the shareholding of the promoters in the Target Company.

132 The Target Company has confirmed that it is in compliance with the Corporate Governance provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges.

133 The following are the details of the contingent liabilities and capital commitments for the Target Company as on December 31, 2010:

- Demands against the Target Company, either disputed or not acknowledged as debts and not provided for:

		2010 (Rs. In Lacs)	2009 (Rs. In Lacs)
a)	Income Tax	127.18	520.68
b)	Excise Duty	58.42	17.57
c)	Sales Tax	57.39	57.39
d)	Bank Guarantee	13.80	13.80
e)	Claims against the Company not acknowledged as debt	76.83	76.40

Note: Future cash outflows in respect of (a), (b) and (c) above are determinable on receipt of judgments / decisions pending with various forums/authorities

134 The compliance officer of the Target Company is

Mr. Suryakant Madhusudan Vaishnav, Company Secretary & Vice President (Legal) (Address: 6th Floor, ABS Towers, Old Padra Road, Vadodara - 390 007 Gujarat, India, Tel No: +91 265-2355861-63, Fax: +91 265 2341012, Email: suryakant.vaishnav@lustran-polymers.com)

VII. Offer Price and Financial Arrangements

Justification of Offer Price

135 The Shares of the Target Company are listed on BSE and NSE and are frequently traded on both Stock Exchanges.

136 The annualized trading turnover based on the trading volume in the Shares of the Target Company on the Stock Exchanges during the period April 2011 to September 2011 (6 (six) calendar months preceding the month in which the PA is issued), was as follows:

Name of the Stock Exchange	Total number of Shares traded during the preceding 6 calendar months prior to the month of the PA (April 2011 to September 2011)	Total number of listed Shares	Annualised trading turnover (as % of total number of listed Shares)
BSE	1,458,249	17,585,625	16.58%
NSE	1,779,355	17,585,625	20.24%

Source: www.bseindia.com and www.nseindia.com

137 Based on the above information, the Shares of the Target Company are deemed to be frequently traded on both BSE and NSE as the annualized trading turnover based on the trading during six calendar months i.e. April 2011 to September 2011 is more than 5% of the total number of listed Shares in terms of Explanation (i) to Regulation 20(5) of the Regulations. As the annualized trading turnover on NSE is 20.24% as compared to 16.58% on BSE of the total number of listed Shares, the Shares of the Target Company are deemed to be "most frequently traded" on NSE in terms of Explanation (i) to Regulation 20(5) of the Regulations.

138 The details of closing prices and volume on BSE for the 26-week period prior to the date of the announcement of Global Transaction are as follows:

Week Number	Week-ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
Week 1	6-Dec-10	391.20	379.70	385.45	14,659
Week 2	13-Dec-10	379.95	358.15	369.05	19,834
Week 3	20-Dec-10	376.90	375.00	375.95	1,284
Week 4	27-Dec-10	388.30	372.50	380.40	8,357
Week 5	3-Jan-11	395.65	377.55	386.60	9,136
Week 6	10-Jan-11	406.55	393.45	400.00	34,960
Week 7	17-Jan-11	406.35	395.15	400.75	60,300
Week 8	24-Jan-11	398.35	393.40	395.88	4,269
Week 9	31-Jan-11	394.30	371.75	383.03	4,421
Week 10	7-Feb-11	384.25	379.05	381.65	2,950
Week 11	14-Feb-11	376.40	354.45	365.43	5,110
Week 12	21-Feb-11	408.60	371.50	390.05	50,387
Week 13	28-Feb-11	379.50	341.35	360.43	24,017
Week 14	7-Mar-11	356.10	343.35	349.73	10,865
Week 15	14-Mar-11	367.45	346.95	357.20	6,182
Week 16	21-Mar-11	377.60	361.00	369.30	10,056
Week 17	28-Mar-11	374.95	366.85	370.90	6,055
Week 18	4-Apr-11	404.50	367.75	386.13	20,475
Week 19	11-Apr-11	493.15	421.55	457.35	109,303
Week 20	18-Apr-11	518.05	514.25	516.15	44,326
Week 21	25-Apr-11	541.15	525.35	533.25	33,239
Week 22	2-May-11	538.75	511.45	525.10	16,690
Week 23	9-May-11	511.45	483.75	497.60	14,865
Week 24	16-May-11	498.70	481.10	489.90	11,538
Week 25	23-May-11	517.90	500.40	509.15	20,975
Week 26	30-May-11	534.20	508.65	521.43	17,543
Average				417.61	

Source: www.bseindia.com

Note: The annualized trading turnover on BSE for the 26-week period prior to the date of the announcement of Global Transaction was 6.4% vis-à-vis with that on NSE of 5.3%.

The details of intra-day high and low prices and volume on BSE for the 2-week period prior to the date of the announcement of Global Transaction are as follows:

Day Number	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	17-May-11	505.00	483.00	494.00	3,772
2	18-May-11	514.00	495.05	504.53	4,580
3	19-May-11	523.00	510.05	516.53	3,856
6	20-May-11	523.70	512.00	517.85	3,856
7	23-May-11	534.00	507.20	520.60	3,989
8	24-May-11	527.00	514.00	520.50	1,625
9	25-May-11	520.00	506.30	513.15	358
10	26-May-11	520.00	508.05	514.03	281
13	27-May-11	515.00	506.00	510.50	1,311
14	30-May-11	555.00	510.00	532.50	13,968
Average				514.42	

Source: www.bseindia.com

Note: The annualized trading turnover on BSE for the 2-week period prior to the date of the announcement of Global Transaction was 5.7% vis-à-vis with that on NSE of 4.2%.

139 The details of closing prices and volume on NSE for the 26-week period prior to the date of the PA are as follows:

Week Number	Week-ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
Week 1	1-May-11	537.70	514.55	526.13	16,984
Week 2	8-May-11	518.15	487.35	502.75	11,879
Week 3	15-May-11	497.85	480.45	489.15	8,168
Week 4	22-May-11	518.65	488.25	503.45	17,789
Week 5	29-May-11	515.65	506.55	511.10	7,580

Week Number	Week-ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
Week 6	5-Jun-11	539.60	530.55	535.08	11,718
Week 7	12-Jun-11	675.15	540.65	607.90	336,441
Week 8	19-Jun-11	680.85	636.05	658.45	860,003
Week 9	26-Jun-11	610.80	578.05	594.43	33,067
Week 10	3-Jul-11	638.00	590.35	614.18	57,723
Week 11	10-Jul-11	638.15	612.65	625.40	38,040
Week 12	17-Jul-11	637.10	626.85	631.98	16,556
Week 13	24-Jul-11	638.30	626.30	632.30	17,663
Week 14	31-Jul-11	656.40	620.20	638.30	87,216
Week 15	7-Aug-11	624.60	586.40	605.50	17,190
Week 16	14-Aug-11	583.30	564.30	573.80	9,071
Week 17	21-Aug-11	566.65	507.85	537.25	11,772
Week 18	28-Aug-11	535.20	508.05	521.63	8,854
Week 19	4-Sep-11	536.50	514.05	525.28	3,438
Week 20	11-Sep-11	569.10	543.65	556.38	12,644
Week 21	18-Sep-11	555.00	548.10	551.55	7,729
Week 22	25-Sep-11	594.50	566.50	580.50	22,187
Week 23	2-Oct-11	586.65	576.75	581.70	7,634
Week 24	9-Oct-11	592.60	558.10	575.35	11,022
Week 25	16-Oct-11	629.85	591.55	610.70	14,413
Week 26	23-Oct-11	634.25	577.70	605.98	16,339
Average				572.93	

Source: www.nseindia.com

Note: The annualized trading turnover on NSE for the 26-week period prior to the date of PA was 18.9% vis-à-vis with that on BSE of 15.1%.

The details of intra-day high and low prices and volume on BSE for the 2-week period prior to the date of the PA are as follows:

Day Number	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	10-Oct-11	609.80	590.20	600.00	4,890
2	11-Oct-11	603.00	579.20	591.10	1,270
3	12-Oct-11	621.00	600.20	610.60	5,322
6	13-Oct-11	625.00	615.00	620.00	6,521
7	14-Oct-11	634.00	624.80	629.40	3,388
8	17-Oct-11	640.00	624.00	632.00	3,595
9	18-Oct-11	634.90	609.00	621.95	1,457
10	19-Oct-11	605.00	580.00	592.50	9,022
13	20-Oct-11	590.15	571.00	580.58	8,298
14	21-Oct-11	600.00	580.00	590.00	4,190
Average				606.81	

Source: www.bseindia.com

Note: The annualized trading turnover on BSE for the 2-week period prior to the date of PA was 7.1% vis-à-vis with that on NSE of 4.5%.

Based on the parameters set out in the Regulations for frequently traded stocks, as per the date of the PA, the Offer Price of Rs. 606.81 (Rupees Six Hundred and Six and Paise Eighty One Only) is justified in view of the following:

Particulars	Price (in Rs. per Share)
Negotiated price under the Agreement	N.A.*
Highest price paid by the Acquirer or PACs for acquisition of any equity shares of the Target Company during the 26 week period preceding May 30, 2011, being the date of announcement of the Global Transaction, including by way of allotment in a public or rights or preferential issue	N.A.
Average of the weekly high and low of the closing prices of the equity shares of the Target Company on BSE during the 26 weeks period preceding May 30, 2011, being the date of announcement of the Global Transaction	417.61

Particulars	Price (in Rs. per Share)
Average of the daily high and low of equity shares of the Target Company on BSE during the 2 week period preceding May 30, 2011, being the date of announcement of the Global Transaction	514.42
Highest price paid by the Acquirer or PACs for acquisition of any equity shares of the Target Company during the 26 week period preceding October 22, 2011, being the date of the PA including by way of allotment in a public or rights or preferential issue	N.A.
Average of the weekly high and low of the closing prices of the equity shares of the Target Company on NSE during the 26 week period preceding October 22, 2011, being the date of the PA	572.93
Average of the daily high and low of equity shares of the Target Company on BSE during the 2 week period preceding October 22, 2011, being the date of the PA	606.81

**The consideration paid under the Agreement is a composite consideration and no specific amount has been attributed or allocated for acquisition of interest in the Target Company. Hence, negotiated price is not applicable.*

- a. The Offer Price of Rs. 606.81 (Rupees Six Hundred and Six and Paise Eighty One Only) per Share being the highest of the above is justified in terms of Regulation 20(4) of the Regulations.
 - b. The Acquirer and the PACs are permitted to revise the Offer Price upward up to 7 (seven) working days prior to the date of closure of the Offer. In the event of such a revision, an announcement would be made in the same newspapers in which the PA has appeared and the revised Offer Price would be paid for all Shares accepted under the Offer. If the Acquirer and /or PACs acquire Shares of the Target Company, after the date of the PA and up to 7 (seven) working days prior to the date of closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Open Offer.
- 140 There is no non-compete fee being paid by the Acquirer/ PACs in the Agreement in respect of the Acquisition.
- 141 Based on the above, the Offer Price of Rs. 606.81 (Rupees Six Hundred and Six and Paise Eighty One Only) is justified in terms of regulation 20(4) of the Regulations.
- 142 The Offer Price shall not be less than the highest price paid by the Acquirer and the PACs for any acquisition of Shares of the Target Company from the date of PA upto seven working days prior to the closure of the Offer. Further, no Shares shall be acquired during the last seven working days prior to the closure of the Offer, except those accepted in the Offer.
- 143 The Acquirer/ PACs are permitted to revise the Offer Price upward up to 7 (seven) working days prior to the date of closure of the Offer. In the event of such a revision, an announcement would be made in the same newspapers in which the PA has appeared and the revised Offer Price would be paid for all Shares accepted under the Offer.

Financial Arrangements

- 144 The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 1,779,125,705/- (Rupees One Billion Seven Hundred Seventy Nine Million One Hundred Twenty Five Thousand Seven Hundred and Five Only) ("Maximum Consideration").
- 145 By way of security for performance of its obligations under the Regulations, the Acquirer and the PACs have made an escrow arrangement for the Offer comprising of cash deposit of an amount of Rs. 348,813,099.70 (Rupees Three Hundred and Forty Eight Million, Eight Hundred and Eighteen Thousand Ninety Nine and Paise Seventy Only) in cash, which is adequate as per the computation of escrow amount as required by the Regulations. The Acquirer and the PACs have made the cash deposit with Citibank, N.A., Citigroup Center, 6th Floor, Bandra Kurla Complex, Bandra East, Mumbai 400 051. This has been confirmed by a confirmation letter dated October 21, 2011 issued by Citibank, N.A. The Manager to the Offer is empowered to realize the value of the cash deposit in accordance with the Regulations.
- 146 The Acquirer and the PACs propose to finance the Offer through internal accruals. The Acquirer and the PACs have arranged for:
- a) An amount of USD 33,300,000 (United States Dollar Thirty Three Million and Three Hundred Thousands Only) (equivalent to Rs. 1,655,376,300 (Rupees One Billion Six Hundred Fifty Five Million

Three Hundred Seventy Six Thousand Three Hundred Only) using the RBI Reference rate 1 USD = Rs. 49.711 (source: www.rbi.org.in) dated October 21, 2011) set aside by the Acquirer in account number 11632981 ("Account") with Citibank, N.A., London Branch, whereby the funds in the Account will be utilized solely towards fulfilling the obligations of the Acquirer and the PACs for the Offer under the Regulations.

- b) Escrow arrangement comprising of cash deposit as set out in paragraph 145 above.

The source of funds to meet the Acquirer's and the PACs' obligations under the Offer is foreign funds.

147 Mr. Kirit Sheth, Membership No. 037824, Proprietor of M/s K .J .Sheth & Associates, Chartered Accountants (2nd Floor, Seksaria Chambers, 139, Nagindas Master Road, Fort, Mumbai - 400023, Tel: +91-22-2267-1618) ("Accountants"), have confirmed by their certificate dated October 21, 2011 that the Acquirer and the PACs have adequate financial resources through verifiable means available for meeting their obligations under the Regulations for a value up to the Maximum Consideration.

148 On the basis of the aforesaid financial arrangements and the Accountants' certificate, the Manager to the Offer confirms that adequate funds are available with the Acquirer and the PACs through verifiable means to implement this Offer.

VIII. Eligibility for Accepting the Offer

149 This Letter Of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to all the Shareholders, except the Acquirer and the PACs, whose names appear on the register of members of the Target Company at the close of business hours on November 11, 2011 i.e. Specified Date, being registered equity shareholders as per the records of NSDL and CSDL, and registered Shareholders holding Shares in physical form as per the records of the Target Company, as on the Specified Date. Accidental omission to dispatch this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual letter of offer would be dispatched to each of the shareholders of the Target Company is January 12, 2012.

There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

IX. Terms and Conditions of the Offer

150 The Offer is not conditional and is not subject to any minimum level of acceptance.

151 This Offer is made to all Shareholders (except the Acquirer and the PACs) as on the Specified Date, and also to persons who acquire Shares before the closure of the Offer and tender these Shares into the Offer in accordance with the PA, save and except for the Acquirer and the PACs. Persons who have acquired shares of the Target Company (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Specified Date are also eligible to participate in this Offer.

152 The marketable lot for the Target Company is 1 (one) Share.

153 The Acquirer reserves the right to revise the Offer Price and/or the Offer Size upwards up to 7 (seven) working days prior to the closure of this Offer, i.e., upto January 25, 2012 in accordance with the Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the PA has appeared. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the PA and the Letter of Offer.

154 Shareholders to whom the Offer is being made are free to offer their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified.

155 Shareholders who hold Shares in **physical form** and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, duly signed and completed in the manner specified

therein together with all the necessary documents, as specified in Section X of this Letter of Offer entitled "Procedure for Acceptance and Settlement of the Offer", to the Registrar to the Offer at any of its collection centers, mentioned under paragraph 167 of this Letter of Offer so that the same are received by the Registrar to the Offer no later than the Offer Closing Date (i.e. February 6, 2012).

- 156 In respect of **dematerialized Shares**, Eligible Shareholders must ensure that the credit for the Shares tendered must be received in the Special Depository Account (as specified in paragraph 170) no later than February 6, 2012. If the Shareholders hold their Shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction from CDSL for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL as mentioned in paragraph 170 below.
- 157 Shareholders who have acquired Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Specified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer, so as to reach the Registrar to the Offer on or before the closure of the Offer i.e., no later than February 6, 2012. This is to be sent to the Registrar to the Offer together with:
- a. In case of Shareholders holding Shares in dematerialized form, the name, address, number of Shares held, number of Shares offered, Depository ("DP") Participant name, DP ID number, beneficiary account number along with a photocopy of the Delivery instruction in "off-market" mode, duly acknowledged by the DP in favour of LIPL INEOS ABS (India) OPEN OFFER ESCROW DEMAT ACCOUNT, as per instructions mentioned above.
 - b. In case of Shareholders holding Shares in physical form, the relevant share certificate(s) and transfer deeds, and the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired wherever applicable
- 158 No indemnity would be required from unregistered shareholders regarding the title to the Shares.
- 159 The Acquirer and the PACs shall not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.
- 160 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of this Letter of Offer.

Statutory Approvals

- 161 This Offer is subject to the Acquirer obtaining the approval from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999, as amended, for the acquisition / transfer of the Shares tendered pursuant to this Offer. The Acquirer filed an application dated November 2, 2011 with RBI for approval to acquire Shares from nonresident persons pursuant to the Offer. RBI in its reply dated November 11, 2011 has advised the Acquirer and the PACs to peruse the transactions in light of A. P. (DIR Series) Circular No. 43 dated November 4, 2011 (the "**Circular**"). The Circular covers transfer of shares between a person resident in India and a person not resident in India without prior approval of the RBI subject to certain conditions. However, the Circular does not provide for transfer of shares from Non-Resident Indians/OCB to Non-Resident. Specific approval of the RBI needs to be obtained by overseas corporate body ("OCB") / non-resident Indian ("NRI") shareholders in the event any OCB/NRI shareholder tenders Share(s) in the Offer.
- 162 As of the date of the PA, to the best of the knowledge of the Acquirer and the PACs, there are no other statutory approvals required to acquire the Shares that are validly tendered pursuant to this Offer.
- 163 Notwithstanding paragraphs 161 and 162, if any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer and the PACs will not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of regulation 27 of the Regulations.
- 164 It may be noted that in case of delay in receipt of statutory approvals, SEBI has the power to grant an extension of time to the Acquirer and the PACs for payment of consideration to Shareholders subject to the Acquirer and the PACs agreeing to pay interest for the delay, as directed by SEBI under regulation 22(12) of the Regulations.

Other Approvals

- 165 The Acquirer and PACs do not require the approval of any banks or financial institutions for making the Open Offer.
- 166 The Acquirer and the PACs may appoint their nominees on the Board of the Target Company in accordance with the Regulations, Companies Act and the Articles of Association of the Target Company. Hence, in accordance with regulation 22(7) of the Regulations, the Acquirer and the PACs may deposit 100% of the Maximum Consideration to entitle the appointment of their nominees on the Board of the Target Company.

X. Procedure for Acceptance and Settlement of the Offer

- 167 A tender of Shares pursuant to any of the procedures described in this Letter of Offer will constitute a binding agreement between the Acquirer/ PACs and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

Shareholders of the Target Company who wish to accept the Offer and tender their Shares can also send/deliver the Form of Acceptance-cum-Acknowledgment duly signed along with all the relevant documents at any of the collection centers of the Registrar to the Offer mentioned below during the working hours on or before the date of closure of the Offer, i.e., no later than February 6, 2012, in accordance with the procedure as set out in the Letter of Offer.

S. No.	Collection Centre	Address of Collection Centre	Contact Person	Phone no	Fax	Mode of delivery
1	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078. pravin.kasare@linkintime.co.in	Mr. Pravin Kasare	+91-22-2596-0320	+91-22-2596-0329	Hand Delivery & Registered Post/ Courier
2	Ahmedabad	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad- 380009 ahmedabad@linkintime.co.in	Mr. Hitesh Patel	+91-79-2646-5179	+91-79-2646-5179 (Telefax)	Hand Delivery
3	Vadodara	Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara - 390020 vadodara@linkintime.co.in	Mr. Alpesh Gandhi	+91-265-2356573 / 2356796 / 2356794	+91-265-2356791	Hand Delivery
4	New Delhi	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028 delhi@linkintime.co.in	Mr. Swapan Naskar	+91-11-4141-0592/93/94	+91-11-4141-0591	Hand Delivery
5	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pandy Bazaar, T. Nagar, Chennai-600 017 chennai@saspartners.com	Mrs. Solly Soy	+91-44-2815-2672, +91-44-4207-0906	+91-44-2815-2672 (Telefax)	Hand Delivery
6	Kolkatta	Link Intime India Pvt. Ltd, 59C, Chowringhee Road, 3rd Floor, Kolkatta -700020 kolkatta@linkintime.co.in	Mr. S.P. Guha	+91-33-2289-0539/40	+91-33-2289-0539 /40 (Telefax)	Hand Delivery

Note: Business Hours: Monday to Friday 10:00 AM to 1:00 PM and 2:00 PM to 4:30 PM, except Public Holidays

- 168 Shares should not be submitted/ tendered to the Manager to the Offer, the Acquirer, the PACs or the Target Company.
- 169 Applicants who cannot hand deliver their documents at the collection center referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address, Link Intime India Private Limited (Unit: INEOS ABS - Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078, Tel: +91-22-2596-0320; Fax: +91-22-2596-0329; email: ial.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare)
- 170 The Shareholders who wish to tender their Shares pursuant to this Offer will be required to communicate their acceptance in the Form of Acceptance-cum-Acknowledgment and manner specified in the Letter of Offer to Link Intime (India) Private Limited acting as the Registrar to the Offer ("Registrar to the Offer") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance cum Acknowledgment. Applicants who cannot hand deliver their documents at the collection centers, as will be mentioned in the Letter of Offer, may send such documents by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at its address mentioned in paragraph 169. In case of non-receipt of

the Letter of Offer, the eligible shareholders may (i) download the same from the SEBI website, (<http://www.sebi.gov.in>) (ii) obtain a copy of the same by writing to the Manager to the Offer or the Registrar to the Offer, or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, distinctive numbers, folio number, number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the Open Offer, i.e., no later than February 6, 2012, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Open Offer, i.e., no later than February 6, 2012.

- a. In respect of dematerialised Shares Shareholders must ensure that the credit for the Shares tendered is received in the special depository account as specified below on or before February 6, 2012. If the Shareholders hold their Shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their Shares in favour of the special depository account with NSDL as mentioned below.

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	LIPL INEOS ABS (India) OPEN OFFER ESCROW DEMAT ACCOUNT
DP Name	Citibank N.A.
DP ID Number	IN300054
Beneficiary Account Number	10059096
ISIN	INE189B01011
Market	Off-Market
Date of Credit	On or before February 6, 2012

It is the sole responsibility of the Shareholders to ensure credit of their Shares in the depository account above, prior to the closure of the Offer.

- b. Shareholders who are holding the Shares in physical form and who wish to tender the Shares in the Offer are required to submit the Form of Acceptance-cum-Acknowledgment together with the original share certificate(s), valid transfer deed(s), and such other documents as may be specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment, duly signed and addressed to the Registrar to the Offer, either by hand delivery on weekdays or by registered post, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than February 6, 2012 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment.

171 Documents to be delivered by all Eligible Shareholders:

- a. For Shares held in the DEMATERIALIZED FORM:
- (i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the DP.
 - (ii) Photocopy of the Delivery Instruction in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP.

Please note the following:

- (i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgment.
 - (ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Shares have not been credited to the above special account or for Shares that are credited in the above special account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Offer.
- (b) In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:
- (i) Form of Acceptance-cum-Acknowledgement should be duly completed and signed, in accordance with the instructions contained therein, by all shareholders. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the Company. This order

cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

- (ii) Original equity share certificate(s); and
- (iii) Valid equity share transfer form(s) duly signed by transferor (by all the equity shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

- (c) In case of Shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:
- (i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;
 - (ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and
 - (iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.
 - (iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).
 - (v) No indemnity regarding title is required from persons not registered as Shareholders.
- 172 Non-resident Shareholders should, in addition to the above, enclose copy(ies) of permission(s), received from RBI or any other regulatory authority to acquire Shares held by them in the Target Company. OCBs / NRIs are requested to seek a specific approval of the RBI for tendering their Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any OCB / NRI shareholder tenders its Shares in the Open Offer. In case the above approvals from the RBI are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered.
- 173 Shareholders who have sent the Shares held by them for dematerialization need to ensure that the process of getting the Shares held by them dematerialized is completed in time for the credit in the special depository account, to be received on or before the closure of the Offer, i.e., no later than February 6, 2012 or else their application will be rejected.
- 174 Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring such Shares during the pendency of the said litigation are liable to be rejected if the directions/orders regarding such Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 175 The Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the application is being sent. Such documents may include, but are not limited to:
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder has expired
 - Duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form and / or transfer deed(s);
 - No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;
 - In case of companies, the necessary corporate authorization (including certified copy of board and/or general meeting resolution(s)); and
 - Any other relevant documents
- 176 Subject to the statutory approvals, the Acquirer and the PACs intend to complete all formalities, including the payment of consideration within a period of 15 (fifteen) days from the closure of the Offer, (i.e., February 21, 2012) and for the purpose open a special account as provided under regulation 29 of the Regulations, provided that where the Acquirer/ PACs are unable to make the payment to the Eligible Shareholders who have accepted the Offer before the said period of 15 (fifteen) days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer/ PACs or failure of the Acquirer/ PACs to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer/ PACs agreeing to pay interest to the Shareholders for delay beyond such 15 (fifteen) day period, as may be specified by SEBI from time to time.

- 177 The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders' sole risk. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per details received from their depository participant. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.
- 178 The Registrar to the Offer will hold in trust the Form of Acceptance, Shares, share certificates, transfer deed(s) and/or other documents on behalf of the shareholders of the Target Company who have accepted this Offer, until the warrants/ cheques/ drafts for the consideration are dispatched and unaccepted share certificate/Shares, if any, are dispatched/ returned to the relevant Shareholders.
- 179 Payment to those Shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Acquirer/ PACs, will be by way of a crossed account payee cheque/ demand draft/ pay order/ through Direct Credit ("DC")/ National Electronic Clearance System ("NECS")/ Electronic Clearing Services ("ECS")/ National Electronic Funds Transfer ("NEFT")/ Real Time Gross Settlement ("RTGS"). So as to avoid fraudulent encashment in transit, the Shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder as provided in the Form of Acceptance-cum-Acknowledgment and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in dematerialised form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgment. In case of shareholder(s) holding Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at their own risk). The decision regarding (i) the acquisition (in part or full), of the Shares tendered pursuant to the Offer, or (ii) rejection of the Shares tendered pursuant to the Offer along with (a) any corresponding payment for the acquired Shares and/or (b) return of share certificates for any rejected Shares or Shares withdrawn or Shares accepted in part, will be dispatched to the Shareholders by registered post or by ordinary post as the case may be, at the Shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgment.
- 180 For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/ not credited through DC/NECS/ECS/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post at the Shareholder's sole risk.
- 181 All cheques / demand drafts / pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Shares, payment will be made in the name of the person stated in the contract note.
- 182 A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment and Form of Withdrawal) is expected to be available on SEBI's website (<http://www.sebi.gov.in>) during the period the Offer is open and may also be downloaded from the site.
- 183 Pursuant to Regulation 22(5A) of the Regulations, Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA and the Letter of Offer can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions mentioned in the letter of offer, so as to reach the Registrar to the Offer at its address mentioned in paragraph 184 below on or before February 1, 2012.
- 184 The withdrawal option can only be exercised by submitting the Form of Withdrawal as per the instructions included in the Form of Withdrawal so as to reach the Registrar to the Offer at its address Link Intime India Private Limited as the Registrar to the Offer (Unit: INEOS ABS - Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078, Tel: +91-22-2596-0320; Fax: +91-22-2596-0329; email: ial.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare)
- 185 In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper along with the following details:
- a. In case of physical Shares: Name and address of the Shareholder, distinctive numbers, folio numbers, number of Shares tendered/withdrawn, copy of duly acknowledged Form of Acceptance-cum-Acknowledgment;

- b. In case of dematerialized Shares: Name, address, number of Shares tendered/withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account, copy of duly acknowledged Form of Acceptance-cum-Acknowledgement.

Tax Related Provisions

186 General

- a. As per the provisions of section 195(1) of the I-T Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the I-T Act or as business profits or interest income (if any) as the case may be, Acquirer/PACs are required to deduct taxes at source (including surcharge and education cess).
- b. Resident and non-resident Shareholders as per I-T Act (including FII) are required to submit their Permanent Account Number ("PAN") for income-tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer/PACs will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the I-T Act, whichever is higher.
- c. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer/PACs, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted treating the shareholder as non - resident and at the rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the entire consideration and interest if any, payable to such Shareholder.
- d. Any shareholder claiming benefit under any Double Taxation Avoidance Agreement between India and any other foreign country should furnish 'Tax Residence Certificate' provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident.
- e. Under any circumstances, the acquirer will not accept any request from any shareholder for no deduction of tax at source or deduction of tax at lower rate on the basis of any self computation / computation by any tax consultant of capital gain and / or interest, if any and tax payable thereon
- f. Securities transaction tax will not be applicable to the Shares accepted in this Offer.
- g. The provisions contained under clause (b) and (c) above shall apply notwithstanding anything contrary contained in paragraphs 187 to 189 below.

187 Tax to be Deducted in Case of Non-resident Shareholders

- a. While tendering Shares under the Offer, NRIs/OCBs/foreign Shareholders shall be required to submit a certificate from the Income-tax Authorities under Section 195(3) or Section 197 of the I-T Act along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer/PACs before remitting the consideration (and the interest, if any). The Acquirer/PACs will arrange to deduct taxes at source in accordance with such certificate.
- b. In case the aforesaid certificate from the Income-tax Authorities under Section 195(3) or Section 197 of the I-T Act is not submitted, the Acquirer/PACs will arrange to deduct tax at the rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the entire consideration and interest if any, payable to such Shareholder.
- c. In case of an individual non – resident shareholder, who is either a citizen of India or a person of Indian Origin, who has himself / herself acquired equity shares of the target company with convertible foreign exchange and has also held such shares for at least twelve months prior to the date on which shares, if any, are accepted under the present open offer, the applicable rate of tax deduction at source would be 10.30%. However, to be eligible for this lower rate of tax deduction at source the shareholder will have to furnish copy of his / her demat a/c. clearly reflecting the fact that share held in that a/c. are in repatriable mode. Further, copy of the demat a/c. should also reflect that the shares were held for more than twelve months prior to the date on which shares, if any, are accepted under the present open offer. In case of shares held in physical mode the shareholder will have to furnish certificate from his / her bank to the effect that the purchase consideration of these shares was paid out of non resident external a/c of the shareholder concerned.

188 Withholding tax implications for FII

- a. As per provisions of section 196D(2) of the I-T Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in section 115AD of the I-T Act to a FII as defined in section 115AD of the I-T Act.

- b. A FII should certify ("FII Certificate") the nature of its income arising from the sale of Shares in the Target Company as per the I-T Act by tick marking appropriate box in the Form of Acceptance-cum-Acknowledgement. In the absence of FII Certificate to the effect that their income from sale of Shares is in the nature of capital gains, the Acquirer/PACs will deduct tax at the rate applicable to the category to which such FII belongs on the entire consideration payable to such FII. Should FII submit a certificate from the Income-tax Authorities under Section 195(3) or Section 197 of the I-T Act while tendering the Shares, indicating the amount of tax to be deducted by the Acquirer under the I-T Act, the Acquirer/PACs will deduct tax in accordance with the same.
- c. In respect of interest income, should FII submit a certificate from the Income-tax Authorities under Section 195(3) or Section 197 of the I-T Act indicating the amount of tax to be deducted by the Acquirers/PACs under the I-T Act, the Acquirer/PACs will deduct tax in accordance with the certificate so submitted. In absence of such certificate, the Acquirer/PACs will arrange to deduct tax at the rate applicable to the category to which such FII belongs.

189 Tax to be deducted in case of resident Shareholders

- a. In absence of any specific provision under the I-T Act, Acquirer/PACs will not deduct tax on the consideration payable to resident Shareholders for acquisition of Shares.
- b. Acquirer/PACs will deduct the tax at the stipulated rates on interest, if any, payable to resident Shareholders, if amount of interest payable is in excess of Rs.5,000 (Rupees Five Thousand only).
- c. The resident Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement a certificate from the Income-tax Authorities under Section 197 of the I-T Act indicating the amount of tax to be deducted by the Acquirers or, in the case of resident Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration. In case the aforesaid certificate or Form 15G or 15H, if applicable, is not submitted, the Acquirers/PACs will arrange to deduct tax at the rate as may be applicable to the category of the Shareholder under the I-T Act. Also, no tax is to be deducted on interest amount in the case of resident Shareholder being a Mutual Fund as per Section 10(23D) of the I-T Act or a Bank/an entity specified under Section 194A(3)(iii) of the I-T Act if it submits a copy of relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

190 Issue of withholding tax certificate

The Acquirers/PACs will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

191 Withholding taxes in respect of overseas jurisdictions

- a. Apart from the above, the Acquirers/PACs will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes ("Overseas tax").
- b. For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement the quantum of the Overseas tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirers/PACs will be entitled to rely on this representation at their/its sole discretion.

192 Shareholders who wish to tender their Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

Information requirement from non-resident Shareholder

1. Self attested copy of PAN card
2. SEBI registration certificate for FII (including sub – account of FII, wherever applicable)
3. Self attested declaration in respect of residential status i.e. resident or non – resident (for tax purposes) and status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other - please specify)
4. In case of FII, FII Certificate (i.e. self attested declaration certifying the nature of income arising from the sale of Shares, whether capital gains or otherwise)
5. Copy of relevant pages of Demat Account in case of Non – Resident (other than FII) if the shares are claimed to have been held for more than twelve months prior to the date of acceptance, if any, of share under open offer.
6. Copy of relevant pages of Demat Account in case of a shareholder claiming benefit of clause 165 (c) above. Also Banker's Certificate related to payment for acquisition of shares in convertible foreign exchange in case shares are held in physical form.

7. Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the shareholder claims to be a tax resident, wherever applicable
8. Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the I-T Act, wherever applicable

Information requirement in case of resident Shareholder

1. Self attested copy of PAN card
 2. Self attested declaration in respect of residential status i.e. resident or non – resident (for tax purposes), status of Shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify)
 3. If applicable, self declaration form in Form 15G or Form 15H (in duplicate), as applicable
 4. Certificate from the Income-tax Authorities under Section 197 of the I-T Act, wherever applicable (for interest payment, if any)
 5. For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the I-T Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)
- 193 The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the amount received pursuant to this Offer. The tax rates and other provisions may undergo changes.
- 194 All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers/PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.
- 195 Pursuant to the Regulation 13 of the SEBI (SAST) Regulations, the Acquirer and PACs have appointed Kotak Mahindra Capital Company Limited as the Manager to the Offer. The Acquirer and PACs have appointed Link Intime (India) Private Limited as the Registrar to the Offer.

XI. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at 1st floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certified true copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Acquirer and the PACs and the Target Company
- Audited annual reports/financial statements of the PACs and the Target Company for the last completed three financial years
- The historical financial information relating to the Acquirer for the three years ended December 31, 2010 and nine months ended September 30, 2011 and the report thereon by PricewaterhouseCoopers LLP dated January 5, 2012
- Certificate from Mr. Kirit Sheth, Membership No. 037824, Proprietor of M/s K .J .Sheth & Associates Chartered Accountants, dated October 21, 2011, certifying the adequacy of financial resources with Acquirer and the PACs to fulfill the Offer obligations
- Escrow Agreement between the Acquirer/PACs, Citibank N.A. and the Manager to the Offer, dated October 21, 2011
- Copy of the agreement between the Acquirer, the Registrar to the Offer, the Depository Participant and the Manager to the Offer for opening the Special Depository Account for the purpose of the Offer
- Copy of the Master Agreement
- Letter from Citibank N.A., confirming the deposit of Rs. 348,813,099.70 (Rupees Three Hundred and Forty Eight Million, Eight Hundred and Eighteen Thousand Ninety Nine and Paise Seventy Only) in the Escrow Account
- Copy of the application dated November 2, 2011 made to RBI
- A copy of confirmation from DP regarding opening of special depository account in the name and style of 'LIPL INEOS ABS (India) OPEN OFFER ESCROW DEMAT ACCOUNT'
- Published copy of the Public Announcement dated October 22, 2011
- SEBI's observation letter dated January 2, 2012

Manager to the Offer, for and on behalf of the Acquirer and the PACs



XII. DECLARATION BY THE ACQUIRER AND THE PACS

For the purpose of disclosures in this Letter of Offer relating to the Target Company, the Acquirer, the PACs and the Board of Directors of the Acquirer and the PACs have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer, the PACs and the respective Board of Directors of each of the Acquirer and the PACs accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirer and the PACs as laid down in the Regulations. The Acquirer and the PACs shall be severally and jointly responsible for ensuring compliance with the Regulations.

Signed by

Sd-

For the Board of Directors of Styrolution (Jersey) Limited

Name : Roberto Gualdoni
Designation : MD and CEO - Styrolution GmbH
Date : January 5, 2012
Place : Ludwigshafen

For the Board of Directors of Styrolution Holding GmbH

Name : Roberto Gualdoni
Designation : MD and CEO - Styrolution GmbH
Date : January 5, 2012
Place : Ludwigshafen

For the Board of Directors of Styrolution Group GmbH

Name : Roberto Gualdoni - Styrolution GmbH
Designation : MD and CEO
Date : January 5, 2012
Place : Ludwigshafen

For the Board of Directors of BASF SE

Name : Georg Franzmann; Dr. Sascha Reichardt
Designation : Authorized Officers - BASF SE
Date : January 5, 2012
Place : Ludwigshafen

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

INEOS ABS (India) Limited Open Offer

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION(Please send this Form of Acceptance with enclosures to any of the Collection Centres as mentioned in the Letter of Offer)
(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)From
Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	January 16, 2012
LAST DATE OF WITHDRAWAL	February 1, 2012
OFFER CLOSSES ON	February 6, 2012

To

The Acquirer:**Styrolution (Jersey) Limited - INEOS ABS (India) Limited Open Offer**

C/o Link Intime (India) Private Limited,

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai - 400078

Dear Sir,

Sub: **Open offer ("Offer") for acquisition of 29,31,920 equity shares of INEOS ABS (India) Limited ("Target Company") of Rs. 10/- each at a price of Rs. 606.81 per equity share by Styrolution (Jersey) Limited ("Acquirer") Styrolution Holding GmbH ("JVCo"), Styrolution Group GmbH ("Holdco"), BASF SE ("BASF") (hereinafter together referred to as persons acting in concert with Acquirer or "PACs"), in compliance with Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations")**

I/We refer to the Public Announcement dated October 22, 2011 and the Letter of Offer for acquiring the equity shares held by me/us in INEOS ABS (India) Limited.

I/We, the undersigned, have read the Public Announcement and Letter of Offer and understood their contents including the terms and conditions mentioned therein.

SHARES IN DEMATERIALIZED FORM

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my Shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I/We have executed an off-market transaction for crediting the Shares to the special depository account as per the details below

- via a delivery instruction from my account with NSDL
 via an inter-depository delivery instruction from my account with CDSL

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	LIPL INEOS ABS (India) OPEN OFFER ESCROW DEMAT ACCOUNT
DP Name	Citibank N.A.
DP ID Number	IN300054
Beneficiary Account Number	10059096
ISIN	INE189B01011
Market	Off-Market
Date of Credit	On or before February 6, 2012

Shareholders should ensure that the Shares are credited in the aforementioned account before the close of business hours on February 6, 2012.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

-----Tear along this line -----

Acknowledgement Slip**INEOS ABS (India) Limited Open Offer**

Received from Mr./Ms. _____ a Form of Acceptance cum Acknowledgement for _____ Shares along with:

- copy of depository instruction slip from DP ID _____ Client ID _____
 _____ Share certificate(s) _____ transfer deed(s) under folio number(s) _____

for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:	Signature of Official:	Date of Receipt:
-----------------------------	------------------------	------------------

SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
<i>(In case the space provided is inadequate, please attach a separate sheet with details.)</i>					
Total No. of Equity Shares					

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For all shareholders*

I / We, confirm that our residential status for the purposes of tax is:

- Resident
 Non-resident. If yes, please state country of tax residency - _____

I / We, confirm that our status is:

- Individual
 Firm
 Company
 Association of Person / Body of Individual
 Trust
 Any other - please specify _____

For FII shareholders

I/We, confirm that the income arising from the transfer of shares tendered by me/us is in the nature of *(select whichever is applicable)*

- Capital gains Any other income

I / We, have enclosed the following documents:

- Self attested copy of PAN card
 SEBI registration certificate for FII (including sub – account of FII)
 Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the FII claims to be a tax resident, wherever applicable
 Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the I-T Act, wherever applicable
 Copy of RBI approvals, if any, for acquiring shares of INEOS ABS (India) Ltd hereby tendered in the Offer.

For Non-resident shareholders (other than FII)

- Self attested copy of PAN card
 Copy of relevant pages of Demat Account in case of Non – Resident (other than FII) if the shares are claimed to have been held for more than twelve prior to the date of acceptance, if any, of share under open offer
 Copy of relevant pages of Demat Account in case of a shareholder claiming benefit of clause 164 (c) above. Also Banker's Certificate related to payment for acquisition of shares in convertible foreign exchange in case shares are held in physical form.
 Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the shareholder claims to be a tax resident, wherever applicable
 Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the I-T Act, wherever applicable
 Copy of RBI approvals, if any, for acquiring shares of INEOS ABS (India) Ltd hereby tendered in the Offer.

I/We confirm that _____ [please specify the amount / rate of Overseas tax to be withheld] is deductible on the entire consideration towards Overseas tax as per the relevant tax laws of the country in which I/we am/are a tax resident. (Refer paragraph 191 of the Letter of Offer)

**All shareholders are advised to refer to clauses 163 to 172 on taxation in Section X of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them.*

For Resident shareholders

I / We, have enclosed the following documents:

- Self attested copy of PAN card
 Certificate from the Income-tax Authorities under Section 197 of the I-T Act, wherever applicable
 Self declaration form in Form 15G / Form 15H, if applicable
 For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act, 1961, copy of relevant Registration or notification (applicable only for interest payment, if any)

-----Tear along this line -----

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Link Intime (India) Private Limited

Unit: INEOS ABS - Open Offer

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078

Tel: +91-22-2596-0320; Fax: +91-22-2596-0329

Contact Person: Mr. Pravin Kasare

Email: jal.offer@linkintime.co.in

I/We confirm that the equity shares of INEOS ABS (India) Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, share certificate(s)/Shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Shares in dematerialized form, I authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the warrants will be issued with the said Bank particulars, and not any details provided herein.

Name of the Bank		Branch	
Account Number		Savings/Current/(Others: please specify)	

Yours faithfully,
Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder _____

Place:

Date:

The details of the collection centres are as follows:

S.No	Collection Centre	Address of Collection Centre	Contact Person	Phone no	Fax	Mode of delivery
1	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai -400078. pravin.kasare@linkintime.co.in	Mr. Pravin Kasare	+91-22-2596- 0320	+91-22- 2596-0329	Hand Delivery & Registered Post/ Courier
2	Ahmedabad	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad- 380009 ahmedabad@linkintime.co.in	Mr. Hitesh Patel	+91-79-2646- 5179	+91-79- 2646-5179 (Telefax)	Hand Delivery
3	Vadodara	Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara - 390020 vadodara@linkintime.co.in	Mr. Alpesh Gandhi	+91-265-2356 573 / 2356 796 / 2356 794	+91-265- 2356791	Hand Delivery
4	New Delhi	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028 delhi@linkintime.co.in	Mr. Swapan Naskar	+91-11-4141- 0592/93/94	+91-11- 4141-0591	Hand Delivery
5	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai-600 017 chennai@saspartners.com	Mrs. Solly Soy	+91-44-2815- 2672, +91-44- 4207-0906	+91-44- 2815-2672 (Telefax)	Hand Delivery
6	Kolkatta	Link Intime India Pvt. Ltd, 59C,Chowringhee Road,3rd Floor,Kolkata -700020 kolkata@linkintime.co.in	Mr. S.P. Guha	+91-33-2289- 0539/40	+91-33- 2289-0539 / 40 (Telefax)	Hand Delivery

Note: Business Hours: Monday to Friday 10:00 AM to 1.00 PM and 2.00 PM to 4:30 PM, except Public Holidays

INSTRUCTIONS:

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

- (1) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.
- (2) **Shareholders holding registered physical Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.
- (3) **Shareholders holding Shares in dematerialised form** should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").
- (4) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
- (5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
- (6) **Persons who own physical Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or in person to the Registrar at their offices as mentioned above.
The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.
In order to avail Electronic Clearing Service ("ECS") for receipt of consideration, the attached ECS mandate form needs to be duly filled in and signed by the Sole/First Shareholder and submitted with the Form before the closure of the Offer.
- (7) **Non-resident Shareholders** should enclose copy(ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company. OCBs (as defined under FEMA) are requested to seek a specific approval of the Reserve Bank of India for tendering their shares and a copy of such approval must be provided along with other requisite documents.
- (8) **Shareholders** are also advised to refer to clauses 142 to 150 on taxation in Section X of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them.
- (9) NRIs, OCBs and foreign shareholders are required to furnish Banker's Certificate certifying inward remittances of funds for acquisition of shares of the Target Company.
- (10) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
- (11) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
 - (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
 - (c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

FORM OF WITHDRAWAL

INEOS ABS (India) Limited Open Offer

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

From Folio No./DP ID No./Client ID No.:	OFFER OPENS ON	January 16, 2012
	LAST DATE OF WITHDRAWAL	February 1, 2012
	OFFER CLOSES ON	February 6, 2012

To**The Acquirer:****Styrolution (Jersey) Limited - INEOS ABS (India) Limited Open Offer**C/ o Link Intime (India) Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400078

Dear Sir,

Sub: Open offer ("Offer") for acquisition of 29,31,920 equity shares of INEOS ABS (India) Limited ("Target Company") of Rs. 10/- each at a price of Rs. 606.81 per equity share by Styrolution (Jersey) Limited ("Acquirer") Styrolution Holding GmbH ("JVCo"), Styrolution Group GmbH ("Holdco"), BASF SE ("BASF") (hereinafter together referred to as persons acting in concert with Acquirer or "PACs"), in compliance with Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations")

I/We refer to the Public Announcement dated October 22, 2011 and the Letter of Offer for acquiring the equity shares held by me/us in INEOS ABS (India) Limited.

I / We, the undersigned have read the aforementioned Public Announcement and the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our Shares from the Offer and I / we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our Shares from the Offer, no claim or liability shall lie against the Acquirer/ Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. February 1, 2012 before 4:30 p.m.

I / We note the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / Shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for non receipt of shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
<i>(In case the space provided is inadequate, please attach a separate sheet with details.)</i>					
Total No. of Equity Shares					

-----Tear along this line -----

Acknowledgement Slip

INEOS ABS (India) Limited Open Offer

Received from Mr./Ms. _____ residing at _____ a Form of Withdrawal for _____ Shares along with:

- copy of depository instruction slip from DP ID _____ Client ID _____
- copy of acknowledgement slip issued when depositing dematerialized Shares
- copy of acknowledgement slip issued when depositing physical Shares

for withdrawing from the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	
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I / We hold the following Shares in dematerialized form and had executed an off-market transaction for crediting the Shares to the "LIPL INEOS ABS (India) OPEN OFFER ESCROW DEMAT ACCOUNT". Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I / We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I / We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder _____

Phone: _____ Email: _____

Place: _____

Date: _____

INSTRUCTIONS

- (1) **Shareholders desirous of withdrawing their acceptances tendered in the Offer can do up to February 1, 2012, being Three (3) working days prior to the Closing of the Offer.**
- (2) The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed along with the copy of the acknowledgment slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgment.
- (3) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.
- (4) **In case of Shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.
- (5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
- (6) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
- (7) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):
 - (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
 - (b) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

-----Tear along this line-----

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Link Intime (India) Private Limited
Unit: INEOS ABS - Open Offer
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078
Tel: +91-22-2596-0320; Fax: +91-22-2596-0329
Contact Person: Mr. Pravin Kasare
Email: jal.offer@linkintime.co.in

MANDATE FORM
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

Styrolution (Jersey) Limited
 Ogier House, The Esplanade
 St Helier, JE4 9WG
 United Kingdom

Dear Sirs:

I am pleased to participate in the Electronic Clearing Services (ECS) introduced by Reserve Bank of India (RBI). The particulars of my Bank Account to which the payment of Offer consideration may be electronically credited are as follows:

1. Name of Sole/First Holder of shares _____
2. Folio No. _____
3. Name of the Bank _____

4. Branch address of Bank to which consideration
 Amount to be credited _____

5. 9-digit Code Number of the Bank and Branch
 appearing on the MICR cheque issued by your
 Bank. This is mentioned on the MICR band next
 to the cheque number.
**(Please attach blank "cancelled" cheque or a
 Xerox copy thereof).**
6. Account Type (tick one) Savings Current Cash Credit
7. Ledger Folio of your Bank Account
 (If any, appearing on your cheque book) -----
8. Account No. (as appearing on your cheque book) -----

I hereby declare that the particulars given above are correct and complete. If the payment of Offer consideration is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

Date: _____

Signature of Sole/First Holder

In case the shareholder is not in a position to give blank "cancelled" cheque or a Xerox copy thereof, a certificate of the shareholder's Bank may be furnished as under:

Certificate of the Shareholder's Bank

(To be submitted only if blank "cancelled" cheque or a Xerox copy thereof is not enclosed)

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp: _____

Date: _____

Signature of the Authorized Official of the Bank