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BASF India Limited, Mumbai - 400 051, India

May 23, 2023

The Market Operations
Department BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

**Name of the Company : BASF INDIA
LIMITED Security Code No. : 500042**

Dear Sir/Madam,

Re: Transcript of the Analysts / Fund Managers Meeting of BASF India Limited held on 19th May 2023.

We enclose herewith the transcript of the Analysts / Fund Managers Meet of BASF India Ltd, held on Friday, 19th May 2023 at 4 p.m., for your information & records.

Please treat the above information as intimation under Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Thanking You,

Yours faithfully,

For BASF India Limited

Manohar Kamath
Director – Legal, General Counsel (India)
& Company Secretary

Pankaj Bahl
Manager- Company Secretarial

Cc: Listing Compliance,
National Stock Exchange of India
Limited, Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra –
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Internal

BASF INDIA LIMITED – Analyst / Fund Managers Meeting

19th May 2023

Mr. Manohar Kamath – Director - Legal, General Counsel (India) & Company Secretary, BASF India Limited

Good afternoon, Everyone,

I welcome all the Analyst & Fund Managers to our 1st Analyst / Fund Managers Meet for the year 2023. I would also like to welcome Mr. Alexander Gerding, our Managing Director, Mr. Narendranath J. Baliga, our Chief Financial Officer and Mr. Anil Choudhary, our Manufacturing Head & Whole-time Director to this Analyst / Fund Managers Meet.

I request Mr. Alexander Gerding, Mr. Narendranath J. Baliga and Mr. Anil Choudhary to kindly introduce themselves.

- **Mr. Alexander Gerding – Managing Director, BASF India Limited:**

Very warm welcome from my side to the Analysts / Fund Managers who are on the line. My name is Alexander Gerding, I had the honor to take over the position as Managing Director for BASF India limited as of 1st of January 2023 and first and foremost, I would really like to give a special thanks to my predecessors, first and foremost Mr. Narayan Krishnamohan who did a great job and but also Dr. Raman Ramachandran and Mr. Prasad Chandran. I think my predecessors have done a fantastic job to run the company and my ambition is to follow their footsteps and to continue this successful growth story of BASF India limited here in the country so maybe some introduction so that you get to know me a little more. I have been with BASF for 23 years my background is a business administration I actually started right out after high school with the company in a dual program that lasted five years finishing with a Master of Business Administration in the U.S and within the 23 years I've had the opportunity to work in in different regions ranging from South America to North America Eastern Europe and now me and my family are very happy to call India our new home. My positions in those 23 years have primarily been business related so sales marketing and business management and my last position, I was heading the agricultural Solutions business for BSF in Eastern Europe located in Germany and so we're happy you know to be here I'm married to Lucrecia. She is from Argentina as you know Argentina World won the soccer World Cup at the end of last year so she's very happy in a good mood right now and we have four children two boys and two girls so we have a good balance at home I would say we as a family are very happy to call India our new home we arrived the end of February 2023 and really enjoying our time here and looking forward to also explore this beautiful country with the strong heritage so they're very happy to be here and looking forward also to get to know all of you and to exchange today so thank you.

Mr. Manohar Kamath – Director - Legal, General Counsel (India) & Company Secretary, BASF India Limited

Thank you Mr. Alexander Gerding. We are also happy to have you here and looking forward yeah as well.

Mr. Narendranath J. Baliga, Chief Financial Officer

Good Afternoon everyone I'm Narendra and Chief Financial Officer of the Company and also heading the Global Business Service Unit for India and I'm in BASF for 30 years and most of you generally know me so I'll stop telling you thank you.

Mr. Anil Choudhary, Manufacturing Head & Whole-time Director

Good afternoon and welcome to the event today I'm Anil Chaudhary as Vice President and Whole time Director for BASF India Limited, I'm responsible for business segments like Materials, Surface Technologies and Industrial Solutions at the same time also heading manufacturing for BASF India Limited. I am in BASF now since 12 years and I have been working in this 12 years apart from the current role into various functions and businesses and like Mr. Alexander Gerding I also started my this current role from first of January 2023 looking forward for today's discussion.

Mr. Manohar Kamath – Director - Legal, General Counsel (India) & Company Secretary, BASF India Limited

Thank you and to just to introduce myself, I am Manohar Kamath. I have been with BASF now for almost more than 15 years and my current role is the at the legal function. I'm also the General Counsel for BASF companies in India and also the Company Secretary for BASF India Limited and we are happy to host this event for all of you.

A quick notes on some of the key points: -

All the participants are requested to note that this Meeting is being recorded and the audio & video recording of this Meeting together with the presentation and the meeting transcript would be uploaded on our website and also submitted to the stock exchanges. Further, I would also like to brief you about certain important points for smooth conduct of this meeting.

- All of you have been placed on mute mode to avoid any disturbances arising from the background noise.
- During the question & answer session, the names of those who have already registered with us for asking questions, will be called and thereafter, the respective speaker will be unmuted.
- Others who wish to ask questions, may raise their hand, by clicking on "Raise Hand" icon on the Microsoft teams page.

I would request all speaker participants to be brief while asking their questions / queries.

I now request Mr. Alexander Gerding and Mr. Narendranath J. Baliga to give a presentation on Company's performance for the financial year ended 31st March 2023 and other related topics.

Mr. Alexander Gerding – Managing Director, BASF India Limited:

We are here to answer your questions but before we do so we have brought a few slides that we wanted to share and maybe I'll kick it off and then I'll hand over to Mr. Narendranath J. Baliga to go more into the details of the numbers and then looking forward really to have to have the open questions and answer later with all of you so may be as a disclaimer you know forward-looking statements I think you are all aware about this yeah but I still would like to call it out so we will only discuss matters in the public domain and as a matter of policy we do not provide any forecasts about the future business situation and we also do not comment or give guidance on future results or business Outlook I think that's important disclaimers and in BSF we always start meetings with safety briefing which is also what we wanted to start today. I think you know safety is our number one priority it is our license to operate and we constantly strive for a zero incident zero accident mindset so if we look at our safety performance at BASF India Limited in the financial year 22- 23 you can see here two key KPIs which is lost time injury which we call LTI and process safety incident PSI and you can see that on Lost Time injury we actually have an improvement but still we had one incident which was a hot water splash, where one colleague got some hot water on the hip, fortunately the colleague is fully recovered and obviously we implemented measures to avoid this from happening again by providing filters where this incident happened. We also had three minor process safety incidents two out of them were

minor leakages without any operator exposure without any environmental impact so they were quite contained yeah but nonetheless also there we analyze the root causes and made technical upgrades to avoid these from happening again I think it's important to mention that you know we didn't have any High severity incidents last year and also no Fatality and I think that's very important and our safety track record in BASF India limited has been extremely solid it's actually better than the global average and we want to maintain that very safe track record moving forward.

Nonetheless, every incident every accident is one incident an accident too much so we really strive for a zero incident accident mindset and anytime we have an incident even if it's minor it doesn't matter we have immediate exchanges between the EHS and the Plant for operators trying to find out the root cause and we always Implement measures to avoid these incidences from happening again we're also including our Target agreements safety KPIs and not only target agreements of our colleagues that are operating at the plants but also our business colleagues yeah so this is a mindset that we drive in the company and that is very important because it is our license to operate so having said that I wanted to share a few of the highlights of financial year 2022 - 2023 and maybe starting with you know the expansion of our production and capabilities so in in 2020 in fiscal year 22-23, we doubled our production capability for dispersions at the Dahej site so we had another line which is well running yeah and well utilized already today, so very successful ramp up also of this line. We also had an expansion for ultramet polyamide Panoli and we started Sovermol production at Mangalore so I think three key investments about expansion that increases our production capability to service our customers in India.

We also improved our business excellence, so we had a successful launch of new products and I think this is not the first time that you hear about one example which I brought here which is Exponus, an insecticide in the fruits and vegetables segment. I think this was really a fantastic launch very well and professionally prepared by the team and I think within 130 days we reached Rs. 100 crore sales with this product and this is shaping to become a very substantial product in our agricultural portfolio and what is especially important to mention is that we historically have been more of a herbicide and fungicide a company and here we're entering really the insecticide segment which obviously is a very important segment in India and this is allowing us to really diversify our portfolio and make us also more resilient as an agricultural business so very successful launch. We also launched a new dispersion so this is not the only launch neither in the agricultural space nor in BASF India Limited in 2022 but it's just one example. If you look to the middle we also introduced several web shops different business units yeah but here I brought just one example for performance materials the Footwear catered to the Footwear industry as one of several yeah but here our ambition and our intentions really to improve the customer experience. Customers can go on these web shops they can find out more about our products they can place orders track orders so and not just it's know allowing existing customers to find out more but also prospective customers so customers that are interested in finding out about BSF products can go on this website so it's also expanding our customer reach yeah and then most recently we've been a T3 Authorized economic operator with the T3 classification for customs which is really a testament and big congratulations and kudos to the team that was involved in attaining this certification it's the highest certification possible we were already we already had a T2 classification now we have T3 and there's only very few large chemical companies that have this level of classification and it really showcases that we have the highest compliance standards also with customs and imports and this new classification will allow us to custom clear our products even faster in the future so it's a clear benefit it will provide more speed more flexibility that we obviously that our customers in India will also experience yeah so I think these are some examples of how we improve our business excellence.

we also had very active stakeholder engagement so here and everyone not go into each of these but you see different segments I mean most recently the upper left picture you know we had our key Distribution Partners in the agricultural Solutions division together recognizing their support to BSF India Limited in FY 2022 - 2023 year agricultural Solutions had really a great performance a great year and here we had 50 50 Distributors represented that is a significant portion of our business and agricultural Solutions uh with a recognition we also in the middle were active in the Indian chemical Council and presenting about sustainability and then you see also you know with our Pharma customers with our care chemicals intermediates team battery materials which is certainly a prospective industry that is developing and will grow in the future and also our performance materials team which is a very important platform where we

participated as well so we were present and active in key industry platforms and continuously engaging with across stakeholders especially our customers foreign that we have in the company is our people and I think we focus on our employees and obviously you also want to provide an inclusive environment for employees so on the upper left you see at the Thane site we recently introduced washing facilities for female colleagues here we obviously also recognized our know long-standing employees that have been around with us for more than 25 years in special employee recognition sessions here you see a picture of in Mangalore in one of our multi – operating division site. Diversity and inclusion is very important for us and we continue to foster and drive diversity & inclusivity across the entire organization. We also had the honor to receive several awards that you see on the lower left and we also want to give back to our communities so I had the honor to recently introduce a digital classroom education which is extremely important I mean I have four children of my own so I know what it means to have good education and here you know I'm honored that we were able to have a digital classroom being installed and here in Navi Mumbai actually very close to our head office and at one school and this will be done in multiple schools across across India and we're also going to be actively looking at introducing again kids lab we had to also make kids more familiar to chemistry because we also want to make sure that in the future we have good prospective future BASF employees yeah so giving back to community I think is equally important and taking care of our of our employees is a key priority for us. Now if I had to sort of summarize last year and I think this picture is also quite valid for this year yeah and you know what would be the picture I would select and it looks a bit like this yeah we had to find a picture that where we don't have any copyright infringement so initially there was another one but we opted for this one finally so if you look a little bit about and before Naren goes now into the financials yeah it goes more into detail.

I just wanted to give maybe a quick intro starting with the macro-economic environment so obviously with the Russian invasion into Ukraine and the ongoing war that we are confronted with since the end of February 2022 which then also had a massive impact on energy crisis especially in Western Europe. I think this situation then also led or influenced inflation in many countries. We have rising interest rates still around us in 2022 I mean there were some countries more affected than others but I think we've had sort of a cloudy not so easy context yeah macroeconomically um and this obviously also impacted BASF and if you look at you know the publicly announced results of BASF SE in Germany, we always talk um about when we look at when we talk about the calendar year 2022 so January to December we always talk about two half's in BASF yeah the first half which was probably the best first half we've ever had in the company and in the second half which was probably one of the worst second halves that we've had we saw a very mixed bag. So there was some sunlight but there were a lot of clouds as well and I think if you look at our situation in BASF India Limited, there is some reflection of that as well yeah so our first quarter fiscal year which is the second quarter calendar year 2022 was extremely strong and but then we saw you know July onwards also a softening of demand as we see macroeconomically as well and that has been impacting especially up-stream businesses if you look at the materials and chemicals segments while our downstream businesses were quite robust yeah and so it was also a mixed picture for us in BASF India Limited and I would hand over now to Naren to go a little bit more details into the numbers and then we'll sort of conclude later.

- **Mr. Narendranath J. Baliga, Chief Financial Officer**

Thanks Alex. Thanks also for setting the context before we go into the financial performance section. As you know we have six segments in BASF each segment having two business units except for agriculture solution which is a segment by itself and when you see the pie chart you realize Materials is our biggest segment with 28% contributing to the total sales which is ~ Rs. 13 600 crores and coming second is Nutrition and Care which was not so much there in BASF in India before three years back before coming it was not there and now it has become one of the second or one of the biggest segments that we have which has two business units i.e., care chemicals and nutrition and health.

Agriculture solutions, most of you are always interested in this and ask questions on agriculture solution how big is it what is it doing 13% of our sales is coming from agricultural Solutions as compared to probably around 40 % many years back so it has become a more diversified product portfolio company going forward and all the segments of BASF globally are represented in India some of the businesses have Manufacturing in India and some of the businesses have trading in India so depending on what the customer needs we

have the capability to bring that material to them in the most efficient manner the results you have seen a couple of days back quarter on quarter we have uh kind of maintained the already very good year of January uh March quarter and like Alex explained the first half of last year 2022 was one of the best ever for the chemical industry globally and we are also the beneficiaries of that for the March 2022 quarter and following that for the current year we are we have been able to maintain the sales almost at the same level a small three percent reduction but a good performance of last year has been maintained in January uh to March 2023 also but at the same time like I'm going to explain in the further slides the margins have been hit hard with the increased uh input prices and also compared with the softening of the sales price this is because of the commodity prices volatility this has happened input prices have gone up but we have not been able to pass on the fully uh change to the customer so prices have also suffered so with that almost a 50 reduction in the profit before tax before special item and looking at the full year results already a good year of April March 2022 has been matched with the four percent growth which is mostly coming out of volume growth yeah this would be interesting to for you to know that almost 10 to 12 volume growth you could achieve on last year performance and the softening prices impacted the results with a 30% in profit before tax so I'll drill this down a yearly performance of both revenue and PBT in the next slides before we go there it would be kind of interesting to see how did we perform pre-covid and over the quarter so each one of the bars here on the left shows you quarterly performance starting with March 2020 which is pre-covid I can say and if you remember during that period we had around Rs. 1900 crores as our sales around there yeah Rs. 1900 – Rs. 2000 uh growth sale per quarter and June 2020 was the kind of the worst quarter where we could get only Rs. 1800 uh but we know at that time we had lockdowns in the company and some of our or rather all the operational plants were closed down lockdown physically and that's what we have suffered there after that like I mentioned when I was showing the segments almost every segment did well and we could achieve a higher growth quarter to quarter though the June quarters as you know with our Agro contributing is one of the best always in a year June is the best quarter that we have and that is shown here for June 2021 followed by June 2022 on an annual basis compounded growth of 22 percent so I'm starting it from before covid recovery i.e. Rs. 1900 gross Rs. 2000 crores and a 22 CAGR over a period consistently we have maintained quarter to quarter there is a kind of up and down but then over a period of full year we have achieved that in the last three Financial years profit before tax before exceptional items June 20 because of the lockdown that we had one quarter of loss and after that we have showed a good profit every quarter especially in the June quarter which happens to be the best in the year December 2022 when we published the result there was a surprise in the market about how come it felt that much and when you looked at the industry also almost every company suffered during that quarter it demands by softening prices were softening and there were challenges the good thing is by March 23 we have been able to bring back the profitability and we have at least a hundred crores for March 20 this is the net working capital development the dark blue bar at the bottom is the accounts receivable the light blue bar the top is the inventory and the gray bar at the bottom below the line is the accounts payable and the line at the top the golden the orange color line at the top is the networking Capital we have so we saw in the earlier slide we have grown at a CAGR of 22 % but the challenge was to grow at that rate and in a sustainable manner by keeping the cost controlled and by having the working capital under control so over that period 1200 crores is what we have been able to achieve repeatedly quarter by quarter year by year we have been able to fine tune our whole Logistics process supply chain process and inventory process so that we don't cross the limits and maintain it within a reasonable limit 1200 crores is already a challenge I mean I would say it's one of the Rock Bottom net working capital we can maintain but keeping it low definitely helps us in our cash management and as you know which we have said last time we have become a debt free company now uh on 31st March there was no debt once a while we borrow small amounts for bridge loan but otherwise uh we are kind of debt free and that is possible because of the networking Capital Management that we have in uh able to achieve so 1200 crores is what you have to remember as we go into the last slide Revenue starting from Rs. 13000 crores last year to now it's Rs. 13,645 crore and if you ask what are the segments which contributed in this growth of three percent agriculture solution materials and nutrition and Care stand out these three stand out as significant contributors and whatever you show in the green bar is the incremental sales over last year yes it's not the total sales total sales is the bottom you see for for example if I take agriculture solution last year it was Rs. 1539 crores and this year it is Rs. 1800 crores so the incremental increase is Rs. 258 crore so from that perspective when you see chemicals is the one segment which we got very hit very badly. Alex talked about that also the situation we were facing and how the second half was significantly worse off for us and when we say second off it means the first quarter was the only a good quarter that we had after that three quarters we had to kind of face demand Crunch and

falling sale selling prices without chemicals has suffered and now if you go to the next slide you will see what that means why did the Rs. 747 crore come down to Rs. 528 crore, the biggest hit is from the Materials segment where we have Performance Materials and Monomers this is the one where we got hit very badly and chemicals though it shows minus 71% compared to the previous year quarter still it's a very good achievement of earning of Rs. 40 crores sorry it's a pure merchandise business for us the chemicals and we have earned 40 crores from that business alone so that I would say is a good performance it's the material one which may have been impacted both by increasing input costs and also softening sales price because of the commodity price moments the key performance indicator so what does that mean when we finally uh crunch it down to the summarize summary slide what does that mean receivable days of 66 days yeah which already showed in the earliest line how we have maintained the networking capital under Rs. 1200 crores and that one of the contributors is the receivable days just 66 days we have maintained despite having businesses like agro included there which has sometimes longer credit days and in the receivable days it's only 66 and thereof if you see overdue that's again a very small amount over there that again is very strictly maintained anything about 90 days is only three to four crores yeah on an average we have only three to four crores which crosses 90 days is that kind of a strict management of inventories most of our materials we import yeah 80% of our purchases are imported from different countries it could come from Germany from Antwerp or from Korea or from China but we import and that has a pretty long lead time despite that a 66 days in my opinion is kind of very fine-tuning it probably a little more also it's okay 70 days up to it should be good because you don't want to miss on an opportunity when the customer wants the material you cannot be saying okay wait for two months till I get imported from Europe so we had to achieve that balance and for all the 11 business units we have to ensure that there is enough inventory to cater to the customer needs 66 days is pretty competitive there cash flow from operations you have noticed this Rs. 500 crore plus cash generated from operations and we have Rs. 350 crores of cash in various forms either in cash balance or corporate deposits none of them cash is sitting idle there we have deployed it in the group companies as inter corporate deposits at a very attractive rate and it's a win-win for both the companies to have this Arrangement and there are times when we have to borrow for a very short period 10 days 12 days 15 days kind of we borrow and then we repay when we get the collection at the end of the month because we run the payment cycle on a periodical basis when the pyramid cycle runs we have to probably borrow sometimes so we kind of retain that cash to ensure that we have sufficient cash deploy if there is a working capital requirement we have very tight situation there with only 66 days of inventory and if there that's to be increased if you have sufficient cash to take care of that operating expenses slightly higher here than the definition of operating expenses all expenses excluding employee cost excluding raw material cost and yeah basically a different station these are the three things we exclude and then there's a slight increase but I would say most of that is kind of productive fixed cost increase when the business unit wants to increase the selling sales team that that's the kind of cost that is there but there is a very good control.

A bit before special item four percent that is one area where we had to kind of keep an eye on and keep it at a good higher rate last year it was around six percent now four percent written on Capital employed but the a bit over the capital employed how much a bit we could generate for every dollar of capital employed it is still at a very good 21.5% last year was exceptionally good 35.8% one of the best we ever had and if some of you remember in the earlier days where when we had the Dahej commissioning we had been hit hard on the row C and our clear Target was to bring it up to a decent level and I would say now we are in a very good position of 22 percent return on Capital employed even stricter terms. I use RONA i.e., the return on net assets to see profit after tax after incurring all the interest rate after incurring all the tax. The Profit after tax when compared to net assets that we have deployed to generate this Revenue how much will that be that's around 20% that's the strictest measure you can apply especially for a chemical industry you need to see because we have asset range we have a lot of assets Capital intensive industry and how much we are earning 20% on the assets that's a very good number so that I'm proud of to have that kind of a result this year despite all the challenges that Alex talked about EPS earning per share before exceptional item is 90 rupees that's against 135 that was again a good performance last year compared comparatively still we are performing pretty well and before special items it's a 90 rupees per share and if you remember our announcement we declared a 80% dividend eight zero and it's subject to approval of the shareholders it's recommended by the Board it's a shareholder approval during the AGM and as compared to 60% last year this year we gave 80 percent and two years back it was 100% with 50% normal dividend and 50% special dividend for sale of one of the business units that we did so we gave some special

dividend at that time it was 100% , 60% and now it's 50% around like 80% so but if I take only the normal dividend we have shown an increasing trend there a 50 %- 60% and 80% and that works out to a good um eight to nine percent payout ratio as compared to five so generally we want to go there with a higher payout ratio but at the same time ensure that we reserve enough cash to take care of our working capital requirement and other productive jobs. With that that's my last slide I hand over to Mr. Alexander Gerding to conclude.

Mr. Alexander Gerding, Managing Director

Thank you Naren and may be to close the picture of sort of a mix between cloudy skies and sunlight coming coming out it's probably still valid yeah also for the current times now we don't give any forward-looking statements yeah but I think the context that I described in the beginning I mean we're still within that macroeconomic Global context yeah I think demand is soft in many industries China recovery it has not happened as initially expected I think we all expected after Chinese New Year with the zero covid restriction being lifted yeah that demand in China will pick up a stronger and faster it is picking up but it's not picking up at the level that we expected and I think if you look at the GDP there it's also driven mobile services and less by durable goods yeah so people are traveling again people are going into restaurants again especially after you know pandemic times yeah but they're not buying a lot of stuff right now so I think we see a dampened soft demand and we need to be prepared for that yeah so what is our focus as a company in such an environment is obviously to stay close to our customers I mean it's very important in difficult times or in challenging times they have to be as close as possible to your customers and continue to ensure profitable and sustainable growth we want to also maximize our assets asset utilization while increasing our operations and continue as Naren described I think the team has done a fantastic job yeah of a tight working Capital Management and keeping costs under control. I think growing CAGR you know in the last few years by 22% while keeping cost of capital flat I think that's a great accomplishment and very prudent management of the assets and the working capital so we want to continue to maintain that proven management and lastly I mean it is very important that we focus on our people and we focus on our talent pipeline succession planning talent development and continue to foster diversity and inclusion create an inclusive environment I think we've made a lot of progress here I think there's more to do and I want to close by saying I mean we don't want to paint a dark picture here yeah very clear but we want to paint it a cautious balanced picture yeah I think we're cautiously optimistic I mean India is well positioned as well placed now even more than ever I think you think we're getting a lot of attention uh India is getting a lot of attention not only within BASF but also in the media I'm given the current macroeconomic and geopolitical context globally, I think there are key fundamentals in India that are very strong if you talk about the demographic dividend being the most you know the highest demographic dividend in the world now having surpassed China also you know there was one projection or one of the big consultancy companies saying that by 2030 there will be 100 million Indians which is more than the entire population of my home country Germany 100 million that will be uplifted to the medium to higher income bracket yeah which is ten thousand dollars and higher household income per year and I'll be obviously this aspiring and young population you know will have willingness and capability also to spend more also in premium products and I think that's what BASF will be able to contribute and participate as well so the fundamentals I think are strong also the the government policies I think having a stable government for now the ninth year very also business oriented with the PLI schemes, I think it's very good and strong fundamentals GDP growth this year is projected to be solid I think with the size of India I think having a around six percent GDP growth expectation I think is strong so I would say the fundamentals are strong but we're still we cannot isolate us completely from the from the macroeconomic global context um so we have to be cautious and we're consciously optimistic here and they're preparing ourselves to obviously maximize our opportunities and keeping a good balance between protecting our margins while at the same time also not losing market share and running our assets to the highest level possible and keeping our costs under control I think that's really the focus for us moving forward and with that I would I would conclude here and really open up the floor for questions & answers , Thanks.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thanks Alex for the presentation. People who are on online if you want to ask any questions, please raise your hand by taking the freeze hand icon on the Microsoft teams and we will be giving you the opportunity to speak and ask your questions so the first speaker for us is Mr Varun Bang and he's from Bryanstone Investments.

As Mr. Varun Bang is not reachable, we will come back to you. Now we request Mr. Rohit Nagraj from Centrum Broking Limited.

Mr. Rohit Nagraj, Centrum Broking

Hello, can you hear me, yes good evening and thanks for the opportunity so few questions. One, I think is a generic one in terms of our six segments what is the current demand environment both at domestic level and globally just to understand how the market situation is evolving for our business segments.

Mr. Alexander Gerding, Managing Director

Thank you so maybe I'll start here. Thank you for that for that question. Let's start maybe from Global and then we get closer to home, I think we are still seeing you know and without providing any full looking statements again a key disclaimer here but I think um as you can also see in the numbers I mean we see a softening of demand globally with high in high inflation in many countries with high interest rates I think consumers are cautious right now to spend especially as I mentioned in durable goods so I mean people are traveling again are going to restaurants but and I think that is a dynamic that is certainly impacting many segments what we see and as mentioned as well if we if we look at our Upstream businesses i.e., Chemicals and Materials, I think the softening of demand is certainly influencing those segments if we look more downstream, I think there are some Industries where we still see quite robust development I mean one the automotive industry I think here we've also shown a very strong results and I think three out of the six segments we have are catering um the automotive industry so also here we have we had probably some pent-up demand coming out of covid that that was a strong influencing but I think the automotive segment I would say um has been has been quite robust but probably the growth rates we also saw uh last year might not be fully applicable I think there's still growth expectation but um but it will be probably a different magnitude since the pent-up demand has sort of come to a more stable environment but Automotive would probably be one to mention. I think the second one is the agricultural segment I think agriculture is doing well commodity prices I'm maybe not at the highest yeah when you look at the soft commodity prices but they're also not at the lowest so they're still healthy and I think farmers are willing and capable to invest to improve their yields and increase productivity and that is something that we see across the world when it comes to the let's say consumer industry is fast moving consumer Industries I think it's it depends really on the categories you know services are in demand the durable goods are probably more difficult right now which is reflected also in what we see so that's a little bit what I would maybe highlight from a from a Global Perspective and then coming closer to home we would probably see a similar picture I mean automotive industry also in India I think last year the automotive industry if I recall the number of cars sold in India surpassed the number of cars sold um in in Germany yeah for the first time and actually also surpassed Japan but then Japan is coming back as well so um I think also the automotive industry in India is quite robust there is obviously a lot of preparation for the electrification in the automotive space where we are also active engaging with key stakeholders here cell manufacturers for example I think this will be an industry that will be undergoing also some transformation uh in the future and BASF will participate there as well so I think Automotive is also solid development in India agriculture as well I think I think the key question on agriculture this year as you all know is will it be an El Nino year I mean the weather forecast uh clearly indicating that it will be a very dry year so we it remains to be seen I think we are prepared our team is prepared for the worst but hoping for the best um and uh and but we will have to see and since the economy in India as far as I understand is also quite dependent on how the rural economy in India develops yeah since more than 50 or 50 to 60 percent of the population in India is somehow directly connected to rural India um we will have to see how the monsoon and the EL Nino situation develops here but the fundamentals in agriculture are strong and also BASF here I think as we mentioned you know with stepping

into the insecticide segment and showing the performance that we deliver with the team um has had a very solid track record I think Construction which you know you know Construction in infrastructure um is also quite solid in India obviously this year we have a lot of State elections next year we have national elections so we do believe that there's still a lot of Tailwind despite higher interest rates compared to historic averages we still see that construction and infrastructure Industries while developing yeah um on the consumer side it's probably a little bit of a mix as well I think rural India is still a bit dampened yeah um but the urban the urban economy is doing okay it's doing well um so it's probably a mixed mix situation there as well so it remains to be seen how the next few months also develops but that's the context when you look at Global and when you look at the domestic situation

Mr. Rohit Nagraj, Centrum Broking Ltd

Thanks for providing that context. The second question is in terms of the inventory situation particularly on the agricultural Solutions and material segment so globally I think there have been stocking which is going on and demand is relatively you know muted so what is the condition in India

Mr. Alexander Gerding, Managing Director

From our context, so fortunately we've started this season with a very healthy channel inventories yeah so I think the team has done a tremendous job to ensure that the products that we place into the channel also are going out of the channel yeah and I applied on the ground Agro yeah I'm talking sorry I'm talking about agricultural Solutions yeah so we started the season with quite healthy Channel inventories. I know that this might not be the case everywhere but I cannot speak about other companies I can speak only about BASF nonetheless you know we are preparing ourselves for a potential El Nino season, so taking appropriate measurements there also from a portfolio a mixed perspective to be prepared and also placing our products maybe closer to application timing into the channels to make sure that our products are at the right spots in the country at the right time because if El Nino comes it will not affect the entire country at once yeah it will be different depending on which location you're talking about yeah so I think we're taking appropriate measures here so to close you know we have a healthy Channel inventory nonetheless we do see that the context and the environment is not going to be easy especially with a backdrop of potential dry seasoning right and same with the material segment any feedback on that so I think as you know and it's not even described I think you know business is a mix you know of imports or traded business and all manufactured products so I would say you know we you know I can't speak now in detail on the inventory situation in every single business yeah um but I would I would dare to say we don't have a problem here I think we're managing as not in also showed in his slides yeah we're managing our working capital uh very effectively have been over the years yeah making sure we keep the inventory necessary in the country but we also don't overexpose expose ourselves nonetheless obviously especially in the Upstream in the Upstream segments like materials and chemicals you know when you import and then when you sell you know there might be a time lag yeah so which is also what we have seen affecting us in the past yeah then when commodity prices change and when demand is dampened softened, we're in a very competitive space so to keep our market share to protect our presence you know we have to compete and that puts that can put pressure on our prices and on our margins which we have been seeing in the materials and chemicals businesses in recent months yeah so that's the current Dynamic that is certainly uh still there but I I wouldn't say that we have a significant inventory problem, I think we're managing it and wherever we have maybe higher inventories we'll manage it acquiring accordingly.

Mr. Rohit Nagraj, Centrum Broking Ltd

Sure, I'll take one last question and then come back in the queue. One is in terms of the growth levers for BASF India over the next three to five years given that we are now debt free and we are generating healthy cash flows and just a disconnect between our parent and us that our parent usually provides a yearly guidance however we refrain from giving any yearly guidance thank you

Mr. Alexander Gerding, Managing Director

Yes, again I repeat we don't give any forward-looking statements and any forward-looking guidance. I think but what I can say is as I mentioned in the beginning think there is a lot of attention on India right now within the company think we've had high level visits in the last three months probably more than in the last years yeah so uh you know Presidents and even Board Members visiting us here so I think there is high awareness and attention on the situation in India I think India is also as I described with the key fundamentals quite well positioned GDP growth demographic dividends increasing middle class um so I think that there are key strong segment developments yeah and so I think there are key dynamics that are speaking for India and uh and I think we will continue to participate here and capture every opportunity possible with each of the businesses we have unfortunately all 11 operating divisions in all six segments we are active in this country so I think we will capitalize and maximize our opportunities in this country moving forward as well so that's as much as I would say here.

Mr. Rohit Nagraj, Centrum Broking Ltd

Sure, thanks a lot I'll come back for a few more questions later thank you

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thanks, we now come back to Mr. Varun Bang from Bryanstone Investments

Mr. Varun Bang, Bryanstone Investments

Am I audible now, thank you for the opportunity and a detailed presentation and congrats for strong performance in ag-chem division. Welcome Alexander, I have two three questions for you, so first one is if I look at Mr Krishnamohan's journey, he throughout his tenure focused on driving profitable growth and focused on delivering higher ROCE so journey was volatile he was reasonably successful in driving both profitability and ROCE so in that context what is your goal for this organization and what changes you would like to see in the organization more importantly in its financial performance.

Mr. Alexander Gerding, Managing Director

Thank you for that question and first and foremost I I'm a big believer of don't fix what is not broken. I would say what you described about my predecessor's management. I'm really thankful I think they've done really a strong job to make sure that BASF India Limited continues to develop successfully and grows profitably so my ambition is to continue on that legacy you know I think I'm not coming here to change I think for us the same priorities are equally important and continue to apply we want to grow the business profitably and sustainably and at the same time continue to manage a very proven networking capital and our costs and continue to develop the organization into the future so I think the same elements apply and I think being present with 11 operating divisions having both upstream and downstream allows us to be to give a certain resilience so when some segments like upstream is struggling, downstream is still quite robust and mitigating the impact and I think this diversification and balance we need to continue same with profitability and market share market presence I think we want to protect and continue to expand our profitability because at the end we have to deliver value to our key stakeholders, while at the same time also not losing market share and making sure our assets are running as with high asset utilization yeah so I think it's finding the right balance to continue to grow profitably and sustainably and I think that's my ambition and I think that was also the ambition of my predecessors.

Mr. Varun Bang, Bryanstone Investments

It is largely commoditized business so in three to four months, you being into the system for three to four months what are your thoughts on this what portion of our business is commodity kind business with low pricing power uh if you can just share your thoughts

Mr. Alexander Gerding, Managing Director

I would disagree to that statement I don't think we have limiting pricing power and if you look at our development we've raised prices also quite significantly passing on also increased costs that we had to pass on and we were quite successful in doing that yeah in most of our businesses yeah and so I wouldn't say that we have a limiting pricing power um nonetheless right now in in recent months we have also been impacted by a softening of demand and obviously since China recovery did not happen fast and maybe with this with the magnitude that we were expecting there was probably oversupply and somewhere the products have to go so I think the competitive environment was very aggressive and obviously we had we were faced with that as well yeah but I think this is a context that was applicable not only to us I think it was affecting uh the entire industry um so I wouldn't say that we have limited pricing power we have a good mix of our own both Commodities and Specialty business for Coatings for example we have been able to increase our prices which is one of the hardest sell always because of the product quality because of the pricing power they also understand health and nutrition again the same case agro is the same case and then we have other products also which are kind of commodity so it's a good mix of both.

Mr. Narendranath J. Baliga, Chief Financial Officer

I agree with Alex that we do have good rising power and we have shown it in the last two years how we can capture the opportunities.

Mr. Varun Bang, Bryanstone Investments

Okay that's a fair explanation, last question again to Alex given your rich experience on agro solution side how can your expertise can be used to grow ag-chem division for of passive India can we look at any export opportunities on at chem side uh can you share your thoughts if any intermediate manufacturing opportunity can be looked at from businesses of India.

Mr. Alexander Gerding, Managing Director

Thank you for that question and I do have a track record in agricultural Solutions I would never say that I'm an expert in in anything because you always learn you know every day even in every segment yeah there's continuous learning but so first, I would say that the I'm very impressed by what the agricultural Solutions team in India has that's delivered, I think the performance has really been stella and we've really also are stepping in to diversify our portfolio to make our portfolio more resilient not only from a product mix perspective an indication perspective fungicide herbicide insecticide seeds, you know digital Solutions but also from a from a geographic perspective so I think we're present in all spots of the country now with our portfolio supporting our farmers, so I would I would first say I mean the team it really has done has done a great job at the same time you know we want to continue on that journey and continue to grow a profitably and sustainably in that in that segment we are having a lot of actually the team is pulling in very intensively to a point where I have to say I need to learn and get deeper into all the other segments that I'm where I don't have the same amount of experience yeah but um I think there is a lot of plans you know without making any forward-looking statements now I think the team is having a clear strategic direction and view I think you saw that we not only increased our presence in the market over the last few years yeah we have a higher market share now we have a more a broader more resilient portfolio I think we will continue to work on expanding our portfolio further and expanding our presence also in the insecticide arena I think that's one key element that that we have been working on and will continue to work on and I think with the local you know you know production that you mentioned I think the team also over the last years has increased significantly the amount of products that are locally formulated I think this is also something that will that will continue to look at so I think the team has done a good job we have a plan in place and I will fully support that plan and wherever we see we see opportunities you mentioned export I mean our modus operandi as a company we always invest where the markets are where customers are yeah so whatever we do Investments whenever we localize it's always because there's local demand driving those projects

and those Investments so we usually don't invest for export yeah but we invest to cater to our local customers and markets.

Mr. Varun Bang, Bryanstone Investments

okay that's a fair explanation I have a small suggestion it would be great if we can have a physical interaction with the management at least every six months that would be helpful

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

We will we will look into that whatever is required. You know for us to do under the relevant laws we will do that and definitely the intent is to have at least twice a year an interaction with the analyst and fund managers and that at least we want to continue so that there is clear interaction between the two parties but thanks for the suggestion

Thank you so the next one Mr. Aman Shah from Jeetay Investments Private Limited

Mr. Aman Shah, Jeetay Investments Private Limited

Good evening gentlemen, thank you for the opportunity so a few questions. One is we are seeing an increasing trend by many chemical companies who are setting up their backward integration plants in India and even their own capacity expansion that is going on full stream in life science and agrochemicals so how should we see our volume growth from a medium-term perspective like when we are seeing a lot of chemical expansion in the midstream side in the building block side also in India

Mr. Alexander Gerding, Managing Director

Thank you for that question obviously I cannot speak about sort of what other companies are doing. I can only speak for BASF India limited, I think the volume growth fundamentals in India I come back you know to the key fundamentals are going to give enough space for everybody to participate and I think we our intention is to maximize our presence or footprint to bring Innovations to our customers in India and we'll continue to do that um and also in the future so we cater to many different segments I mean we have 11 operating divisions we have six segments ranging from Automotive to agriculture, you know a construction consumer goods paints so we are present in many different segments which also allows us to maximize our opportunities with the development in these helmets which is undisputed will continue to happen in India so I would say that you know we will participate with every opportunity we will get to expand our presence and you know market share in India.

Mr. Aman Shah, Jeetay Investments Private Limited

Okay great, we will generate roughly around Rs. 500 crores every year in operating cash flow the last year we did and hopefully we will continue on that thing how do we look at our capital investments in last two years we have spent roughly around 100 crore each oh 90 and 180 crores so how do we look at our capital Investments

Mr. Alexander Gerding, Managing Director

So as I had presented on one of my slides you know we doubled the capacity for dispersions business you know last year so you see that we do invest you know in expanding our capacity and it usually comes accompanied by increased increasing business so if the business is there you know we tend to accompany it also with a proper capacities required to cater to that business to that growing business and I think this is a something that you will be continuing to see with BASF you have been seeing it in the past that will continue to happen. As Naren had shown you know we have a good a good cash flow which we certainly also use to manage our working capital and you know given the context that we're in which is sort of a cautionary macroeconomic context you know we want to make sure that we reserve cash to uh to manage our business operations moving forward and not have to rely on probably taking loans and too much so

manage really our future based on our own in with our own means yeah so I would say when it comes to bigger Investments and now I'm talking my personal opinion so this is I do believe that there is there will be opportunities I think the growth potential that India has demonstrated and will continue to demonstrate moving forward is undisputed, the question is what type of bigger investment when where in what magnitude and probably also with which Partners so I think personally I think the time for a bigger investment welcome it's just a matter of when is the right time and when we do big investments I mean the demand in the country has to justify such a well-scale type of investment and I think today despite the fact the man has been growing over the years you know I think we're still we're still not there but I think we will continue to look at opportunities also moving forward and again this is my personal opinion for me it's not a matter of if but rather a matter of when and I think you know you see also in the past yes I mean BASF has continuously invested in India I mean expanding capacities dispersion line just one example for last year but also the multi-od side that was built not so many years ago, the Innovation campus that we have in Navi Mumbai so not only manufacturing capabilities but also research and development capabilities we continuously expand that we have in Performance Materials a development lab that is being that is being constructed here in China side so it's not only about manufacturing capabilities it's also about research and development capabilities and we have continuously invested in India and I think we will continue to look into opportunities also in the future but the business case has to be solid in BASF we have a very stringent process for capex Investments we have to go to commissions we have to build business cases and obviously um the demand locally has to justify um larger scale Investments so Aman, I would like to de-link the cash generation capability with the investment need, you know we never had any a shortage of capital in BASF yeah either we have generated cash the banks are too happy to lend to BASF anytime a group has also a funds to invest if the business unit things there is an opportunity so only because we have generated cash we don't want to kind of build a plants will come on its own at the right time and we have the funds for that.

Mr. Aman Shah, Jeetay Investments Private Limited

Yes absolutely on that is helpful, so the other question is in Q3 of this financial year we had increasing raw material prices and then that was not means prices to be passed on to consumers were a bit tough so softening of our gross margin cost of goods sold also increased to some 86 percent level 85.8 percent we saw a good Improvement quarter on quarter in Q4 where what is the current environment how good is are we able to now pass on the prices to customers.

Mr. Alexander Gerding, Managing Director

It probably also depends segment by segment the business unit by business unit uh it might be a mix a different mixed picture I think generally I would say that you know we always intend that you know if all our costs are going up we always intend to pass it on to our customers and I think sometimes we can do it faster sometimes slower but I think the direction that you've seen and also in our results last year I think that was a clear direction that we had to make to protect our margins and the challenge that we have in some segments is that not only maybe the costs have been you know in recent months high but also the softening of the prices in the market and make and specifically in Asia the slow recovery of the Chinese demand you know has led to a situation where there was probably longer markets yeah more inventory more products out there and that had to be had to be placed and that has led to a very competitive from a pricing perspective very competitive environment into one of the other business so for us to keep our position to not lose significantly position we have to compete there I think and that made it difficult to protect you know potentially continue to pass on price increases but as I said before I think we want to keep the right balance I think our aim is always to provide and focus on value generation on profitability both relative and absolute but to also get absolute profitability you need to sell and you need to have volume sales yeah and you cannot allow yourself to lose significant market share so in presence yeah so I think it's finding the right balance here um to do that um but I would say the current environment is not an easy one and it's probably a slightly different segment by segment

Mr. Archit Joshi, B&K Securities

Thank you hi good evening gentlemen and thanks for a detailed presentation. I have two questions so first if you can provide a split of the merchandising and the manufacturing sales, also if you can provide this information on our earnings before interest and tax and or a corollary to this question is if I see the performance for the last five years which probably was one of the best commodity cycles that we witnessed the merchandising sales that we have been doing would probably must have you know we have must have sold it on a on a much higher price which is why we have been able to grow so significantly especially in a FY21 and FY 22 and coincidentally this happened when we kind of changed our business model from being a commission based model to a merchandising model now going ahead as I can see commodity prices are softening even the price of a lot of chemicals that we are also selling are on a declining Trend how do we see this merchandising business for us going ahead since the spreads are more or less Contracting and do we have some internal Target set for uh each of the business segments within merchandising to have a certain level of return on capital employed or EBIT margins or something of that sort so if you can guide us on that it will be very helpful thank you

Mr. Alexander Gerding, Managing Director

Thank you for those questions, I'll start and ask Naren to complement and complete so we don't have any specific Target you know what should be what should be the proper split I do believe that it's good to have a balance here as well and I think today it's more or less 50:50. I think Naren will have more accurate numbers here but between the two merchandising manufacturing and I think in a downward cycle macroeconomic environment it's also not bad to have such a explain them to have a trading business because you know you can import you know import any time and if there is enough Supply out there you know you can always cater to that and we also don't want to have underutilized assets and idle capacity costs, you know um which is something that our aim is always to run our capacities that we have at the highest level possible and to sweat our assets which I think we have also been successfully doing in the past so to answer one part of your question we don't have a target here at the same time you know with growing demand in the country we want to be close to our customers and we want to be as flexible and agile as possible and certainly our ambition is to increase our local presence and provide you know as high flexibility and Agility as possible and I think this is something that we will look in in the different businesses yeah individually on how to develop our own manufactured products as a components which always has to go along with rising business opportunity so I don't know I would I would maybe pass on to another end to try to complement and complete.

Mr. Narendranath J. Baliga, Chief Financial Officer

Thanks Alex so you're right this year we were at around 45 to 45 OMP and 55 merchandise; 45 55 ratio last year it was around 40 60 or 40 OMP 60 merchandise and I'm glad you remember the time when we had switched from the earlier Indian business the what we call the agency business into merchandise business which gave us a lot of pricing power because the material was available on the in the warehouse and we could sell it overnight as against an agency business where the customer had to wait for two months so 60 earlier if you remember it was 60 40 yeah 60 was the OMP and 40 merchandise and that's swapped and now we have uh 45.55 that's OMP merchandise. Does that answer your question and like Alex said we don't have any targets and they have to attend the best possible result and we have cases where they have any some budget and they cross by significant margin which is always welcome

Mr. Archit Joshi, B&K Securities

Right so that definitely does partly answer my question so where I was leading to from this question was that the last as I said we had the best cycle maybe for the last four or five years and we definitely must have been benefited from the switch that we did in terms of the change in business model and now we can now we can merchandise the products of our own entities uh but going ahead sir what where I was coming from is that now that we are seeing contracting spreads and the probably we don't know if you know the best

times may not be completely over but they are not as good as they used to be maybe two three years back from here it seems that volume growth will be one of the most important things to grow in terms of businesses may be the pricing Tailwind has more or less faded away uh so do we have any anything on this front because from the capex side I believe that Alex mentioned earlier that we have doubled the dispersions capacity there are couple of more things that we have added but the capex that we did back then and you know in 2013-14 we are we are well utilized on that front is my assumption so where would be the room for growth going ahead

Mr. Alexander Gerding, Managing Director

I think um you you're right that you know volume is an important element that we have to continue to maintain the momentum on volume um especially in India you know considering also the strong fundamentals that India demonstrates and will continue to uh to show in the future while at the same time we have to we have to protect our margins as well right so we don't want to have just any business we want to have a profitable and sustainable uh business in the country and I think so we want to maintain and protect our margin um you know as long as possible while also attaining a good volume um presence in the market so I would I would say there is opportunities to do that um and as I mentioned before I mean all make many different segments still show robust dynamics yeah I mean be it Automotive be it uh be it agriculture be it construction even in the consumer space I think there is with the demographic dividend and the rising middle class in India I think will be a space to capture yeah so if you look at the electrification in the automotive uh segment I mean we battery materials will certainly be a very important segment also moving forward we're very active there talking to cell manufacturers I think BASF will participate in that segment as well sustainability you know renewable raw materials recycled raw materials I think that's also where a lot of a lot of dynamics are happening also in India and I think supported also by the government who is incentivizing this space as well and I think there we're also talking to uh to relevant stakeholders yeah on how BASF can participate there directly or indirectly in that space so I think there is good opportunities to continue to perform in India and that's our that's our ambition but also maybe in short term we can cater to the demand growth uh and volume growth from our overseas plants so we are well positioned in terms of global operations footprint and we can definitely import and have the merchandise business models to suffice our demand growth in short term.

Mr. Archit Joshi, B&K Securities

Thanks a lot and all the best!

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

We will come back to Mr. Anshum Nadecha from Bryanstone Investments

Mr. Anshum Nadecha, Bryanstone Investments

Yeah, am I audible now. Hi Alex welcome to India and I have a question to you I've been asking Mr. Krishnamohan the same question so given the current context both globally and domestically there are certain areas you know wherein future potential manufacturing can come to BASF India and you have just said that it's a question of when not if so my question is which are the areas wherein we see there is the potential which can come to BASF India for those manufacturing plants as an opportunity to us probably in next three to five years

Mr. Alexander Gerding, Managing Director

Actually I maybe just to again disclaim my comments so that was my personal opinion yeah and obviously also my ambition as a Managing Director of BASF India limited I mean my ambition is really to attract the utmost attention on India within BASF and to make sure that together with the team we make a case and develop opportunities and projects proposals together with the business units obviously this always is strongly driven and supportive also by the relevant business units and so it was my personal opinion that I strongly believe you know given the context and the fundamentals that we spoke about today that it's not a

matter of if but it's a matter of when having said that you know we cannot disclose any specifics on ongoing discussions I can only assure you that we're looking into all the different value chains and we're also looking at the ecosystem overall right because um you know we have to have an ecosystem that will be will be ready uh for potential opportunities in that in that space and we also have to look at partnerships so I think we are I can assure you that we're actively and constantly looking at opportunities analyzing opportunities but I cannot disclose to you any details on that and I mentioned the attention is there on India we are we're getting a lot of attention we're having a lot of discussions internally and I 'm hopeful that a lot of these discussions will eventually also translate into projects yeah that have to then go to the specific approval processes that we have in the company commissions and bought and you know it's an normal process that we that we go through as a multinational company but that's as much as I can say.

Mr. Anshum Nadecha, Bryanstone Investments

okay one more question and while we have Mohan has done a great job and you also aspire to you know kind of repeat what Mohan has done and continue that and I think it's little premature to us because it's just been four or five months since you have been at the hill but still other than what the continuity aspect of the way Mohan has managed the ship what are the two three areas which you think you can add more value to BASF India and look what would be probably those top three priorities other than probably the continuity aspect of what we have delivered in last three four years.

Mr. Alexander Gerding, Managing Director

Thank you for the question actually and you arrive you know and Mohan has left a very strong legacy and have a lot of respect and admiration you know for what he did and also his predecessors here looking at also the track record of the business development in India and allow me allow me a bit of time to make sure you know I mean my ambition for this year is one to visit all the all the sites that we have at least once to engage with as many as many employees as possible in the year to get to know as many customers as possible and external stakeholders as well to get a full and comprehensive picture of our situation in the country and for that I would ask for a bit more time and so as mentioned before I think a key ambition when it comes to business performance is to continue to grow profitably and sustainably in the country I think elements that I have had mentioned a little bit I think there is a lot of I mean sustainability is here to stay right I think there's a lot of discussions around the sustainability front and I think here we're quite active to participate in these discussions I think that's an area where I will definitely contribute as well digitalization I think we've come a long way also I mean we talked about web shops uh I think also there is many things that we can we could still work on diversity and inclusion I think we've done many developments yeah I mean a few years back I remember I think our gender balance or our female ratio was seven percent we're now at 11 percent we still cannot be happy with that with that agenda balance and it's not all about gender I mean diversity and inclusion goes beyond gender but I think there is certainly I think Mohan has done a lot but I think we need to do more yeah to have a more diverse and inclusive company and that's certainly one of my ambitions where I intend to put also focus on so that's just to give you a little bit of a glimpse of some of the areas that I already see where I think we will spend I will spend a lot more time with but allow me also for a little bit more time yeah so maybe at the next call I will be able to give some more flavor to them.

Mr. Anshum Nadecha, Bryanstone Investments

Thank you thank you so much Alex best wishes to you on your journey here in India and it will be a pleasure to meet you sometime thank you

Mr. Rohit Bang, Centrum Broking

Thanks for the follow-up so one question is in terms of last say two three years what are the number of new products or molecules that we have received from our parent and which have been commercialized across different segments and just to get a perspective how it the trend has been maybe over the past decade or so I mean hopefully that will give us an understanding about how the future looks like instead of you know indulging on a particular guidance or Outlook thanks.

Mr. Alexander Gerding, Managing Director

I mean I don't have a specific number now here I prepared yet to where I can I can say how many number of products we have launched in the last few years but what I what I can say is that India is a strategic country it's a very important country for BSF um and as you can see our businesses also you know with 22 percent CAGR over the last few years growth our business has grown and all the research and development activities that we do in every business unit I think India is always one country strategic country where our product portfolio that we develop around the world yeah we'll be will be catered to and as you also know we have um Innovation campus here yeah where we do not only for India but for the world um so I think there's also strong capabilities and competence in India that we that we uh that we also fully benefit from as a company so I think without going out into individual products um I think we bring Innovations to India as well I mentioned I mentioned you know in the agricultural space some of it to increase our presence increase our footprint and also bring you and Innovative products to the country and that will that will continue to happen right got I mean directionally that gives some sense uh just one clarification on the merchandise business so as I understand agricultural solution chemicals and materials are the ones which are come completely under merchandise the materials has a own production chemicals is the one this one where we have one segment where we have merchandise business chemicals chemical segment full merchandise whereas materials we have performance material which is a own manufacture product but it does not mean it's only manufacturing but we import also but then we have a monomers also in the same material section and agro yes we do get toll manufactured right.

Mr. Rohit Bang, Centrum Broking

Got it uh thanks a lot for answering all the questions and best of luck sir thank you thank you thank you do you

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thank you so much everyone for attending and for participation today and request you to take care and be safe. Thank you from our side and we see you next time in November 2023. Thank you very much for your active participation I wish all of you a great weekend and looking forward to further engagement also in the future thank you.