



We create chemistry

BASF India Limited, Mumbai - 400 051, India

July 7, 2022

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

Name of the Company : **BASF India Limited**
Security Code : **500042**

Dear Sir/Madam,

Sub: Submission of Annual Report of BASF India Limited for the financial year ended 31st March 2022 and the Notice of 78th Annual General Meeting

We enclose herewith the Annual Report of **BASF India Limited** for the financial year ended 31st March 2022 along with the Notice of the 78th Annual General Meeting of the Company to be held on Wednesday, 3rd August 2022 at 3 pm through video conferencing / other audio-visual means, for your reference and record.

The aforesaid documents are also uploaded on the Company's website i.e. www.basf.com/in.

Kindly take the same on record.

Thanking you.

Yours faithfully,
For BASF India Limited

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

Pankaj Bahl
Manager- Company Secretarial

Encl: a.a.

Cc: Listing Compliance,
The National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra –(East).
Mumbai-400051.

Registered Office
BASF India Limited
The Capital, 'A' Wing, 1204-C, 12th Floor,
Plot No. C-70, 'G' Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051, India

Tel +91 22 6278 5600

CIN - L33112MH1943FLC003972

www.basf.com/in



We create chemistry

Annual Report 2021-2022

BASF India Limited

Rising Above





Message from the Managing Director

Dear Members,

At the outset, I express my sincere gratitude for your support and confidence over the last years where we have successfully charted the path towards profitable growth. It is with immense pride that I report the all-time record high sales and profits achieved by your Company in the financial year 2021-22. Topline growth achieved through strong volume growth and higher price realizations coupled with agile margin management, prudent fixed cost and working capital management were the fundamental levers driving the success of your Company. You may be pleased to note that your Company ended the year with zero debt and is well positioned to leverage on its strengths in the coming years. Several unexpected challenges faced over the course of the year significantly amplifies the importance of these achievements. Our teams have demonstrated tremendous resilience during turbulent crisis times to deliver the extraordinary results that we have witnessed during the year. I humbly salute and thank each and every member of the BASF family for their invaluable contributions towards an outstanding year.

The Indian economy registered a smart recovery during the FY 2021-22 by registering a GDP growth of 8.7%, as per World Bank estimates, after a contraction of 7.3% witnessed in the preceding year. Despite erratic schedule and uneven geographical spread of the monsoon impacting agricultural activity in several parts of the country, this important segment which contributes a fifth to India's GDP grew by 3.95% in the reporting year. Industrial activity registered a sharp rebound in the year growing by 11.8% with robust growth in the automotive, construction and consumer durables segments. Your Company outperformed the market in every segment to register revenue from operations of Rs.130,997.3 million, a growth of 37% Y-o-Y. Keeping our customers as our top-most priority and delivering high quality products & services on a sustained basis, your Company recorded significant growth in volumes and price realizations in every quarter of the financial year 2021-22 in comparison to prior year.

Excluding exceptional items, Profit before tax grew by 71% to Rs. 7,473.6 million against Rs. 4,378.7 million in the previous year. Higher asset utilization, a strong focus on margin improvement and fixed cost discipline set the foundation for this significant improvement in the overall earnings of your Company. Additionally, effective planning and management enabled reduce the working capital requirements to 8.3% of revenue from 8.8% in the previous year. The significant increase in earnings and prudent capital management enabled increase the Return on Capital Employed (ROCE) to a record high of 35.8%. Your Company also ended FY 2021-22 with zero debt, a significant achievement given the overall macroeconomic scenario. Based on the improved financial performance, the Board of Directors of your Company have recommended a dividend of Rs. 6/- per equity share i.e. 60% for FY 2021-22.

Your Company continues to invest in its competencies to meet the growing demands of its customers. Capacity expansion projects executed in the field of Cellasto® and Dispersions will enable meet the growing demand from automotive, construction, paint and paper industries. Your Company continues to launch new products and solutions across our segments. I am pleased to inform you about the launch of our first Herbicide for the Sugarcane market and a new insecticide targeting multiple crops for the upcoming season. New products and solutions from the engineering plastics and polyurethane portfolio targeting the automotive, consumer appliances, construction and footwear industry are being developed through co-creation activities with our customers. Novel ingredients and formulations developed at our innovation centers form the basis of our growth in the Nutrition and Care segment.

As I write this message to you, I cannot help but reflect on the fact that this is third consecutive year that we live under the shadow of COVID. As was the case in the past two years the number of cases is rising across the country and near-term uncertainty is a matter of concern for the Company and all its stakeholders. Thankfully, unlike the Delta variant that severely impacted the nation as well as your Company with high severity infections and unfortunate fatalities during the first quarter of FY 2021-22, the Omicron variant, though highly transmissible, has resulted in significantly lower cases of severe infections. Your Company provided vaccination to all employees and contract staff including their families which contributed to their wellbeing and enabled them to operate seamlessly through these challenging times. As reported earlier your Company concentrated its CSR activities towards COVID relief activities during the FY 2021-22 contributing through our Chemistry by donating oxygen generating molecular sieves which was a dire need during the Delta wave. We also donated diagnostic and life-saving equipment such as ventilators & oxygen plants to hospitals in the vicinity of our stake holder communities. Additionally, we continued to engage our neighboring communities with our well-established programs in the areas of sanitation, water, hygiene and education.

We are currently in times of high business uncertainty. While COVID is still prevalent, geo-political tensions with the war in Ukraine, persisting supply chain challenges, global inflationary pressures and rising interest rates casting a shadow on demand development are major factors that will influence our business in the coming year. The resilience of our team and the mitigation measures developed to deal with the uncertainties and challenges give me the confidence that we are well positioned to continue to perform well even in these uncertain times. I thank you once again for your support and confidence and look forward to continuing our path of Sustainable and Profitable Growth.

Stay safe and take care,

With Best Wishes

Narayan Krishnamohan
Managing Director

Wednesday, 3rd August, 2022 at 3.00 p.m. through Video Conferencing/Other Audio Visual Means.

Page

Agenda

1. Presentation of Audited Financial Statements and the Directors'/Auditors' Reports thereon.
2. Declaration of Dividend.
3. Re-appointment of Director.
4. Re-appointment of Statutory Auditors.
- 5-6. Special Business:
Notice of the Meeting is attached.

BASF India Limited**Registered Office:**

The Capital, 'A' Wing, 1204-C
12th Floor, Plot No. C-70,
'G'-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.
Telephone : +91 6278 5600, 6724 3700 / 6724 3800
Website : www.basf.com/in
E-mail ID : investor-grievance-india@basf.com

Corporate Identification Number:

L33112MH1943FLC003972

Manufacturing Sites:**Maharashtra (Navi Mumbai)**

Plot No. 12, TTC Industrial Area, MIDC,
Thane-Belapur Road, Turbhe, Navi Mumbai – 400 705.

Karnataka (Mangalore)

Bala/Thokur Village, Surathkal-Bajpe Road,
Mangalore Taluka, Dakshina Kannada District,
Karnataka – 575 030.

Gujarat (Dahej)

4B, Dahej Industrial Estate, Village Dahej,
Taluka Vagra, District Bharuch, Gujarat – 392 130.

Gujarat (Panoli)

Village Umarwada,
Survey No 432/1+2,
Taluka Ankleshwar, Gujarat – 393 001
India.

Offices:

Bangalore, Chennai, Delhi, Hyderabad, Indore,
Kolkata and Pune.

Registrar & Share Transfer Agent:

TSR Consultants Private Limited
Unit : BASF India Limited,
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083.
Tel. No. : +91 22 66568484 Extn: 411/412/413
Fax No. : +91 22 66568494
Email : csg-unit@tcplindia.co.in

Board of Directors & Key Managerial Personnel	2
Directors' Report	4
Management Discussion and Analysis Report	54
Report on Corporate Governance	64
Independent Auditors' Report	83
Balance Sheet	94
Statement of Profit & Loss	95
Cash Flow Statement	96
Statement of Changes in Equity	98
Notes to the Financial Statements for the financial year ended 31 st March, 2022	99

Board of Directors & Key Managerial Personnel



Mr. Pradip P. Shah
Chairman



Mr. Narayan Krishnamohan
Managing Director



Dr. Ramkumar Dhruva



Dr. Carola Richter



Mr. R. A. Shah



Mrs. Shyamala Gopinath



Mr. Arun Bewoor



Mr. Narendranath J. Baliga
Chief Financial Officer &
Alternate Director



Mr. Rajesh Naik
Manufacturing Head &
Whole-time Director



Mr. Manohar Kamath
Company Secretary

Management Committee

Mr. Narayan Krishnamohan
Mr. Narendranath J. Baliga
Mr. Brieux Boisdequin
Mr. Rajesh Naik
Mr. Manohar Kamath

Statutory Auditors

Messrs Price Waterhouse Chartered Accountants LLP
252, Veer Savarkar Marg,
Shivaji Park, Dadar (West),
Mumbai – 400 028.

Cost Auditors

Messrs R. Nanabhoy & Co.
Cost Accountants
Jer Mansion,
70 August Kranti Marg,
Mumbai – 400 036.

Internal Auditors

Messrs Mahajan & Aibara
Chartered Accountants
1, Chawla House,
62, Wodehouse Road,
Colaba, Mumbai – 400 005.

Bankers

- (i) Citibank N.A.
- (ii) Deutsche Bank AG
- (iii) BNP Paribas
- (iv) Credit Agricole CIB
- (v) Bank of America
- (vi) HDFC Bank
- (vii) Mizuho Bank

Secretarial Auditors

Messrs HSPN & Associates, LLP
206, 2nd Floor,
Tantia Jogani Industrial Estate,
J. R. Boricha Marg, Opp. Lodha Excelus,
Lower Parel (E), Mumbai – 400 011.

Advocates & Solicitors

- (i) Messrs Crawford Bayley & Co.
State Bank Building, 4th Floor,
N. G. N. Vaidya Marg, Fort,
Mumbai – 400 023.
- (ii) Messrs Dhruve Liladhar & Co.,
61 Free Press House,
215 Free Press Journal Marg,
Nariman Point, Mumbai – 400 021.

Director - Legal, General Counsel (India) & Company Secretary

Mr. Manohar Kamath



Dr. Carola Richter, President of BASF Asia Pacific attended the United Nations Climate Change Conference as a panelist. During the session “Climate Ambition in Asia”, she shared her insights on creating sustainable impact as a business, focusing especially on your Company’s efforts in India to reduce emissions in the automotive industry.



Mr. Narayan Krishnamohan, Managing Director, BASF India Limited participated at the ICC Sustainability Conclave – Clean India & Green India Conference, whereby he touched on the importance of making the right decisions for a balance between economic growth and achieving ‘carbon-net zero’.

Directors’ Report

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2022.

Financial Results

(Rs. in million)

Description	Year ended 31.3.2022	Year ended 31.3.2021
Revenue from operations	130,997.3	95,583.4
Profit before exceptional items and tax	7,473.6	4,378.7
Exceptional items	125.6	4,020.9
Profit before tax	7,599.2	8,399.6
Tax expense / (credit)	1,650.8	2,873.5
Profit after tax	5,948.4	5,526.1
Dividend	259.7	432.9

Performance

Revenue from operations at Rs. 130,997.3 million, represents an increase of 37% over the previous year mainly due to volume growth and improved price realisation. Your Company reported a Profit before exceptional items and tax of Rs. 7,473.6 million for the year ended 31st March, 2022 as compared to Rs. 4,378.7 million in the previous year.

Despite deficit monsoon and long dry spells, the Agricultural Solutions business of your Company registered good growth in sales during the year under review as compared to the previous year. The excellent growth in the fungicides product segment viz., Merivon®, Acrobat®, Cabrio Top® (Fruits & Vegetables) & Priaxor® (Cotton), was partly offset by slow season for Herbicides (for Corn) & Insecticides. Margins were mainly impacted due to higher input costs.

The Industrial Solutions segment of your Company comprising of the Dispersions, Resins, Additives & Performance Chemicals businesses, registered good revenue growth due to higher sales volumes from key customers coupled with improved selling prices. The margins improved significantly due to higher selling prices and lower input cost.

The Materials segment of your Company comprising of the Performance Materials & Monomers businesses registered strong volume growth in sales during the year under review as compared to the previous year. This was mainly due to higher sales & strong volumes across verticals like Transportation, Appliances, Footwear & flexible packaging industries. The margins of the Performance Materials business also improved due to significantly higher price realization. However, higher input costs impacted the margins of the merchandise products of your Company's Monomers business.

The Surface Technologies segment of your Company comprising of the Coatings & Catalysts businesses registered good growth in sales despite market challenges. Although the margins of the Coatings Solutions business were under pressure due to high raw material cost, the Catalysts business recorded improved results with increased volumes.

The Nutrition & Care segment of your Company comprises of the Care Chemicals and Nutrition & Health Care businesses. The Care Chemicals business of your Company registered higher sales during the year under review as compared to the previous year mainly driven by the increased selling prices from sales to major customers. However, the margins of the Care Chemicals business were impacted due to high feed stock prices and changes in the product mix. The Nutrition & Health business of the Company registered lower growth due to supply chain constraints & product availability issues.

During the year under review, the sales & profits of the Chemicals segment of your Company comprising of the Petrochemicals & Intermediates businesses increased due to higher selling prices. However, the volumes of the Intermediates business were impacted due to product availability constraints.

Export sales stood at Rs. 3,221.5 million during the year under review.

Transfer to Reserves

The Company has not transferred any amount to the Reserves for the financial year ended 31st March, 2022.

Sale of Kaolin Minerals Business & divestiture of Attapulgitic business

During the year under review, your Company was informed by BASF SE, Germany (Ultimate Holding Company) regarding the following global divestitures: -

- i) Sale of Kaolin Minerals Business to KaMin LLC / CADAM S.A. (KaMin), a global performance minerals company headquartered in Macon, Georgia, United States.

The Kaolin Minerals business, forms part of the Performance Chemicals Division of the Industrial Solutions Segment of your Company and had generated net sales of approx. Rs. 85 million for the financial year ended 31st March, 2021. Closing of the transaction globally is expected in the second half of 2022, subject to receipt of requisite approvals from relevant Competition Commission / Anti-Trust authorities, as applicable.

- ii) Divestiture of the manufacturing site of BASF Corporation in Quincy, Florida, USA and the associated Attapulgitic business for a purchase price of USD 60 million to Clariant Corporation USA.

The Attapulgitic business, forms part of the Dispersions & Resins Division of the Industrial Solutions Segment of your Company and has generated net sales of approx. Rs. 70.9 million for the financial year ended 31st March, 2021. The transaction is expected to close in 2022 globally, subject to the approval of the relevant Competition Commission/ Anti-trust Authorities. As part of the divestiture, BASF would also enter into a long-term supply agreement for Attapulgitic business with Clariant globally, that will allow your Company to continue to supply and support the growth of this business with the customers in the paints, coatings, and construction markets.

Share Capital

During the year under review, there has been no change in the Share Capital of the Company. The authorised share capital of the Company, as on 31st March, 2022 aggregates Rs. 715,597,150/- which is divided into 71,559,715 equity shares of Rs. 10/- each., whereas the issued share capital of the Company comprises of 43,285,640 equity shares of Rs. 10/- each aggregating to Rs. 432,856,400/-.

Removal of Master Builders Solutions Deutschland GmbH (formerly known as BASF Construction Solutions GmbH) name from the list of Promoter Group Shareholders of the Company

During the year under review, your Company had received a request from Master Builders Solutions Deutschland GmbH (formerly known as BASF Construction Solutions GmbH) holding NIL equity shares in the Company to remove their name from the list of Promoter Group Shareholders of the Company.

The Board of Directors of your Company, at its Meeting held on 30th March, 2022 has approved the request of Master Builders Solutions Deutschland GmbH (formerly known as BASF Construction Solutions GmbH) to remove their name from the list of Promoter Group Shareholders of the Company, subject to the approval of BSE Ltd and National Stock Exchange of India Ltd. Your Company has made the necessary applications to the above-mentioned stock exchanges, which are pending for their approval.

Dividend

The Board of Directors of your Company have recommended a Dividend of Rs. 6/- per equity share i.e., 60% for the financial year ended 31st March, 2022. The Dividend would be paid, subject to the approval of the Members at the forthcoming Annual General Meeting on 3rd August, 2022.

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at <http://bit.do/basfdividenddistributionpolicy>.

Changes in Directors & Key Managerial Personnel

Mr. Dirk Bremm resigned as a Director of the Company, effective close of business hours on 5th August, 2021 and Dr. Carola Richter (DIN: 0009197435) was appointed as a Director of the Company in his place, effective 6th August, 2021. The Board of Directors of your Company place on record its sincere appreciation of the valuable contribution made by Mr. Dirk Bremm during his tenure as the Director of the Company. Mr. Narendranath J. Baliga was an Alternate Director to Mr. Dirk Bremm until 5th August, 2021 and was appointed as Alternate Director to Dr. Carola Richter, effective 6th August, 2021.

Further, in accordance with the provisions of Section 161 of the Companies Act, 2013, the Members of the Company, by way of Postal Ballot on 18th December, 2021, have approved the appointment of Dr. Carola Richter as a Director of the Company with effect from 6th August, 2021 in the casual vacancy caused by the resignation of Mr. Dirk Bremm. Dr. Carola Richter is the President, South & East Asia, ASEAN, Australia and New Zealand and based in Singapore.

During the year under review, Mr. Rajesh Naik, Manufacturing Head and having DIN:06935998, was re-appointed as a Whole-time Director of the Company for a period of 5 years i.e., from 1st April, 2022 to 31st March, 2027. His re-appointment was approved by the Members of the Company, by way of Postal Ballot on 18th December, 2021, based on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors of the Company at their meeting held on 2nd November, 2021.

Mr. Pradeep Chandan superannuated from the services of the Company from the close of business hours of 28th February, 2022, and thereby ceased to be the Company Secretary & Compliance Officer of the Company and also resigned as an Alternate Director to Dr. Ramkumar Dhruva, effective the said date. The Board of Directors of your Company place on record its sincere appreciation of the valuable contribution made by Mr. Pradeep Chandan during his tenure as the Company Secretary & Compliance Officer of the Company.

Mr. Manohar Kamath was appointed as Director – Legal, General Counsel (India) & Company Secretary of the Company, effective 1st March, 2022. He was also appointed as the Compliance Officer and Secretary to the Board Committees, effective 1st March, 2022. Mr. Manohar Kamath, presently 42 years of age, is a Commerce & Law Graduate. He is also a qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India, New Delhi. He has also done his Diploma in Finance Management from Welingkar Institute of Management Studies. He is associated with BASF India Limited since December, 2007. He has over 15 years of post-qualification experience in Company Secretarial function and has gained experience in Legal, Compliance, Intellectual Property Rights, Real Estate including Corporate Governance as part of the various roles performed in BASF.

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Dr. Ramkumar Dhruva being eligible, offers himself for re-appointment as a Director of the Company at the 78th Annual General Meeting of the Company to be held on 3rd August, 2022.

As required under the SEBI Listing Regulations, the details of Director(s) seeking re-appointment at the ensuing Annual General Meeting is provided on page no. 75 of the Corporate Governance Report, forming part of this Annual Report.

Finance & Accounts

Your Company continued to optimize borrowing during the year by focusing on cash flows from operations and working capital management. Your Company has repaid the external commercial borrowing outstanding as at the beginning of the year aggregating Rs. 1,517.7 million (Euro 17.3 million) on 1st June, 2021 and had NIL borrowings as at the end of financial year 2021-2022.

Your Company continued to focus on managing cash efficiently and ensured that it had adequate credit lines from Company's bankers. Your Company's debt equity ratio was Nil as at 31st March, 2022.

Capital Expenditure

Capital expenditure incurred during the year aggregated to Rs. 1,316.4 million.

Credit Rating

During the year, CRISIL Ltd re-affirmed the credit rating of 'CRISIL AAA/Stable' for the long term debt programme of your Company. The ratings on the Fixed Deposits and Commercial Paper have been re-affirmed at 'FAAA/Stable' and 'CRISIL A1+', respectively.

Further, India Ratings and Research Private Limited has also maintained a credit rating of 'IND A1+' for Commercial Paper Programme of Rs. 7,500 million of your Company.

Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations & carry lower credit risk.

Fixed Deposits

During the year, your Company has not invited, accepted, or renewed any fixed deposits from the public and accordingly, there is no principal or interest outstanding in respect thereof.

Management Discussion and Analysis Report

In terms of SEBI Listing Regulations, the Management Discussion and Analysis Report is appended to this Annual Report.

Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance and has complied with the Corporate Governance requirements as per SEBI Listing Regulations.

A separate report on Corporate Governance as stipulated under SEBI Listing Regulations along with a Certificate of Compliance from the Statutory Auditors, forms part of this Annual Report.

Corporate Social Responsibility

As required under the provisions of the Companies Act, 2013, the Board of Directors of your Company have constituted a Corporate Social Responsibility (CSR) Committee on 30th April, 2013.

Mr. Arun Bewoor, Mr. R. A. Shah, Independent Non-Executive Directors and Mr. Rajesh Naik, Manufacturing Head & Whole-time Director are presently the members of the CSR Committee.

Mr. Pradeep Chandan superannuated from the services of the Company and ceased to be Secretary of the CSR Committee, effective 28th February, 2022. Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary of the Company was appointed as the Secretary of the CSR Committee, effective 1st March, 2022.

The CSR Committee has formulated the CSR Policy and has recommended the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013.

During the year, one meeting of the CSR Committee was held on 6th August, 2021 to recommend the CSR activities to be undertaken by the Company during the financial year 2021-2022. Your Company was required to spend an amount of Rs. 29.0 million during the financial year 2021-2022, whereas your Company has actually spent Rs. 30.7 million on CSR activities during the financial year 2021-2022 i.e., excess amount of Rs. 1.7 million spent towards CSR activities during the financial year 2021-2022. The excess amount of Rs. 1.7 million would be carried forward and set-off against the amount required to be spent during the financial year 2022-2023. Your Company undertook CSR activities mainly in the areas of COVID-19 relief measures, details of which are provided in **Annexure I** of this Report.

Business Responsibility & Sustainability Report

Regulation 34(2) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalization, should mandatorily include a Business Responsibility & Sustainability Report ("BRSR") from financial year 2022-23 onwards. However, your Company has included BRSR as part of this Report for the financial year 2021-22, on voluntary basis, as **Annexure II**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRSR for the financial year 2021-2022 has also been hosted on the Company's website, which can be accessed at www.basf.com/in

Vigil Mechanism

Your Company has established a Whistle Blower Policy for employees, Directors and third parties to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report. This policy is available on the Company's website and can be accessed at: <http://bit.do/basfwhistleblowerpolicy>.

Directors' Responsibility Statement

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2022 and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with sub-rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this Report as **Annexure III**.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, your Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Non-Executive Directors, Key Managerial Personnel, Board and its Committees based on the recommendation of the Nomination & Remuneration Committee. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report, forming part of this Annual Report.

The Board of Directors of your Company expressed satisfaction about the transparency in terms of disclosures, maintaining higher governance standards and updating the Independent Directors on key topics impacting the Company.

Policy on Directors' appointment and remuneration

The policy on Directors' appointment and remuneration including determination of the qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013, forms part of the Nomination & Remuneration Policy of the Company. This policy is available on the Company's website and can be accessed at: <http://bit.do/basfnrc>

Re-appointment of Auditors

Based on the recommendation of the Audit Committee, the Board of Directors of your Company at its Meeting held on 9th May, 2022 has recommended to the Members of the Company, the re-appointment of M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai, as the Statutory Auditors of the Company for a further period of 5 years i.e., from the conclusion of the Annual General Meeting of the Company to be held on 3rd August, 2022 upto the conclusion of the Annual General Meeting to be held in the calendar year 2027.

M/s. Price Waterhouse Chartered Accountants LLP have confirmed to the Company that their appointment, if made at the 78th Annual General Meeting, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and that they are not disqualified from re-appointment within the meaning of the said Act.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. HSPN & Associates, LLP, Practicing Company Secretaries, Mumbai (C.P. 1483), to conduct the Secretarial Audit of the Company for the financial year 2021-2022 and to furnish their report to the Board. The Secretarial Audit Report dated 9th May, 2022 forms part of this Report as **Annexure IV**.

Qualifications/Reservations in the Auditors' Report & Secretarial Audit Report

There are no qualifications/reservations placed by the Statutory Auditors and the Secretarial Auditor in their respective Reports for the financial year ended 31st March, 2022.

Compliance with Secretarial Standards

Your Company has duly complied with the applicable Secretarial Standards ('SS') issued by the Institute of Company Secretaries of India relating to Meetings of the Board and its Committees ('SS1') and its Committees and General Meetings ('SS2'), respectively, during the year under review.

Reporting of Frauds by Auditors

During the year under review, there have been no instances of fraud committed against the Company by its officers or employees, which were required to be reported to the Audit Committee / Board of Directors of the Company, by the Statutory Auditors or the Secretarial Auditor under Section 143(12) of the Companies Act, 2013.

Cost Audit

The Board of Directors, in pursuance of Section 148 of the Companies Act, 2013, have appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, having Registration No. 000010, for conducting the audit of the cost accounting records maintained by the Company for the financial year 2022-2023. The Cost Auditors have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as Cost Auditors.

Composition of the Audit Committee

As required under Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules framed thereunder, the composition of the Audit Committee is in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, details of which are provided in the Corporate Governance Report, forming part of this Annual Report.

Related Party Transactions

All related party transactions that were entered into by the Company during the financial year were on arms' length basis. There are no materially significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other Related Parties, which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for transactions, which are repetitive in nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The policy on Related Party Transactions, as approved by the Board, is available on the Company's website and can be accessed at: <http://bit.do/basfrptpolicy>. The Company has updated the policy on Related Party Transactions in line with the recent provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Your Directors draw the attention of the Members to Note No. 50 of the Financial Statements, which sets out related party disclosures under the Indian Accounting Standards (IND AS).

Further, the disclosures as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, form part of this Report, as **Annexure V**.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the financial year 2021-2022, the Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of any body corporate pursuant to Section 186 of the Companies Act, 2013.

Weblink of Annual Return

The Annual Return of the Company for the financial year ended 31st March, 2022 in Form MGT-7 is available on the Company's website and can be accessed at: <http://bit.do/basfannualreturn2021-22>

Particulars of Employees

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Report as **Annexure VI**. However, as per the provisions of Section 136 of the Companies Act, 2013, read with sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report excluding the statement of particulars of employees, is being sent to all the shareholders of the Company. Any Shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at **manohar.kamath@basf.com** and / or at the Registered Office address of the Company.

Prevention of sexual harassment at the Workplace

Your Company gives prime importance to the dignity and respect of its employees irrespective of their gender or hierarchy and expects responsible conduct and behaviour on the part of employees at all levels. Providing a safe and congenial work environment for all employees is an integral part of the Company's Code of Conduct.

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, your Company has adopted a Policy for Prevention of Sexual Harassment at Workplace and has constituted an Internal Committee (IC). The names of the IC Members are displayed on the notice board in each office and manufacturing site. All employees as well as contract staff and trainees are covered by this policy. Allegations of sexual harassment reported are expeditiously and discreetly investigated and disciplinary action, if required, is taken in accordance with the policy.

There was no complaint of sexual harassment received during the financial year 2021-2022.

Training programs on prevention of sexual harassment at the workplace are also conducted at regular intervals. During the year under report, your Company conducted awareness programmes on the policy for its employees. Your Company had also rolled out an e-learning module to sensitize & create awareness amongst the employees of the Company on prevention of sexual harassment.

Risk Management

Your Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and undertakes periodical review of the same to ensure that the risks are identified and controlled by means of a properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company. The Board also reviewed the implications of the recent geo-political crisis and its effects associated therewith on the Company.

Internal Financial Control Systems and their adequacy

Your Company has policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Additional details on Internal Financial Controls and their adequacy are provided in the Management Discussion and Analysis Report, forming part of this Annual Report.

Significant and material orders passed by Regulators or Courts

Certain litigations pending with Regulators or Courts have been disclosed as Contingent Liabilities in note no. 40 of the Notes to the financial statements for the financial year ended 31st March, 2022. There are no other significant and material orders passed by the Regulators / Courts, which would impact the going concern status of the Company and its future operations.

Material changes and commitments affecting the financial position of the Company

While the worst of the COVID-19 pandemic was left behind, the global crisis escalated due to the ongoing geo-political crisis. Upon evaluation, there have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Board Meetings

Five Board Meetings were held during the financial year 2021-2022 on the following dates:

- (1) 11th May, 2021
- (2) 6th August, 2021
- (3) 2nd November, 2021
- (4) 9th February, 2022
- (5) 30th March, 2022

Declaration of Independence

The Company has received declarations from all the Independent Non-Executive Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations as amended.

Other Disclosures

- The Company has not issued any shares with differential voting rights/ sweat equity shares.
- There was no revision in the Financial Statements for the financial year ended 31st March, 2021.
- There has been no change in the nature of business of the Company as on the date of this report.
- There are no proceedings filed against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-2022. Your Company has initiated action against few customers under the Insolvency and Bankruptcy Code, 2016.

Employee Relations

Your Directors place on record their sincere appreciation of the contribution made by the employees at all levels to the growth of the Company. Industrial Relations at all our manufacturing sites remained cordial.

Acknowledgments

The Board of Directors take this opportunity to thank BASF SE, Germany and all other stakeholders including customers, suppliers, bankers, business partners/associates, Central and State Governments, Regulatory Authorities and the society at large for their consistent support and co-operation to the Company. Your Directors thank the shareholders and investors for their confidence in the Company.

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

NARAYAN KRISHNAMOHAN
Managing Director
(DIN: 08350849)

Mumbai

Dated : 9th May 2022



Automotive and Materials cluster colleagues from major offices in Mumbai, Chennai and Pune joined to celebrate the momentous occasion of reaching EURO 1 Billion sales in October 2021 for BASF in India. Joining in this celebration, were Narayan Krishnamohan, Managing Director, BASF India Ltd. and Brieux Boisdequin, Vice President, Automotive & Materials, BASF India

Annual Report on CSR activities

1. Brief outline on CSR Policy of the Company.

In line with the CSR Policy and Schedule VII of the Companies Act, 2013, the CSR Committee has outlined the activities to be undertaken by the Company. Key focus areas, as identified by the Company for community initiatives were Water, Sanitation and Hygiene (WASH) and Education around its manufacturing sites. However, during the financial year 2021-22, owing to the pandemic, your Company decided to additionally focus on COVID-19 relief measures in and around the local communities as under:-

- Donation of oxygen concentration unit to a hospital in Ankleshwar, Gujarat.
- Arranging for and supporting a High-Resolution Computer Tomography (HRCT) diagnostic scan center at Navi Mumbai along with industry players.
- Donation of Molecular Sieves, a critical raw material required in Oxygen Generation plants to augment the medical oxygen generation capacity in India, in addition to Oxygen cylinders, ventilators and other medical equipment.

Though not considered as a part of CSR expenditure, your Company provided free Covid-19 vaccination to its employees, contract workers and their family members, during the year under review.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1	Mr. Arun Bewoor	Independent Director	1	1
2	Mr. R. A. Shah	Independent Director	1	1
3	Mr. Rajesh Naik	Manufacturing Head & Whole-time Director	1	1

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

The CSR Policy of the Company is available on the Company's website and can be accessed at <http://bit.do/basfcsrpolicy>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – **Nil**
6. Average net profit of the Company as per Section 135(5). – **Rs. 1,451.6 million**
7. (a) Two percent of average net profit of the Company as per Section 135(5) – **Rs. 29.0 million**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – **Nil**
 (c) Amount required to be set off for the financial year – **Nil**

Total CSR obligation for the financial year (7a+7b- 7c). – **Rs. 29.0 million**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. million)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
30.7	Nil	Nil	Nil	Nil	Nil

- (b) Details of CSR amount spent against **ongoing projects** for the financial year: **Nil**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs. million)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name.	CSR registration number
1.	Donation of Molecular Sieves, Oxygen Cylinders and Ventilators for COVID-19 relief	Promotion of Health Care facilities	Yes	Maharashtra	Mumbai	24.1	Yes	NA	NA
2.	Advanced ventilator for COVID-19 relief	Promotion of Health Care facilities	Yes	Karnataka	Mangalore	1.1	Yes	NA	NA
3.	Oxygen Generator plant	Promotion of Health Care facilities	Yes	Gujarat	Dahej	2.0	Yes	NA	NA
4.	HRCT Scanner	Promotion of Health Care facilities	Yes	Maharashtra	Mumbai	3.0	No	Freedom for You	CSR00002885
5.	Sponsorship for local schools	Promotion of education among children	Yes	Maharashtra	Mumbai	0.4	Yes	NA	NA
6.	Sponsorship for local traffic police safety	Promotion of safety	Yes	Maharashtra	Mumbai	0.1	Yes	NA	NA
						30.7			

(d) Amount spent in Administrative Overheads – **Nil**

(e) Amount spent on Impact Assessment, if applicable – **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – **Rs. 30.7 million**

(g) Excess amount for set-off, if any – **Rs. 1.7 million** (Would be set-off during the FY 2022-23)

9. (a) Details of unspent amount for the preceding three financial years: **Nil**

(b) Details of CSR amount spent in a financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): **Not Applicable**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

ARUN BEWOOR
Chairman, CSR Committee
(DIN: 00024276)

NARAYAN KRISHNAMOHAN
Managing Director
(DIN: 08350849)

Mumbai

Dated : 9th May 2022



Your Company continued to focus on COVID relief measures in the local communities. In June 2021, BASF along with our partner Freedom For You Foundation and other industry players installed a modern High-Resolution Computer Tomography (HRCT) at NMMC's CIDCO Convention Center. The equipment enables chest scan of COVID patients, supporting the holistic treatment of acute COVID positive patients as well as potential COVID patients.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars/ Activities	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L33112MH1943FLC003972
2.	Name of the Listed Entity	BASF India Limited
3.	Year of incorporation	1943
4.	Registered office address	The Capital, 'A' Wing, 1204-C, 12 th Floor, Plot No. C-70, 'G'-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
5.	Corporate address	Plot No. 12, TTC Industrial Area, Thane Belapur Road, MIDC, Turbhe, Navi Mumbai – 400 705
6.	E-mail	investor-grievance-india@basf.com
7.	Website	www.basf.com/in
8.	Telephone	+ 91 22 62785600 / 67243700 / 67243800
9.	Financial year for which reporting is being done	1 st April, 2021 to 31 st March, 2022
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and The National Stock Exchange of India Ltd
11.	Paid-up Capital	43,285,640 Equity Shares of Rs. 10 each aggregating to Rs. 432.9 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary manohar.kamath@basf.com + 91 22 62384024
13.	Reporting boundary	As the Company does not have any subsidiaries, the Business Responsibility & Sustainability Report has been prepared on standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity*	Main business activity as a % of Turnover of the Company
1.	Polyurethanes Systems	20131	23%
2.	Dispersions	–	22%
3.	Fungicides	20211	10%
4.	Oleo Surfactants & Alcohols	–	9%
5.	Herbicides	20211	8%
6.	Ultramid Engineering Plastics	20131	6%
7.	Automotive OEM Coatings	20224	6%
8.	Insecticides	20211	3%
9.	MDI & Precursors	–	3%
	Total		90%

* Includes only manufactured products

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing & Trading of Chemicals & Chemical Products	Chapter 20	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	14	18
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	35

b. What is the contribution of exports as a percentage of the total turnover of the entity? **The contribution of exports was 2.5% of the total turnover of the Company for the financial year ended 31st March, 2022.**

c. A brief on types of customers

As chemicals are a starting point for almost all industries, the products manufactured by the Company are used in agriculture, automotive, pharmaceuticals, construction, consumer durables, consumer care, paints and other varied end industries. The Company's customer portfolio numbers more than 5000 customers, ranging from major global customers and small and mid-sized companies to end-consumers like farmers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1170	1051	90%	119	10%
2.	Other than Permanent (E)	1786	1700	95%	86	5%
3.	Total employees (D + E)	2956	2751	93%	205	7%
WORKERS						
4.	Permanent (F)	157	155	99%	2	1%
5.	Other than Permanent (G)	1003	975	97%	28	3%
6.	Total workers (F + G)	1160	1130	97%	30	3%

b. Differently abled Employees and workers: -

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	Nil	Nil	NA	Nil	NA
2.	Other than Permanent (E)	Nil	Nil	NA	Nil	NA
3.	Total differently abled employees (D + E)	Nil	Nil	NA	Nil	NA
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Nil	Nil	NA	Nil	NA
5.	Other than permanent (G)	Nil	Nil	NA	Nil	NA
6.	Total differently abled workers (F + G)	Nil	Nil	NA	Nil	NA

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22%
Key Management Personnel	4	Nil	-

20. Turnover rate for permanent employees and workers

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	13%	23%	25%	15%	40%	12%	9%	22%
Permanent Workers	2%	-	2%	12%	-	12%	35%	-	35%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	BASF SE, Germany	Ultimate Holding Company	52.75%	No

Note: - The Company does not have any Subsidiary, Associate and / or Joint Venture Companies as on 31st March, 2022.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
(ii) Turnover (in Rs.) **FY 21-22 Rs. 130,997.3 million**
(iii) Net worth (in Rs.) **As on 31st March, 2022: Rs. 23,360.8 million**

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Investors (other than shareholders)	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Shareholders	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Employees and workers	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Customers	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Value Chain Partners	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Other (please specify)	-	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format: -

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Import restrictions like Anti-Dumping Duty & Safeguard duties	Risk	It will be increasingly difficult to import	Shortlist potential products and monitor pricing	Negative
2.	Climate goals by the country and customers	Opportunity	New opportunities in new markets	Not Applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Key policies are formulated at BASF Group level in Germany. The policies are then adopted & implemented by the Company in line with the local legislations & corporate guidelines. Policies/guidelines pertaining to local laws and systems are approved by the Board and signed by the relevant senior management personnel, including the Managing Director.								
c. Web Link of the Policies, if available	The Company's CSR Policy is available at http://bit.do/basfcsrpolicy . All other policies are available on the Company's internal network and also on the Company's website www.basf.com/in .								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, wherever required.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Most of the principles are covered by our Code of Conduct which is in line with national and international standards and practices such as Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organisation (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Further, the Company also has ISO 14001 certification (Environment Management Certificate) for all its Manufacturing Sites.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Narayan Krishnamohan, Managing Director Tel No. + 91 22 67127600 Narayan.krishnamohan@basf.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company has a Committee for Corporate Social Responsibility. For other policies, the Company has put in place an internal framework/Committees to monitor their implementation from time to time.								

** Note: -

The Company strives to adhere to the highest standards of integrity and behaviour and compliance with to the law and internal policies through its compliance systems. The Company has zero tolerance for corruption and violation of the principles of fair competition. The Company has adopted BASF's Code of Conduct, which details the minimum applicable ethical and responsible business practices for its employees. Both new and existing suppliers are selected and evaluated not only based on economic criteria, but also on environmental, social and corporate governance standards. The Company's Supplier Code of Conduct is founded on internationally recognized guidelines, such as the principles of the United Nations' Global Compact, the International Labour Organization (ILO) conventions and the topics of the Responsible Care® Initiative. The Code of Conduct, inter alia, covers compliance with human rights, labour & social standards, anti-discrimination, conflict of interest and anti-corruption policies in addition to protecting the environment, health and safety.

10. Details of review of NGRBCs by the Company:																			
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against above policies and follow up action	The Board of Directors of the Company review the sustainability initiatives of the Company on an annual basis.																		
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has been compliant with the statutory requirements and there have been no instances of non-compliances of NGRBCs.																		
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										
	The Company's policies / guidelines and procedures are audited by the Company's Internal as well as the BASF Group's Auditors.																		

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Ethical Compliance	100%
Key Managerial Personnel	1	Standards including	100%
Employees other than BoD and KMPs	7	Company's Code of	42%
Workers	1	Conduct	4%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Not Applicable	Nil	Not Applicable	Not Applicable
Settlement	Nil	Not Applicable	Nil	Not Applicable	Not Applicable
Compounding fee	Nil	Not Applicable	Nil	Not Applicable	Not Applicable

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Not Applicable	Not Applicable	Not Applicable
Punishment	Nil	Not Applicable	Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? **Yes, the Company has anti-corruption / anti-bribery policy as a part of its Code of Conduct.**
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2020-21
Directors	Nil	Nil
Key Managerial Personnel	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not Applicable	Nil	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Not Applicable	Nil	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
– **Not Applicable**

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company has conducted awareness programmes on its Code of Conduct, which includes various topics i.e., anti-corruption, trade control, competition law, protection of human rights, information protection, etc for its Manpower Service Providers, during the financial year 2021-2022

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?
The Company has a put in place a Policy for managing conflict of interest at the Board & Senior Management level. Further, the Company obtains annual Conflict of Interest declaration from the Board, Senior Management and all other employees of the Company.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2021-2022	FY 2020-2021	Details of improvements in environmental and social impacts
R&D	9.5%	13.5%	Process development in bio diesel manufacturing, savings of resources in textile processing etc.
Capex	20.6%	23.4%	Safe work environment, emergency preparedness, installation of monitoring systems, renewable energy (solar panels), reduction of electricity consumption, etc.

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company has put in place necessary procedures viz., sustainability assessments and periodical audits of Suppliers for sustainable sourcing.

The Company had conducted EHS (Environment, Health and Safety) audits for several years. Currently, the Company is focusing on TfS (Together for Sustainability) assessments and audits conducted by third party. Through these audits, it is ensured that the supplier implements and follows sustainability practices (Environmental, Safety and Governance Guidelines – ESG Guidelines). The Company provides recommendations to Suppliers wherever improvements are needed and monitors their implementation.

- b. If yes, what percentage of inputs were sourced sustainably?

The Company has sourced approximately 40% of its raw materials sustainably.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company's manufacturing sites are governed by the Consents to Operate and authorisation under the Hazardous Waste Management Rules. Under these Rules / Regulations, the Company has declared all its waste, including plastic packaging. All the wastes generated are handed over to State Pollution Control Board authorised waste disposal service providers. This ensures that the waste is properly disposed of. As a part of our Responsible Care® initiative, plastic containers are shredded and given to the processors for recycling.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

As the Company predominantly caters to B2B Segment, in our view, the Extended Producer Responsibility is not applicable to Company's business activities. However, your Company has applied for registration to the Central Pollution Control Board as Brand Owner for its Agricultural Solutions products, which are in the B2C Segment.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? – **No**
- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. – **Not Applicable**

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). **NIL**
4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: **NIL**
5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1051	1051	100%	1051	100%	NA	NA	1051	100%	1051	100%
Female	119	119	100%	119	100%	119	100%	NA	NA	119	100%
Total	1170	1170	100%	1170	100%	119	100%	1051	100%	1170	100%
Other than Permanent employees											
Male	1700	1700	100%	1658	98%	NA	NA	—	—	1700	100%
Female	86	86	100%	56	65%	86	100%	NA	NA	86	100%
Total	1786	1786	100%	1714	96%	86	100%	—	—	1786	100%

- b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	155	155	100%	155	100%	NA	NA	155	100%	155	100%
Female	2	2	100%	2	100%	2	100%	NA	NA	2	100%
Total	157	157	100%	157	100%	2	100%	155	100%	157	100%
Other than Permanent workers											
Male	979	429	44%	979	100%	NA	NA	—	—	979	100%
Female	28	10	36%	28	100%	28	100%	NA	NA	28	100%
Total	1007	439	44%	1007	100%	28	100%	—	—	1007	100%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund*	100%	100%	Yes	100%	100%	Yes
Gratuity*	100%	100%	Yes	100%	100%	Yes
Employees State Insurance	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Others – please specify	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* The Provident Fund and Gratuity contributions are deposited with the Company's Trust Funds.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. **Yes, the Company's Corporate offices at Navi Mumbai are accessible to differently abled employees.**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. **Yes, the Company's policy on hiring does not discriminate against persons with disabilities.**

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	88%	100%	100%
Female	NA	NA	NA	NA
Total	100%	88%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

	Yes/No
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1170	–	–	1129	–	–
– Male	1051	–	–	1010	–	–
– Female	119	–	–	119	–	–
Total Permanent Workers	157	124	79%	186	126	68%
– Male	155	124	80%	186	126	68%
– Female	2	–	–	–	–	–

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1051	584	55%	1046	99%	1010	462	46%	1010	100%
Female	119	69	57%	96	81%	119	23	19%	117	98%
Total	1170	653	55%	1142	98%	1129	485	43%	1127	99%
Workers										
Male	155	155	100%	95	61%	186	164	88%	70	38%
Female	2	1	50%	–	–	–	–	–	–	–
Total	157	156	99%	95	61%	186	164	88%	70	38%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1051	1051	100%	1010	1010	100%
Female	119	119	100%	119	119	100%
Total	1170	1170	100%	1129	1129	100%
Workers						
Male	155	155	100%	186	186	100%
Female	2	2	100%	–	–	–
Total	157	157	100%	186	186	100%

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? **Yes, the Company has implemented occupational health & safety management system.**
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? **Provided under point 12 below**
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. **Yes**
- Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? **Yes**

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	–	–
	Workers	3.44	–
Total recordable work-related injuries	Employees	–	–
	Workers	1	–
No. of fatalities	Employees	–	–
	Workers	–	–
High consequence work-related injury or ill-health (excluding fatalities)	Employees	–	–
	Workers	–	–

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented Responsible Care® Management System to ensure compliance of EHS standards across the organization. A well-defined and documented Hazard Identification and Risk assessment is practiced for routine activities and non-routine activities with a detailed Permit to Work system. Accident Incident Management System is in place and as per the system employees are expected to report all accidents, incidents, near miss and even unsafe conditions/unsafe acts at workplace. All such cases are adequately investigated and preventive/corrective actions implemented. Training of all categories of employees is an essential element of our safety system. Best practices like Risk assessment, Workplace exposure measurement, regular medical checkups, accident/incident reporting etc., along with process safety practices like Safety Health and Environment reviews and Pre Safety Start up Reviews (PSSR) always keeps our employees safe and healthy at workplace. Adequate emergency preparedness is also put in place to mitigate any unforeseen eventualities.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

As there were no significant risks or concerns arising from the assessment of health & safety practices and working conditions, no corrective action was taken or necessitated to address any safety related incidents

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). **The Company has extended term life insurance to its employees and workers in the event of death. The Company has a family support policy for the deceased employees including unionized employees with one time allowance of INR 25,000/- and a monthly financial support of INR 50,000/- for a period of 6 months from the death of the employee.**
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. **The Company has put in place requisite processes to monitor that the statutory dues have been appropriately deducted & deposited by its Contractors.**

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	Nil	Nil	Not Applicable	Not Applicable
Workers	Nil	Nil	Not Applicable	Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **The Company does not provide such assistance programs.**

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. **No such assessments were performed.**

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies marginalized and disadvantaged groups through need assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company engages with students from low socio-economic backgrounds to enable quality education, and women and communities who are deprived of adequate water, hygiene and sanitation facilities, due to its focus on Sustainable Development Goals. During the financial year 2021-22, in addition to the initiatives undertaken by the Company in the area of education, the Company decided to allocate its CSR budget to support the fight against the Covid-19 pandemic.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalized Group (Yes / No)	Channels of Communication	Frequency of engagement	Purpose & scope of engagement
Customers	No	Newsletters, Email, SMS, Advertisements, Website, Social Media platforms	Monthly and for critical topics on real time basis.	Collaboration and co-creation (event based engagements)
Employees	No	Townhalls, Emails, Video messages, Internal Communication platforms, Intranet, Notice Board	Real time as may be required. Quarterly townhalls are also conducted for regular sharing of information.	Creating a high performance organization, updating on employee safety, business performance and key initiatives from the Company

Stakeholder Group	Whether identified as vulnerable & marginalized Group (Yes / No)	Channels of Communication	Frequency of engagement	Purpose & scope of engagement
Shareholders, Local Stock Exchange	No	Email, Newspapers, Advertisement, Annual General Meeting, Postal Ballot, Website	Half-Yearly presentations to Analysts / Fund Managers. Timely dissemination of material information to the Stock Exchanges.	Business (financial) performance & environmental initiatives of the Company.
Suppliers	No	Email, SMS, Advertisement, Website	As and when required.	To ensure that the quality raw materials & services are procured at competitive prices.
Communities around our Manufacturing Sites	Yes	Community Meetings, Events, Advertisements, School/ Local functions, Whatsapp, Social Media	Annual presentations by Manufacturing sites.	Community Development Initiatives and dissemination of Safety information.
Industry Associations	No	Meetings, Events, Advertisements, Social Media, Email	As and when required.	Business & environmental performance of the Company & regulatory issues.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The communities around our manufacturing sites are assessed and identified for support and intervention. Need assessment surveys are conducted, based on which topics for support are identified. Every year, the CSR activities, their implementation schedule and their impact is presented to the Board of Directors of the Company for their deliberation & feedback.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. For example, the Company's manufacturing site at Dahej, Gujarat has a Community Advisory Panel for stakeholder consultation. During the Covid-19 pandemic, pursuant to the request received from the local community stakeholders regarding requirement of oxygen at Covid Hospitals, the Company had installed an oxygen plant.

3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.

During the Covid-19 pandemic, at the request of the marginalized communities, the Company had not only provided basic necessities like groceries, masks & sanitizers, but had also worked closely with the community & the medical fraternity to provide ventilators to the hospital.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. of / employees workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
Employees						
Permanent	1170	545	47%	1129	548	49%
Other than permanent	1786	–	–	1786	–	–
Total Employees	2956	545	19%	2915	548	19%
Workers						
Permanent	157	6	4%	186	110	59%
Other than permanent	1003	–	–	1003	–	–
Total Workers	1160	6	0.51%	1189	110	9.25%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1051	–	–	1051	100%	1010	–	–	1010	100%
Female	119	–	–	119	100%	119	–	–	119	100%
Other Permanent										
Male	1700	–	–	1700	100%	1700	–	–	1700	100%
Female	86	–	–	86	100%	86	–	–	86	100%
Workers										
Permanent										
Male	155	–	–	155	100%	186	–	–	186	100%
Female	2	–	–	2	100%	0	–	–	0	0
Other than Permanent										
Male	975	–	–	975	100%	975	–	–	975	100%
Female	28	–	–	28	100%	28	–	–	28	100%

3. Details of remuneration/salary/wages (per annum), in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	–	–	–	–
Key Managerial Personnel	5	16,275,888	–	–
Employees other than BoD and KMP	1046	1,602,660	119	1,803,168
Workers	157	586,392	2	291,276

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **Yes**
5. Describe the internal mechanisms in place to redress grievances related to human rights issues. – **The Company has put in place Compliance Management System (Navex – Ethics Point, which is a 3rd party web-based compliance tool <https://secure.ethicspoint.com/>) to report complaints / grievances related to violation of BASF's Code of Conduct including grievances related to human rights issues.**
6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company gives prime importance to the dignity and respect of its employees irrespective of their gender or hierarchy and expects responsible conduct and behaviour on the part of employees at all levels. Providing a safe and congenial work environment for all employees is an integral part of the Company's Code of Conduct. In order to prevent adverse consequences to the complainants, the Company prohibits victimisation of the complainants in any form and also facilitates the filing of such complaints anonymously.

The Company has put a governance structure in place to address complaints related to discrimination or harassment of any kind. The Code of Conduct of the Company guides its employees. There is an Internal Committee constituted by the Company to address complaints relating to sexual harassment.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, the Company has included compliance with human rights requirements as a part of its standard terms and conditions of its Purchase Order, Agreements / Contracts entered into with the Suppliers and also as a part of its Supplier Code of Conduct.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	–

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. – **Not Applicable**

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints. – **Not Applicable as there have been no grievances / complaints of human rights violation received by the Company.**
2. Details of the scope and coverage of any Human rights due-diligence conducted. **The Company has not conducted any human rights due-diligence during FY 2021-22.**
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? **The Company's offices at Navi Mumbai are accessible to differently abled visitors, in line with the requirements under the Rights of Persons with Disabilities Act, 2016.**
4. Details on assessment of value chain partners:.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

– **Not Applicable**

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22 (Values in MWH)	FY 2020-21 (Values in MWH)
Total electricity consumption (A)	49841.1	45501.6
Total fuel consumption (B)	85443.61	78227.04
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	135284.71	123728.64
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00103kwh	0.00129kwh
Energy intensity (optional) – the relevant metric may be selected by the entity	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by Indian Chemical Council.

As part of ISO 14001, production plants are required to undertake annual targets to reduce emissions, reduce consumption of resources and improve efficiency of production process as a commitment to sustainable development.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

– **Not Applicable**

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	727919	639588.50
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	727919	639588.50
Total volume of water consumption (in kilolitres)	727919	639588.5
Water intensity per rupee of turnover (<i>Water consumed / turnover</i>)	0.00557lt	0.00669lt
Water intensity (optional) – the relevant metric may be selected by the entity	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company's manufacturing site at Panoli, Gujarat is a Zero Liquid Discharge Site.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2021-22	FY 2020-21
NOx	Kg	8267.71	5687.04
SOx	Kg	10507.17	11724.76
Particulate matter (PM)	Kg	10711.27	7870.22
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)	Kg	74460.06	57922.16
Hazardous air pollutants (HAP)		NA	NA
Others – please specify	Kg	1137.88	1125.64

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>	15132.06	14181.067
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>	35694.34	34290.134
Total Scope 1 and Scope 2 emissions per rupee of turnover	<i>kg</i>	0.000388	0.0005071
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	–	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

6. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Globally BASF is setting itself even more ambitious goals on its journey to climate neutrality and aims to achieve net zero emissions by 2050. Based on the most recent progress in developing low-emission and CO2-free technologies, the Company is also significantly raising its medium-term 2030 target for reduction in greenhouse gas emissions worldwide by 25% as compared with 2018 levels.

At the heart of the long-term transition towards net zero CO2 emissions by 2050 is the use of new technologies, which will replace fossil fuels such as natural gas with electricity from renewable sources. Most of these technologies are being pioneered by BASF in collaboration with partners and are currently in a pilot stage. Broad scaleup of these technologies will only be fully realizable after 2030. In order to accelerate the avoidance of CO2 emissions prior to that date, BASF also continues to systematically implement continuous improvement processes for existing production plants.

In addition, BASF will progressively switch to renewable sources to meet its electricity requirements. BASF's innovative products are also helping to protect the climate. The Company has used sustainable raw materials in many processes for a long time now and has a continuous program of research into new applications.

Further, a collaborative effort of companies, governmental and non-governmental organizations as well as civil society is necessary to address the global challenge of mismanaged plastic waste. BASF globally has joined a consortium of 30 global companies as a co-founding member to form the Alliance to End Plastic Waste. The members have committed with the goal of developing, deploying and bringing to scale solutions that will minimize and manage plastic waste and promote post-use solutions. These can be re-cycling, re-use and re-purposing of plastic to keep it out of the environment.

7. Provide details related to waste management by the entity, in the following format:

<i>Parameter</i>	<i>FY 2021-22</i>	<i>FY 2020-21</i>
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	6.97	4.18
Bio-medical waste (C)	1.8745	3.0398
Construction and demolition waste (D)	0	0
Battery waste (E)	1.31	2.77
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	3162.33	2662.476
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1221.15	829.1
Total (A+B + C + D + E + F + G + H)	4393.63	3501.55
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled 33.1	2201.46	1769.3
(i) Recycled 5.1	5.61	3.6
(i) Recycled 33.3	19.212	11.786
(ii) Re-used (used oil) 5.1	4.69	0
(iii) Other recovery operations 35.3	573.6	501.15
(iii) Other recovery operations (20.2,26.1,35.2 & 35.3) (Pre-processing / Co-Processing)	578.84	277.82
Total	3383.412	2563.656
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration 21.1	30.31	0
Incineration 20.2	34.64	0
(i) Incineration (20.2 & 26.1)	192.57	218.3
Incineration 33.2	209.6	144.8

Parameter	FY 2021-22	FY 2020-21
Incineration (Category Not Mentioned in GPCB Consent (Mineral Dust/ Wastewater))	43.22	47.87
(ii) Landfilling 35.3	2.94	2.67
(ii) Landfilling (35.2,35.3 & 36.2)	495.04	513.54
(iii) Other disposal operations	0	0
Total	1008.32	927.18

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

8. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company, being a Responsible Care @ practicing organization, manages its waste in a legally compliant and sustainable method. All the waste is handled as required by Consent to Operate / Hazardous Waste authorization of the individual sites. The Company adopts the strategy of Reduce, Reuse, Recycle, Recovery and Disposal methodology by optimizing and modifying the process from time to time. Continuous improvements in manufacturing process and technology is the key to reduce the generation of hazardous waste at our site. Substitution with less hazardous chemicals also contribute positively. High calorific value waste is sent to cement kilns for use as co-fuel.

9. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Although none of the Company's operations / offices are falling in or around ecologically sensitive areas, your Company has obtained environment clearance for its manufacturing sites at Mangalore and Dahej, as mentioned hereunder: -

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Bala, Surathkal, Mangalore, Karnataka	Manufacturing	Yes
2	Dahej	Manufacturing	Yes
3	Navi Mumbai	Manufacturing	The manufacturing site at Navi Mumbai has been operating prior to the requirement of obtaining Environmental Clearances coming into force.
4	Panoli	Manufacturing	Environmental clearances are not required for Company's manufacturing site at Panoli, Gujarat.

10. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any environmental impact assessments during the current financial year.

11. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company has ensured compliance with the applicable environmental laws, regulations, guidelines in India viz., Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	44055.1	49841.1
Total fuel consumption (E)	75821.52	85443.61
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	119876.62	135284.71

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **The Company has not conducted any independent assessment / evaluation by an external agency.**

2. Provide the following details related to water discharged:

Parameter	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
– No treatment	0	0
– With treatment – please specify level of Treatment	0	0
(ii) To Groundwater		
– No treatment	0	0
– With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
– No treatment	0	0
– With treatment – please specify level of treatment	328653	379237
(iv) Sent to third-parties		
– No treatment	0	0
– With treatment – please specify level of treatment	18233	22853
(v) Others		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	346886	402090

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

The Company has not conducted any independent assessment / evaluation by an external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Dahej, Gujarat

(ii) Nature of operations: Manufacturing

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	321693	384469
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	321693	384469
Total volume of water consumption (in kilolitres)	178590	231834
Water intensity per rupee of turnover (Water consumed / turnover)	–	–
Water intensity (optional) – the relevant metric may be selected by the entity	–	–
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
– No treatment	162628	190291
– With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
(v) Others		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	162628	190291

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. - **The Company has not conducted any independent assessment / evaluation by an external agency.**

- (i) Name of the area : Panoli
(ii) Nature of operations : Manufacturing
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	2281	2256
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	2281	2256
Total volume of water consumption (in kilolitres)	934	2256
Water intensity per rupee of turnover (Water consumed / turnover)	–	–
Water intensity (optional) – the relevant metric may be selected by the entity	–	–
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
(v) Others		
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. **The Company has not conducted any independent assessment / evaluation by an external agency.**

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2021-22	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	–	–
Total Scope 3 emissions per rupee of turnover		–	–
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency:

The Company has not conducted any independent assessment / evaluation by an external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Although the Company does not operate in any of the ecologically sensitive areas, your Company is sensitive to the needs of all its stakeholders. The discharge parameters are independently monitored by an agency appointed by the Ministry of Environment, Forest & Climate Change, Government of India. The report of the monitoring is regularly shared by the agency with all stake holders.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative	Outcome of the initiative
1.	Installation of Roof top solar panel	Roof top solar panel installed at Dahej site	1 % reduction in CO ₂ emission (baseline 2018)
2.	Reduction in incineration	Reduce the hazardous waste disposal to incineration by making alternate fuel energy recovery (Pre-processing)	Reduction in emission
3.	Reduction in hazardous waste disposal	Recycling of raw material drums for packing of products	5031 drums of 200lt capacity reused

7. Does the entity have a business continuity and disaster management plan?

The Company has a well-defined crisis management system. The Incident and Crisis Management system of the Company defines organizational structures and provides guidance to the Management to enable the efficient management of incidents or crisis, with the objective of minimizing the overall negative impact of a given situation and enabling a return to normalcy in the shortest possible timeframe.

The Incident and Crisis Management system takes care of any event, which has a potential to impact business unit operation and credibility, or which poses economic, environment, safety, health, security, or legal liability or which may or will require significant regional/global level resources to manage.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. – Nil

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. – Nil

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. **The Company had affiliations with 13 trade and industry chambers / associations.**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chamber/ association	Reach of trade and industry chamber/ association (State/National)
1	Confederation of Indian Industry	National
2	Federation of Indian Chambers of Commerce & Industry	National
3	Global Compact Network, India	National
4	Bombay Chamber of Commerce & Industry	State
5	Indian Management Association	National
6	Indian Chemical Council	National
7	Emission Control Manufacturer's Association	National
8	Indo German Chamber of Commerce	National
9	CropLife India	National
10	Indian Polyurethane Association	National

3. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.
 - **Not Applicable. As there was no anti-competitive conduct by the Company, no adverse orders were passed by regulatory authorities against the Company**

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1.	BIS Mandated Standards	through FICCI/CII/ ICC	No	Monthly review by impacted businesses	–
2.	Facilitating environment for chemical industry	through FICCI/CII/ ICC	No	–	–

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. – **NIL**
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: – **NIL**
3. Describe the mechanisms to receive and redress grievances of the community. – **Not Applicable**

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	17%	18%
Sourced directly from within the district and neighbouring districts	29%	34%

The Company is promoting localization by which imported raw materials are sought to be substituted with locally manufactured raw materials, wherever possible, subject to their meeting required specifications, quality & cost. With this initiative, the Company has been helping local suppliers in the Indian Chemical industry to compete in the global market. Also, many of the Company's packaging and service suppliers are in MSME (Micro, Small and Medium Enterprise) category. The Company has been associated with more than 200 MSME suppliers over the past 3 years.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): **Not Applicable**
2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: - **The Company has undertaken CSR projects / activities in and around its Manufacturing Sites at Navi Mumbai, Dahej, Mangalore and Panoli. However, the Company has not undertaken any such CSR activity in designated aspirational districts identified by government bodies.**
3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? **No, the Company does not have a preferential procurement policy.**
 (b) From which marginalized /vulnerable groups do you procure? **Not Applicable**
 (c) What percentage of total procurement (by value) does it constitute? **Not Applicable**
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: - **NIL -**
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. – **Not Applicable**
6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Covid-19 Relief	More than 5000	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. **The Company has rolled out NPS (Net Promoter System) to seek feedback and suggestions from customers. The feedback is obtained from the customers on the product quality and services. This feedback is evaluated internally, and appropriate actions are taken in order to meet the customer's expectations. The frequency of conducting such surveys is twice in a year.**
Further, the Company also has Non-Conformance Management (NCM) system in place to register and address customer complaints. These complaints are handled in a SAP based system, which provides feedback to the customer about the root cause analysis, corrective actions, and measures undertaken by the business to prevent its recurrence.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **Yes, the Company has a Data Privacy Policy**

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. – **Not Applicable, as there were no issues or concerns related to advertising, delivery of essential services, cyber security, penalties or actions initiated by regulatory authorities for safety of Company's products.**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Although there is no central platform for accessing information about all the products and services of the Company, each business unit has developed its own platform where information related to their products is available. For e.g. information about the Company's Agricultural Solutions business can be accessed at Website: <http://crop-protection.basf.in/en> AgGenie App: <https://basf.link/AgGenie>. Similarly, other business units have also independently developed their platforms, depending upon the requirements, where information on the Company's products are available.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company's Agricultural Solutions business has dedicated 'Suraksha Hamesha' meetings focused exclusively on promoting responsible use of crop protection products and usage of personal protection measures. During such meetings, there is emphasis on important stewardship topics viz. safe handling, usage, storage, and disposal of crop protection products. Usage of personal protection equipment is also emphasized in all interactions with the farmers. The Company also provides Sanrakshan Kits to its channel partners for further distribution and sale to farmers.

The Company has also adopted digital initiatives via Facebook, Digital Meetings, YouTube, AgGenie app, SMS & WhatsApp to create awareness about safe farming practices. The Company has also developed an easy to understand, language neutral animation movie showcasing 9 steps of responsible use of crop protection products, which was actively promoted on digital platforms and the Company has reached out to more than 97 lakh stakeholders from the farming community.

Similarly, all other business units of the Company provide safety and information sheets to their consumers about the safe and responsible use of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. **The Company communicates with its customers through various media viz., emails, personal meetings, audio-visual means, etc., to inform customers of any such disruptions / discontinuation of essential services.**
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company adheres to all applicable laws and regulations on product labelling. Apart from the mandatory declarations, additional declarations relating to the safe handling & use of the products are made on the labels.

5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact
 - b. Percentage of data breaches involving personally identifiable information of customers

There were no instances of data breaches.

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

NARAYAN KRISHNAMOHAN
Managing Director
(DIN: 08350849)

Mumbai

Dated : 9th May 2022



As adoption of digital technologies increases, your Company also adapted "Suraksha Hamesha" for digital meetings, to continue the effort in creating awareness about safe farming practices.

Statement containing particulars pursuant to Section 136(3)(m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY

Your Company's focus on Energy Management, Operational Excellence, Plant Reliability improvement continued during the year under report. Your Company continued its policy of giving priority to energy conservation measures including regular review of energy generation, distribution, consumption and effective control on utilization of energy in its manufacturing sites at Navi Mumbai (Maharashtra), Mangalore (Karnataka), Dahej and Panoli (Gujarat).

During the year under report, the following energy saving measures were implemented at the Company's manufacturing sites:

- Replacement of old chiller by energy efficient air-cooled scroll chiller
- Replacement of the existing off gas thermal oxidizer with a safer and more efficient one
- Replacement of pumps for energy savings.
- Installation of energy efficient motors.
- Initiation of installation of CO2 flooding system at some HT (High Tension) electrical installations based on risks and need
- Purchase of electricity from Open Access at cheaper rate.
- Installation of solar lights in boundary area.
- Application of Auto Voltage Regulator instead of Conventional Transformer used for lighting
- Re-designing of cooling tower pump by trimming impeller for reduced energy consumption
- Decentralized compressed air system to reduce energy losses & also save electrical energy
- Replacing steam boilers with hot water system thereby saving considerable amount of energy & fuel requirement.
- Avoiding double handling of finished goods in the process of dispatch, reducing considerable fuel consumption.
- Increased re-use of treated effluent water done to reduce fresh water consumption
- VFD (Variable Frequency Drive) for Bio-aerator agitator to optimize the energy consumption based on the dissolved oxygen level of Bio-aerator.
- Replacement of energy efficient ice compressor and ice making equipment for flake ice plant.
- Replacement of old motors with IE3 energy efficient motors in phased manner.
- Generation of steam using biomass instead of furnace oil resulted in lesser cost and lower carbon dioxide generation.
- Effective running of existing process water pumps using PID (Proportional Integral Derivative) controller.
- New 1800KW DG set installation resulted in cost savings as compared to old DG sets.
- Replacement of Sodium vapor /CFL bulbs with energy efficient LED lights at various locations inside the plants.
- Purchase of solar power from external solar plant and power trading resulted in reduction of electricity cost.

In addition, the Company is actively considering the following energy conservation measures:

- Initiating employee engagement program to identify & develop energy saving measures and operational excellence.
- Monthly resource conservation meeting to optimize plant consumption.
- Carrying out steam & energy audit.
- Creating awareness on energy conservation among employees.
- Optimizing utility energy consumption in the plant through resource conservation.
- Change in operational philosophy.
- Reduction in energy consumption of chillers by descaling.
- Automation of central utility air compressors.
- Re-cycling of waste-water (Reverse Osmosis reject) and cooling tower blow down water.
- Replacement of process water pump with hydropneumatics system intended as an energy saving measure
- Timer bases system to be implemented for high energy consuming blowers & also for lighting system in Plant & Warehouse

Requisite data in respect of Energy Consumption is given below:

	Current Year 1.4.2021 to 31.3.2022	Previous Year 1.4.2020 to 31.3.2021
Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (in '000 kwh)	52,713.64	47,554.9
Total amount (Rs. in million)	416.43	383.1
Rate per unit (Rs.)	7.90	8.1
(b) Own generation		
Through diesel generator		
Units (in '000 kwh)	510.53	439.5
Units per litre of oil	11.41	3.3
Cost per unit (Rs.)	127.36	20.6
2. Coal (specify quality and where used)		
Qty. (tonnes)	N.A.	N.A.
Total cost	N.A.	N.A.
3. Furnace Oil/Fuel		
Qty. (k. litre)	306.84	561.2
Total Amount (Rs. in million)	12.35	14.5
Average rate (Rs./litre)	40.25	25.8
4. Natural Gas		
Qty (KNCM)	5,851.7	5,215.0
Total cost	300.82	180.6
Average rate	51.41	34.7

B. TECHNOLOGY ABSORPTION

Research & Development (R&D):

1. Specific areas in which R&D was carried out by the Company.

During the year, the R&D Centre of the Company was engaged in supporting the businesses through innovation and undertook multifold research activities including:

- Further upgradation and improvement of safety instruments / aspects.
- Basic research in enhancing quality of life with sustainable solutions.
- Introduction of new products in existing production lines.
- Development of new products / formulations including water based dye solutions.
- Development of new analytical methods.
- Testing of new research compounds and formulations in greenhouse & fields for efficacy and safety against economically important agricultural pests and diseases.

Work on Global Research projects include:

- Collaborative research with BASF SE and its Group Companies in the areas of performance chemicals, intermediates, agrochemicals, and other organic materials.
- New organic chemical intermediates for specific applications.
- UV absorbers.
- Isolation of potential pesticides from natural sources.

Your Company's Coatings Technology Center is based at the Mangalore manufacturing site. The facility was established in 2011 and is active in the area of automotive Coatings. The major focus of R&D is to develop new Coating technologies for BASF having global scope for implementation. This includes automotive coatings layers like,

1. Electrocoat
2. Primer
3. Basecoat
4. Clearcoat

The R&D efforts are generally focused towards enhancing coating durability in terms of surface hardness, surface appearance, stone impact, integrity of all the coatings layers (intercoat adhesion), including applicability, sustainability and rheology profile, uniqueness in terms of coloristic properties etc. The lab is also engaged in R&D of key raw materials for coatings like:

1. Resins (complex and reactive polymeric architects)
2. Pigments, dispersants (well defined polymeric architects)
3. Nano materials
4. Additives

Your Company has a Pharma laboratory in its Navi Mumbai site which provides support to customer driven local innovation topics and also various global projects. This laboratory has been instrumental in launching new innovative products during the year under report. The technical and R&D team has been able to provide hands-on experience on various functionality and dosage forms using various excipients. This laboratory is also actively involved in conducting various workshops & training programs to educate & update potential customers on emerging technologies.

Your Company's Agricultural Research Station at Pune is recognized by Department of Scientific and Industrial Research, Ministry of Science and Technology. Testing of innovative research compounds is done in the green house and fields for understanding the efficacy and safety against economically important pests, weeds, and diseases. Baseline monitoring and resistance monitoring tests were carried out for newly introduced insecticides under controlled laboratory conditions enabling the business to take the right decisions for new product introduction in the market. Drone based applications of BASF's commercial insecticide, herbicide and fungicide were carried out against important pests to understand the efficacy and benefits of drone-based application as compared to the traditional application methods. Additionally, UV studies were carried out by spraying research compounds under UV tunnel cultivation while comparing to open field cultivation to understand the photocatalytic degradation of certain new compounds.

2. Benefits derived as a result of the above R&D:

In its endeavor to create chemistry for a sustainable future for the benefit of customers, the R&D Centre developed new products during the year. Some of these new products were introduced in the market. Production processes have been improved with respect to their safety, efficiency, quality, quantity and sustainability.

The Pharma laboratory team together with reputed Institutes have created awareness and encouraged technologies, which help in improving the bio availability of the drugs and deliver solutions for life threatening diseases, such as retroviral, diabetes and cardiovascular diseases.

3. Expenditure on R&D (net): Rs. 40.3 million

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, towards technology absorption, adaptation and innovation:

The R&D Centre of your Company is recognized by the Ministry of Science and Technology, Government of India. The Centre undertakes research in several areas including:

- New Organic Chemical Intermediates for various applications.
- Process Development and scale-up.
- Agricultural Solutions.
- Other Specialty Chemicals.

The Centre is also engaged in developmental activities, including new cost-effective technologies for existing and new products, reduction in batch cycle time, etc., as also research activities pertaining to the adaptation of process technologies received from BASF SE, Germany.

2. Benefits derived and the results of the above efforts:

New products were developed and commercialized during the year. Efforts in process optimization led to cost reduction. This helped the businesses to remain cost competitive. Batch sizes and cycle times were optimized for better efficiency and manufacturing equipments were modified for overall improved productivity.

3. Imported Technology:

The Company has entered into agreements with BASF SE and / or its Group Companies for sourcing the technical know-how in the following businesses:

- a) Performance Materials and Care Chemicals.
- b) Construction Products and Coatings

Your Company has an excellent relationship with BASF SE, Germany and other BASF Group Companies and receives valuable technical information and support on an ongoing basis. As a result, the Company has introduced a range of new products in different business segments.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings during the year: Rs. 3,221.5 million.

Foreign exchange expenditure during the year: Rs. 3,037.2 million.

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

NARAYAN KRISHNAMOHAN
Managing Director
(DIN:08350849)

Mumbai

Dated : 9th May 2022



BASF has developed a new version of its cathodic electrocoat (e-coat) CathoGuard® specifically designed to meet the requirements of electromobility. It enables application at lower temperatures, thus reducing CO2 emissions while maintaining the same product properties.

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED 31st March, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]]

To,
The Members,
BASF INDIA LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BASF India Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, to the extent applicable provisions of:

1. The Companies Act, 2013 ("The Act") the applicable and effective Amendments and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and The National Stock Exchange of India Limited.

The Management has identified and confirmed the Sector Specific Laws as applicable to the Company, being in Chemical Sector as given in **Annexure – A**.

We have also examined compliances with the applicable clauses of the following:

1. Secretarial Standards 1 and 2 as issued and revised by The Institute of Company Secretaries of India with effect from 1st October, 2017.
2. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and made effective from time to time.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned above.

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place in the Composition of the Board of Directors and Key Managerial Personnel is as under;

- i. Mr. Dirk Bremm (DIN: 08511847) resigned as a Director of the Company, effective close of business hours on 5th August, 2021 and Dr. Carola Richter (DIN: 0009197435) was appointed as a Director of the Company in his place, effective 6th August, 2021. Further, the shareholders of the Company, by way of Postal Ballot on 18th December, 2021, have approved the appointment of Dr. Carola Richter (DIN: 0009197435) as a Director of the Company with effect from 6th August, 2021 in the casual vacancy caused by the resignation of Mr. Dirk Bremm (DIN: 08511847)
- ii. Mr. Narendranath J. Baliga (DIN: 07005484) who was an Alternate Director to Mr. Dirk Bremm (DIN: 08511847) until 5th August, 2021 was later appointed as Alternate Director to Dr. Carola Richter (DIN: 0009197435) effective 6th August, 2021.
- iii. Mr. Rajesh Naik, (DIN:06935998), was re-appointed as a Whole-time Director of the Company for a period of 5 years i.e., from 1st April, 2022 to 31st March, 2027. The re-appointment was approved by the Shareholders of the Company, by way of Postal Ballot on 18th December, 2021.
- iv. Mr. Pradeep Chandan superannuated from the services of the Company from the close of business hours of 28th February, 2022, and thereby ceased to be the Company Secretary & Compliance Officer of the Company and also resigned as an Alternate Director to Dr. Ramkumar Dhruva, effective the said date.
- v. Mr. Manohar Kamath was appointed as Director – Legal, General Counsel (India) & Company Secretary of the Company, effective 1st March, 2022. He was also appointed as the Compliance Officer and Secretary to the Board Committees, effective 1st March, 2022.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period:

1. The Annual General Meeting of the Company for the financial year ended 31st March, 2021 was held on 6th August, 2021 through Video Conferencing /Other Audio-Visual means in view of outbreak of the COVID-19 pandemic and the relevant MCA and SEBI circulars.
2. The Company has declared and paid the Special dividend of Rs. 5/- per equity share i.e., 50% in addition to a final dividend @50% i.e., Rs. 5/- per Equity Share for the financial year ended 31st March, 2021 aggregating to Rs. 10/- per equity shares i.e., 100% at their Annual General Meeting held on 6th August, 2021 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
3. The Company has obtained Shareholders approval for payment of remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No: 000010) as Cost Auditors for the financial year ended 31st March, 2022, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 at their Annual General Meeting held on 6th August, 2021.
4. The Company has obtained shareholder's approval for revision in the existing limits of maximum remuneration payable to Mr. Narayan Krishnamohan (DIN 08350849), Managing Director of the Company for the period 1st April, 2021 to 31st March, 2024.
5. The Company has transferred an amount of Rs. 8,78,156/- (Rupees Eight Lakh Seventy Eight Thousand One Hundred and Fifty Six) on 6th October, 2021 and corresponding 11,619 (Eleven Thousand Six Hundred and Nineteen) Equity shares on 19th October, 2021 to IEPF Authority for the financial year 2013-2014 pursuant to section 124(5) of the Companies Act, 2013 read with the applicable rules made thereunder.
6. The Company has obtained Shareholders approval through Postal Ballot process vide Scrutinizers Report dated 3rd April, 2021 for providing Loans, Advances, and Inter-corporate Deposits to BASF Group Companies in India for an amount not exceeding Rs. 750 crore under Section 185 and 186 of the Companies Act, 2013.
7. During the period under review, the Company has received a request on 9th March, 2022 from Master Builders Solutions Deutschland GmbH (Formerly known as BASF Construction Solutions GmbH) holding 'NIL' Equity Shares in the Company to remove their name from the list of Promoter Group Shareholders of the Company. Further, the Board of Directors of the Company at its Meeting held on 30th March, 2022 has approved the request of Master Builders Solutions Deutschland GmbH (Formerly known as BASF Construction Solutions GmbH) to remove their name from the list of Promoter Group Shareholders of the Company, subject to the approval of BSE Limited and The National Stock Exchange of India Ltd. The Company has made application to both the Stock Exchanges on 14th April, 2022 and the approvals are pending.

8. The title deeds of immovable properties, as disclosed for fixed assets in the financial statements for the financial year ended 31st March, 2022, are held in the name of the Company, except for the freehold land & Right-of-use land held at Mangalore location (Gross Block – Rs. 48.3 million) for which the Company is in the process of settling ongoing disputes with respect to enhanced compensation demanded by land losers towards small part of the land and basis settlement thereof, would be eligible to execute the agreement for transfer of ownership.
9. (i) As on financial year ended 31st March, 2022, in respect of certain direct and indirect tax and other litigations (comprising various claims filed by other parties not acknowledged as debt), the Company held provisions of Rs. 429.6 million and disclosed contingent liabilities (to the extent not provided for) of Rs. 5,208 million.
- (ii) Further the Company has received demand notices from the Commercial Tax Department, Karnataka aggregating Rs. 7,560.6 million (including interest and penalty) for the period 2006-07 to 2017-18 (April 2017 to June 2017), by treating the stock transfers of its Mangalore Plant as interstate sales to dealers. However, recovery of these demands have been stayed by the Hon'ble Karnataka Appellate Tribunal for the period 2006-07 to 2016-17. The Company has filed the appeal for period 2017-18 (April 2017 to June 2017). The Company's Management has made an assessment of the likely outcome of the matter and based on legal advice obtained by the Company, no provision is considered necessary against this matter. Any unexpected adverse outcome could significantly impact the Company's reported profit and financial position.

Place : Mumbai

Dated : 9th May 2022

ICSI UDIN: F002827D000283943

PEER REVIEW NO: P2007MH004300

For **HSPN & ASSOCIATES LLP**
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

This report is to be read with our letter of even date which is annexed as **Annexure – B** and forms an integral part of this report.

Annexure – A

SECTOR SPECIFIC LAWS AS APPLICABLE TO THE COMPANY, BEING IN CHEMICAL INDUSTRY

1. Air & Water (Prevention and Control of Pollution) Acts, 1981
2. Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986
3. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
4. Indian Boilers Act, 1923
5. Chemical Weapons Convention Act, 2000
6. The Narcotics Drugs and Psychotropic Substances Act, 1985
7. The Explosives Act, 1884
8. The Inflammable Substances Act, 1952
9. Insecticides Act, 1968 and Insecticides Rules, 1971
10. Legal Metrology (Packaged Commodities) Rules, 2011
11. Fertilizer (Control) Order, 1985
12. Solvent Raffinate & Slop (Licensing) Order, 2007
13. Drugs and Cosmetics Act, 1940
14. The Gujarat Industrial Development Act, 1962 and Rules
15. Maharashtra Industrial Development Act, 1962 and Rules
16. Karnataka Industrial Areas Development Act, 1966 and Rules

Place : Mumbai

Dated : 9th May 2022

ICSI UDIN: F002827D000283943

PEER REVIEW NO: P2007MH004300

For **HSPN & ASSOCIATES LLP**
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

Annexure – B

To,
The Members,
BASF INDIA LIMITED

Our report of even date is to be read along with this letter.

Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Mumbai

Dated : 9th May 2022

ICSI UDIN: F002827D000283943

PEER REVIEW NO: P2007MH004300

**For HSPN & ASSOCIATES LLP
Company Secretaries**

**Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483**

Annexure V

FORM NO. AOC – 2

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not on Arm's length basis:

There were no contracts or arrangements or transactions of the Company during the financial year ended 31st March, 2022, which were not on arm's length basis.

2. Details of material contracts or arrangements or transactions on arms' length basis:

Name(s) of the related party & nature of relationship	Nature of contract/arrangement/ transaction	Duration of contract/ arrangement/ transaction	Salient terms of the contracts/ arrangements/ transactions	Amount (Rs. in million)
BASF SE, Parent Company	(a) Sale and/or purchase of goods. (b) Availing or rendering of services. (c) Royalty.	On-going transactions	As per Inter Company Transfer Pricing (ICTP) Guidelines	9,941.0
BASF Hong Kong Limited, Affiliate Company	(a) Sale and/or purchase of goods. (b) Availing or rendering of services.			35,610.0
BASF Petronas Chemicals Sdn Bhd, Affiliate Company	(a) Sale and / or purchase of goods. (b) Availing or rendering of services.			14,935.0

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

NARAYAN KRISHNAMOHAN
Managing Director
(DIN:08350849)

Mumbai
Dated : 9th May 2022

Annexure VI

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED.

1. The ratio of the remuneration (paid/payable) of each Director to the median remuneration of the employees of the Company for the financial year 2021-2022: (Amount in Rupees)

Sr. No.	Name of Director	Remuneration	Median Remuneration of Employees	Ratio
1.	@^Mr. Narayan Krishnamohan (Managing Director)	85,946,348	1,411,062	60.91
2.	*@^ Mr. Narendranath J. Baliga (Chief Financial Officer & Alternate Director)	29,943,801	1,411,062	21.22
3.	**Mr. Pradeep Chandan (Company Secretary & Alternate Director until 28 th February, 2022)	26,491,523	1,411,062	18.77
4.	Mr. Rajesh Naik (Manufacturing Head & Whole-time Director)	19,729,334	1,411,062	13.98

* Mr. Narendranath J. Baliga has been appointed as Chief Financial Officer & Alternate Director. Being in the whole-time employment of the Company, he is also deemed to be Whole-time Director.

** Mr. Pradeep Chandan was an Alternate Director until the close of business hours of 28th February, 2022. Being in the whole-time employment of the Company, he was also deemed to be Whole-time Director until 28th February, 2022. His remuneration includes Leave Encashment of Rs. 7,078,555/- paid to him on account of retirement from the services of the Company. Further, his remuneration is for the period of 11 months i.e., 1st April, 2021 to 28th February, 2022.

@ The aggregate remuneration paid / payable to Mr. Narayan Krishnamohan and Mr. Narendranath J Baliga for the financial year 2021-22 includes Performance Linked Incentive (Short Term Incentive) payable to them proportionately apportioned for 9 months (April 2021 – December 2021) & the Performance Linked Incentive provisions created in the books of accounts proportionately for 3 months (January 2022 – March 2022) based on the Target Short Term Incentive for the calendar year 2021.

The respective amounts of Short-Term Incentive shall be paid to Mr. Narayan Krishnamohan and Mr. Narendranath J. Baliga for the financial year 2021-22 after receipt of shareholders' approval.

^ The Ultimate Holding Company ('BASF SE') offers Performance Share Plan ('Long Term Incentive') for Senior Executives of BASF Group. Mr. Narayan Krishnamohan & Mr. Narendranath J. Baliga are eligible under this program. The long-term incentive of Rs. 5,918,364/- and Rs. 1,753,765/- has been accrued by the Company for the financial year 2021-22 for Mr. Narayan Krishnamohan and Mr. Narendranath J. Baliga, respectively. This does not form part of the aforesaid remuneration and there is no cash outflow by the Company for the financial year 2021-22 in respect thereof.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2021-2022 (compared to the financial year 2020-2021):

Sr. No.	Name	Designation	Percentage increase in remuneration
1.	Mr. Narayan Krishnamohan	Managing Director	7.03
2.	Mr. Narendranath J. Baliga	Chief Financial Officer & Alternate Director	8.63
3.	Mr. Pradeep Chandan	Company Secretary & Alternate Director (until 28 th February, 2022)	7.76
4.	Mr. Rajesh Naik	Manufacturing Head & Whole-time Director	9.86
5.	Mr. Manohar Kamath	Director – Legal, General Counsel (India) & Company Secretary (effective 1 st March, 2022)	12.72

3. Percentage increase in the median remuneration of employees (other than Managerial Personnel) in the financial year 2021-2022 is 1.46%.

4. The number of permanent employees on the rolls of the Company as on 31st March, 2022 are 1327.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase for Managerial Personnel is 9.2% and for other employees is 1.46%.

In line with the Company's compensation philosophy, merit increases and annual bonus pay-out to its employees including Key Managerial Personnel are directly linked to the Company's financial performance, BASF Group's Return on Capital Employed and individual performance against pre-agreed targets.

6. Key parameters for any variable component of remuneration of the Executive Directors:

The key parameters for the variable component of remuneration of the Directors are considered by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

7. It is hereby affirmed that the remuneration paid / payable during the year is as per the Remuneration Policy of the Company.

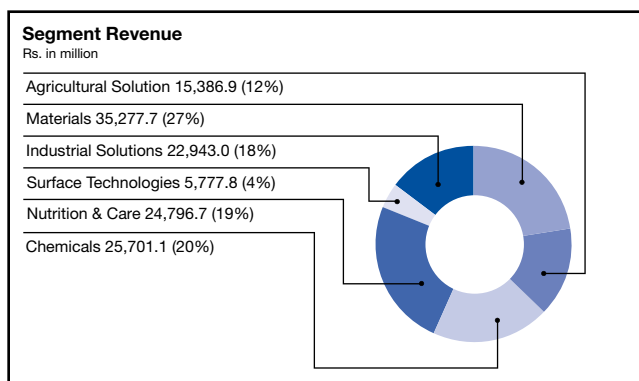
On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

NARAYAN KRISHNAMOHAN
Managing Director
(DIN: 08350849)

Mumbai
Dated : 9th May 2022

Management Discussion and Analysis Report



In 2021, the global economy continued to recover even as the pandemic re-surfaced. Since the summer of 2021, growth rebounded, pulled by exports and strong consumer demand. While the worst of the COVID-19 pandemic was left behind, the global crisis escalated due to the ongoing Russia-Ukraine war. Rising energy and oil prices, increase in raw material prices and global supply disruptions have resulted in higher and more broad-based inflation than anticipated. Global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022.

As per the World Bank, India's GDP growth is expected to be approx. 8.3% in the fiscal year ended 31st March, 2022, while it is projected to grow by 7.5% during the financial year 2022-2023. Agriculture has grown by 3.9% in 2021-22 as compared to 3.6% in the previous year. Industrial sector has witnessed a sharp rebound from a contraction of 7% in the financial year 2020-21 to a growth of 11.8% during the financial year 2021-22 coupled with growth of 8.2% in the services sector. Recovery in a few sectors, especially agriculture, manufacturing, construction, and contact-intensive services sector, weighed on the overall growth. Higher vaccination rates and reduced infection rate will boost private consumption. However ongoing predictions of new variants and its effects will need to be closely monitored. The Production Linked Incentive (PLI), covering 13 sectors continues to be critical in scaling up domestic manufacturing facilities, accompanied by higher import substitution and employment generation. Increase in the sales of electric vehicles together with demand for passenger vehicles will further boost the automotive industry in the country.

While the growth outlook is optimistic, the resilience of the Indian economy will be tested against the global crisis during the course of 2022-23.

The products manufactured by your Company are used in agriculture, automotive, pharmaceuticals, construction, consumer durables, consumer care and paints.

Note: - Source of Global & Indian Economy Data: World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation (imf.org), Services Growth, Agriculture, Industrial, Recovery Disruption, EV, Consumer Spending, Pharmaceutical



Your Company entered the Indian Sugarcane crop protection market with Vesnit® Complete, an effective and broad-spectrum control of post-emergent grasses & broad leaf weeds in Sugarcane. India is the second largest producer of Sugarcane in the world.

create awareness about safe farming practices. In 2020, due to the COVID-19 pandemic and social distancing norms, your Company adapted 'Suraksha Hamesha' for conducting digital meetings with farmers on several topics in various languages. More than 9.7 million farmers have learnt about safe farming practices through our various digital initiatives till now.

AGRICULTURAL SOLUTIONS

The Agricultural Solutions business makes & sells products required for Crop Protection, such as insecticides, herbicides, fungicides, and plant growth regulators.

The sales of the products of your Company's Agricultural Solutions business depends on the monsoon and its distribution. During the year 2021, monsoon was erratic as there was deficit rainfall until August 2021, except South India, followed by excess rain in the later part of the year. Our well diversified portfolio steered the business to growth in the financial year 2021-22 over the financial year 2020-21.

The growth was led by fungicides like Priaxor® in cotton, Cabrio Top®, Acrobat® and Merivon® in Fruits and Vegetables.

Since 2017, your Company's Agricultural Solutions business has been using digital platforms like Facebook, WhatsApp & YouTube to

During the financial year 2021-22, the business also started a new initiative by conducting seminars as part of continuing medical education for doctors to create awareness on accidental agrochemical poisoning with the objective of sensitizing the medical community in rural India on the handling of such cases.



Plastomoll® DOA, a plasticizer for PVC, surface and coatings, is especially suited for flexible PVC colorants and coatings requiring good low temperature properties. Plastomoll® DOA meets the requirements for food packaging and can therefore be used for flexible PVC films for food contact (cling film).

trusted non-phthalate plasticizer Hexamoll® DINCH continued to make inroads into a range of niche applications.

The Intermediates business of your Company caters to industries such as, pharmaceuticals, agrochemicals, coatings, food & feed, flavour & fragrance, surfactants, rubber chemicals, textiles, personal care, adhesives, dyes etc.

The Pharmaceuticals sector saw a boom in the year under review due to the COVID-19 pandemic. With the reduction in COVID-19 cases, the sale of non-COVID-19 drugs have also begun to gain momentum since the beginning of 2022. The demand in the agrochemical industry was resilient to COVID-19 and remained at high levels and most of the downstream industries showed higher demand resulting in a growth in the sales of chemical intermediates, post the pandemic.

Your Company continued to support customers by leveraging its strong customer relationships and diversified production sites thereby mitigating the difficult business environment and securing majority supply share of our key products. Our key customers in Pharmaceuticals, Agrochemicals and other sectors, appreciated our services during the pandemic period, which helped them run their plants continuously and your Company was able to overcome most of the challenges with proper mitigation measures.

Uncertainties in the global market, rising raw material costs, increasing oil and energy prices and supply chain disruptions are some of the challenges for this business.

CHEMICALS

Your Company's Chemicals segment comprises of the Petrochemicals & Intermediates businesses.

The Petrochemicals business of your Company comprises of oxo-alcohols, acrylic acid, acrylic monomers, superabsorbent and specialty plasticizers. These products are used in a variety of end user industries including paints & coatings, adhesives, baby diapers, a variety of flexible PVC applications such as wires and cables, and as solvents in the chemical industry. Since the Petrochemicals business caters largely to non-essential end user industries, demand and sales were impacted to a certain extent due to the COVID-19 pandemic. However, demand recovered in the 2nd half of the financial year 2021–22. Consequently, your Company delivered double digit margin growth in the Petrochemicals business. BASF's innovative and



Your Company's Intermediates business develops, produces and markets the world's largest portfolio of chemical intermediates products. This portfolio of more than 700 products comprises top quality Building Blocks, Chiral Auxiliaries, Protective Groups, Reagents and Solvents for chemical synthesis in the pharmaceutical industry.

MATERIALS



Your Company co-created a concept helmet with Vega Automotive, showcasing innovative material solutions and designs to enhance motorcyclists' style, safety, comfort and functionality.

Your Company's Materials segment includes the Performance Materials and Monomers businesses.

The Performance Materials business of your Company, which consists of polyurethanes, engineering plastics and specialty plastics, caters to the requirements of the Consumer, Construction, Industrial Product applications and Transportation industries.

Despite the second wave of Covid along with the global semi-conductor shortage, the production of passenger vehicles grew by 19.2% in India during the financial year 2021-22 as compared to the previous year 2020-21 due to strong market demand. Your Company's product lines that cater to the Interior, Exterior, Powertrain, Chassis and Vehicle Suspension related applications grew due to increased market price, participation

in new launches and new business won through TIER-I customers for export markets. The business continues to sweat the assets of its Engineering Plastics manufacturing units at Thane and Panoli and CELLASTO® production unit at Dahej Plant.

The Consumer industry business was impacted during the financial year 2021-22 as demand declined due to the effects of the pandemic and supply disruptions. Your Company was able to maintain its market share in the appliances business and further grow in the furniture & footwear businesses riding on local manufacturing capabilities and by providing lighter and more comfortable products to the footwear market.

The appliances business has been able to strengthen its supply reliability and thus gain higher trust and confidence of its customers. The "Work from Home" phenomenon is proving beneficial for the furniture business where your Company has successfully launched additional grades of BASF brand CosyPUR®.

In the Construction segment, where your Company predominantly supplies polyurethane insulation for the cold chain, infra and residential markets, showed improved growth in volumes and value. With the increased focus of the government on reduction of food wastage, your Company is actively involved in promoting and supplying insulations for Cold Chain. The segment faced challenges in the last quarter of the financial year 2021-2022 due to supply disruptions.

The Industrial Product segment continued to make inroads in electrical and electronic applications by acquiring new customers and commercializing new applications. With its strong channel strategy, the Industrial Product segment has enhanced its ability to penetrate deep into these markets. The Industrial Product segment plays a key role in emerging businesses like 5G and e-mobility connected infrastructure.

Your Company's Specialty business which comprises of multi-application product Ultrason®, compostable plastic material Ecovio® and thermal and sound insulating melamine foam Basotect® fared better even after facing supply disruptions.

Although the sales of Performance Materials business were impacted due to the second wave of COVID-19 the second half of the financial year 2021-2022 saw good recovery with stable margins.

Your Company's Monomers business deals in basic raw materials for polyurethanes, inorganics & polyamides and its precursors. During the financial year 2021-2022, the Monomers business grew significantly in terms of value as compared to the previous financial year 2020-2021.

Despite the challenges posed by COVID-19, disruptions in supply chain due to scarcity of vessels, delayed import shipments and uncertainties due to escalating raw material prices, this business continued to have strong engagement with the customers and maintain its position as one of the key suppliers to the market. The upward price trend remained for the most part of the year as demand picked up and supplies became limited, leading to double-digit margin growth for the Monomers business.



Your Company is one of the leading manufacturers of Polyamides Intermediates and Polyamide.

The MDI (Methylene diphenyl diisocyanate) business significantly grew in volumes and value over the previous financial year 2020-2021. Strong demand in flexible PU foams, flexible packaging and coating adhesives contributed to the growth of the MDI business. Revival of consumer demand from online purchases continued to secure the sales of TDI (Toluene diisocyanate) in rigid PU foam applications. However, local availability and over-capacities in Asia continue to be a challenge for this business.

The Inorganics business of your Company was impacted due to force majeure declared by BASF SE at its plant in Germany, for one of the key raw materials for Life Science applications, beginning the third quarter of the financial year 2021-22.

In the Polyamide and precursors portfolio, the focus continues to remain on barrier films for packaging and mono-filament segment, whereby the demand recovered post COVID-19. The strong synergies with isocyanates business' customer base were well captured for increasing sales of the precursors, which led to significant growth, both in volume and value terms.

Challenges in terms of availability of shipping vessels continues to remain for this business.

INDUSTRIAL SOLUTIONS

Your Company's Industrial Solutions segment comprises of Dispersions, Resins, Additives and Performance Chemicals businesses.

The Dispersions business of your Company caters to the needs of paints & coatings, construction, and paper industries. The Resins & Additives business caters to the needs of adhesives, automobile, printing & packaging industries.

The financial year 2021-22 was a good year in terms of the overall business performance in spite of the resurgence of COVID-19. The key challenges faced by the business were rising input costs, logistics related constraints & volatility in customer demand. Your Company managed to navigate through these challenges by continuous interactions with the customers increasing engagement through online webinars/platforms and by maintaining operational and supply chain excellence.



Joncryl® High Performance Barrier series enables the design of single-use paper food packaging that is repulpable after use.



To meet sustainability goals while facing growing consumer concerns and stricter regulatory requirements to reduce plastic waste, the new IrgaCycle™ solutions can help increase the percentage of recycled content in several end-use applications such as packaging, automotive & mobility, and building and construction.

converters. Your Company continues to grow in the market with the expansion of capacities of major polymer producers as well as increase in demand from packaging, automotive, agriculture, electronics & renewable solar energy sector. Business continues to focus on value-added products to customers to further enhance sales. Catering to the growing market trend towards "Circular Economy" in plastic industry, your Company has launched IrgaCycle,™ an innovative sustainable solution to address the imminent needs in plastic recycling.

The growth was also led by launching of innovative products during the financial year 2021-22. Architectural coating helped the customers to introduce elastomeric coatings to grow their business exponentially. A new product for decorative floor coating was introduced during the year. Paper coating introduced 100% recyclable and re-pulpable paper cups with Joncryl range of dispersions. Construction segment was successful in commercialization of transparent sealant.

Your Company is in the final stages of completing the capacity expansion for manufacture of dispersions at its Dahej plant to cater to the various user industries.

The Performance Chemicals business comprises of Plastic Additives, Fuel & Lubricants and Mining Chemicals.

Your Company's Plastic Additives business is categorized into antioxidants and light stabilizers for the plastics industry. Customers are broadly classified into upstream industries such as polymer manufacturers and downstream industries such as master batchers, compounders &



BASF's range of Synative® AL coupling agents / solubilizers consist of alcohols for use as coupling agents and solubilizers in metalworking fluids. These products offer ease of formulation and stability of concentrated formulations and superior environment-health-safety profile.

The Fuel and Lubricant Solutions business is categorized into Components and Formulations. Under Components, your Company offers various additives and synthetic base fluids, which are used for formulating various types of lubricants. Key application areas include automotive engine oils meeting BS-VI norms and lubricants used in the metal processing industry. Under Formulations, your Company offers finished products such as coolants for latest generation engines, brake fluids for meeting highest safety norms and fuel additives for maximizing engine performance. Your Company is a key solution provider to various oil companies as well as automotive OEMs.

The Kaolin minerals business caters to diverse applications / segments such as architectural coatings, automotive coatings, inks, wires &

cables, tyre, construction, plastic & rubber, and specialty paper applications. This business will be divested globally in 2022, subject to receipt of requisite approvals.

Mining Solutions business caters to solid liquid separation applications in various mineral processing areas viz. coal, iron ore, mineral sand, alumina, zinc and lead, copper, construction sand etc., to ensure water re-circulation and re-use. Your Company's innovative binder chemistries are responsible for improving the end product quality during mineral processing while reducing the carbon footprint. BASF's Hydrometallurgy product range is responsible for unique formulations for solvent extraction applications in the industry.



BASF's Licity® product range for lithium-ion battery binders are suitable for pure graphite as well as silicon-containing anodes. Batteries benefit from Licity binders with increased charge cycles and reduced charging times, a contributing factor to the performance of the batteries for electric vehicles.

SURFACE TECHNOLOGIES



Automotive OEM designers can now virtually paint every color proposal via AUROOM, a platform for the digital visualization of automotive exterior colors, and gain realistic impressions of colors and effects on a complete car during an early design phase. AUROOM is part of your company's efforts to work closely with customers in driving color development and coating applications program.

Your Company's Surface Technologies segment comprises of Catalysts and Coatings Solutions businesses.

The Process Catalysts business caters to refining, petrochemicals and downstream base and fine chemical industries. During the year, there was a rising demand across all refineries and petrochemical industries leading to increased capacity utilization across the industry. However, impacts on shipments, especially from the US, caused a dip in fulfillment of customer orders.

The automotive coatings market is constantly searching for innovative solutions to improve appearance and quality to reduce cost and environmental impact. Your Company has a wide range of innovative products & solutions to cater to these market needs and is well connected with major customers globally. The automotive Industry in India had bounced back in 2021 after a challenging year in 2020. The passenger vehicle segment has shown high resilience to grow after mitigating all logistic hurdles. The

growth was slightly muted with the semi-conductor shortage in 2021, which is expected to continue in 2022 as well. Two-wheeler & commercial segments have not grown as expected. Automotive OEMs are expected to expand their production capabilities and set up new plants depending on their strategic intent to capture the future potential of the Indian automotive industry. The Company has also witnessed interest from the other OEMs to enter India with their passenger vehicle portfolio.

NUTRITION & CARE

Your Company's Nutrition & Care Segment comprises of Care Chemicals, Nutrition and Health Care businesses.

The Care Chemicals business provides solutions to customers in personal care, home care & institutional cleaning and industrial formulation segments namely textile, leather, agrochemicals, metal surface cleaning etc. The business witnessed a strong growth in home care, personal cleansing & hygiene, and surface cleaning markets, with increased opening of economic activity after the COVID-19 wave. Good opportunities in the textile solutions market as well as the growth in the Agro chemicals and emerging industrial segments further leveraged the growth of this business. The Personal care and Standard Oleo Surfactants business was stable during the year and was able to sustain its position in the market. The business witnessed strong headwinds from highly volatile feedstock prices, which was effectively



Through an exclusive relationship with Caregen, your company launched Peptovitae™, a series of peptides that addresses a wider range of skin concerns such as aging, dullness, dryness and itching. Peptovitae™ is developed in Asia for global consumer needs.



Yeast-raised products range from breads to croissants and from pizza dough to donuts. With performance ingredients like Nutrilife® enzymes and Nutrisoft® emulsifiers, BASF supports manufacturers in producing high-quality baked goods that exhibit the desired characteristics and meet consumer demands.

Antioxidants & Omega 3 among others and a broad range of food performance ingredients. Demand for high quality Vitamins remained steady although some corrections occurred due to reduction in COVID-19 cases, which reduced the demand for multivitamins and supplements. The Human Nutrition business continues to grow steadily due to increasing awareness of preventive health, immunity, and better lifestyle. Your Company also partnered with key stakeholders in the Food Fortification Initiative of the Government of India by supplying high quality Vitamins.

The Animal Nutrition business supplies vitamins and innovative high quality feed additives for livestock, aquaculture and companion animals. The demand for Animal Nutrition products remained impacted due to the pandemic, and margins for farmers were further reduced due to the sharp increase in soybean and maize prices. Continued demand recovery, supported by opening of travel, hotels and restaurants will support the growth of the poultry industry as well as the Animal Nutrition business.

The Pharma solutions team specializes in functional excipients and select Active Pharma Ingredients (API) for the pharmaceutical industry. During the financial year 2021-22, your Company worked with some of the leading pharmaceutical companies to develop new formulations and supplied some critical excipients for the manufacture of several tablet formulations used in COVID-19 treatment. Your Company invested in a technical services laboratory to support local pharmaceutical companies.

The Aroma Ingredients business witnessed increased consumption in applications like hygiene products during the COVID-19 wave. However, the demand for personal care, cosmetics, confectionary, pain relief application etc. were muted due lockdown induced restrictions.

managed through localization, portfolio mix, customer mix and price management. The business continued its customer centric approach through various measures such as digitalization, cluster and customer workshops thereby building a sustainable sales pipeline.

The Nutrition & Health Care Segment of your Company offers a comprehensive range of products across Human Nutrition, Animal Nutrition, Pharma Solutions and Aroma Ingredients. The Nutrition and Health business participated in key formulations used in COVID-19 treatment and supplied high quality vitamins and aroma ingredients for various applications, including multi-vitamin tablets and hygiene products like soaps & handwash.

The Human Nutrition business aims to be the most credible food & health ingredient supplier with its broad range of synthetic and natural products including Vitamins,

TECHNICAL MANAGEMENT

Your Company had stabilized all operations with good practices in emergency handling, change management, hygiene practices etc., after COVID-19 surfaced in early 2020. Your Company continued with regular reviews of the situation by the Country Incident Management Team (CIMT) and Site Incident Management team. Although the second COVID-19 wave hit our country more vigorously in April 2021, the preparedness helped your Company to ensure uninterrupted manufacturing operations at all its sites / plants.

During the year, your Company continued the ongoing project work by establishing an additional production line for manufacture of Dispersions at Dahej Plant and enhancing quality in the Coatings business at Mangalore Plant. The second wave of COVID-19 and Government directives to stop use of industrial oxygen, restrictions on construction workers did impact and slow down our project work for some time. The projects were brought back to speed as the situation improved. The start-up for Dahej & Mangalore investment projects is expected to take place in the first quarter of FY 2022-23. Health & Safety continued to be our priority during these trying times and your Company is proud to report 'No loss time injuries' during these projects.

Your Company continued to introduce new products in almost all the plants. The product Lupranate® MS/4 produced at Dahej plant, which was earlier being supplied in barrels under frozen condition is now being supplied to a customer near Mumbai in Liquid form in ISO tankers. This collaborative Project undertaken together with the customer saves cycle time and energy for both your Company and the customer.

Digitalisation drive continues at all our sites. During the financial year 2021-22, your Company completed the Digitalisation Road map for Dahej site based on which the IT Infrastructure enhancement plan is ready for execution in FY 2022-23. Meanwhile, work on augmented reality, which provides a platform for paperless plant field logging and paperless safe work permits has been initiated. Similar exercise for Digitalisation Road map and IT infrastructure enhancement plan for our Mangalore site would be carried out during the financial year 2022-23. During the financial year 2021-22, your Company also extended the IT tool for monitoring statutory compliances at its Thane and Panoli sites.

Your Company carried out multiple small projects for energy saving, for e.g., a more efficient compressor for ice making plant and efficient DG set has been installed at Mangalore site and use of renewable power by installation of Solar panels has been initiated at Dahej site.

Your Company continues to maintain high plant reliability by adopting appropriate maintenance strategy & system management viz. risk-based maintenance, spare parts management, implementation of reliability tools like FMEA (Failure Mode & Effect Analysis), RCM (Reliability Centered Maintenance), continuous improvement on maintenance maturity & SAP Plant Maintenance at all the plants. During the financial year 2021-22, your Company initiated work on replacing underground Fire hydrant pipe with over ground lines at its Mangalore site to reduce corrosion. Similarly, your Company also redesigned / reconfigured piping to improve flow of gas from the process plant to Thermal oxidizer at its Dahej site.

Your Company's Manufacturing sites continue to be certified in various combinations based on business need for ISO 9001, ISO 14001, ISO 50001, IATF 16949, Ford Q1 certification, EFfCI GMP & RSPO. Your Company continues to use biofuel for the boiler at Mangalore, practice rainwater harvesting, promote tree plantation and carry out community service in and around its manufacturing sites.

In line with the Company's purpose, your Company continues to promote and practice Responsible Care® together with the Indian Chemical Council (ICC).

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has established adequate internal financial control systems to ensure reliable financial reporting and compliance in accordance with the laws and regulations. All resources are put to optimal use and adequately protected against any loss. All transactions are authorized, recorded and reported correctly. Policies and guidelines of your Company are being adhered to and improvements in processes are being carried out on an ongoing basis. The principles of risk avoidance, such as segregation of duties and approval-based authorization matrix form the core of the internal control systems. The efficiency and effectiveness of the internal control system over financial reporting has been performed by the management through evaluation, documentation, testing and reporting of the relevant processes and controls.



Solar panels were installed at Dahej site as part of your Company's sustainability efforts in energy saving.

Our internal control systems are also supplemented by an extensive program of internal audit by an independent firm of Chartered Accountants. Internal audits are conducted regularly and their summary as well as recommendations are placed before the Audit Committee/ Board of Directors of the Company. The Audit Committee reviews the internal financial control systems on an ongoing basis. Some of the Key Financial Ratios for the financial year 2021-2022 are provided hereunder for your reference:

Key Financial Ratios:

Key Ratios	Formula	2021-22	2020-21	Change %
Trade Receivables Turnover (times)	(Revenue from Operations / Average Trade Receivables)	5.6	5.5	2%
Inventory Turnover (times)	(Cost of goods sold / Average Inventory)	6.2	5.0	24%
Interest Coverage Ratio* (times)	(Earnings Before Interest Tax & Depreciation (EBITDA) before exceptional items / Finance cost)	53.5	17.3	>100%
Current Ratio (times)	(Current assets / Current liabilities)	1.4	1.3	8%
Debt Equity Ratio^ (times)	(Total Debt [Non current borrowings + Current borrowings] / Total Equity)	-	0.1	-100%
Operating Profit Margin (%)	(Earnings Before Interest & Tax (EBIT) before exceptional items / Revenue from Operations)	5.8%	5.0%	16%
Net Profit Margin (%)	(Profit After Tax (PAT) / Revenue from Operations)	4.5%	5.8%	-22%
Return on Net Worth (%)	(Profit After Tax (PAT) / Average Total Equity)	28.9%	36.5%	-21%

* Improvement in ratio due to higher operational profits in current year coupled with repayment of borrowings.

^ Repayment of borrowings mainly through cash generated from operations.

Also refer Note 37 to the financial statements for ratios.



Your company has actively participated in the Diversity and Inclusion Week 2021, with colleagues from India and other countries in the APAC region sharing insights on the importance of cultivating inclusion within the organization.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company is dedicated to attract, onboard, develop, motivate, and retain high performing employees to ensure business success. There is continuous focus on building a robust leadership pipeline by hiring and nurturing talent via various channels like academia and across industry.

Diversity and Inclusion is one of our key focus areas to strengthen business excellence. Your Company has continuously invested in creating an inclusive environment and built a pool of internal facilitators to raise awareness on topics like breaking bias, which was the theme of International Women's Day.



Colleagues gather in unison to #breakthebias and defy gender stereotypes, in conjunction with International Women's Day.

Employee wellbeing has always been at the core of our organization. This was on display particularly during the pandemic when the Company brought in policy changes, conducted a free vaccination drive, implemented additional health measures and adopted various safety protocols to ensure that our employees are operating in a safe environment. Your Company continues to focus on workers education programs and upskilling employees for the future.

Your Company's employee strength stood at 1327 people as on 31st March, 2022.



As part of upskilling and work improvement efforts, colleagues from Performance Materials attended a virtual session to learn the Learn Six Sigma (LSS) methodology. LSS Methodology is widely used to improve the quality and efficiency of manufacturing processes.

CORPORATE COMMUNICATIONS

Your Company's Corporate Communications team collaborates with the businesses to communicate effectively with internal and external stakeholders. Strong partnership with Corporate Advocacy teams on several key business topics with the Indian Government and various associations continued to create strong positioning, along with visibility for your Company's products and solutions. Your Company also partnered

with ET Auto, to share insights and build customer awareness for the automotive industry on solutions that bring about the future of mobility in the country. During the year, the leadership team participated in various industry forums to share solutions and offerings for the industry at large while highlighting commitment towards creating chemistry for a sustainable future.



Your company has actively organized 3 webinars with ET Auto, to share insights and build customer awareness for the automotive industry, focusing especially on eMobility solutions and safety, a topic of great interest within the country.



In early 2022, The Economic Times recognized your company as one of the Best Organizations for Women, a testament to the continuous efforts in empowering gender diversity and inclusion throughout the organization.

AWARDS AND RECOGNITION

Your Company's site in Mangalore received a Certificate of Appreciation from the Government of Karnataka for supporting the community during COVID-19 in 2021. The Process Catalysts Team won the BASF Asia Pacific Sales Award for its project to provide molecular sieves to the industry during the COVID-19 pandemic to help boost the supply of oxygen and the Agricultural Solutions Team won the BASF Digital Award for their AgShop initiative.

Your Company's initiatives empowering gender diversity as well as inclusion led to two prestigious awards from The Economic Times (Best Organizations for Women 2022) and AVTAR Working Mother 100 Best Companies for Women in India.

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
(Chairman)
(DIN: 00066242)

NARAYAN KRISHNAMOHAN
(Managing Director)
(DIN: 08350849)

Mumbai

Dated: 9th May 2022



Following a rigorous evaluation process, the Process Catalysts team won the BASF Asia Pacific Sales Award for its project to provide molecular sieves to the industry during the pandemic. The project strengthened customer relationships, gained credibility with government agencies, and also opened doors for similar applications to be introduced in countries facing similar challenges.



Besides supporting COVID relief activities, your Company continues to support the community's welfare through their manufacturing sites.
Left: Thane manufacturing site supported traffic police through the contributions of safety reflective jackets and batons for their continued safety.
Right: Mangalore site constructed a sanitation facility for Daskhina Kannada Mogaveera Mahajana Sangha (R), Uchila – the apex body of the fishermen community. The sanitation facility is expected to benefit 10-15 thousand users annually.

Report on Corporate Governance

The Company has complied with the requirements of Corporate Governance as stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as amended.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of the business and in meeting its obligations to its stakeholders. A strong emphasis on transparency, accountability and integrity, guides its philosophy.

The commitment to good Corporate Governance is embodied in our values:

- Creative
- Open
- Responsible
- Entrepreneurial

The value "Responsible" indicates that the Company acts responsibly as an integral part of society by adhering to high compliance and environmental standards.

The Company through its purpose "We create chemistry for a sustainable future" has made sustainability the mainstay of its existence and has integrated the same into all its business processes and Corporate Social Responsibility activities.

The BASF Code of Conduct, which sets forth the Company's policies on important issues, aims to develop a genuine culture where employees act as role models in promoting business ethics and legal compliance.

2. BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms with respect to the constitution of the Board of Directors. The Company has a diversified Board which represents an optimum mix of professionalism, knowledge, gender and experience.

A. Composition and category of the Board of Directors are as follows:

(i) EXECUTIVE & ALTERNATE DIRECTORS*

Name	Date of Initial Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Companies**	No. of Memberships/ Chairmanships in Committees of other Companies
Mr. Narayan Krishnamohan #	1 st April, 2019	Managing Director	5	5	NIL	NIL
Mr. Narendranath J. Baliga ^ (Alternate Director to Mr. Dirk Bremm until 5 th August 2021 and thereafter Alternate Director to Dr. Carola Richter, effective 6 th August 2021)	1 st January, 2015	Chief Financial Officer	5	5^	NIL	NIL
Mr. Pradeep Chandan (Alternate Director to Dr. Ramkumar Dhruva until 28 th February 2022, being date of superannuation)^	1 st April, 2019	Director – Legal, General Counsel (South Asia) & Company Secretary	5	4^	NIL	NIL
Mr. Rajesh Naik (Whole-time Director)	1 st April, 2019	Head – Manufacturing	5	5	NIL	NIL

* Executive & Alternate Directors do not hold any Directorships in other Listed & Public Companies.

** Excludes Directorships/Memberships in Private Limited Companies, Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013.

Mr. Narayan Krishnamohan holds 50 equity shares of the Company.

^ As Mr. Dirk Bremm, Dr. Carola Richter and Dr. Ramkumar Dhruva attended the Board Meetings, respectively, during the financial year 2021-2022 through video conferencing / audio-visual means, Mr. Narendranath J. Baliga attended the Board Meetings in his capacity as Chief Financial Officer and Mr. Pradeep Chandan attended as Company Secretary (until 28th February, 2022) respectively.

By virtue of being in whole-time employment of the Company, the Alternate Directors are also deemed to be Whole-time Directors of the Company.

Mr. Manohar Kamath was appointed as Director – Legal, General Counsel (India) & Company Secretary of the Company effective 1st March 2022. He attended the Board Meetings held during financial year 2021-22 (until 28th February, 2022) as an Invitee. He attended the Board Meeting held on 30th March 2022 as the Company Secretary of the Company.

(ii) NON-EXECUTIVE DIRECTORS

Name	Date of Initial Appointment	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Companies*	No. of Memberships/ Chairmanships in Committees
Dr. Ramkumar Dhruva	10 th August, 2018	5	5	NIL	NIL
Mr. Dirk Bremm (until 5 th August 2021)	21 st July, 2019	5	1	NIL	NIL
Dr. Carola Richter	6 th August 2021	5	4	NIL	NIL

* Excludes Directorships in Private Limited Companies, Foreign Companies, Section 8 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers/Bodies.

(iii) **INDEPENDENT DIRECTORS**

Name	Date of Initial Appointment	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Companies*	No. of Memberships/ Chairmanships in Committees of other Companies**
Mr. Pradip P. Shah, Chairman	31 st January, 2000	5	5	6	Membership – 3 Chairmanship – 3
Mr. R. A. Shah	24 th April, 1968	5	5	2	Membership – 1 Chairmanship – Nil
Mr. Arun Bewoor	19 th January, 2010	5	5	1	Membership – 4 Chairmanship – Nil
Mrs. Shyamala Gopinath	23 rd January, 2019	5	5	4	Membership – 1 Chairmanship – 3

* Excludes Directorships in Private Limited Companies, Foreign Companies, Section 8 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers/Bodies.

** Includes only Chairmanship/Membership in Audit Committee and Stakeholders' Relationship Committee of Public Companies.

Directorships of Independent Directors in other Listed Companies:

a. Presently, Mr. Pradip P. Shah is on the Board of the following other Listed Entities:

Sr. No.	Name of the Company	Category of Directorship
1	Sonata Software Limited	Independent Director
2	Bajaj Auto Limited	Independent Director
3	Kansai Nerolac Paints Limited	Independent Director
4	KSB Limited (Formerly known as KSB Pumps Limited)	Independent Director
5	Pfizer Limited	Independent Director
6	Bajaj Holdings & Investment Limited	Independent Director

b. Presently, Mr. R. A. Shah is on the Board of the following other Listed Entities:

Sr. No.	Name of the Company	Category of Directorship
1	Godfrey Philips India Limited	Non-Executive Non-Independent Director
2	Atul Limited	Non-Executive Non-Independent Director

c. Presently, Mr. Arun Bewoor is on the Board of the following other Listed Entity:

Sr. No.	Name of the Company	Category of Directorship
1	Agro Tech Foods Limited	Independent Director

d. Presently, Mrs. Shyamala Gopinath is on the Board of the following other Listed Entities:

Sr. No.	Name of the Company	Category of Directorship
1	CRISIL Limited	Independent Director
2	Colgate-Palmolive (India) Limited	Independent Director
3	Tata Elxsi Limited	Independent Director
4	CMS Info Systems Limited	Non-Executive Non-Independent Director

As per the declarations/disclosures received from Mr. Pradip P. Shah, Mr. R. A. Shah, Mr. Arun Bewoor and Mrs. Shyamala Gopinath, they do not serve as Independent Directors on the Board of more than 7 Listed Companies. They are also not acting as Whole-time Directors on the Board of any Listed Company.

Mr. Pradip P. Shah, Mr. R. A. Shah and Mr. Arun Bewoor were re-appointed as Independent Directors of the Company to hold office for a term of 5 consecutive years from 1st April 2019 to 31st March 2024 and they are not liable to retire by rotation. Mrs. Shyamala Gopinath was appointed as an Independent Director of the Company for a term of 5 consecutive years from 23rd January, 2019 to 22nd January, 2024 and she is not liable to retire by rotation.

The Independent Directors of the Company have furnished requisite disclosures along with a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations as amended. In the opinion of the Board of Directors,

the Independent Directors of the Company fulfil the conditions specified in the Companies Act, 2013 & Rules framed thereunder, and the SEBI Listing Regulations as amended, and they are independent of management.

The terms and conditions of appointment of Independent Directors are available on the Company's website viz.; www.basf.com/in at <http://bit.do/basftermsandconditions>

The Company also has a familiarization programme for its Independent Directors, which is available at:

<http://bit.do/basfindependentdirectorfamiliarisationpolicy> and <http://bit.do/Familiarization-Programme-2021-22>

Number of Board Meetings held during the financial year along with the dates of the meetings:

Five Board Meetings were held during the financial year 2021-2022 on the following dates:

- | | | |
|-----------------------------------|---------------------------------|-----------------------------------|
| (1) 11 th May 2021 | (2) 6 th August 2021 | (3) 2 nd November 2021 |
| (4) 9 th February 2022 | (5) 30 th March 2022 | |

The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedule and ensure meaningful participation in the meetings. However, in case of urgent business expediency, the Board's approval is taken by passing resolutions by circulation, as provided under the Companies Act, 2013, which is noted and confirmed in the next Board Meeting. The notice and the agenda of Board Meetings along with the relevant documents and explanatory notes wherever required, are provided well in advance to all the Directors to enable them to discharge their responsibilities effectively and take informed decisions.

B. Pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

Mr. Pradip P. Shah, Mr. R. A. Shah, Mr. Arun Bewoor and Mrs. Shyamala Gopinath, Independent Directors of the Company do not have any material pecuniary relationship with the Company other than the sitting fees & commission paid/payable to them. Details of sitting fees and commission paid/payable are given at table no. 4(b) on page 72 of this Report. M/s. Crawford Bayley & Co., Solicitors & Advocates, in which Mr. R. A. Shah is a Senior Partner, renders professional services to the Company. Mr. R. A. Shah has confirmed that the transactions between the Company and M/s. Crawford Bayley & Co., do not exceed 10% of the gross receipts of M/s. Crawford Bayley & Co.

Independent Directors do not hold any shares or convertible instruments in the Company except Mr. R. A. Shah who holds 80 equity shares of the Company jointly with Ms. Shefali Shah.

Dr. Ramkumar Dhruva, Mr. Dirk Bremm (until 5th August 2021) and Dr. Carola Richter (effective 6th August 2021), Non-Executive Directors were not paid any remuneration or commission by the Company during the financial year 2021-2022. They do not hold any equity shares or convertible instruments of the Company.

C. Relationships between Directors Inter-se.

None of the Directors of the Company are in any way related to each other.

D. Skills/ Expertise and Competence of the Board of Directors of the Company along with the names of the Directors who have such skills/expertise and competence.

The Board of Directors of the Company has the following skills/expertise and competencies in the context of the businesses in which it operates:

Skills/Expertise/Competence	Name of the Director
Knowledge of the Chemical sector and the related value chains.	1) Mr. Narayan Krishnamohan 2) Dr. Ramkumar Dhruva 3) Mr. Dirk Bremm (until 5 th August 2021) 4) Dr. Carola Richter (effective 6 th August 2021)
Knowledge of finance, accounting, financial reporting.	1) Mr. Pradip P. Shah 2) Mrs. Shyamala Gopinath 3) Mr. Narendranath J. Baliga
Specialist knowledge and experience in law, corporate governance & compliance.	1) Mr. R. A. Shah 2) Mr. Pradeep Chandan (until 28 th February 2022)
Knowledge and experience in Marketing.	Mr. Arun Bewoor
Expertise in technical management i.e. Manufacturing Sites.	Mr. Rajesh Naik

3. AUDIT COMMITTEE

The Board of Directors of the Company constituted an Audit Committee on 1st March, 2001. The Chairperson of the Audit Committee, Mrs. Shyamala Gopinath is an Independent Director. During the financial year 2021-2022, 4 Audit Committee Meetings were held on 11th May 2021, 6th August 2021, 2nd November 2021 and 9th February, 2022, respectively.

The present composition of the Audit Committee and the profile of the Audit Committee members is provided hereunder:

Name	Date of appointment	No. of Meetings during FY 2021-2022	
		Held	Attended
Mrs. Shyamala Gopinath, Chairperson	1 st April, 2019	4	4
Mr. R. A. Shah	1 st March, 2001	4	4
Mr. Pradip P. Shah	1 st March, 2001	4	4
Mr. Arun Bewoor	19 th January, 2010	4	4

Mrs. Shyamala Gopinath, ex-Deputy Governor of the Reserve Bank of India (RBI) for seven years and member of the RBI's Board of Directors has guided and influenced national policies in diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. She was also an Independent part-time Non-Executive Chairperson of HDFC Bank Limited. Presently, she is the Chairperson of CMS Info Systems Ltd and also an Independent Director on the Board of several listed entities.

Mr. R. A. Shah is a Solicitor and a Senior Partner of M/s. Crawford Bayley & Co., a reputed firm of Advocates & Solicitors in Mumbai. He has specialized in a broad spectrum of Corporate Laws with special focus on Foreign Investments, Joint Ventures, Technology and Licence Agreements, Intellectual Property Rights, Mergers & Acquisitions, Industrial Licensing, Anti-Trust and Competition Law.

Mr. Pradip P. Shah is a Chartered Accountant and holds MBA degree from Harvard University. He is also a Cost Accountant. He has served on several expert committees of State and Central Governments and was a Director on the Regional Board of the Reserve Bank of India.

Mr. Arun Bewoor holds a Bachelor's degree in Science from Pune University. He has also done his Advance Management Education from IIM, Ahmedabad and Columbia University, New York, USA.

All the members of the Audit Committee are professionals and financially literate within the meaning of Regulation 18 of the SEBI Listing Regulations as amended.

Mr. Narendranath J. Baliga, Chief Financial Officer of the Company was present at all the meetings of the Audit Committee as a Permanent Invitee.

Mr. Pradeep Chandan, ex-Company Secretary was appointed as Secretary of the Audit Committee on 2nd April, 2010 and was present at all the meetings of the Audit Committee held during the financial year 2021-2022. He superannuated as Director – Legal, General Counsel (South Asia) & Company Secretary of the Company, effective 28th February 2022.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary was appointed as Secretary of the Audit Committee, effective 1st March 2022 and was present at all the meetings of the Audit Committee held during the financial year 2021-2022 as an Invitee.

The constitution of the Audit Committee meets with the requirements of Regulation 18 and Schedule II Part C of the SEBI Listing Regulations as amended and Section 177 of the Companies Act, 2013.

The minutes of the meetings of the Audit Committee are noted at the Board Meetings. The Chairperson of the Audit Committee, Mrs. Shyamala Gopinath was present at the 77th Annual General Meeting held on 6th August 2021.

Statutory Auditors, Internal Auditors and Cost Auditors are invited to the Meetings, as required.

The key terms of reference of the Audit Committee (stipulated by the Board) are as under:

- a. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors and Cost Auditors, fixation of the audit fees and approving payments for any other services.

- c. Review with the Management, the annual and quarterly financial statements/results and auditor's report thereon before submission to the Board, focusing primarily on:
 - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in the accounting policies, practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by the Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing & other legal requirements concerning financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in draft audit report.
- d. Review with the Management, the performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review and monitor Auditors' independence, performance and effectiveness of audit process.
- f. Approval or any subsequent modification of transactions of the Company with related parties.
- g. Scrutiny of inter-corporate loans and investments.
- h. Valuation of undertakings or assets of the Company.
- i. Evaluation of internal financial controls and risk management systems.
- j. Review the adequacy of the internal audit function, including if applicable, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- k. Discussions with the Internal Auditors of any significant findings and follow-up thereon.
- l. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- m. Discussions with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- n. Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- o. Review the Company's financial and risk management policies.
- p. Review the functioning of the Whistle Blower mechanism.
- q. Appointment of Chief Financial Officer and terms of his appointment.
- r. Monitoring the end use of the funds raised through public offers, if any and other related matters.
- s. Reviewing the annual cost audit report submitted by the Cost Auditors.
- t. Reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters/letters on internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The Audit Committee is vested with the necessary powers, as defined in its charter, to achieve its objectives.

4. **NOMINATION & REMUNERATION COMMITTEE**

The Board of Directors of the Company constituted a Nomination & Remuneration Committee on 29th July, 2013. The Chairman of the Nomination & Remuneration Committee, Mr. R. A. Shah, is an Independent Director. Four meetings of the Nomination & Remuneration Committee were held during the financial year 2021-2022 i.e., 11th May 2021, 6th August 2021, 2nd November 2021 and on 30th March 2022.

The present composition of the Nomination & Remuneration Committee is as follows:

Name	Date of appointment	No. of Meetings during FY 2021-2022	
		Held	Attended
Mr. R. A. Shah, Chairman	29 th July, 2013	4	4
Mr. Pradip P. Shah	29 th July, 2013	4	4
Mrs. Shyamala Gopinath	1 st April, 2019	4	4

Mr. Pradeep Chandan, ex-Company Secretary was appointed as Secretary of the Nomination & Remuneration Committee on 29th July 2013 and was present at the 3 meetings of the Nomination & Remuneration Committee i.e., on 11th May 2021, 6th August 2021 and 2nd November 2021. He superannuated as Director – Legal, General Counsel (South Asia) & Company Secretary of the Company, effective 28th February 2022.

Mr. Manohar Kamath was appointed as Secretary of the Nomination & Remuneration Committee, effective 1st March 2022 and was present at the Nomination & Remuneration Committee Meeting held on 30th March 2022.

The minutes of the previous meeting of the Nomination & Remuneration Committee are noted at each Board Meeting. The Chairman of the Nomination & Remuneration Committee, Mr. R. A. Shah, was present at the 77th Annual General Meeting held on 6th August 2021.

The key terms of reference of the Nomination & Remuneration Committee (stipulated by the Board) are as under:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- Formulate criteria for evaluation of the performance of Independent Directors and the Board.
- Devise a policy on Board diversity.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors.
- Recommend to the Board, the remuneration payable to Senior Management.

- **Performance Evaluation Criteria for Independent Directors**

The Nomination & Remuneration Committee has formulated the criteria for evaluation of Independent Directors and the performance of the Independent Directors was evaluated during the year based on the said criteria.

- **Performance Evaluation of the Board**

The Board carries out the evaluation of the performance of Directors and Committees of the Board.

The purpose of the evaluation is to assess the performance of the Directors in discharging their responsibilities and to evaluate how effectively the Board, the Directors and the Committees were fulfilling their role and duties.

An annual evaluation of the Board is conducted to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria, which are in line with the Company's policy. Performance is measured against commitments and best-in-class benchmarks. Plans for orderly succession of the Senior Management are also in place.

As required under Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on 30th March 2022 to evaluate the performance of the Chairman, Non-Independent Directors and the Board, Committees as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

- **Remuneration of Independent Directors**

The remuneration to be paid to the Independent Directors is decided by the Board based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the shareholders of the Company. The remuneration can not exceed 1% of the net profit of the Company for each financial year calculated as per the provisions of the Companies Act, 2013. In addition to sitting fees, as approved by the Board, for attending the meetings of the Board and/or Committee thereof, commission is also payable to the Independent Directors for the financial year 2021-22. Reference may be made to table (b) on page 72 for details of sitting fees and commission paid / payable to Independent Directors for the financial year ended 31st March 2022.

- **Directors & Officers Insurance (D&O Insurance)**

In line with the requirements of Regulation 25 (10) of the SEBI Listing Regulations, the Company has taken D&O Insurance for all its Directors & Senior Management for such quantum and risk as determined by the Company.

- **Criteria for payment of sitting fees & commission to Independent Directors**

The criteria for payment of sitting fees & commission to Independent Directors is based on:

- Company's operations.
- Number of Board & Committee Meetings attended during the financial year.
- Time devoted towards the affairs of the Company.
- Performance of the Company during the financial year.

- **Policy on Remuneration to the Managing Director, Whole-time Director and Key Managerial Personnel (KMP)**

Remuneration to the Managing Director and Whole-time Directors shall be in accordance with the provisions of the Companies Act, 2013. Increments to the existing remuneration/ compensation structure shall be recommended by the Nomination & Remuneration Committee to the Board, which shall be within the overall maximum limits of managerial remuneration approved by the shareholders for the Managing Director and Whole-time Directors of the Company. The overall managerial remuneration in respect of any financial year shall be in accordance with the limits laid down under Section 197 and Schedule V of the Companies Act, 2013.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall make payment of remuneration within the maximum limits as minimum remuneration to the Managing Director and Whole-time Directors of the Company based on the approval of the Nomination & Remuneration Committee, Board and subject to the approval of the shareholders and such other approvals, as may be required, in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013.

During the financial year 2021-2022, the payment of remuneration to the Managerial Personnel was in accordance with the relevant provisions laid down under the Companies Act, 2013.

The Company does not have an Employee Stock Options Scheme for its Directors and employees.

Details of remuneration payable to all the Directors for the financial year 2021-2022 are as under:

(a) MANAGING/ WHOLE-TIME/ ALTERNATE DIRECTORS

(Amount in Rupees per annum)

Remuneration	Mr. Narayan Krishnamohan ^	Mr. Narendranath J. Baliga* ^	Mr. Pradeep Chandan**	Mr. Rajesh Naik	Total
Salary & Benefits @	41,499,704	19,109,534	15,346,668	15,805,058	91,760,964
Performance Linked Incentive (Short Term Incentive) #	38,528,280	9,080,502	4,066,300	3,924,276	55,599,358
Leave Encashment	–	–	70,78,555***	–	70,78,555
Total	80,027,984	28,190,036	26,491,523	19,729,334	154,438,877

* Mr. Narendranath J. Baliga had been appointed as Chief Financial Officer & Alternate Director. Being in the whole-time employment of the Company, he is deemed to be Whole-time Director of the Company.

** Mr. Pradeep Chandan had been appointed as Company Secretary & Alternate Director. Being in the whole-time employment of the Company, he is deemed to be Whole-time Director of the Company. Mr. Pradeep Chandan superannuated from the services of the Company and resigned as an Alternate Director of the Company, effective 28th February 2022. His remuneration details are for the period of 11 months i.e., 1st April 2021 to 28th February 2022.

*** paid on account of superannuation from the services of the Company

@ Salary & Benefits includes Salary, Benefits, Provident Fund and Superannuation but excluding provision for contribution to Gratuity Fund, Group Insurance, long service awards and any benefits under Performance Share Plan ('Long Term Incentive') of BASF SE, Parent Company.

Performance Linked Incentive (Short Term Incentive) is based on Company's financial performance, BASF Group's Return on Capital Employed and individual achievements against pre-agreed targets. The aggregate remuneration paid / payable to Mr. Narayan Krishnamohan and Mr. Narendranath J. Baliga for the financial year 2021-22 includes Performance Linked Incentive (Short Term Incentive) proportionately apportioned for 9 months (April 2021 – December 2021) & the provisions created in the books of accounts proportionately for 3 months (January 2022 – March 2022) based on the Target Short Term Incentive for the calendar year 2021.

The amounts of Short-Term Incentive shall be paid to Mr. Narayan Krishnamohan and Mr. Narendranath J. Baliga for the financial year 2021-22 after receipt of shareholders' approval.

- ^ The Ultimate Holding Company ('BASF SE') offers Performance Share Plan ('Long Term Incentive') for Senior Executives of BASF Group. Mr. Narayan Krishnamohan & Mr. Narendranath J. Baliga are eligible for this program. The long-term incentive of Rs. 5,918,364/- and Rs. 1,753,765/- has been accrued by the Company for the financial year 2021-22 for Mr. Narayan Krishnamohan and Mr. Narendranath J. Baliga, respectively. This amount does not form part of the aforesaid remuneration and there is no cash outflow by the Company for the financial year 2021-22.

(b) INDEPENDENT DIRECTORS

The Board of Directors of the Company had approved the payment of sitting fees to the Independent Non-Executive Directors for attending the Board and/or other Committee meetings. In addition to sitting fees, commission is also due and payable to Independent Directors of the Company for the financial year ended 31st March 2022.

The details of the sitting fees paid and commission due and payable to them during the financial year ended 31st March 2022 are as follows:

(Amount in Rupees)

Particulars	Mr. R. A. Shah	Mr. Pradip P. Shah	Mr. Arun Bewoor	Mrs. Shyamala Gopinath
Sitting Fees	1,375,000	1,425,000	1,300,000	1,500,000
Commission*	1,250,000	1,500,000	1,250,000	1,250,000
Total	2,625,000	2,925,000	2,550,000	2,750,000

* approved by the Board of Directors of the Company at its meeting held on 9th May 2022.

- (c) No remuneration was paid to the Non-Executive Foreign Directors during the financial year 2021-2022.

5. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board of Directors of the Company constituted a Shareholders'/ Investors' Grievance Committee on 1st March 2001. The said Committee was renamed as Stakeholders' Relationship Committee on 31st July 2014. During the year under review, Mr. Arun Bewoor, Independent Director of the Company was appointed as the Chairman of the Stakeholders' Relationship Committee in place of Mrs. Shyamala Gopinath, who expressed her desire to continue as a Member of the Stakeholders Relationship Committee. During the financial year 2021-2022, 1 meeting of the Stakeholders' Relationship Committee was held on 2nd November 2021. The Minutes of the meeting of the Stakeholders' Relationship Committee were noted at the Board Meeting. The Chairman of the Stakeholders' Relationship Committee, Mr. Arun Bewoor was present at the 77th Annual General Meeting held on 6th August 2021.

The present composition of the Stakeholders' Relationship Committee is as follows:

Name	Date of appointment	No. of Meetings during FY 2021-2022	
		Held	Attended
Mr. Arun Bewoor, Chairman	19 th January 2010	1	1
Mrs. Shyamala Gopinath	1 st April 2019	1	1
Mr. Narayan Krishnamohan	1 st April 2019	1	1
Mr. Rajesh Naik	15 th May 2017	1	1

Mr. Pradeep Chandan, ex-Company Secretary was the Secretary of the Stakeholders' Relationship Committee and has attended the Stakeholders' Relationship Committee Meeting held during the financial year 2021-2022. He superannuated from the services of the Company effective 28th February 2022.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary was appointed as the Secretary of the Stakeholders' Relationship Committee, effective 1st March 2022. He attended the Stakeholders' Relationship Committee Meeting held on 2nd November 2021 as an Invitee.

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified in Part D of Schedule II of the SEBI Listing Regulations as amended. The Committee looks into redressal of shareholders' and investors' complaints/ grievances. The Committee also looks into complaints concerning transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates etc. The Committee also reviews measures taken for effective exercise of voting rights by shareholders. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants and annual reports by the shareholders of the Company.

All matters related to shares vis-à-vis transfers, deletions, transmissions, dematerialization and rematerialization of shares, etc. have been duly attended to by the Company within the prescribed timelines during the financial year 2021-2022.

Name, designation and address of the Compliance Officer, effective 1st March 2022, is as follows:

Mr. Manohar Kamath
 Director – Legal, General Counsel (India) & Company Secretary
 BASF India Limited
 The Capital, 'A' Wing, 1204-C,
 12th Floor, Plot No. C-70, 'G' Block,
 Bandra-Kurla Complex,
 Bandra (East), Mumbai-400051.
 Tel: +91 22 62785600/ 67243700/ 67243800
 E-mail ID: investor-grievance-india@basf.com ; Website: www.basf.com/in

A summary of the complaints received, cleared/pending during the financial year under review are given below:

Particulars	Number of Complaints			
	As on 1 st April, 2021	Received during the financial year	Cleared/attended during the financial year	Pending as on 31 st March, 2022
Non-receipt of dividend warrants	Nil	Nil	Nil	Nil
Non-receipt of share certificates after transfer, deletion of name, transmission, consolidation of folios & share certificates, correction of name etc.	Nil	Nil	Nil	Nil
SEBI Complaints Redressal System (SCORES) and Stock Exchanges (BSE/NSE)	Nil	7	7	Nil
Total	Nil	7	7	Nil

There were no investor grievances which remained unattended/pending for resolution for more than 30 days. Requests for share transfers and dematerialization received during the financial year have been processed within the time limit prescribed under the SEBI Listing Regulations.

6. RISK MANAGEMENT COMMITTEE

Securities and Exchange Board of India (SEBI) vide its notification dated 9th May, 2018 had amended the SEBI Listing Regulations to require the top 500 listed entities based on market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee comprising of majority of the members of the Board of Directors of the Company with effect from 1st April, 2019.

In view of the above and being one of such top 500 listed entities, the Board of Directors of the Company at their Board Meeting held on 28th March, 2019 constituted the Risk Management Committee of the Company with effect from 1st April, 2019.

During the financial year 2021-2022, 3 meetings of the Risk Management Committee were held on 11th May 2021, 2nd November 2021 and 30th March 2022. The Minutes of the meeting of the Risk Management Committee were noted at the Board Meeting. The Chairman of the Risk Management Committee, Mr. Narayan Krishnamohan was present at the 77th Annual General Meeting held on 6th August 2021.

The present composition of the Risk Management Committee is as under:

Name	Date of appointment	No. of Meetings during FY 2021-2022	
		Held	Attended
Mr. Narayan Krishnamohan, Chairman	1 st April, 2019	3	3
Mr. Pradip P. Shah, Member	1 st April, 2019	3	3
Mr. Arun Bewoor, Member	1 st April, 2019	3	3
Mrs. Shyamala Gopinath, Member	1 st April, 2019	3	3
Mr. Narendranath J. Baliga, Chief Financial Officer	1 st April, 2019	3	3

Mr. Pradeep Chandan, ex-Company Secretary was earlier the Secretary to the Risk Management Committee and has attended the Committee meetings held on 11th May 2021 and 2nd November 2021, respectively. He superannuated from the services of the Company effective 28th February 2022.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary of the Company was appointed as Secretary of the Risk Management Committee effective 1st March 2022. He attended the Risk Management Committee Meeting held on 30th March 2022. He also attended the earlier Risk Management Committee Meetings held during the financial year 2021-2022 as an Invitee.

The terms of reference of the Risk Management Committee are as follows:

- Monitor and review Risk Management Plan as approved by the Board;
- Review and recommend Risk Assessment Report and Risk Management Report for approval of the Board.
- Ensure that appropriate system of risk management is in place.
- Oversee recent developments in the Company and periodic updating of Company's Enterprise Risk Management Program for assessing, monitoring and mitigating the risks.
- Annually review the adequacy of the Company's resources to perform its risk management responsibilities and achieve objectives.
- Carry out such responsibilities as may be assigned by the Board from time to time.

CEO/CFO Certificate

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer on the financial statements and other matters of the Company as provided in Regulation 17(8) and Part B of Schedule II of the SEBI Listing Regulations for the financial year ended 31st March, 2022 was placed before the Board at its meeting held on 9th May 2022 and the same is also annexed to this Report.

7. ANNUAL GENERAL MEETINGS

(a) For the year 2019, your Company's Annual General Meeting (AGM) was held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021. For the years 2020 and 2021, your Company's Annual General Meeting was held through Video Conferencing/Other Audio-Visual means. The Meetings were held on the following dates:

1. 6th August 2021 at 3.00 p.m. (held through video conferencing/audio-visual means)
2. 6th August, 2020 at 3.00 p.m. (held through video conferencing/audio-visual means)
3. 19th July, 2019 at 3.00 p.m.

No Special Resolution was passed at the 76th Annual General Meeting held on 6th August, 2020. However, a Special Resolution was passed at the 75th Annual General Meeting held on 19th July, 2019 and at the 77th Annual General Meeting of the Company held on 6th August, 2021 in respect of the following matters and the resolutions were approved with the requisite majority.

75th AGM: 19th July, 2019	
1.	Re-appointment of Mr. Narendranath J. Baliga (DIN: 07005484) as an Alternate Director of the Company and being in whole-time employment deemed as a Whole-time Director of the Company for a period of five years with effect from 1 st January, 2020 to 31 st December, 2024 and related terms of appointment including remuneration.
77th AGM: 6th August, 2021	
1.	Revision in the existing limits of maximum remuneration payable to Mr. Narayan Krishnamohan (DIN: 08350849), Managing Director of the Company for a period of three years effective 1 st April, 2021

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations as amended, the Company had extended remote e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 77th Annual General Meeting held on 6th August 2021. On the day of the Annual General Meeting, the Company also provided e-voting facility and the resolutions were passed with the requisite majority.

During the Financial Year 2021-2022, the following Special Resolutions were passed by way of Postal Ballot on 3rd April, 2021 and 18th December, 2021 respectively:

- Approval for placement of Inter-Corporate Deposits with BASF Group Companies for an aggregate amount not exceeding Rs. 7500 million in accordance with the provisions of Sections 185 and 186 of the Companies Act, 2013.
Although the Company had sought an enabling approval from the shareholders of the Company for placement of Inter-Corporate Deposits with BASF Group Companies, there was no Inter-Corporate Deposit placed by the Company with any of the BASF Group Companies in India during the financial year 2021-22.
- Re-appointment of Mr. Rajesh Naik (DIN: 06935998) as Whole-time Director of the Company for a period of 5 consecutive years i.e., from 1st April 2022 to 31st March 2027.

(b) **Attendance of Directors at 77th AGM during the last financial year:**

All the Directors of the Company were present at the last AGM held on 6th August 2021.

8. DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT

Brief resume of the Director seeking re-appointment is as under:

Dr. Ramkumar Dhruva is presently 53 years of age. In 1996, he earned a Ph.D. in Organic Synthesis, Photo & Electro Chemistry from Indian Institute of Technology, Madras. He was a research chemist in Polymer Dispersions Laboratory in BASF AG, Ludwigshafen, Germany when he joined BASF. In 2000, he was appointed as Product Manager in BASF India Limited and in 2002 was appointed as All India Sales Manager for Functional Polymers.

He was appointed as Chief Executive of erstwhile BASF Coatings (India) Private Limited in 2005. In 2008, he took over as Vice President, BASF Coatings Solutions, Asia Pacific. In 2012, he served as Senior Vice President, BASF Polyurethanes, Asia Pacific and in 2013 as Senior Vice President, Monomers Division, Asia Pacific. He was earlier the President of Regional Divisions South & East Asia, ASEAN & ANZ countries based in Hong Kong and is the President of Monomers Business globally, since 2019. Dr. Ramkumar Dhruva does not hold any shares of the Company. He does not hold any Directorship/ Committee positions in any other public company in India. Dr. Ramkumar Dhruva may hold shares of BASF SE, Parent Company as part of the Performance Share Plan ('Long Term Incentives').

9. DISCLOSURES

(a) The Company does not have any subsidiary as of 31st March 2022.

The Company's policy on material subsidiary is available on Company's website www.basf.com/in under the Investor Relations Section and can be accessed at <http://tiny.cc/BIL-MSPolicy>

(b) The Company has formulated a policy for dealing with Related Party Transactions, which has been duly approved by the Board. The Policy is available on the website of the Company www.basf.com/in in the 'Investor Relations' section. All the transactions of the Company with its related parties were on arms' length basis and in the ordinary course of business. All the related party transactions have been approved by the Audit Committee and the Board of the Company. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board for its approval at every Board Meeting. Transactions with Related Parties as per requirements of IND-AS are disclosed in Note No. 50 to the Financial Statements in the Annual Report and they are not in conflict with the interest of the Company.

(c) The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital markets during the last three years. No strictures or penalties have been imposed on the Company either by SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets.

(d) The Company has formulated a Whistle Blower Policy which provides adequate safeguards against victimization of Employee(s)/ Director(s)/ 3rd parties who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee in exceptional cases as detailed in the Policy. The details of the Whistle Blower Policy are available on the website of the Company www.basf.com/in in the 'Investor Relations' section. No person has been denied access to the Chairman of the Audit Committee.

(e) The Company has complied with the mandatory requirements of Corporate Governance as stipulated under Schedule V of the SEBI Listing Regulations.

(f) Risk Management: The Company has a mechanism in place to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

(g) The Company manages its foreign exchange risks by hedging its net exposure with the use of appropriate hedging instruments (e.g. forward contracts). The derivatives are used only for hedging purposes and speculation is strictly prohibited.

(h) Credit Rating: CRISIL Ltd has reaffirmed credit rating of 'CRISIL AAA' and assigned a 'Stable' outlook for long term debt programme. The ratings on the Fixed Deposits and Commercial Paper have been reaffirmed at 'FAAA/Stable' and 'CRISIL A1+', respectively.

Further, India Ratings and Research Private Limited has also maintained a credit rating of 'IND A1+' for Commercial Paper Programme of Rs. 7,500 million. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations & carry lower credit risk.

(i) The Management Discussion & Analysis Report forms part of this Annual Report.

(j) The Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and the mandatory requirements under Schedule II and Regulation 46 of the SEBI Listing Regulations as amended.

(k) The Corporate Governance Report of the Company for the financial year ended 31st March 2022 is in compliance with the SEBI Listing Regulations. The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.

- (l) The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the SEBI Listing Regulations is as follows:
- i. The Board: Mr. Pradip P. Shah, Independent Director is the Chairman of the Company with effect from 1st April, 2019;
 - ii. Shareholder Rights: Half-yearly and other quarterly results are published in newspapers and also uploaded on Company's website www.basf.com/in;
 - iii. Modified opinion(s) in audit report: The Company has a regime of un-qualified financial statements. Auditors have not raised any qualification on the financial statements;
 - iv. Separate posts of Chairperson and Managing Director:
 - Mr. Pradip P. Shah, Independent Director has been appointed as the Non-Executive Chairman of the Company with effect from 1st April, 2019.
 - Mr. Narayan Krishnamohan has been appointed as Managing Director of the Company with effect from 1st April, 2019 for a term of 5 consecutive years.
 - v. Reporting of Internal Auditor: M/s Mahajan & Aibara, Chartered Accountants, Mumbai, Internal Auditors of the Company report to the Audit Committee.
- (m) Mr. Hemant Shetye, Practicing Company Secretary and Designated Partner of M/s HSPN & Associates LLP, has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said Certificate is annexed hereto as **Annexure-1**.
- (n) The total aggregate fees paid / payable to M/s. Price Waterhouse Chartered Accountants LLP (including all its network entities/firms) during the financial year 2021-22 is Rs. 1.64 crore.
- (o) Prevention of Sexual Harassment at the Workplace: Details are provided on page no. 10 of this Annual Report.
- (p) The Board of Directors of the Company have accepted all recommendations received from its Committees. None of the recommendations have been rejected by the Board of Directors of the Company.

10. MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communication through dissemination of information on the web-portal of the Stock Exchanges, News Releases, Annual Reports and by placing relevant information on its website.

- The Quarterly, Half-yearly and Annual Financial Results of the Company are published in widely circulating national and local newspapers such as 'Business Standard' (in English) and 'Mumbai Lakshadeep' (in Marathi).
- The Company's Financial Results/official news releases and other important Investor related information are periodically displayed and updated on the Company's website, viz., www.basf.com/in in the 'Investor Relations' section.
- The details of the Analysts / Fund Managers' Meetings together with the presentations on the performance of the Company, if any, along with the audio-video recording and its transcript is uploaded on the web-portals of the Stock Exchanges i.e., BSE Ltd and The National Stock Exchange of India Ltd. The same is also uploaded on the Company's website i.e., www.basf.com/in in the Investor Relations Section.

11. GENERAL SHAREHOLDERS INFORMATION

- (a) The Annual General Meeting of the Company will be held on Wednesday, 3rd August 2022 at 3 p.m. through video conferencing / other audio-visual means.
- (b) The Company's financial year begins on 1st April and ends on 31st March.

Financial Calendar — (tentative)	Results for quarter ending 30 th June 2022	1 st week of August 2022
	Annual General Meeting	3 rd August 2022
	Results for quarter ending 30 th September 2022	2 nd week of November, 2022
	Results for quarter ending 31 st December 2022	1 st / 2 nd week of February 2023
	Results for the year ending 31 st March 2023	1 st / 2 nd week of May, 2023

- (c) Period of book closure: Saturday, 23rd July 2022 to Wednesday, 27th July 2022 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend.
- (d) Dividend payment date: On or after 8th August 2022.
- (e) Listing on Stock Exchanges: The equity shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Address
BSE Ltd. (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400051

The Company has paid the annual listing fees for the financial year 2022-2023 to both the Stock Exchanges.

- (f) Stock Code : 500042
 SYMBOL : BASF
 Demat ISIN No. (NSDL & CDSL) : INE373A01013

- (g) Market Price Data:

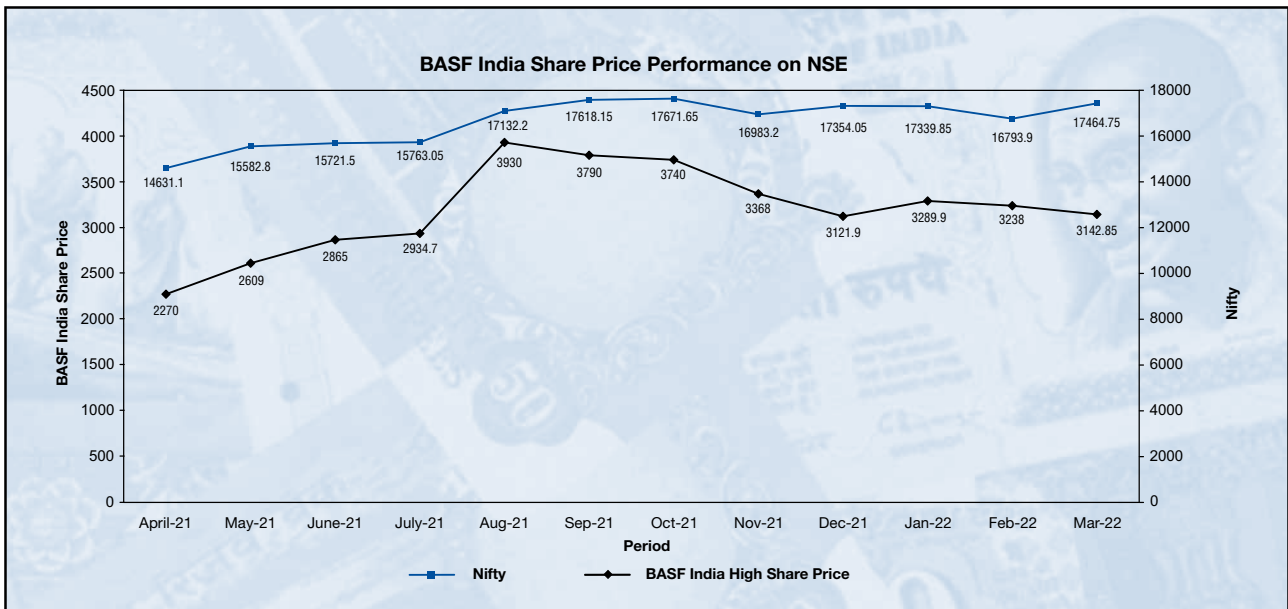
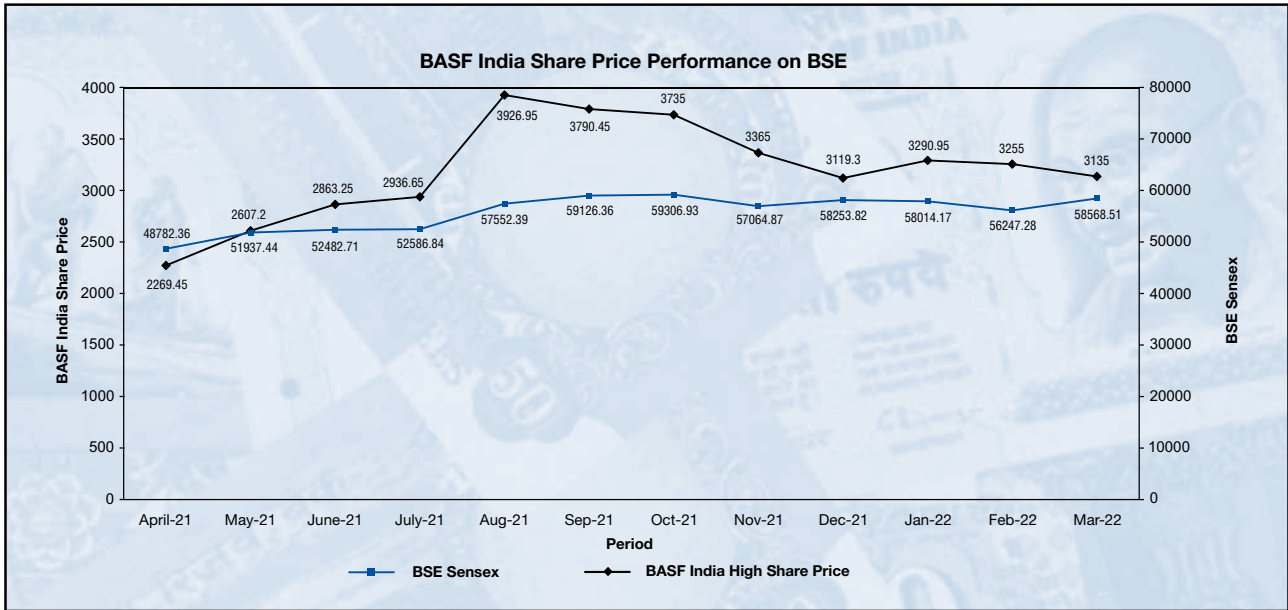
High/low market price of the Company's equity shares traded on BSE Ltd. and The National Stock Exchange of India Limited during each month in the last financial year ended on 31st March 2022 is furnished below along with a graph indicating the performance of Company's share price in comparison with the BSE Sensex:

SHARE PRICES (HIGH/LOW) OF BASF INDIA LIMITED FOR THE PERIOD APRIL 2021 TO MARCH 2022

(Share prices in Rs.)

BSE			NSE		
MONTH	HIGH (DATE)	LOW (DATE)	MONTH	HIGH (DATE)	LOW (DATE)
April	2269.45 (30/04/2021)	1925.00 (12/04/2021)	April	2270.00 (30/04/2021)	1922.25 (12/04/2021)
May	2607.20 (10/05/2021)	2190.65 (03/05/2021)	May	2609.00 (10/05/2021)	2211.10 (03/05/2021)
June	2863.25 (16/06/2021)	2380.00 (01/06/2021)	June	2865.00 (16/06/2021)	2355.00 (01/06/2021)
July	2936.65 (29/07/2021)	2566.65 (01/07/2021)	July	2934.70 (29/07/2021)	2565.00 (01/07/2021)
August	3926.95 (11/08/2021)	2818.45 (05/08/2021)	August	3930.00 (11/08/2021)	2816.70 (05/08/2021)
September	3790.45 (02/09/2021)	3300.00 (30/09/2021)	September	3790.00 (02/09/2021)	3268.00 (30/09/2021)
October	3735.00 (18/10/2021)	3157.75 (29/10/2021)	October	3740.00 (18/10/2021)	3151.25 (29/10/2021)
November	3365.00 (02/11/2021)	2600.05 (29/11/2021)	November	3368.00 (02/11/2021)	2601.00 (29/11/2021)
December	3119.30 (29/12/2021)	2697.25 (01/12/2021)	December	3121.90 (29/12/2021)	2700.05 (01/12/2021)
January	3290.95 (18/01/2022)	2856.50 (24/01/2022)	January	3289.90 (18/01/2022)	2853.25 (24/01/2022)
February	3255.00 (03/02/2022)	2644.45 (15/02/2022)	February	3238.00 (02/02/2022)	2643.30 (15/02/2022)
March	3135.00 (31/03/2022)	2580.00 (08/03/2022)	March	3142.85 (31/03/2022)	2580.00 (08/03/2022)

MONTHLY HIGH-LOW BASF SHARE PRICE/ BSE SENSEX & NSE NIFTY FROM APRIL 2021 TO MARCH 2022



(h) Registrar & Share Transfer Agent: TSR Consultants Private Limited

TSR Consultants Private Limited
 Unit: BASF India Limited
 C-101, 1st Floor, 247 Park,
 Lal Bahadur Shastri Marg,
 Vikhroli (West), Mumbai – 400 083.
 Tel. No.: +91 22 66568494
 Fax No.: +91 22 66568494
 Email : csg-unit@tcplindia.co.in
 Website: www.tcplindia.co.in

The details of contact person of TSR Consultants Private Limited is as follows:

Name	Phone No.	Fax No.
Ms. Kshama Ghole/ Ms. Mary George	022 - 66568494	022 - 66568494

- (i) Share Transfer System: Presently, share transfers which are received in physical form are processed by the Registrar & Share Transfer Agent and approved by the Company within a period of 15 days from the date of lodgment, subject to the transfer documents being found proper and complete in all respects.
- (j) The distribution of the shareholding of the Company as on 31st March 2022 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-500	53,875	96.33	2,662,498	6.15
501-1000	1,073	1.92	810,248	1.87
1001-2000	513	0.92	728,489	1.68
2001-3000	165	0.29	412,460	0.95
3001-4000	76	0.13	266,525	0.61
4001-5000	65	0.12	299,028	0.69
5001-10000	83	0.15	570,148	1.32
10001 and above	76	0.14	37,536,244	86.73
Total	55,926	100.00	43,285,640	100.00

- (k) The shareholding pattern of the Company as on 31st March 2022 was as follows:

Category	No. of shares	% of total capital
Foreign Promoters	31,743,220	73.33
Directors and relatives of Directors	130	0.00
NRIs, FIIs and FPIs & Foreign Nationals	1,240,179	2.87
Mutual Funds & Financial Institutions	1,307,671	3.02
State Government	30	0.00
Insurance Companies	1,650,301	3.81
Nationalized, Foreign and other Banks	4236	0.01
Domestic Corporate Bodies / Trusts / Clearing Members / LLPs / NBFCs	1,304,896	3.01
Resident Individual Investors	5,894,177	13.62
Investor Education & Protection Fund	140,800	0.33
Total	43,285,640	100.00

- (l) Dematerialization of shares: The Company's equity shares are held in dematerialized form by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) under ISIN INE373A01013. As on 31st March 2022, 42,914,409 equity shares, representing 99.14% of the voting capital of the Company have been dematerialized.
- (m) As of date, the Company has not issued GDRs/ADRs/Warrants or any convertible instruments.
- (n) Locations of Manufacturing Plants as on 31st March 2022:

Dahej, Gujarat	Panoli, Gujarat
4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat – 392130.	Village Umarwada, Survey No 432/1+2, 393001, Taluka Ankleshwar, Gujarat, India
Navi Mumbai, Maharashtra	
Plot No. 12, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400705, Maharashtra.	
Mangalore, Karnataka	
Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka – 575030.	

(o) Address for correspondence:
 Mr. Pankaj Bahl, Manager – Company Secretarial
 The Capital, 'A' Wing, 1204-C,
 12th Floor, Plot No. C-70, 'G' Block,
 Bandra-Kurla Complex,
 Bandra (East), Mumbai – 400051
 Tel: +91 22-62785600/ 67243700/ 67243800
 Email: pankaj.bahl@basf.com

(p) Top Ten Shareholders of the Company as on 31st March 2022:

Sr. No.	Name of the Shareholder(s)	No. of shares	% of the total capital
1.	BASF SE	22,835,320	52.76
2.	BASF SCHWEIZ AG	8,907,900	20.58
3.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	851,534	1.97
4.	PLUTUS WEALTH MANAGEMENT LLP	750,000	1.73
5.	GENERAL INSURANCE CORPORATION OF INDIA	470,667	1.09
6.	TATA MUTUAL FUND – TATA HYBRID EQUITY FUND	418,127	0.97
7.	TATA MUTUAL FUND – TATA SMALL CAP FUND	300,000	0.67
8.	ATUL LIMITED	261,396	0.60
9.	TATA LARGE & MID-CAP FUND	243,878	0.56
10.	PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA MID CAP OPPORTUNITIES FUND	213,343	0.49

(q) Closing Share Price: Rs. 2818.05 per share on BSE Limited as on 9th May 2022.

12. CODE OF CONDUCT

The Company has framed a Code of Conduct for its Board Members and Senior Management Personnel. The Company has also formulated a Code on Prevention of Insider Trading.

The Code of Conduct for the Board Members and Senior Management personnel is available on the Company's website at: <http://bit.do/basfcodeofconductpolicy>

All the Board Members and Senior Management Personnel have complied with the Code of Conduct.

13. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

There are no shares lying in the demat suspense account or unclaimed suspense account of the Company and hence the details of the same are not provided.

On behalf of the Board of Directors
 For BASF India Limited

PRADIP P. SHAH
Chairman
 (DIN: 00066242)

NARAYAN KRISHNAMOHAN
Managing Director
 (DIN: 08350849)

Mumbai
 Dated: 9th May 2022

ANNEXURE-1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BASF INDIA LIMITED having CIN L33112MH1943FLC003972 and having registered office at The Capital, A Wing, 1204-C, 12th Floor, Plot No. C-70 'G' Block, Bandra Kurla Complex, Bandra (East) Mumbai- 400051 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Pradip Panalal Shah	00066242	31/01/2000
2.	Mr. Narayan Krishnamohan	08350849	01/04/2019
3.	Dr. Carola Richter	09197435	06/08/2021
4.	Dr. Ramkumar Dhruva	00223237	10/08/2018
5.	Mr. Rajendra Ambalal Shah	00009851	24/04/1968
6.	Mr. Arun Madhav Bewoor	00024276	19/01/2010
7.	Mrs. Shyamala Gopinath	02362921	23/01/2019
8.	Mr. Narendranath J. Baliga	07005484	21/07/2019
9.	Mr. Rajesh Keshav Naik	06935998	01/08/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For HSPN & ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

Place: Mumbai
Date: 09.05.2022
UDIN: ICSI F002827D000284009
PEER REVIEW NO: P2007MH004300

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

May 9, 2022

The Board of Directors
BASF India Limited
The Capital, 'A' Wing, 1204-C,
12th Floor, Plot No. C-70, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051.

COMPLIANCE CERTIFICATE

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

We have reviewed financial statements and the cash flow statement for the year ended 31st March 2022 and that to the best of our knowledge and belief:

- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2022 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 4) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 5) We have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For BASF India Limited

Mumbai
Dated: 09th May 2022

NARAYAN KRISHNAMOHAN
Managing Director
(DIN: 08350849)

NARENDRANATH J. BALIGA
Chief Financial Officer
(DIN: 07005484)

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of BASF India Limited

We have examined the compliance of conditions of Corporate Governance by BASF India Limited, for the year ended March 31, 2022 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN Number: 22048125AIPRJL8431

Place: Mumbai
Dated: 09th May 2022

Independent Auditor's Report to the Members of BASF India Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of BASF India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of Contingent liabilities and Provisions against litigations</p> <p>(Refer Notes 17, 40 and 46 to the financial statements)</p> <p>The Company undergoes assessment proceedings from time to time with direct and indirect tax authorities and litigations with certain other parties. As at March 31, 2022, in respect of certain direct and indirect tax and other litigations (comprising various claims filed by other parties not acknowledged as debt), the Company carries provisions of Rs. 429.6 million and disclosed contingent liabilities of Rs. 5,208.0 million.</p> <p>Further, as described in Note 40(i) to the financial statements, the Company has received demand notices aggregating to Rs. 7,560.6 million (including interest and penalty) from the Commercial Taxes Department, Karnataka for sales tax claimed on inter-state stock transfers, in respect of which, the litigation is pending resolution at Karnataka Appellate Tribunal and Hon'ble Karnataka High Court against the order passed by Hon'ble Central Sales Tax Appellate Authority (CSTAA). The Company's management has made an assessment of the likely outcome of the matter and based on legal advice obtained by the Company, no provision is considered necessary against this matter.</p> <p>There is a significant level of management judgement involved in estimating the possible outflow of economic resources and the level of provisioning and/or the disclosures required in the financial statements. The management's assessment is supported by advice from independent tax and legal consultants, where considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position.</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these tax and litigation matters and application of judgement in interpretation of related laws.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding and evaluating the process and controls designed and implemented by the management around assessment of tax and other litigations including testing of operating effectiveness of the relevant controls; Enquired with the relevant company personnel including the Company's tax and regulatory department heads to obtain a complete list of matters under litigations; Obtaining details of the litigation matters, inspecting the supporting evidences and critically assessing management's evaluation through enquiry with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources; Understanding the current status of the tax assessments and other litigations; Reading recent orders and/ or communication received from the tax authorities and with certain other parties, and management's responses to such communication; Where relevant, reading the independent tax/ legal advice obtained by management and evaluating the grounds presented therein; Evaluating independence, objectivity and competence of the management's tax/legal consultants; Obtaining direct written confirmations from the Company's legal/tax consultants to confirm the facts and circumstances and assessment of the likely outcome; Together with auditors' tax experts, assessing the management's evaluation of the likelihood of the outcomes of the litigations and potential financial exposure; and Evaluating the appropriateness of presentation and adequacy of disclosures in the financial statements. <p>Based on the above procedures performed, we did not identify any material exceptions to management's assessment of provisions and contingent liabilities.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, Business responsibility and sustainability reporting format, report on corporate governance and management discussion and analysis report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17, 40 and 46 to the financial statements;
 - ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses and did not have any long-term derivative contracts as at March 31, 2022.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN: 22048125AIPRKL9779

Place : Mumbai
Date : May 9, 2022

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of BASF India Limited on the financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of BASF India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Jeetendra Mirchandani

Partner

Membership Number 048125

UDIN: 22048125AIPRKL9779

Place : Mumbai

Date : May 9, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of BASF India Limited on the financial statements for the year ended March 31, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 1 and 13 to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. in Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of the Company
Land at Mangalore location	48.3	Karnataka Industrial Areas Development Board	No	October 21, 2014	As per the terms of the agreement, the Company is in process of settling ongoing dispute w.r.t. additional compensation demanded by land losers towards small part of the land and basis settlement thereof, would be eligible to execute the agreement for transfer of ownership.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has granted unsecured loans to employees. The aggregate amount granted during the year is Rs. 0.41 million and balance outstanding at the Balance Sheet date with respect to such loans is Rs. 1.20 million. The Company has not made any investments, granted secured loans/advances in nature of loans, or stood guarantee, or provided security to any parties.

Annexure B to Independent Auditors' Report

- (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (c) In respect of the aforesaid loans, the schedule of repayment of principal has been stipulated and the employees are repaying the principal amounts, as stipulated. The Company has not charged any interest on such loans as per the policy of the Company.
 - (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
 - (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
 - (f) There were no other loans/advances in nature of loans which were granted during the year including to promoters/related parties.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of income tax though there has been a slight delay in few cases and is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, professional tax, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax, provident fund and employees' state insurance which have not been deposited on account of any dispute. Refer **Appendix I** for particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2022 which have not been deposited on account of a dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable.

Annexure B to Independent Auditors' Report

- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has a internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 37 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report

Annexure B to Independent Auditors' Report

that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

- xx. As at Balance Sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Jeetendra Mirchandani

Partner

Membership Number 048125

UDIN: 22048125AIPRKL9779

Place : Mumbai

Date : May 9, 2022

Appendix I

Referred to in paragraph vii(b) of our Annexure B to the Independent Auditors' Report of even date to the members of BASF India Limited on the Financial Statements for the year ended March 31, 2022

Sr. No.	Name of the Statute	Nature of Dues	Amount of demand after netting-off amount paid under protest	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
			(Rs. in millions)			
1.	The Income Tax Act, 1961	Income Tax liability (including interest and penalty, as applicable)	911.6	92.8	Assessment Years 2002-03, 2004-05, 2007-08, 2013-14 and 2016-17 to 2018-19	Appellate Authority - up to Commissioner's level
			87.0	110.8	Assessment Years 2009-10 and 2010-11	Income Tax Appellate Tribunal
			2.5	0.3	Assessment Years 2000-01, 2002-03 and 2006-07	High Court
	Sub Total		1,001.1	203.9		
2.	The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax and Value Added Tax liability (including interest and penalty, as applicable)	250.6	76.8	Financial Years 2002-03, 2005-06 to 2011-12 and 2013-14 to 2017-18	Appellate Authority - up to Commissioner's level
			7,581.7	89.5	Financial Years 1993-94, 1994-1995, 2004-05 and 2006-07 to 2017-18	Sales Tax Appellate Tribunal
			13.6	29.1	Financial Year 2013-2014 to 2014-2015	High Court
	Sub Total		7,845.9	195.4		
3.	The Finance Act, 1994	Service Tax Liability (including interest and penalty, as applicable)	23.9	0.7	Financial Years 2006-07 to 2009-10 and 2015-16 to 2017-18	Appellate Authority - up to Commissioner's level
			993.3	62.7	Financial Years 2004-05 to 2015-16	Custom, Excise and Service Tax Appellate Tribunal
	Sub Total		1,017.2	63.4		
4.	The Customs Tariff Act, 1975	Customs Duty (including interest and penalty, as applicable)	43.6	—	Financial Year 2007-08	Supreme Court of India
			1.2	1.1	Financial Year 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			1.2	—	Financial Year 2019-20	Appellate Authority - up to Commissioner's level
	Sub Total		46.0	1.1		
5.	The Central Excise Act, 1944	Excise duty Liability (including interest and penalty, as applicable)	17.6	1.1	Financial Years 2007-2008 and 2011-12 to 2016-17	Appellate Authority - up to Commissioner's level
			2.0	0.1	Financial Years 1981 - 1982 and 2012-2013	Custom, Excise and Service Tax Appellate Tribunal
			6.3	—	Financial Year 2011-12	High Court
	Sub Total		25.9	1.2		
Total		9,936.1	465.0			

Balance Sheet as at March 31, 2022

Rs. in million

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	1 A	6,378.2	6,768.6
Right-of-use assets	1 B	1,193.8	1,341.9
Capital work-in-progress	1 C	1,001.0	532.9
Intangible assets	1 D	57.6	60.5
Financial assets			
(i) Loans	2	0.6	0.6
(ii) Other financial assets	3	141.7	140.4
Deferred tax assets (net)	4	338.2	216.9
Income tax assets (net)	5	1,755.4	1,380.7
Other non-current assets	6	546.7	470.5
Total non-current assets		11,413.2	10,913.0
Current assets			
Inventories	7	19,426.2	15,363.9
Financial assets			
(i) Trade receivables	8	26,213.1	20,592.1
(ii) Cash and cash equivalents	9	1,256.0	1,726.0
(iii) Bank balances other than cash and cash equivalents	9	6.2	5.2
(iv) Loans	10	0.6	0.8
(v) Other financial assets	11	365.2	426.9
Other current assets	12	2,404.7	2,399.1
Assets classified as held for sale	13	14.1	14.1
Total current assets		49,686.1	40,528.1
Total assets		61,099.3	51,441.1
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	432.9	432.9
Other equity	15	22,927.9	17,428.6
Total equity		23,360.8	17,861.5
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	42	747.1	904.2
(ii) Other financial liabilities	16	196.5	141.0
Provisions	17	451.7	577.3
Total non-current liabilities		1,395.3	1,622.5
Current liabilities			
Financial liabilities			
(i) Borrowings	18	—	1,521.9
(ii) Lease liabilities	42	468.1	432.5
(iii) Trade payables	19		
(a) Outstanding dues to Micro Enterprises and Small Enterprises		480.9	447.2
(b) Outstanding dues to creditors other than micro enterprises and small enterprises		32,676.2	26,271.4
(iv) Other financial liabilities	20	1,005.8	404.8
Provisions	21	759.4	829.1
Current tax liabilities	22	—	454.2
Other current liabilities	23	952.8	1,596.0
Total current liabilities		36,343.2	31,957.1
Total liabilities		37,738.5	33,579.6
Total equity and liabilities		61,099.3	51,441.1

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place: Mumbai
Date: May 9, 2022

**For and on behalf of Board of Directors of
BASF India Limited**
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Narayan Krishnamohan
Managing Director
DIN : 08350849

Manohar Kamath
Company Secretary
ACS No: 19749

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Rajesh Naik DIN: 06935998
Directors

Place: Mumbai
Date: May 9, 2022

Statement of Profit and Loss for the year ended March 31, 2022

Rs. in million

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations (Refer Note 51)			
Sale of products		129,695.7	94,392.1
Sale of services		1,126.6	1,039.7
Other operating revenues		175.0	151.6
		130,997.3	95,583.4
Other income	24	240.0	165.2
Total Income		131,237.3	95,748.6
Expenses			
Cost of materials consumed	25	38,726.7	27,519.4
Purchase of stock-in-trade		72,655.8	51,114.5
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(2,783.2)	(670.3)
Employee benefit expenses	27	3,806.5	3,449.6
Finance costs	28	174.7	375.7
Depreciation and amortisation expenses	29	1,705.7	1,739.2
Other expenses	30	9,477.5	7,841.8
Total Expenses		123,763.7	91,369.9
Profit before exceptional item and tax		7,473.6	4,378.7
Exceptional items	44	125.6	4,020.9
Profit before tax		7,599.2	8,399.6
Tax expense/ (credit):	31		
Current tax (including Minimum alternate tax 'MAT')		1,932.3	2,864.5
Deferred tax (including MAT credit availed)		(121.3)	9.0
Income tax for previous periods		(160.2)	-
		1,650.8	2,873.5
Profit for the year		5,948.4	5,526.1
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Gain/ (Loss) on remeasurement of post employment benefit plan		(23.7)	21.5
Income tax relating to these items		6.0	(7.5)
Other comprehensive income for the year, net of tax		(17.7)	14.0
Total comprehensive income for the year		5,930.7	5,540.1
Weighted average number of equity shares outstanding during the year		43,284,958	43,284,958
Basic and diluted earnings per share (in Rs.)		137.4	127.7
Face value per share (in Rs.)		10.0	10.0

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place: Mumbai
Date: May 9, 2022

**For and on behalf of Board of Directors of
BASF India Limited**
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Narayan Krishnamohan
Managing Director
DIN : 08350849

Manohar Kamath
Company Secretary
ACS No: 19749

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Rajesh Naik DIN: 06935998
Directors

Place: Mumbai
Date: May 9, 2022

Statement of Cash Flows for the year ended March 31, 2022

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	7,599.2	8,399.6
Adjustments for:		
Exceptional items	(125.6)	(4,020.9)
Depreciation/ amortisation	1,705.7	1,739.2
Interest cost	171.6	239.7
Effects from fair valuation of derivatives on borrowings (net)	3.1	136.0
Profit on sale of property plant and equipment (net)	(57.9)	(0.1)
Interest income	(37.9)	(86.9)
Interest on income tax refunds	(34.3)	(9.9)
Unrealised loss/ (gain) on derivative transactions (net)	28.9	564.0
Unrealised loss/ (gain) on foreign exchange (net)	(328.4)	(503.9)
Share based payments	1.5	11.5
Provision for loss allowance on trade receivables (net)	305.0	186.2
Operating cash flow before working capital changes	9,230.9	6,654.5
Adjustments for changes in working capital:		
(Increase)/ Decrease in trade receivables	(5,892.5)	(7,280.2)
(Increase)/ Decrease in other financial assets (including loans)	69.0	706.6
(Increase)/ Decrease in other current and non-current assets	(49.3)	(956.2)
(Increase)/ Decrease in inventories	(4,062.3)	(379.3)
Increase/ (Decrease) in other financial liabilities	567.5	(9.7)
Increase/ (Decrease) in long term provisions	(125.6)	(16.8)
Increase/ (Decrease) in trade payables	6,719.0	5,782.3
Increase/ (Decrease) in other current and non-current liabilities	(643.2)	926.4
Increase/ (Decrease) in short-term provisions	32.2	84.2
Cash generated from operations	5,845.7	5,511.8
Income taxes paid (net)	(2,546.4)	(680.8)
Net cash generated from operating activities	3,299.3	4,831.0
B. Cash flow from investing activities:		
Acquisition of property plant and equipment (net of capital creditors and including capital advances)	(1,302.2)	(678.2)
Proceeds from divestiture of Construction chemicals business (net of taxes paid Rs. 1,049.0 million)	—	4,902.6
Investments in Equity shares of BASF Performance Polyamides India Pvt. Ltd.	—	(3,029.0)
Realisation on sale of property, plant and equipment and residential properties	65.2	13.1
Write off towards conditional consideration on sale of a business	—	(138.5)
Interest received	38.0	98.6
Inter Corporate deposits (given)/ repaid (net) (Refer Note 50)	—	650.0
Net cash (used in) / generated from investing activities	(1,199.0)	1,818.6

Statement of Cash Flows for the year ended March 31, 2022 (Continued)

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities		
Inter Corporate deposits taken	—	300.0
Inter Corporate deposits/ External commercial borrowings repaid (Refer note 50)	(1,495.1)	(1,981.5)
Other short-term borrowings taken / (repaid) (net)	—	(3,349.8)
Dividend paid	(432.0)	(129.4)
Interest paid	(113.9)	(205.8)
Payment of lease liabilities	(529.3)	(551.5)
Net cash (used in) financing activities	(2,570.3)	(5,918.0)
Net (decrease) / increase in cash and cash equivalents	(470.0)	731.6
Cash and cash equivalents at the beginning of the financial year	1,726.0	994.4
Cash and cash equivalents at the end of the financial year	1,256.0	1,726.0

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Opening cash and cash equivalents		
Cheques on hand	—	4.6
Balances with banks:		
— In current accounts	526.0	809.8
Deposits with original maturity of less than three months	1,200.0	180.0
	1,726.0	994.4
Closing cash and cash equivalents		
Balances with banks:		
— In current accounts	236.0	526.0
Deposits with original maturity of less than three months	1,020.0	1,200.0
(Refer Note 9 for cash and cash equivalents)	1,256.0	1,726.0

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
- Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

The accompanying notes form an integral part of the financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place: Mumbai
Date: May 9, 2022

**For and on behalf of Board of Directors of
BASF India Limited**
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Narayan Krishnamohan
Managing Director
DIN : 08350849

Manohar Kamath
Company Secretary
ACS No: 19749

Place: Mumbai
Date: May 9, 2022

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Rajesh Naik DIN: 06935998
Directors

Statement of Changes in Equity as at March 31, 2022

Rs. in million

	Notes	Total
A. Equity share capital		
As at March 31, 2020		432.9
Changes in equity share capital	14	—
As at March 31, 2021		432.9
Changes in equity share capital	14	—
As at March 31, 2022		432.9

Rs. in million

	Reserves and Surplus						Total
	Share options outstanding account	Securities premium	Amalgamation reserve	General reserve	Retained earnings	Capital Reserve	
B. Other equity (Refer Note 15)							
Balance at April 1, 2020	32.1	2,203.2	371.7	10,046.9	2,210.4	(2,857.4)	12,006.9
Profit for the year	—	—	—	—	5,526.1	—	5,526.1
Other comprehensive income:							
– Remeasurement of the net defined benefit asset/liability, net of tax effect	—	—	—	—	14.0	—	14.0
Total	32.1	2,203.2	371.7	10,046.9	7,750.5	(2,857.4)	17,547.0
Transactions with owners in their capacity as owners:							
– Dividends	—	—	—	—	(129.9)	—	(129.9)
– Employee stock option expense	11.5	—	—	—	—	—	11.5
Balance at March 31, 2021	43.6	2,203.2	371.7	10,046.9	7,620.6	(2,857.4)	17,428.6
Balance at April 1, 2021	43.6	2,203.2	371.7	10,046.9	7,620.6	(2,857.4)	17,428.6
Profit for the year	—	—	—	—	5,948.4	—	5,948.4
Other comprehensive income:							
– Remeasurement of the net defined benefit asset/liability, net of tax effect	—	—	—	—	(17.7)	—	(17.7)
Total	43.6	2,203.2	371.7	10,046.9	13,551.3	(2,857.4)	23,359.3
Transactions with owners in their capacity as owners:							
– Dividends	—	—	—	—	(432.9)	—	(432.9)
– Employee stock option expense	1.5	—	—	—	—	—	1.5
Balance at March 31, 2022	45.1	2,203.2	371.7	10,046.9	13,118.4	(2,857.4)	22,927.9

For significant accounting policies, refer Note 1.

The accompanying notes form an integral part of the financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place: Mumbai
Date: May 9, 2022

**For and on behalf of Board of Directors of
BASF India Limited**
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Narayan Krishnamohan
Managing Director
DIN : 08350849

Manohar Kamath
Company Secretary
ACS No: 19749

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Rajesh Naik DIN: 06935998
Directors

Place: Mumbai
Date: May 9, 2022

Notes to the Financial Statements for the year ended March 31, 2022

Background of the Company

BASF India Limited (the 'Company') is a public limited Company domiciled in India with its registered office located in Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's portfolio consists of six segments: Agricultural Solutions, Materials, Industrial solutions, Surface Technologies, Nutrition & Care and Chemicals.

1. Significant Accounting Policies

a. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions and amendments of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has identified twelve months as its operating cycle.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

(ii) Basis of measurement

The financial statements have been prepared on an accrual basis and on a historical cost basis, except for the following items:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value,
- assets held for sale – measured at carrying amount or fair value less cost to sale whichever is low,
- Net defined benefit (asset)/liability – Fair value of plan assets less present value of defined benefit obligations; and
- share-based payments measured at fair value on grant date with no subsequent adjustment to the payments recognised.

b. Use of estimates and judgements

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialise.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a. Measurement of defined benefit obligations – Note 48
- b. Measurement and likelihood of occurrence of provisions and contingencies – Note 40, 46 and 1(l)
- c. Measurement of useful lives for property, plant and equipment & intangible assets and impairment – Note 1(d), 1(e) and 1(f)
- d. Loss allowance on trade receivables and other financial assets – Note 38(iv)
- e. Determination of lease terms and incremental borrowing rate – Note 42 and Note 1(p)

c. Revenue Recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

c. Revenue Recognition (Continued)

The performance obligations arising from sale of products with Company's customers are satisfied at a point in time. Payment terms are generally agreed upon individually with customers.

Sales of products are recognised when control of the products has transferred based on the agreed terms. Sales are net of returns, trade discounts, rebates, sales tax and goods and service tax (GST), as applicable.

Sale of services includes indent commission and revenue from technical and service charges to group and other companies based on terms of the respective agreement. Revenue from sale of services are recognised as and when the services are provided.

The Company evaluates the arrangement with customers/ suppliers whether it is acting as a principal or an agent of the customers/ suppliers, considering underlying substance and terms and conditions of the arrangements. Accordingly, revenue is accounted either on gross or net basis based on the fulfillment of criteria of principal or agency.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in Ind AS 115 have been applied and accordingly:

- The Company does not adjust the promised amount of consideration for the effects of a significant financing component
- The Company recognises the incremental costs of obtaining a contract as an expense when incurred
- No information on remaining performance obligations as of March 31, 2022 that have an expected original term of one year or less was reported.

As part of the adoption of Ind AS 115, contract liabilities are disclosed in the Balance Sheet. A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

The Company operates Customer incentive programs where direct/ indirect customers accumulate points for purchases made of the Company's products, which entitle them for rewards in form of gift cards equal to the value of such points. A contract liability for the award points is recognised at the time of sale.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised using the effective interest rate method. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

d. Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items such as stores, spare parts and stand by equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the item. Any gain or loss arising on disposal or retirement of item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the item and is recognized in the statement of profit and loss.

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

d. Property, plant and equipment (Continued)

Depreciation

Depreciation on property plant and equipment is calculated on a straight-line basis considering the following useful lives estimated by the Management based on technical evaluation or those prescribed under Schedule II of the Act:

Assets Category	Useful life
Buildings	10-33 years
Plant and machinery	5-20 years
Computers	4 years
Vehicles	4 years
Furniture and fixtures	5-10 years
Office equipment	5 years

Property, Plant and Equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions / deletions is calculated on a monthly pro-rata basis.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Leasehold land and Leasehold Improvements are amortised over the period of lease or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

e. Intangible assets and amortization

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. Computer software is amortized over a period of four years and other intangible assets are amortized over a period of 2 to 4 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

f. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

f. Borrowings (Continued)

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

g. Inventories

Inventories including raw materials, packing materials, work-in-progress, stores and spares, traded and finished goods are valued at cost or estimated net realisable value, whichever is lower. The costs are determined on weighted average basis and includes expenditure incurred in acquiring inventories, production of conversion costs and other costs incurred in bringing them to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Goods and service tax (GST) is excluded from valuation of finished goods. Net realisable value is estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis.

h. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting and are based on monitoring of operating results by the Chief Operating Decision Maker, separately for making decision about resource allocation and performance assessment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

i. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

j. Financial Instruments

Financial asset

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

For subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

j. Financial instruments (Continued)

A financial asset is measured at amortised cost when they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest. The amortised cost of a financial asset is also adjusted for impairment loss, if any.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value minus, in case of financial liabilities not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial liabilities.

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost, any difference between the initial carrying value and the redemption value is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using effective interest method.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts in the normal course of business and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since its initial recognition. Note 38 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognized in statement of profit and loss.

Derecognition of financial assets and financial liabilities

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. The difference between the carrying amount and the financial liability extinguished and the new liability with modified terms is recognized in the Statement of Profit and Loss.

Measurement of fair values

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

j. Financial instruments (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (level 3 inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

k. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

l. Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for restructuring are recognized by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessary and entailed by the restructuring and not associated with the ongoing activities of the Company.

Provisions are measured based on the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, unless the possibility of outflow of resources embodying economic benefits are remote.

When some or all of the economic benefits required to settle, a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

n. Foreign Currency

Transactions in foreign currencies are translated in to currency of the primary economic environment in the which the entity operates (the 'functional currency' of the Company) using the exchange rates prevailing on the date of transaction. Monetary items in foreign currencies are stated at the closing exchange rate. Gains/losses on conversion/translation are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

o. Employee Benefits

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the Statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

Post Employment Employee Benefits

The Company's contributions to defined contribution plans such as Superannuation Fund (administered through BASF India Limited Superannuation Fund Trust), Employee State Insurance and Labour Welfare Fund are recognized as expense in the Statement of Profit and Loss on an accrual basis. The Company does not have any further obligation beyond this contribution.

Eligible employees receive benefits from a provident fund which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

o. Employee Benefits (Continued)

the covered employee's salary. The Company contributes a part of the contributions to the BASF India Limited Provident Fund Trust ('the Trust'). The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations.

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling if any (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is recognised immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other Long Term Employee Benefits

The Company's liabilities towards Compensated Absences and Long Service Awards to employees are determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination Benefits

Compensation paid to employees under Voluntary Retirement Scheme/Severance payments are recognised as an expense in the Statement of Profit and Loss when employees accept the scheme/payments.

Share based payments

The Ultimate Holding Company ('BASF SE') offers Share Price based compensation program (Long term incentive program - 'LTI') for senior executives of BASF group. Participation in this program is voluntary.

LTI plans mentioned above are offered by BASF SE and the cost of such plans is not recharged to the Company. However, the Company recognises these share based payment transactions of BASF SE in accordance with the requirement of paragraph 43 A and 43 B of Ind AS 102 - Share Based Payments. As required under para 43B of Ind AS 102, since the Company receives the services of the employees to whom the options have been granted by BASF SE and the Company has no obligation to settle these options, the Company accounts for these services as an equity settled share based payment transaction.

p. Leases

As a Lessee

As a lessee, the Company generally recognises for all leases a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

As a general rule, the Company separates non-lease components, such as services from lease payments. Lease liabilities are measured at the present value of the remaining lease payments, taking into account the incremental borrowing rate.

Lease payments are discounted using the interest rate implicit in the lease contracts if that rate can be determined from the lease contracts. If the discount rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a risk free rate of interest which is adjusted for lease term, country risk and currency risk.

For leases previously classified as finance leases the Company recognised the carrying amount of the lease asset immediately before transition as the carrying amount of the right-of-use asset at the date of initial application.

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

p. Leases (Continued)

The measurement principles of Ind AS 116 are only applied after that date. There was no impact of transition on value of lease assets. Further there were no lease liabilities existing on date of transition.

A right-of-use asset is generally recognized at the same amount as the lease liability. After capitalization at commencement date, whereby the right-of-use asset is measured at cost, the right-of-use asset is generally depreciated over the lease term using the straight-line method. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

A number of leases include extension and termination options. Extension and termination options are taken into account on recognition of the lease liability only if the Company is reasonably certain that these options will be exercised in the future. Estimates and expectations which are asserted at the commencement date of the lease liability and the right-of-use asset and pertain to future payments not yet determined on the date of provision are assessed continuously during the lease term. If subsequently improved or changed knowledge influences the expected payment profile over time, the lease liability is remeasured. Any amount on account of re-measurement of lease liabilities is adjusted to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the income statement.

Initial direct costs are excluded for the measurement of right-of-use assets at the date of initial application. The Company exercises the exemption for lease arrangements with a maximum term of 12 months (short-term leases) and low-value assets. Payments associated with such short-term leases and low-value assets are recognised as an expense in Statement of Profit and Loss. Variable lease payments that depend on usage and / or other variable conditions are recognised in the Statement of Profit and Loss in the period in which the conditions that trigger those payments occur.

q. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with relevant provisions of Income Tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax charge or credit and correspondingly deferred tax liability or asset is recognised using tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is recognised, subject to the consideration of prudence, on temporary differences, being the difference between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized to the extent that it probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and these relate to income taxes levied by the same tax authorities and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

Current tax assets and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on net a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

r. Accounting for merger under common control transactions:

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of Share Capital of the transferor is transferred to Capital Reserve and is presented separately from other Capital Reserves.
- Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ NCLT, the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

s. Earnings per share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

t. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

u. Derivative financial instruments

The Company enters majorly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship. Derivative assets and derivative liabilities are presented on gross basis in the Balance Sheet.

v. Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

w. Exceptional items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

x. New and amended standards adopted by the Company

The Company has applied following amendments to Ind AS for the first time effective April 1, 2021.

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognized in prior periods or current period and are not expected to significantly affect the future periods.

Notes to the Financial Statements for the year ended March 31, 2022

1. Significant Accounting Policies (Continued)

y. Reclassifications consequent to amendments to Schedule III:

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	March 31, 2021 (as previously reported)	Increase / (Decrease)	March 31, 2021 (revised)
Other financial liabilities (current)	1,926.7	(1,521.9)	404.8
Borrowings (Current)	—	1,521.9	1,521.9
Loans (non-current)	141.0	(140.4)	0.6
Other financial assets (non-current)	—	140.4	140.4
Loans (current)	33.1	(32.3)	0.8
Other financial assets (current)	396.8	30.1	426.9
Other current assets	2,396.9	2.2	2,399.1

z. New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods.

Notes to the Financial Statements as at March 31, 2022

1(A). Property, plant and equipment

(Refer Note 33)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022	
Freehold land	27.5	26.9	—	54.4	—	—	—	—	54.4	
Buildings [Refer Note (a) below]	2,963.6	90.8	9.6	3,044.8	769.0	139.0	9.5	898.5	2,146.3	
Plant & machinery and Computers	10,657.1	672.6	87.7	11,242.0	6,286.1	1,004.1	80.7	7,209.5	4,032.5	
Furniture and fixtures	276.0	4.6	2.3	278.3	183.6	23.7	2.2	205.1	73.2	
Vehicles	118.7	18.2	21.0	115.9	99.7	11.9	20.9	90.7	25.2	
Office equipment	257.8	10.8	5.2	263.4	193.7	28.3	5.2	216.8	46.6	
Total	14,300.7	823.9	125.8	14,998.8	7,532.1	1,207.0	118.5	8,620.6	6,378.2	

1(B). Right-of-use assets

(Refer Notes 33 and 42)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022	
Right-of-use land	205.6	6.9	—	212.5	33.8	6.0	—	39.8	172.7	
Right-of-use Buildings	782.1	163.2	24.2	921.1	361.9	187.3	22.6	526.6	394.5	
Right-of-use Plant & machinery and Computers	998.1	112.1	68.1	1,042.1	337.0	232.4	68.1	501.3	540.8	
Right-of-use Vehicles	163.7	42.7	7.7	198.7	74.9	45.7	7.7	112.9	85.8	
Total	2,149.5	324.9	100.0	2,374.4	807.6	471.4	98.4	1,180.6	1,193.8	

1(C). Capital work-in-progress

(Refer Note 34)

Rs. in million

Particulars	As at April 1, 2021	Additions	Amounts Capitalised	As at March 31, 2022
Capital work-in-progress	532.9	1,316.4	848.3	1,001.0

1(D). Intangible assets

Rs. in million

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022	
Other intangible assets	8.0	—	—	8.0	1.1	0.4	—	1.5	6.5	
Software	146.8	24.4	0.6	170.6	93.2	26.9	0.6	119.5	51.1	
Total	154.8	24.4	0.6	178.6	94.3	27.3	0.6	121.0	57.6	

Note:

- a) Includes gross block of Rs. 8.3 million and net block Rs. 2.3 million for which LIC Housing Finance Ltd. (LICHFL) has claimed a charge on the apartment building, which is disputed. The Company is in process of settling ongoing litigation with LICHFL for which the suit is pending at Karnataka High Court and basis settlement thereof, the Company will have clear title to the property.

Notes to the Financial Statements as at March 31, 2022

1(A). Property, plant and equipment

(Refer Note 33)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year [Refer Note (b) below]	Deductions	As at March 31, 2021	As at March 31, 2021	
Freehold land	27.5	—	—	27.5	—	—	—	—	27.5	
Buildings [Refer Note (a) below]	2,928.8	36.0	1.2	2,963.6	619.2	150.8	1.0	769.0	2,194.6	
Plant & machinery and Computers	10,474.4	229.5	46.8	10,657.1	4,995.6	1,325.0	34.5	6,286.1	4,371.0	
Furniture and fixtures	273.0	4.4	1.4	276.0	156.5	28.4	1.3	183.6	92.4	
Vehicles	132.9	8.6	22.8	118.7	108.9	10.5	19.7	99.7	19.0	
Office equipment	251.9	11.1	5.2	257.8	169.8	28.9	5.0	193.7	64.1	
Total	14,088.5	289.6	77.4	14,300.7	6,050.0	1,543.6	61.5	7,532.1	6,768.6	

1(B). Right-of-use assets

(Refer Notes 33 and 42)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year	Deductions	As at March 31, 2021	As at March 31, 2021	
Right-of-use land	194.2	11.4	—	205.6	28.8	5.0	—	33.8	171.8	
Right-of-use Buildings	831.4	39.6	88.9	782.1	220.0	204.5	62.6	361.9	420.2	
Right-of-use Plant & machinery and Computers	881.2	148.6	31.7	998.1	162.5	205.8	31.3	337.0	661.1	
Right-of-use Vehicles	128.7	36.1	1.1	163.7	35.5	40.5	1.1	74.9	88.8	
Total	2,035.5	235.7	121.7	2,149.5	446.8	455.8	95.0	807.6	1,341.9	

1(C). Capital work-in-progress

(Refer Note 34)

Rs. in million

Particulars	As at April 1, 2020	Additions	Amounts Capitalised	As at March 31, 2021
Capital work-in-progress	230.7	647.4	345.2	532.9

1(D). Intangible assets

Rs. in million

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year	Deductions	As at March 31, 2021	As at March 31, 2021	
Other intangible assets	35.8	—	27.8	8.0	14.5	14.3	27.7	1.1	6.9	
Software	99.6	55.6	8.4	146.8	98.9	2.8	8.5	93.2	53.6	
Total	135.4	55.6	36.2	154.8	113.4	17.1	36.2	94.3	60.5	

Notes:

- Includes gross block of Rs. 8.3 million and net block Rs. 3.2 million for which LIC Housing Finance Ltd. (LICHFL) has claimed a charge on the apartment building, which is disputed. The Company is in process of settling ongoing litigation with LICHFL for which the suit is pending at Karnataka High Court and basis settlement thereof, the Company will have clear title to the property.
- Depreciation for the year on 'Plant & machinery and Computers' includes Impairment charge on certain assets at Dahej plant aggregating Rs. 277.3 million. Also refer Note 44.

Notes to the Financial Statements as at March 31, 2022

2. Loans (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Loan to employees	0.6	0.6
	0.6	0.6

3. Other financial assets (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Security deposits	157.4	156.1
	157.4	156.1
Less: Loss allowance on Security deposits	15.7	15.7
	141.7	140.4

4. Deferred tax assets (net)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Temporary differences on account of:		
Loss allowance on trade receivables	176.3	100.7
Payment towards Voluntary Retirement Scheme	20.7	38.1
Compensation towards Realignment of Service units	7.2	54.2
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	263.5	228.4
Total deferred tax assets	467.7	421.4
Deferred tax liabilities		
Temporary differences on account of:		
Carrying value of property plant and equipment	(129.5)	(204.5)
Total deferred tax liabilities	(129.5)	(204.5)
Deferred tax assets (net)	338.2	216.9

5. Income tax assets (net)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,380.7	1,345.2
Add: Taxes paid (net)	2,092.2	25.6
Add: Interest received on income tax refund adjusted against demands	34.3	9.9
Less: Tax Provision (created)/ reversed for current year	(1,926.3)	—
Add: Tax Provision reversed for earlier years (including interest)	174.5	—
Closing balance	1,755.4	1,380.7

6. Other non-current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Capital advances	85.9	53.4
Other Advances:		
— Prepayments	10.3	11.9
— Amount recoverable from tax authorities	450.5	405.2
	546.7	470.5

Notes to the Financial Statements as at March 31, 2022

7. Inventories

(Valued at lower of cost and net realisable value)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Raw materials	5,265.3	4,146.1
Finished goods	4,049.8	3,188.3
Stock-in-trade	9,587.6	7,649.6
Work-in-progress	10.7	27.0
Others		
Packing materials	261.9	162.7
Stores and spares	250.9	190.2
	19,426.2	15,363.9
Goods in transit (included above)		
Raw materials	2,087.2	2,343.4
Stock-in-trade	5,557.9	5,437.5
Finished goods	13.9	65.8
Packing materials	—	3.3

Amounts recognised in Statement of Profit and Loss

Write back of inventories to net realisable value amounted to **Rs. 106.7 million** (Previous year: write down of Rs. 318.0 million). These were recognised in the Statement of Profit and Loss during the year under the heads 'cost of materials consumed' and 'Changes in inventories of finished goods, stock-in-trade and work-in-progress'.

8. Trade receivables

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Considered good:		
Secured	35.0	35.8
Unsecured	26,178.1	20,556.3
	26,213.1	20,592.1
Credit impaired	700.3	399.9
	26,913.4	20,992.0
Less : Loss allowance on trade receivables	700.3	399.9
	26,213.1	20,592.1
<i>Of the above, dues from companies where directors are interested</i>	54.7	65.8

For Trade receivables from related parties, refer Note 50.

For aging of Trade receivables, refer Note 35.

9. Cash and bank balances

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cheques on hand	—	—
Balances with banks:		
– In current accounts	236.0	526.0
Deposits with original maturity of less than three months	1,020.0	1,200.0
	1,256.0	1,726.0
Bank balances other than cash and cash equivalents		
– In unpaid dividend account	5.9	5.0
– Deposits with original maturity of more than three months but less than twelve months	0.3	0.2
	6.2	5.2
	1,262.2	1,731.2
Of the above		
Earmarked bank balances (unpaid dividend account)	5.9	5.0

Notes to the Financial Statements as at March 31, 2022

10. Loans (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Loan to employees	0.6	0.8
	0.6	0.8

11. Other financial assets (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Derivatives with positive fair values	51.7	42.2
Security deposits	38.5	30.1
Refund receivable from government authorities	232.2	321.8
Interest accrued on Bank deposits	0.1	0.2
Others receivable	42.7	32.6
	365.2	426.9

12. Other current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Prepayments	114.3	75.2
Advances to vendors	129.6	887.8
Balances with government authorities	2,158.5	1,433.9
Advances to employees	2.3	2.2
	2,404.7	2,399.1

13. Assets classified as held for sale

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Assets held for sale	14.1	14.1
	14.1	14.1
Asset held for sale includes following:		
Non core assets (residential apartments)	—	—
Land for biotechnology research	14.1	14.1
	14.1	14.1
Fair value measurement:		
Non core assets (residential apartments)	354.0	354.0
Land for biotechnology research	14.1	14.1
	368.1	368.1

Notes:

- (i) The Company intends to dispose off non core residential apartments as it no longer intends to utilise these assets. A search for a buyer is underway. The Company expects the fair value less cost to sell to be higher than carrying amount.
- (ii) The Company intends to dispose off the plot of land for biotechnology research related to 'Agricultural Solution' segment. No impairment loss was recognised on reclassification of the freehold land as held for sale.

Notes to the Financial Statements as at March 31, 2022

14. Share capital

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Authorised (Refer Note (i) below):		
71,559,715 (Previous Year 71,559,715) Equity Shares of Rs.10/- each	715.6	715.6
Issued:		
43,285,640 (Previous Year 43,285,640) Equity Shares of Rs.10/- each	432.9	432.9
Subscribed and paid-up:		
43,284,958 (Previous Year 43,284,958) Equity Shares of Rs.10/- each fully paid	432.9	432.9
	432.9	432.9

- (i) In the previous year, pursuant to the Scheme of Merger by way of absorption of BASF Performance Polyamides India Private Limited ('BPPIPL') with the Company as sanctioned by the National Company Law Tribunal, Mumbai ('NCLT') vide its order dated January 6, 2021 and which was effective February 1, 2021, there was an increase in the authorised share capital of the Company to the extent of authorised share capital of BPPIPL. Consequently, the revised authorised share capital of the Company aggregates Rs. 715,597,150 which is divided into 71,559,715 Equity Shares of Rs. 10 each. Also refer Note 52.

a. Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. in million	Number	Rs. in million	Number
Shares outstanding at the beginning and at the end of the year	432.9	43,284,958	432.9	43,284,958

b. Rights, preferences and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Equity shares held by Ultimate Holding Company/ Holding Company and /or their associates or subsidiaries

Name of Shareholder	Relationship	As at March 31, 2022	As at March 31, 2021
BASF Societas Europea	Ultimate Holding Company	22,835,320	22,835,320
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	8,907,900

d. Equity shares in the Company held by each shareholder holding more than 5% shares

Name of Shareholder	Relationship	As at March 31, 2022		As at March 31, 2021	
		Number	Percentage	Number	Percentage
BASF Societas Europea	Ultimate Holding Company	22,835,320	52.75%	22,835,320	52.75%
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	20.58%	8,907,900	20.58%

e. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

None

Notes to the Financial Statements as at March 31, 2022

14. Share capital (Continued)

f. Details of shareholding of promoters:

Name of the promoter	As at March 31, 2022			As at March 31, 2021		
	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2022	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2021
BASF Societas Europea	22,835,320	52.75%	—	22,835,320	52.75%	—
BASF Schweiz AG	8,907,900	20.58%	—	8,907,900	20.58%	—
Total	31,743,220	73.33%	—	31,743,220	73.33%	—

15. Other equity

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Securities premium	2,203.2	2,203.2
Amalgamation reserve	371.7	371.7
Share options outstanding account	45.1	43.6
General reserve	10,046.9	10,046.9
Retained earnings	13,118.4	7,620.6
Capital Reserve	(2,857.4)	(2,857.4)
	22,927.9	17,428.6

(a) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

Rs. in million

Securities premium	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	2,203.2	2,203.2
Balance at end of the year	2,203.2	2,203.2

(b) Amalgamation reserve

Amalgamation reserve is used to record difference between the share capital of the amalgamating companies. It is utilised in accordance with the provisions of the Act.

Rs. in million

Amalgamation reserve	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	371.7	371.7
Balance at end of the year	371.7	371.7

(c) Share options outstanding account

Share Options Outstanding Account is used to account for effects from employee stock option expense.

Rs. in million

Share options outstanding account	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	43.6	32.1
Add: Employee stock option expense (net of reversals) (Refer Note 48)	1.5	11.5
Balance at end of the year	45.1	43.6

Notes to the Financial Statements as at March 31, 2022

15. Other equity (Continued)

(d) General reserve

General reserves are the retained earnings of the Company which are kept aside out of the profits to meet future (known or unknown) obligations.

Rs. in million

General reserve	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	10,046.9	10,046.9
Balance at end of the year	10,046.9	10,046.9

(e) Retained earnings

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	7,620.6	2,210.4
Add: Profit for the year	5,948.4	5,526.1
Items of other comprehensive income/(loss):		
Add/ (Less): Remeasurement of the net defined benefit asset/ liability, net of tax effect	(17.7)	14.0
Appropriations:		
Less: Dividend (Refer Note 39(b))	(432.9)	(129.9)
Balance at end of the year	13,118.4	7,620.6

(f) Capital Reserve

The excess of carrying value of investments in erstwhile BPPIPL over net value of assets, liabilities and reserves of BPPIPL has been debited to Capital Reserve.

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year (Refer Note 52)	(2,857.4)	(2,857.4)
Balance at end of the year	(2,857.4)	(2,857.4)

16. Other financial liabilities (non-current)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Deposits from customers	47.2	46.0
Accrual for employee benefits	149.3	95.0
	196.5	141.0

17. Provisions (non-current)

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 48)		
– Long service award	22.1	19.2
– Provident Fund	—	155.8
Other provisions (Refer Note 46)	429.6	402.3
	451.7	577.3

Notes to the Financial Statements as at March 31, 2022

18. Borrowings (current)

(Unsecured)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term debts	—	1,517.7
Interest accrued but not due on borrowings	—	4.2
	—	1,521.9

a) Terms of repayment

External commercial borrowing outstanding as at beginning of the year aggregating Rs. 1,517.7 million (Euro 17.3 million) was repaid on June 1, 2021 as per the repayment schedule.

Interest was payable on a half yearly basis on June 15 and December 15 at 6 months EURIBOR + 147 basis point per annum for External commercial borrowing.

b) Net debt Reconciliation

Rs. in million

Net debt Reconciliation	As at March 31, 2022		As at March 31, 2021	
	Cash and Cash Equivalents	Liabilities from financing activities (Refer Note below)	Cash and Cash Equivalents	Liabilities from financing activities (Refer Note below)
Opening Net debt	1,726.0	1,521.9	994.4	6,660.9
Cash (outflow)/inflow (net)	(470.0)	—	731.6	—
Interest expense	—	87.1	—	98.2
Inter Corporate deposits taken	—	—	—	300.0
Inter Corporate deposits/External commercial borrowings repaid (Refer note 50)	—	(1,495.1)	—	(1,981.5)
Other short-term borrowings taken/(repaid) (net)	—	—	—	(3,349.8)
Foreign Exchange adjustments	—	—	—	(0.1)
Interest Paid	—	(113.9)	—	(205.8)
Closing Net debt (I)	1,256.0	—	1,726.0	1,521.9
Opening lease liabilities	—	1,336.7	—	1,587.9
Interest on leases liabilities	—	84.5	—	90.8
Change in lease liabilities during the year (net of deletions/transfers)	—	323.3	—	209.5
Repayment of lease liabilities	—	(529.3)	—	(551.5)
Closing lease liabilities (II)	—	1,215.2	—	1,336.7
Total closing Net debt (I+II)	1,256.0	1,215.2	1,726.0	2,858.6

Note: Liabilities from financial activities include Current borrowings (Note 18) and Interest accrued but not due on borrowings (Note 18). For Lease liabilities, refer Note 42.

19. Trade payables

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Micro and Small Enterprises (Refer Note 43)	480.9	447.2
Others	32,676.2	26,271.4
	33,157.1	26,718.6

For payables to related parties, refer Note 50.

For aging of Trade payables, refer Note 36.

Notes to the Financial Statements as at March 31, 2022

20. Other financial liabilities (current)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Unpaid dividends*	5.9	5.0
Capital creditors	82.5	35.9
Derivatives with negative fair values	161.2	119.7
Accrual for employee benefits	756.2	244.2
	1,005.8	404.8

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

21. Provisions (current)

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 48)		
– Compensated absences	482.2	437.3
– Long service award	3.5	2.2
– Gratuity	104.2	174.4
– Provident Fund	140.8	—
– Compensation towards Realignment of business service units (Refer Note 44)	28.7	215.2
	759.4	829.1

22. Current tax liabilities

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Opening balance	454.2	—
Add: Current tax payable for the year	—	2,872.0
Add: Interest on income tax	—	50.6
Less: MAT credit utilisation	—	774.1
Less: Taxes paid	454.2	1,694.3
	—	454.2

23. Other current liabilities

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Advances received from customers	299.5	951.5
Accrual for customer incentive schemes (Refer Note 51)	374.0	303.0
Statutory dues payable	279.3	341.5
	952.8	1,596.0

Notes to the Financial Statements for the year ended March 31, 2022

24. Other income

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	37.9	86.9
Interest on income tax refunds	34.3	9.9
Profit on sale of property plant and equipment (net)	57.9	0.1
Miscellaneous income	109.9	68.3
	240.0	165.2

25. Cost of materials consumed

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials:		
Stock at the beginning of the year	4,146.1	5,018.4
Add: Purchases	38,913.8	25,981.9
Less: Stock at the end of the year	(5,265.3)	(4,146.1)
Cost of raw materials consumed	37,794.6	26,854.2
Packing materials consumed	932.1	665.2
	38,726.7	27,519.4

26. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock at the end of the year:		
Finished goods	4,049.8	3,188.3
Stock-in-trade	9,587.6	7,649.6
Work-in-progress	10.7	27.0
Sub-total	13,648.1	10,864.9
Stock at the beginning of the year:		
Finished goods	(3,188.3)	(2,343.3)
Stock-in-trade	(7,649.6)	(7,833.2)
Work-in-progress	(27.0)	(18.1)
Sub-total	(10,864.9)	(10,194.6)
	(2,783.2)	(670.3)

27. Employee benefit expenses

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	3,372.0	2,928.7
Contribution to provident and other funds (Refer Note 48)	277.3	238.4
Share based payments (Refer Note 48)	1.5	11.5
Gratuity (Refer Note 48)	65.5	188.5
Staff welfare expense	90.2	82.5
	3,806.5	3,449.6

Notes to the Financial Statements for the year ended March 31, 2022

28. Finance costs

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	100.7	191.9
Add: Exchange differences regarded as an adjustment to borrowing costs	(22.6)	(80.5)
Total interest cost	78.1	111.4
Effects from fair valuation of derivatives on borrowings	3.1	136.0
Realised (gain)/loss on rollover of derivatives relating to financing activities	—	(17.1)
Interest on income tax	—	50.6
Interest on lease liabilities	84.5	90.8
Interest- others	9.0	4.0
	174.7	375.7

29. Depreciation and amortisation expenses

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Property, plant and equipment	1,207.0	1,266.3
Depreciation of Right-of-use assets	471.4	455.8
Amortisation of intangible assets	27.3	17.1
	1,705.7	1,739.2

30. Other expenses

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Freight and handling charges	2,237.6	1,669.0
Power and fuel	827.8	653.7
Professional charges (Refer Note 32)	1,629.9	1,100.6
Communication/system expenses	990.2	1,033.4
Foreign exchange loss (net)	509.2	718.0
[Includes net loss Rs. 28.9 million (Previous Year: net loss of Rs. 564.0 million) on fair valuation of trade derivatives]		
Sales promotion expenses	680.3	499.6
Travelling	145.6	71.9
Subcontracting charges	339.1	300.5
Rent (Refer Note 42)	47.6	99.8
Royalty	554.6	357.1
Consumption of stores and spare parts	158.0	128.0
Service fees	36.0	33.2
Repairs – Machinery	83.6	132.0
– Buildings	67.7	38.0
– Others	144.3	77.9
Insurance	204.3	158.4
Rates and taxes	57.9	45.3
Bad debts written-off	4.6	13.5
Less: Utilisation of loss allowance on trade receivables	(4.6)	(13.5)
	—	—
Loss allowance on trade receivables (net)	305.0	186.1
Corporate Social Responsibility expenses (Refer Note 47)	29.0	11.3
Miscellaneous expenses	429.8	528.0
	9,477.5	7,841.8

Notes to the Financial Statements for the year ended March 31, 2022

31. Tax expense

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Income tax expense		
Current tax		
Current tax	1,932.3	2,864.5
Income tax for previous periods	(160.2)	—
Income tax impact on items included in Other comprehensive income	(6.0)	7.5
Total current tax expense	1,766.1	2,872.0
Deferred tax (including tax on Other comprehensive income)		
(i) (Increase)/Decrease in deferred tax assets:		
Loss allowance on trade receivables	(75.6)	8.3
Carried forward business loss	—	188.6
Carried forward long term capital loss	—	55.2
Minimum Alternate tax (MAT) credit receivable	—	785.3
Payment towards Voluntary Retirement Scheme	17.4	39.1
Disallowance considering thin capitalisation rules	—	35.4
Compensation towards Realignment of Service units	47.0	(54.2)
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	(35.1)	75.0
	(46.3)	1,132.7
(ii) (Decrease) in deferred tax liabilities		
Carrying value of property plant and equipment	(75.0)	(349.6)
	(75.0)	(349.6)
(iii) Utilisation of MAT credit	—	(774.1)
Total deferred tax (credit)/expense [(i)+(ii)+(iii)]	(1 21.3)	9.0
Total tax (credit)/expense	1,644.8	2,881.0
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before income tax expense	7,599.2	8,399.6
Other comprehensive income (before tax)	(23.7)	21.5
Total	7,575.5	8,421.1
Income tax rate	25.17%	34.94%
Tax on income	1,906.8	2,942.3
Tax effect of items in reconciliations		
Income tax for previous periods	(160.2)	—
Impact of derivatives	(117.8)	341.9
Impact of lower tax rate on capital gains/ capital loss	—	(523.1)
Impact on Deferred tax asset/ liability due to change in tax rate	—	66.2
Others	16.0	53.7
Income tax expense	1,644.8	2,881.0

Notes to the Financial Statements for the year ended March 31, 2022

32. Payment to auditors

Professional charges in Note 30 includes payment to auditors as follows:

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditors	15.9	17.6
For reimbursement of expenses	1.2	1.1
Total	17.1	18.7

33. Title deeds of Immovable Properties not held in the name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as on March 31, 2022 (Rs. in million)	Gross carrying value as on March 31, 2021 (Rs. in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land held at Panoli location	Not Applicable	19.4	BASF Performance Polyamides India Private Limited (Formerly known as Rhodia Polymers & Specialities India Private Limited)	No	February 1, 2021	BASF Performance Polyamides India Private Limited has been merged with the Company effective February 1, 2021. Title transfer was completed on March 30, 2022.
Property, plant and equipment & Right-of-use assets	Freehold Land & Right-of-use land held at Mangalore location	48.3	48.3	Karnataka Industrial Areas Development Board	No	October 21, 2014	As per the terms of the agreement, the Company is in process of settling ongoing dispute w.r.t. enhanced compensation demanded by land losers towards small part of the land and basis settlement thereof, would be eligible to execute the agreement for transfer of ownership.

34. Aging of Capital work-in-progress (CWIP)

(a) Aging of CWIP:

Rs. in million

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	642.7	263.6	88.6	6.1	1,001.0
	<i>435.2</i>	<i>64.7</i>	<i>6.1</i>	<i>26.9</i>	<i>532.9</i>
Total	642.7	263.6	88.6	6.1	1,001.0
	<i>435.2</i>	<i>64.7</i>	<i>6.1</i>	<i>26.9</i>	<i>532.9</i>

The previous year's figures are given in italic light type below each item.

There were no temporarily suspended projects as on Balance Sheet date of current year as well as previous year.

Notes to the Financial Statements for the year ended March 31, 2022

34. Aging of Capital work-in-progress (CWIP) (Continued)

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Rs. in million

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
i) Capacity Expansion for Dispersions Plant	785.0	—	—	—	785.0
	—	248.0	—	—	248.0
ii) Routine Small Capex	121.8	—	—	—	121.8
	183.6	67.2	—	—	250.8
Total	906.8	—	—	—	906.8
	183.6	315.2	—	—	498.8

The previous year's figures are given in italic light type below each item.

35. Aging of Trade Receivables

Rs. in million

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	23,513.1	2,627.9	22.3	39.4	0.5	9.9	26,213.1
	18,480.4	2,081.2	15.6	1.9	7.8	5.2	20,592.1
Credit impaired	118.4	31.2	16.4	18.0	26.9	43.4	254.3
	91.3	18.0	19.1	35.9	7.7	36.3	208.3
Disputed Trade Receivables							
Credit impaired	—	2.9	254.0	115.0	16.3	57.8	446.0
	—	2.0	112.0	15.7	23.0	38.9	191.6
Total	23,631.5	2,662.0	292.7	172.4	43.7	111.1	26,913.4
	18,571.7	2,101.2	146.7	53.5	38.5	80.4	20,992.0

The previous year's figures are given in italic light type below each item.

36. Aging of Trade Payables

Rs. in million

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
Micro enterprises and small enterprises	73.2	371.2	35.5	0.8	0.1	0.1	480.9
	79.8	356.8	10.3	—	—	0.3	447.2
Others	1,773.2	24,990.6	5,416.0	467.0	20.1	9.2	32,676.1
	1,320.0	20,866.2	3,991.8	86.2	—	6.8	26,271.0
Disputed Trade Payables							
Micro enterprises and small enterprises	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
Others	—	—	—	—*	—*	0.1	0.1
	—	—	—*	0.2	0.2	—*	0.4
Total	1,846.4	25,361.8	5,451.5	467.8	20.2	9.4	33,157.1
	1,399.8	21,223.0	4,002.1	86.4	0.2	7.1	26,718.6

The previous year's figures are given in italic light type below each item.

* Amounts are below rounding off norm.

Notes to the Financial Statements for the year ended March 31, 2022

37. Financial Ratios

Ratio	Numerator	Denominator	Current year ended March 31, 2022	Previous year ended March 31, 2021	% variance	Reason for variance (wherever % variance is > 25%)
Current Ratio (times)	Current Assets	Current Liabilities	1.4	1.3	8%	
Debt-Equity Ratio (times)	Total Debt (Non current borrowings + Current borrowings)	Total Equity	—	0.1	-100%	Repayment of borrowings mainly through cash generated from operations.
Return on Equity (net worth) (%)	Profit After Tax (PAT)	Average Total Equity	28.9%	36.5%	-21%	
Inventory Turnover Ratio (times)	Cost of goods sold [Refer Note (i) below]	Average Inventory	6.2	5.0	24%	
Trade Receivables Turnover Ratio (times)	Revenue from Operations	Average Trade Receivables	5.6	5.5	2%	
Trade Payables Turnover Ratio (times)	Total Purchases [Refer Note (ii) below]	Average Trade Payables	3.7	3.2	16%	
Net Capital Turnover Ratio (times)	Revenue from Operations	Average working capital (Current assets - Current liabilities)	12.0	16.5	-27%	Increased operations led to increased working capital requirements.
Net Profit Ratio (%)	Profit After Tax (PAT)	Revenue from Operations	4.5%	5.8%	-22%	
Return on Capital Employed (%)	Earnings Before Interest & Tax before exceptional items	Average Capital Employed (Shareholder's Equity + borrowings)	35.8%	24.7%	45%	Increased turnover with higher volumes and improved price realisation contributed to higher operational margins.
Operating Profit Margin (%)	Earnings Before Interest & Tax (EBIT) before exceptional items	Revenue from Operations	5.8%	5.0%	16%	
Interest Coverage Ratio (times)	Earnings Before Interest Tax & Depreciation (EBITDA) before exceptional items	Finance cost	53.5	17.3	>100%	Improvement in ratio due to higher operational profits in current year coupled with repayment of borrowings.

Notes:

- Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress.
- Total purchases = Purchase of Raw Materials (as disclosed in Note 25) + Purchase of stock-in-trade.
- Average balances are derived by taking average of Opening balance and closing balance.

38. Fair value measurement

Financial instruments

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Indian accounting standard 113 - 'Fair value measurement'.

Explanation of each

Level 1: Determination of the fair value based on quoted, unadjusted prices on active markets.

Level 2: Determination of fair value based on parameters for which directly or indirectly quoted prices on active market are available.

Level 3: Determination of fair value based on parameters for which there is no observable market data.

Fair values for financial assets and liabilities (other than those disclosed below) approximates the carrying amount. All other financial assets and financial liabilities are carried at amortised costs.

Rs. in million

	Fair value hierarchy	Valuation category and technique	As at March 31, 2022	As at March 31, 2021
Financial assets				
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	51.7	42.2
Financial liabilities				
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	161.2	119.7

There are no reclassification between different levels during the year.

Notes to the Financial Statements for the year ended March 31, 2022

38. Fair value measurement (Continued)

Risk exposure:

(i) Foreign currency risk

The Company is exposed to foreign-currency risks during the normal course of business. These risks are hedged through a determined strategy employing derivative instruments. Hedging is only employed for underlying items from the operating business. The risks from the underlying transactions and the derivatives are constantly monitored. Where the derivatives have a positive value, the Company is exposed to credit risks from the derivative transactions in the event of nonperformance of the other party. To minimise the default risk on derivatives with the positive market values, transactions are exclusively conducted with credit worthy banks and partners and are subject to predefined credit limits. The contracting and execution of derivative financial instruments for hedging purposes are conducted according to internal guidelines and subject to strict control mechanism.

The sensitivity analysis is conducted by simulating a 10% appreciation/depreciation of the functional currency against respective other currencies.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Trade payable		
USD	27,270.9	21,922.6
EUR	427.6	645.7
JPY	—	0.8
Capital Creditors		
USD	2.5	15.9
EUR	1.2	0.7
CHF	6.2	—
Borrowings (including interest accrued)		
EUR	—	1,521.9
Other current liabilities		
USD	—	0.6
Trade receivables		
USD	1,093.1	934.7
EUR	572.8	337.4
Other financial assets		
USD	—	—
Cash and cash equivalents (EEFC account)		
USD	7.7	285.7

	As at March 31, 2022	As at March 31, 2021
Forward contracts		
USD	24,294.8	19,957.0
EUR	—	1,876.6

	As at March 31, 2022	As at March 31, 2021
Net exposure (after forward contracts)		
USD	1,877.8	761.7
EUR	(144.0)	(45.7)
JPY	—	0.8
CHF	6.2	—

Notes to the Financial Statements for the year ended March 31, 2022

38. Fair value measurement (Continued)

(i) Foreign currency risk (Continued)

(b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates by 10%* arises mainly from foreign currency denominated financial instruments. Impact of sensitivity on net exposure for major currency balances is as follows:

Rs. in million

Currency	As at March 31, 2022		As at March 31, 2021	
	Increase in exchange rate	Decrease in exchange rate	Increase in exchange rate	Decrease in exchange rate
USD	187.8	(187.8)	76.2	(76.2)
EUR	(14.4)	14.4	(4.6)	4.6

* Holding all other variables constant.

(ii) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. To hedge interest rate risk, mix of variable and fixed instruments is judiciously applied for financing the Company's requirements.

(a) Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the year are as follows:

Rs. in million

	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rates	% of total loans	Total Borrowings	Weighted average interest rates	% of total loans	Total Borrowings
External commercial borrowings (EURO) (Variable rate)	—	—	—	1.2%	100.0%	1,517.7
Total	—	—	—		100.0%	1,517.7

(b) Sensitivity

The sensitivity of profit or loss to changes in interest rates

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Rate increase by 100 basis points*	—	15.2
Rate decrease by 100 basis points*	—	(15.2)

* Considering borrowings with variable rates and holding all other variables constant

(iii) Liquidity risk

The Company recognises any risk from cash flow fluctuations as a part of liquidity planning. The Company has access to sufficient liquidity from unutilised credit lines from banks and ongoing commercial paper programme.

(a) Financing arrangements

The Company has access to undrawn borrowing facilities from banks for **Rs. 8,408 million** (Previous Year: Rs. 8,006 million) as on March 31, 2022. The Company also has unused Commercial Papers limit of **Rs. 7,500 million** (Previous Year: Rs. 7,500 million).

(b) Maturities of financial liabilities

The interest and principal payments as well as other payments for derivative financial instruments are relevant for the presentation of the maturities of the contractual cash flows from financial liabilities. Derivatives are included using their net cash flow, provided they have a negative fair value and therefore represent a liability. Derivatives with positive fair values are assets and are therefore not considered. Trade accounts payable are generally interest-free and due within one year. Therefore, the carrying amount of trade accounts payable equals the sum of future cash flows. Contractual maturities of lease liabilities are disclosed on an undiscounted basis.

Notes to the Financial Statements for the year ended March 31, 2022

38. Fair value measurement (Continued)

(iii) Liquidity risk (Continued)

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2022	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non-derivatives					
Trade payables	33,157.1	—	—	—	33,157.1
Lease liabilities	531.7	344.3	233.7	273.9	1,383.6
Other financial liabilities	844.6	196.5	—	—	1,041.1
Total non-derivative liabilities	34,533.4	540.8	233.7	273.9	35,581.8
Derivatives					
Derivatives with negative fair values	161.2	—	—	—	161.2
Total derivative liabilities	161.2	—	—	—	161.2

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2021	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non-derivatives					
Borrowings	1,521.9	—	—	—	1,521.9
Trade payables	26,718.6	—	—	—	26,718.6
Lease liabilities	509.8	358.9	266.5	426.0	1,561.2
Other financial liabilities	285.1	141.0	—	—	426.2
Total non-derivative liabilities	29,035.4	499.8	266.5	426.0	30,227.8
Derivatives					
Derivatives with negative fair values	119.7	—	—	—	119.7
Total derivative liabilities	119.7	—	—	—	119.7

(iv) Credit risk

Credit risk arise when counterparties do not fulfil their contractual obligations. The Company regularly analyses the credit worthiness of relevant customers and grants credit limits on the basis of this analysis. Due to the diversified customer structure of the Company, there is no significant concentration of default risk. The carrying amount of all receivables, loans plus the nominal value of other financial obligations subject to expected credit loss and default risk represents the maximum default risk for the Company. The expected credit losses are calculated taking into consideration the credit rating of the customer, probability of default for various different credit ratings.

(a) Provision for expected credit loss:

- For trade receivables under life time expected credit loss model (simplified approach)

Year ended March 31, 2022

Rs. in million

Ageing	Not due	Overdue	Total
Gross carrying amount	23,631.5	3,281.9	26,913.4
Expected loss rate	0.5%	17.7%	
Expected credit losses (loss allowance provision)	118.4	581.9	700.3
Carrying amount of trade receivable (net of impairment)	23,513.1	2,700.0	26,213.1

Year ended March 31, 2021

Rs. in million

Ageing	Not due	Overdue	Total
Gross carrying amount	18,571.7	2,420.3	20,992.0
Expected loss rate	0.5%	12.8%	
Expected credit losses (loss allowance provision)	91.3	308.6	399.9
Carrying amount of trade receivable (net of impairment)	18,480.4	2,111.7	20,592.1

Notes to the Financial Statements for the year ended March 31, 2022

38. Fair value measurement (Continued)

(iv) Credit risk (Continued)

- For other financial assets – High quality assets, negligible credit risk (under 12 months expected credit loss)

Rs. in million

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
March 31, 2022	523.8	3.0%	15.7	508.1
March 31, 2021	584.4	2.7%	15.7	568.7

(b) Reconciliation of loss allowance provision for Trade Receivables

Rs. in million

Loss allowance on March 31, 2020	316.6
Less: Utilisation towards bad debts	(13.5)
Add: Changes in loss allowance	186.1
Less: Transfer pursuant to divestiture of Construction Chemicals business	(89.3)
Loss allowance on March 31, 2021	399.9
Less: Utilisation towards bad debts	(4.6)
Add: Changes in loss allowance	305.0
Loss allowance on March 31, 2022	700.3

Significant estimates and judgements

Impairment of financial assets

The impairment provision for the financial assets disclosed above are based on credit ratings, assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

39. Capital management

(a) Risk management

The aim of capital structure management is to maintain the financial flexibility needed to further develop the Company's business portfolio and take advantage of strategic opportunities. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital.

The Company's capital structure is managed using equity and debt ratios as a part of the Company's financial planning.

Generally a mix of commercial paper programme, inter corporate deposits, overdraft facilities and bank loans are used for short term financing while group external commercial borrowings are used for financing long term requirements.

The goal is to optimise the Company's capital cost financing conditions.

The Company monitors capital on the basis of the following ratios:

1. **Equity ratio** - Total equity divided by Total assets

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Total equity	23,360.8	17,861.5
Total assets	61,099.3	51,441.1
Equity ratio	38.2%	34.7%

2. **Debt equity ratio** – Total debt divided by Total equity

Total debt = Long term borrowings + Short term borrowings

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Total debt	—	1,521.9
Total equity	23,360.8	17,861.5
Debt equity ratio	—	0.1

Notes to the Financial Statements for the year ended March 31, 2022

39. Capital management (Continued)

(b) Dividends

Rs. in million

	As at March 31, 2022	As at March 31, 2021
(i) Equity shares		
Dividend for the year ended March 31, 2021 of Rs. 10 (March 31, 2020 of Rs. 3) per fully paid share	432.9	129.9
Proposed dividend		
(ii) Dividend not recognised at the end of reporting year		
In addition to the above dividends, since year end, the Board of Directors have recommended the payment of a dividend of Rs. 6 for the year ended March 31, 2022 (Previous year: Rs. 10) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	259.7	432.9

40. Contingent liabilities

Rs. in million

Nature	As at March 31, 2022	As at March 31, 2021
Contingent liabilities (excluding interest & penalties)		
a) Claims against the Company not acknowledged as debts	29.0	40.0
In respect of which the Company has counterclaim	—	—
b) Demand for taxes and duties in respect of which the Company has preferred appeals with appropriate authorities		
a. Income tax	1,955.3	1,805.9
b. Customs, Excise, Service tax and Sales tax (refer Note (i) below)	3,223.7	3,166.6
Total	5,208.0	5,012.5

Note:

- (i) The Company has received demand notices from the Commercial Tax Department, Karnataka aggregating Rs. 7,560.6 million (including interest and penalty) for the period 2006-07 to 2017-18 (April 2017 to June 2017), by treating the stock transfers of its Mangalore Plant as interstate sales to dealers. However, recovery of these demands have been stalled by the Hon'ble Karnataka Appellate Tribunal for the period 2006-07 to 2016-17. The Company has filed the appeal for period 2017-18 (April 2017 to June 2017).

The Company has also filed a Writ Petition before the Hon'ble Karnataka High Court against the order passed by Hon'ble Central Sales Tax Appellate Authority (CSTAA).

Demand orders aggregating Rs. 3,196.5 million (excluding interest and penalty) have been disclosed under contingent liabilities. Based on the expert legal advice obtained by the Company, it does not consider these stock transfers as interstate sales. Hence no provision is considered necessary in the books.

41. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for **Rs. 348.0 million** (Previous Year Rs. 418.4 million)

42. Leases

The Company has adopted modified retrospective approach as per para C8 (c) (ii) of Ind AS 116 – Leases. The Company leases warehouses, vehicles, office facilities, storage tanks, equipments etc.

The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average incremental borrowing rate used to discount the gross lease liability additions during the current year & previous year was 4 to 9%.

Notes to the Financial Statements for the year ended March 31, 2022

42. Leases (Continued)

a) Amounts recognised in the Statement of Profit and Loss:

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Depreciation charge on Right-of-use assets (Refer Notes 1(B) and 29)	471.4	455.8
(ii) Interest expense for lease liabilities (Refer Note 28)	84.5	90.8
(iii) Rent expense (Refer Note 30):		
– Expenses for variable lease payments not included in lease liabilities	5.2	12.5
– Expenses for short-term leases and others	42.4	87.3
Total	47.6	99.8

b) Other disclosures:

(i) Lease liabilities:

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Non-current lease liabilities	747.1	904.2
Current lease liabilities	468.1	432.5
Total lease liabilities	1,215.2	1,336.7

For maturity profile of Lease liabilities, refer Note 38(iii)(b)

(ii) Additions to the right-of-use assets and carrying values of right-of-use assets as at end of reporting period are disclosed in Note 1(B).

43. Micro, Small and Medium Enterprises Development Act, 2006

On the basis of information and records available with the Management, the following disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities:

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act as at the end of the year.		
– Principal amount	440.1	388.0
– Interest amount	0.3	0.8
The interest paid/settled by the buyer in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payments made beyond the appointed date during each account year		
– Principal amount	545.7	424.2
– Interest amount	23.0	—
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	4.3	4.6
The amount of interest accrued and remaining unpaid at the end of each accounting year.	4.6	5.4
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro, small and medium enterprise.	40.8	59.2

Notes to the Financial Statements for the year ended March 31, 2022

44. Exceptional items

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of Construction chemicals business (Refer Note (i) below)	—	4,651.9
Loss on divestiture of Optical Brightening Agents (OBA) business (Refer Note (ii) below)	—	(138.5)
Impairment of certain assets at Dahej plant (Refer Note (iii) below)	—	(277.3)
Provision (created)/ reversed for employee compensation towards realignment of global business service units (Refer Note (iv) below)	125.6	(215.2)
Total	125.6	4,020.9

- (i) As intimated to Stock exchanges, the Company's construction chemicals business (forming part of the Surface Technologies segment) had been transferred to Master Builders Solutions India Private Limited with effect from July 1, 2020. The Company had received net consideration of Rs. 5,951.6 million in advance on June 30, 2020 towards the said divestiture. Certain liabilities had been discharged by the Company, which had been reimbursed by Master Builders Solutions India Private Limited.

The Company had recognized net profit of Rs. 4,651.9 million during the year ended March 31, 2021 pursuant to the aforesaid divestiture.

- (ii) The Company had recognised an amount of Rs. 138.5 million towards consideration on sale of a business (forming part of the Nutrition & Care segment), which was subject to attaining certain pre-conditions. During the previous year ended March 31, 2021, as these pre-conditions were not met, this amount had been written off.
- (iii) Considering the macro-economic situation, the Company had recognised an impairment loss of Rs. 277.3 million during the year ended March 31, 2021 towards decline in the recoverable value of certain plant and machineries pertaining to Performance Materials division which forms part of Materials segment.
- (iv) The Company has announced realignment of its business service units, which aims at bundling of services and resources including implementation of a wide-ranging digitalization initiatives thereby simplifying processes and utilizing digital solutions. Considering the aforesaid, the Company had recognised provision aggregating Rs. 215.2 million during the year ended March 31, 2021 as employees compensation towards realignment of business service units. The Company re-assessed the provision in current year and accordingly, has reversed provision aggregating Rs. 125.6 million during the current year ended March 31, 2022.

45. Offsetting financial assets and financial liabilities

Rs. in million

	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in balance sheet
	(Financial Assets - Trade Receivables)	(Financial Liabilities - Rebates/ Discounts)*	(Net Financial Assets - Trade Receivables)
March 31, 2022	27,509.0	1,295.9	26,213.1
Total	27,509.0	1,295.9	26,213.1
March 31, 2021	21,403.1	811.0	20,592.1
Total	21,403.1	811.0	20,592.1

* Amounts set off under "Not due" aging bucket in Note 35.

Trade receivables

The Company gives rebates/discounts for certain business units. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment of credit notes towards rebates/discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

Notes to the Financial Statements for the year ended March 31, 2022

46. Other provisions

Rs. in million

	As at March 31, 2022	As at March 31, 2021
At the commencement of the year	402.3	404.6
Add: Provisions made during the year (net)	27.5	1.3
Less: Utilisation during the year	0.2	3.6
At the end of the year	429.6	402.3

Other provisions represents provisions for certain income tax, indirect taxes and other legal matters, the outflow of which would depend on settlement/conclusion of these matters with the relevant authorities or cessation of the respective events.

47. Corporate Social Responsibility ('CSR')

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are Covid-19 Support & other healthcare support, promoting education facilities, sanitation and making available safe drinking water. A CSR committee has been formed by the Company as per the Act.

(a) Gross amount required to be spent by the Company during the year: **Rs. 29.0 million** (Previous Year: Rs. 10.9 million)

(b) The areas of CSR activities and contributions made thereto are as follows:

Rs. in million

Amount spent during the year on:	For the year ended March 31, 2022	For the year ended March 31, 2021
1) Construction/Acquisition of any assets	—	—
2) For purposes other than (1) above:		
– Covid-19 Support & other healthcare support	30.3	9.1
– Promoting sanitation and making available safe drinking water	—	0.4
– Promoting education facilities & rural infrastructure	0.4	1.8
	30.7	11.3

(c) Details of excess CSR expenditure under Section 135(5) of the Act:

Rs. in million

	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at year end (carried forward to next year)*
For the year ended March 31, 2022	29.0	30.7	1.7
For the year ended March 31, 2021	10.9	11.3	—

* Included in 'Prepayments' under Note 12.

48. Employee Benefits

(a) Defined contribution plans:

The Company's contribution to defined contribution funds comprising of Superannuation fund, Employees' State Insurance Schemes and National Pension System (NPS) scheme amounting to **Rs. 101.0 million** (Previous Year Rs. 85.0 million) (net of recoveries) has been charged to the Statement of Profit and Loss.

(b) Defined benefit plans:

(i) Gratuity

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of provisions of the Payment of Gratuity Act, 1972, or as per the Company's scheme whichever is more beneficial. The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

Notes to the Financial Statements for the year ended March 31, 2022

48. Employee Benefits (Continued)

(b) Defined benefit plans: (Continued)

Rs. in million

	Gratuity Funded	
	As at March 31, 2022	As at March 31, 2021
I) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	705.6	605.4
Benefits paid from plan	(66.0)	(35.9)
Current service cost	61.8	57.1
Interest cost	44.8	35.1
Past service cost	—	124.6
Actuarial gain/loss recognised in other comprehensive income		
– Changes in financial assumptions	(6.3)	(30.1)
– Changes of experience adjustments	69.3	6.3
Transfers (out) on divestitures	—	(56.9)
Balance at the end of the year	809.2	705.6
II) Reconciliation of present value of plan assets		
Balance at the beginning of the year	531.2	395.4
Contributions paid into plan	174.4	203.3
Benefits paid	(66.0)	(35.8)
Employer direct benefit payments	—	—
Return on plan assets (excluding interest income)	24.3	(3.1)
Interest income	41.1	28.3
Transfer out on divestitures	—	(56.9)
Balance at the end of the year	705.0	531.2
Net liability (current) (I-II)	104.2	174.4
III) Expenses recognised in the Statement of Profit and Loss		
Current service cost	61.8	57.1
Interest cost	44.8	35.1
Past service cost	—	124.6
Interest income	(41.1)	(28.3)
Expenses recognised in the Statement of Profit and Loss	65.5	188.5
IV) Remeasurements recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation	63.0	(23.8)
Return on plan assets excluding interest income	(24.3)	3.1
	38.7	(20.7)

The plan assets under the Gratuity scheme are deposited under approved securities. The major categories of plan assets as a percentage of total plan assets are provided below:-

	As at March 31, 2022	As at March 31, 2021
Government of India securities	22%	17%
State government securities	33%	41%
Public Sector Unit bonds	25%	18%
Private sector bonds	2%	10%
Fixed deposit and others	10%	5%
Special deposit scheme	3%	4%
Mutual funds	5%	5%
Total	100%	100%

Notes to the Financial Statements for the year ended March 31, 2022

48. Employee Benefits (Continued)

(b) Defined benefit plans: (Continued)

The assumptions used for actuarial valuation are as follows:-

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.78%	6.66%
Expected salary increase rate	6% - 8% p.a.	6% - 8% p.a.
Attrition Rate	2% - 9% p.a.	2% - 9% p.a.
In-service mortality rates	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

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

Rs. in million

Expected total benefit payments	As at March 31, 2022	As at March 31, 2021
Year 1	78.2	74.0
Year 2	91.0	64.3
Year 3	78.5	73.7
Year 4	64.8	62.5
Year 5	64.7	53.9
Next 5 years	275.5	244.1

Sensitivity analysis – defined benefit obligation end of period:

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Discount rate +100 basis points	758.8	660.2
Discount rate -100 basis points	865.7	756.7
Salary Increase Rate +1%	860.6	752.2
Salary Increase Rate -1%	762.4	663.4
Attrition Rate +1%	805.1	701.6
Attrition Rate -1%	813.7	710.1

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The method and type of assumptions used in preparing the sensitivity analysis for current year are in line with previous year.

The contribution expected to be made by the Company during the financial year 2022-23 is **Rs. 104.2 million** (Previous Year Rs. 174.4 million).

(ii) Provident Fund

Eligible employees receive benefits from a provident fund administered through the Company managed BASF India Limited Provident Fund Trust ('the Trust'). The Company has an obligation to fund any shortfall on the yield of the Company's Trust investments over the administered interest rates on an annual basis. These administered rates are notified by the Government annually. The actuary has accordingly provided a valuation based on the below provided assumptions as at March 31, 2022.

Notes to the Financial Statements for the year ended March 31, 2022

48. Employee Benefits (Continued)

(b) Defined benefit plans: (Continued)

The details of fund and plan assets position as at year end is given below:

	As at March 31, 2022	As at March 31, 2021
Plan assets as year end, at fair value	3,437.5	3,068.8
Present value of benefit obligation at year end	3,532.0	3,188.5
Excess of plan obligation over plan assets	94.5	119.7
Cost of shortfall in interest rate guarantee	46.3	36.1
Net liability [Refer note (c) below]	140.8	155.8
Assumptions used in determining the present value obligation to the interest rate guarantee under the Deterministic Approach:		
Discount rate	4.56%	6.66%
Average remaining tenure of the investment portfolio	1 year	5 years
Expected guaranteed interest rate	8.1%	8.5%

During the year ended March 31, 2022, amount recognised in the Statement of Profit and Loss for the Company's Contribution to Employee provident fund (net of recoveries, if any) is **Rs. 176.3 million** (Previous year Rs. 153.4 million).

Risk exposure

The fund assets for Gratuity and Provident fund are maintained by BASF trust fund, a legally independent funded plan, which is financed by contribution of employees and the employer as well as the return on plan asset.

Following risk-mitigating strategies are adopted for the Funds:

Being managed passively, the debt segments of the portfolios are predominantly exposed to Credit Risk and Reinvestment Risk. These risks are managed in the following manner:

Reinvestment risk: Reinvestment risk is minimized by spreading maturities of debt investments across various years. Here a balance is struck between minimizing reinvestment risk and maximizing yield given the term structure of interest rates, issuance pattern of debt instruments and their liquidity. Owing to the investment regulation, the Funds have also invested in Equity Mutual Funds which are exposed to Market Risk.

Market risk: Market risk is minimized by (a) ensuring that schemes selected for investment have high-ranking by independent agencies (b) large-cap orientation and (c) have a track record of superior down-side management. Further, volatilities in returns of these schemes are minimized by staggering deployment in the schemes across months which bring in cost-averaging. Performance of the schemes is monitored on a monthly basis. Corrective action, if required, is recommended for schemes that underperform their peers and the benchmark consistently.

Credit risk: Credit risk is minimized by spreading exposure to multiple debt issuers, i.e. by not allowing exposure to an individual debt issuer to exceed by 5%-10% (depending on the issuer type) of the total portfolio at any time. Further, investments are made only in high grade bonds. Rating migrations in the instruments held in the portfolios are tracked regularly and are reported to the Trustees in case of downgrades. Corrective action on downgrades is suggested, if deemed necessary.

- (c) Probable incremental employee benefit liability that may arise on the Company due to likely shortfall in fund balance considering uncertainty in recoverability of certain investments held by the Provident Fund Trust and probable shortfall in the guaranteed interest rate – **Rs. 15 million (gain)** (Previous year: Rs. 1.3 million (loss)), has been included as remeasurement costs in 'Other comprehensive income'.

(d) Share-based payments (Long Term Incentive):

The Ultimate Holding Company ('BASF SE') offers following two types of Share Price based compensation program for senior executives of BASF group. Participation in these programs is voluntary.

- (i) BASF Option Program ('BOP'):

The option program starts every year on July 1. After the two-year vesting period, the options can be exercised for a period of four years. Options that have not been exercised by the end of the exercise period of the respective program are forfeited, without any subsequent payment obligations towards the bearer. BOP was offered for the last time in 2020. All option rights granted during the BOP program years remain valid until the end of their respective exercise periods.

The model used in the valuation of the option plans are based on the arbitrage-free valuation model according to Black-Scholes. The fair values of the options are determined using the binomial model.

Notes to the Financial Statements for the year ended March 31, 2022

48. Employee Benefits (Continued)

(d) Share-based payments (Long Term Incentive): (Continued)

(ii) 'Strive!' – Performance Share Units (PSUs):

Since 2020, a new Long term incentive program, known as Strive!, is established in the form of a performance share plan. The new plan is based on achievement of strategic targets and takes into account BASF SE's share price and dividend performance (total shareholder return) over a four-year period.

A Strive! plan includes a four-year performance period with a fixed disbursement date. A target amount is determined at the beginning of a new Strive! plan for every participant. This target amount is converted into a preliminary number of virtual performance share units (PSUs) by dividing it by the average BASF share price. The number of PSUs that are ultimately paid out at the end of the performance period depends on the achievement of the strategic targets.

Since the Company receives the services of the employees to whom the options have been granted by BASF SE and the Company has no obligation to settle these options, the Company has recognized both the above plans as equity settled share based payment transactions in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments. Charge for the year and related assumptions are summarised in below tables:

BASF Option Program ('BOP'):

		For the year ended March 31, 2022	For the year ended March 31, 2021
Charge/(Credit) included in employee benefit expense (net of reversals) (Refer Note 27)	Rs. in million	(3.2)	9.7
Options outstanding at the beginning of the year	Nos	26,402.0	22,274.0
Options granted during the year	Nos	—	4,128.0
Options forfeited, exercised or expired during the year	Nos	(2,246.0)	—
Outstanding at the end of the year	Nos	24,156.0	26,402.0

'Strive!' – Performance Share Units (PSUs):

		For the year ended March 31, 2022	For the year ended March 31, 2021
Charge included in employee benefit expense (Refer Note 27)	Rs. in million	4.7	1.8
PSUs outstanding at the beginning of the year	Nos	1,552.0	—
PSUs granted during the year	Nos	1,775.0	1,552.0
PSUs forfeited, exercised or expired during the year	Nos	—	—
Outstanding at the end of the year	Nos	3,327.0	1,552.0
Fair value of options and parameters used for valuation		As at December 31, 2021	As at December 31, 2020
Fair value / PSU	Euro	78.6	55.0
Weighted target achievement	%	158.3	92.5
Base price of BASF SE's shares	Euro	57.2	64.7

Notes to the Financial Statements for the year ended March 31, 2022

48. Employee Benefits (Continued)

(e) Other long term employee benefits:

(i) Long service awards:

Long Service Awards are payable to employees on completion of specified years of service.

(ii) Compensated absences:

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation as per Company's policy.

For compensated absences, the amount of the provision of **Rs. 482.2 million** (Previous Year: Rs. 437.3 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Leave obligations not expected to be settled within the next 12 months is **Rs. 423.6 million** (Previous Year: Rs. 385.4 million).

49. Operating Segments

The Company has following business segments for reporting purpose. The divisions are allocated to the segments based on their business models.

Details of type of products included in each segment:

- Agricultural Solution - The Agricultural Solutions segment consists of the Crop Protection division. Agricultural Solution is seasonal in nature
- Materials – The Materials segment comprises Performance Materials divisions, the Monomers divisions and Polyamides business of BPPIPL merged with the Company (Refer note 52)
- Industrial Solutions - The Industrial Solutions segment consists of the Dispersions & Pigments divisions and Performance Chemicals divisions
- Surface Technologies - The Surface Technologies segment comprises of the Construction Chemicals (upto June 30, 2020), Catalysts and Coatings divisions
- Nutrition & Care - The Nutrition & Care segment consists of the Care Chemicals and Nutrition & Health divisions
- Chemicals - The Chemicals segment consists of the Petrochemicals and Intermediates divisions
- Others – Others includes activities that are not allocated to any of the continued operating divisions. These includes remaining activities after divestiture of leather and textile chemicals business, paper wet-end and water chemicals business, technical and service charges other than those specifically identifiable to above segments.

Un-allocable Corporate Assets mainly includes Current tax assets (net), Deferred tax assets (net), Cash and cash equivalents and other un-allocable assets.

Un-allocable Corporate Liabilities mainly includes borrowings, Current tax liabilities (net) and other un-allocable liabilities.

Notes to the Financial Statements for the year ended March 31, 2022

49. Operating Segments (Continued)

(a) Business Segments

The previous year's figures are given in italic light type below each item

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
Segment revenue	15,386.9	35,277.7	22,943.0	5,777.8	24,796.7	25,701.1	1,114.1	—	130,997.3
	14,349.3	21,889.3	13,879.4	3,965.4	23,092.4	17,284.7	1,122.9	—	95,583.4
Less : Inter-segment revenue	—	—	—	—	—	—	—	—	—
Sales/Revenue from operations	15,386.9	35,277.7	22,943.0	5,777.8	24,796.7	25,701.1	1,114.1	—	130,997.3
	14,349.3	21,889.3	13,879.4	3,965.4	23,092.4	17,284.7	1,122.9	—	95,583.4
Segment result	1,065.1	3,700.0	1,597.5	(310.3)	717.5	1,106.1	129.2	—	8,005.1
	1,105.8	1,397.3	933.0	(498.7)	1,186.4	853.5	93.3	—	5,070.6
Finance costs								174.7	174.7
								375.7	375.7
Interest income								72.2	72.2
								96.8	96.8
Other un-allocable expenditure (net of un-allocable income)								429.0	429.0
								413.0	413.0
Profit/(Loss) before tax and exceptional item									7,473.6
									4,378.7
Exceptional item gain/(loss) (net) (Refer note 44)	—	—	—	—	—	—	125.6	—	125.6
	—	(277.3)	—	4,651.9	(138.5)	—	(215.2)	—	4,020.9
Tax									1,650.8
									2,873.5
Profit/(Loss) after tax									5,948.4
									5,526.1

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
OTHER INFORMATION									
Segment assets	9,332.3	17,261.4	9,786.2	3,373.7	9,869.9	6,875.9	1,244.4	3,355.5	61,099.3
	6,725.1	14,988.9	8,060.5	3,226.8	9,048.3	5,419.9	642.9	3,328.7	51,441.1
Segment liabilities	4,656.8	10,898.8	6,583.2	1,790.1	6,988.7	6,693.2	121.5	6.2	37,738.5
	4,132.5	9,071.1	6,294.7	1,496.2	6,754.6	5,181.3	190.0	459.2	33,579.6
Capital expenditure	31.4	144.0	803.2	274.2	55.2	5.4	3.0	—	1,316.4
	22.1	99.2	256.3	186.9	75.3	6.3	1.3	—	647.4
Depreciation and amortisation	185.6	615.9	403.2	106.9	341.8	51.1	1.2	—	1,705.7
	175.8	681.1	386.2	111.9	345.0	38.2	1.0	—	1,739.2
Non-cash charges – Loss allowance on trade receivables	25.6	12.8	5.0	2.0	259.6	—	—	—	305.0
	4.7	34.9	7.9	11.2	7.8	103.6	16.0	—	186.1

(b) Geographic Segments

Rs. in million

	Domestic	Exports	Total
Revenues	127,775.8	3,221.5	130,997.3
	93,186.5	2,396.9	95,583.4
Non-current assets (excluding financial instruments & deferred/ income tax asset)	9,177.3	—	9,177.3
	9,174.4	—	9,174.4

Note:

Revenue from major customer:

The Company is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenue from transactions with any single external customers.

Notes to the Financial Statements for the year ended March 31, 2022

50. Related Party Disclosure

- a) **Parties where control exists**
 BASF Societas Europaea ('SE') Ultimate holding company
 BASF Schweiz AG Party where control exists
- b) **Other related parties with whom transactions have taken place during the year or balances outstanding at the year end**

Parties under common control

BASF Advanced Chemicals Co. Ltd.	BASF Performance Polyamides LLC (upto 28.02.2021)
BASF Agricultural Solutions Seed US LLC	BASF Petronas Chemicals Sdn. Bhd.
BASF Agro B.V. Arnhem (NL)	BASF Philippines INC
BASF Agrochemical Products B.V.	BASF Plant Science Company GmbH
BASF Antwerpen N.V.	BASF PLC
BASF Asia-Pacific Service Centre Sdn. Bhd.	BASF Poliuretanos Ltda.
BASF Australia Ltd.	BASF Polyurethane Specialties (China) Co. Ltd.
BASF Bangladesh Ltd	BASF Polyurethanes (China) Co.Ltd
BASF Belgium Coordination Center Comm. V.	BASF Polyurethanes (Chongqing) Co. Ltd
BASF Beauty Care Solutions France	BASF Polyurethanes GmbH
BASF Care Chemicals (Shanghai) Co. Ltd.	BASF S.A.
BASF Catalysts Germany GmbH	BASF Saudi Arabia Limited Company
BASF Catalysts India Private Limited	BASF Services Europe GmbH
BASF Chemicals Co. Ltd.	BASF Shanghai Coatings Co. Ltd.
BASF Chemicals India Private Limited	BASF South East Asia Pte. Ltd.
BASF Chile SA	BASF Specialty Chemicals (Nanjing) Co. Ltd.
BASF (China) Company Ltd.	BASF Taiwan Ltd.
BASF Coatings GmbH	BASF (Thai) Limited
BASF Coatings (Guangdong) Co. Ltd.	BASF Tanzania Limited
BASF Colors & Effects GmbH	BASF Turk Kimya Sanayi ve Ticaret Ltd. Sti.
BASF Colors & Effects USA LLC	BASF Venture Capital GmbH
BASF Colors and Effects India Pvt. Ltd. (upto 30.6.2021)	BASF - YPC Company Limited
BASF Company Ltd.	BBCC - Business Belux
BASF Construction Solutions GmbH (upto 30.09.2020)	BBCC - Treasury
BASF Corporation	Bill Financing Platform Dublin
BASF Crop Protection (Jiangsu) Co. Ltd.	Chemetall India Private Limited
BASF Digital Farming GmbH	Cognis IP Management GmbH
BASF Digital Solutions GmbH (earlier known as BASF Business Services GmbH)	Construction Research & Technology GmbH (upto 30.09.2020)
BASF East Asia Regional Headquarters Ltd.	EnerG2 Technologies, Inc.
BASF Engineering Plastics(Shanghai) Co. Ltd. (earlier known as Solvay (Shanghai) Engineering Plastics Co. Ltd) (w.e.f. 01.02.2020)	Master Builders Solutions India Private Limited (upto 30.09.2020)
BASF Espanola S.L.	MB Solutions (China) Co. Ltd (earlier known as BASF Construction Chemicals (China) Co. Ltd.) (upto 30.09.2020)
BASF FZE	Master Builders Solutions Italia S.p.A. (earlier name BASF Construction Chemicals Italia S.p.A.) (upto 30.09.2020)
BASF France S.A.S.	Master Builders Solutions Construction Chemicals L.L.C (earlier known as BASF Construction Chemicals L.L.C) (upto 30.09.2020)
BASF Hong Kong Ltd.	MBS construction chemicals Egypt (S.A.E) (earlier known as BASF Construction Chemicals Egypt S.A.E.) (upto 30.09.2020)
BASF Integrated Site (Guangdong) Co. Ltd.	Master Builders Solutions Saudi Arabia for Manufacturing LLC (earlier known as Saudi BASF For Building Materials Co. Ltd.) (upto 30.09.2020)
BASF IP Licensing GmbH	Master Builders Solutions US L.L.C. (earlier name BASF Construction Chemicals US L.L.C.) (upto 30.09.2020)
BASF Ireland Limited	Nunhems India Private Limited
BASF Italia S.p.A.	OOO BASF
BASF Japan Ltd.	PCI Augsburg GmbH
BASF Lanka (Private) Limited	Performance Polyamides SAS (upto 28.02.2021)
BASF (Malaysia) Sdn. Bhd.	P.T. BASF Distribution Indonesia
BASF Metals Ltd.	P.T. BASF Indonesia
BASF Mexicana S.A. DE C.V.	Shanghai BASF Polyurethane Co. Ltd.
BASF Nederland B.V.	Solenis Chemicals India Private Limited (upto 09.11.2021)
BASF Pakistan (Pvt.) Limited	Techpolymers IND E Comercio Ltda (upto 28.02.2021)
BASF Paper Chemicals (Huizhou) Co. Ltd.	Thai Ethoxylate Co. Ltd.
BASF Paper Chemicals (Jiangsu) Co. Ltd.	
BASF Performance Polyamides Korea Co. Ltd. (earlier known as Solvay Chemicals Korea Co. Ltd.) (w.e.f. 01.02.2020)	
BASF Performance Polyamides India Private Limited (earlier known as Rhodia Polymers & Specialties India Private Limited) (w.e.f. 01.02.2020 to 31.01.2021) (Refer Note 52)	

Notes to the Financial Statements for the year ended March 31, 2022

50. Related Party Disclosure (Continued)

c) Post employment benefit plans

BASF India Ltd. Provident Fund
BASF India Ltd. Employees Gratuity Fund
BASF India Ltd. Superannuation Fund Trust

d) Key management personnel

Mr. Pradip P. Shah (Chairman and Independent Director)
Mr. Narayan Krishnamohan (Managing Director)
Mr. Narendranath J. Baliga (Chief Financial Officer and Alternate Director)
Mr. Rajesh Naik (Manufacturing Head and Whole time Director)
Mr. Pradeep Chandan (Company Secretary and Alternate Director) (till 28.02.2022)
Mr. Manohar Kamath (Company Secretary) (w.e.f. 01.03.2022)
Mr. Arun Bewoor (Independent Director)
Mr. R. A. Shah (Independent Director)
Mrs. Shyamala Gopinath (Independent Director)
Mr. Dirk Bremm (Non-executive director) (till 05.08.2021)
Dr. Ramkumar Dhruva (Non-executive director)
Dr. Carola Richter (Non-Executive Director) (w.e.f. 06.08.2021)

e) Details of transactions with parties where control exists/ under common control for the year ended March 31, 2022

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sale of Goods						
BASF SE	—	104.1	—	—	—	104.1
BASF Hong Kong Ltd.	—	—	665.0	313.1	665.0	313.1
Solenis Chemicals India Private Limited	—	—	170.6	141.9	170.6	141.9
OOO BASF	—	—	170.9	17.3	170.9	17.3
Others	—	—	314.7	296.5	314.7	296.5
Sub-Total	—	104.1	1,321.2	768.8	1,321.2	872.9
Services Rendered (including reimbursements)						
BASF SE	726.1	381.0	—	—	726.1	381.0
BASF Hong Kong Ltd.	—	—	38.3	25.7	38.3	25.7
BASF Corporation	—	—	193.4	167.0	193.4	167.0
BASF Chemicals India Private Limited	—	—	145.0	110.9	145.0	110.9
Others	—	—	405.1	410.3	405.1	410.3
Sub-Total	726.1	381.0	781.8	713.9	1,507.9	1,094.9
Interest Expense on ECB Loan and ICDs taken (including incidental charges)						
BASF Ireland Limited	—	—	2.5	18.6	2.5	18.6
Nunhems India Private Limited	—	—	—	3.8	—	3.8
Sub-Total	—	—	2.5	22.4	2.5	22.4
Interest Income on ICDs given						
BASF Catalysts India Private Limited	—	—	—	22.6	—	22.6
Sub-Total	—	—	—	22.6	—	22.6
Purchase of Goods/ Materials						
BASF SE	8,119.3	5,885.3	—	—	8,119.3	5,885.3
BASF Hong Kong Ltd.	—	—	34,884.3	27,753.3	34,884.3	27,753.3
BASF South East Asia Pte. Ltd.	—	—	8,139.3	7,903.7	8,139.3	7,903.7
BASF Petronas Chemicals Sdn. Bhd.	—	—	14,934.1	7,507.5	14,934.1	7,507.5
BASF Company Ltd.	—	—	8,855.4	4,857.0	8,855.4	4,857.0
Others	—	—	12,674.7	7,675.2	12,674.7	7,675.2
Sub-Total	8,119.3	5,885.3	79,487.8	55,696.7	87,607.1	61,582.0

Notes to the Financial Statements for the year ended March 31, 2022

50. Related Party Disclosure (Continued)

e) Details of transactions with parties where control exists/under common control for the year ended March 31, 2022 (Continued)

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Services Received (including reimbursements)						
BASF SE	1,090.5	782.9	—	—	1,090.5	782.9
BASF Asia-Pacific Service Centre Sdn. Bhd.	—	—	421.7	192.8	421.7	192.8
BASF South East Asia Pte. Ltd.	—	—	92.4	167.7	92.4	167.7
BASF Digital Solutions GmbH	—	—	551.6	513.6	551.6	513.6
Others	—	—	243.5	212.2	243.5	212.2
Sub-Total	1,090.5	782.9	1,309.2	1,086.3	2,399.7	1,869.2
Royalty						
BASF SE	8.5	0.6	—	—	8.5	0.6
BASF IP Licencing GmbH	—	—	395.0	242.1	395.0	242.1
BASF Coatings GmbH	—	—	82.4	54.5	82.4	54.5
Construction Research & Technology GmbH	—	—	—	13.4	—	13.4
Cognis IP Management GmbH	—	—	68.7	46.5	68.7	46.5
Sub-Total	8.5	0.6	546.1	356.5	554.6	357.1
Dividend						
BASF SE	228.4	68.5	—	—	228.4	68.5
BASF Schweiz AG	89.1	26.7	—	—	89.1	26.7
Sub-Total	317.5	95.2	—	—	317.5	95.2
ECB Loan and ICDs availed during the year						
Nunhems India Private Limited	—	—	—	300.0	—	300.0
Sub-Total	—	—	—	300.0	—	300.0
ECB Loan and ICDs repaid during the year including forex loss on settlements						
BASF Ireland Limited	—	—	1,495.1	1,681.5	1,495.1	1,681.5
Nunhems India Private Limited	—	—	—	300.0	—	300.0
Sub-Total	—	—	1,495.1	1,981.5	1,495.1	1,981.5
ICDs given during the year						
BASF Catalysts India Private Limited	—	—	—	900.0	—	900.0
Sub-Total	—	—	—	900.0	—	900.0
ICDs repayment received during the year						
BASF Catalysts India Private Limited	—	—	—	1,550.0	—	1,550.0
Sub-Total	—	—	—	1,550.0	—	1,550.0
Purchase of Assets						
BASF Polyurethanes (China) Co. Ltd.	—	—	4.9	2.4	4.9	2.4
BASF Chemicals India Private Limited	—	—	2.0	—	2.0	—
BASF Advanced Chemicals Co. Ltd.	—	—	8.7	—	8.7	—
BASF Petronas Chemicals Sdn. Bhd.	—	—	—	0.3	—	0.3
BASF Company Ltd.	—	—	—	12.9	—	12.9
Sub-Total	—	—	15.6	15.6	15.6	15.6
Sale of Assets						
BASF SE*	—	—	—	—	—	—
OOO BASF	—	—	1.3	—	1.3	—
Sub-Total	—	—	1.3	—	1.3	—
Purchase of Export Incentive Scripts						
BASF Chemicals India Private Limited	—	—	87.7	—	87.7	—
Sub-Total	—	—	87.7	—	87.7	—

Notes to the Financial Statements for the year ended March 31, 2022

50. Related Party Disclosure (Continued)

e) Details of transactions with parties where control exists/under common control for the year ended March 31, 2022 (Continued)

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Outstanding Receivables						
BASF SE	375.9	150.3	—	—	375.9	150.3
BASF Italia S.p.A.	—	—	—	638.1	—	638.1
BASF Hong Kong Ltd.	—	—	128.2	69.6	128.2	69.6
BASF Corporation	—	—	51.2	38.7	51.2	38.7
Others	—	—	299.1	194.6	299.1	194.6
Sub-Total	375.9	150.3	478.5	941.0	854.4	1,091.3
Outstanding Payables						
BASF SE	3,647.9	1,986.7	—	—	3,647.9	1,986.7
BASF Hong Kong Ltd.	—	—	10,364.0	8,826.5	10,364.0	8,826.5
BASF South East Asia Pte. Ltd.	—	—	2,136.0	2,733.5	2,136.0	2,733.5
BASF Petronas Chemicals Sdn. Bhd.	—	—	2,331.3	2,328.4	2,331.3	2,328.4
BASF Company Ltd.	—	—	2,781.9	2,271.2	2,781.9	2,271.2
Others	—	—	6,275.0	4,313.0	6,275.0	4,313.0
Sub-Total	3,647.9	1,986.7	23,888.2	20,472.6	27,536.1	22,459.3
ECB Loan Outstanding (including interest accrued not due)						
BASF Ireland Limited	—	—	—	1,521.9	—	1,521.9
Sub-Total	—	—	—	1,521.9	—	1,521.9
Consideration on Divestiture of Construction Chemicals business						
Master Builders Solutions India Private Limited	—	—	—	5,951.6	—	5,951.6
Sub-Total	—	—	—	5,951.6	—	5,951.6
Reimbursement received for liabilities discharged						
Master Builders Solutions India Private Limited	—	—	—	741.5	—	741.5
	—	—	—	741.5	—	741.5
Acquisition of 100% stake in BPPIPL						
BASF Nederland B.V.	—	—	—	3,029.0	—	3,029.0
BASF SE*	—	—	—	—	—	—
Sub-Total	—	—	—	3,029.0	—	3,029.0

* Amount is below rounding off norm.

f) Details of Contributions to post employment benefit plan

Rs. in million

Name of the post employment benefit plan	2021-22	2020-21
BASF India Ltd. Provident Fund	360.7	323.0
BASF India Ltd. Employees Gratuity Fund	174.4	201.5
BASF India Ltd. Superannuation Fund Trust	54.4	47.6
Total	589.5	572.1

g) Details of transactions with Key Management Personnel

Rs. in million

Particulars	2021-22	2020-21
Short term employee benefits	158.9	112.8
Post-employment benefits	6.6	1.7
Employee share based payments*	7.7	5.9
Total	173.2	120.4

* Key managerial personnel Mr. Narayan Krishnamohan and Mr. Narendranath J. Baliga are eligible for share price based payments (Long Term Incentive) of the Ultimate Holding Company for which there is no cash outflow from the Company.

Notes to the Financial Statements for the year ended March 31, 2022

50. Related Party Disclosure (Continued)

h) Payments to Independent Directors:

Rs. in million

Particulars	2021-22	2020-21
Sitting fees	5.6	5.4
Commission	5.3	4.2
Total	10.9	9.6

i) Terms and conditions:

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.

51. Disclosure under Indian Accounting Standard 115

(a) Deferred revenue:

The Company considers deferred revenue as contract liability as per terms of customer contracts. There was no deferred revenue outstanding as on March 31, 2022 and March 31, 2021. Further, an amount Rs. 25.6 million was recognized as revenue in the previous year ended March 31, 2021 which was included in deferred revenue at beginning of the previous year.

(b) Contract liability:

- Contract liability in respect of amount collected in advance towards satisfaction of performance obligations for goods/services to customers has been reflected as "Advances received from customers" in Note 23 - Other Current Liabilities.
- The Company operates a customer incentive programme where retail customers accumulate reward points for purchases made which entitle them to incentives. A contract liability for the reward points is recognised at the time of the sale. Contract liability in respect of customer incentive schemes has been adjusted in Revenue and reflected as "Accrual for customer incentive schemes" in Note 23 - Other Current Liabilities.

(c) Reconciliation of Revenue recognised with contract price

Rs. in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	134,343.3	98,313.6
Adjustment for: Rebates/ discounts/ customer incentive scheme	(3,346.0)	(2,730.2)
Revenue from operations	130,997.3	95,583.4

52. Merger of BASF Performance Polyamides India Private Limited ('BPPIPL') with the Company

BASF Performance Polyamides India Private Limited ('BPPIPL') was in the business of manufacturing/ trading of performance polyamides and had one manufacturing site in Panoli, Gujarat. It had wide range of engineering plastics and serves automobiles, electrical and consumer goods industries.

Pursuant to the approval from the Board of Directors on July 10, 2020 and the approval from shareholders vide Annual General Meeting dated August 6, 2020, the Company had acquired 100% stake in BPPIPL from BASF Nederland B.V. and BASF SE, for a consideration of Rs. 3,029.0 million on August 18, 2020, consequent to which BPPIPL became a wholly owned subsidiary of the Company.

Further, as intimated to Stock exchanges, subsequent to approval by the Board of Directors on August 27, 2020 for the Scheme of Merger by Absorption of BPPIPL with the Company, the National Company Law Tribunal, Mumbai ('NCLT') vide order dated January 6, 2021 sanctioned the aforesaid Scheme, with an appointed date of February 1, 2021. BPPIPL being a wholly owned subsidiary of the Company, no consideration was paid pursuant to the merger. The certified copy of the NCLT Order was filed with the Registrar of Companies on February 1, 2021. Basis NCLT order, BPPIPL was merged with the Company on the appointed date.

Notes to the Financial Statements for the year ended March 31, 2022

52. Merger of BASF Performance Polyamides India Private Limited ('BPPIPL') with the Company (Continued)

Consequently, basis NCLT order and requirement of Appendix C to Ind AS-103 on Business Combinations, on the appointed date, the Company had accounted the acquisition of BPPIPL as common control transaction effective February 1, 2020 (i.e. the date of global acquisition of Solvay Polyamides business by BASF SE). Accordingly, the financial statements of the Company for the year ended March 31, 2020 and year ended March 31, 2021 had been restated to include results of erstwhile BPPIPL with effect from February 1, 2020 (i.e. the common control acquisition date).

All assets and liabilities of the erstwhile BPPIPL had been transferred to and vested in the Company at its carrying value effective February 1, 2020 and the excess of carrying value of investments in erstwhile BPPIPL over the net value of assets, liabilities and reserves of erstwhile BPPIPL amounting to Rs. 2,857.4 million had been debited to Capital Reserve as on February 1, 2020.

This merger of BPPIPL with the Company resulted in increased operational efficiencies, brought in economies of scale and resulted in synergetic integration of business.

53. Relationship with Struck off Companies

a) Struck off companies holding shares of the Company as at year end:

Rs. in million

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2022	Balance outstanding as on March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
Inventa Investments Pvt. Ltd.*	Shares held by struck off company	—*	—*	Not applicable
Popular Stock & Share Services Ltd.*	Shares held by struck off company	—*	—*	Not applicable

* Value of shares held is below rounding off norm.

b) Struck off companies with Nil outstanding balance as at year end but having transactions during the year:

Rs. in million

Name of struck off Company	Nature of transactions with struck-off Company	Transactions for the year ended March 31, 2022	Transactions for the year ended March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
Toby Polyfabs Pvt. Ltd.	Sale of Goods	—	0.2	Not applicable

54. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification and in conformity with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place: Mumbai
Date: May 9, 2022

**For and on behalf of Board of Directors of
BASF India Limited**
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Narayan Krishnamohan
Managing Director
DIN : 08350849

Manohar Kamath
Company Secretary
ACS No: 19749

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Rajesh Naik DIN: 06935998
Directors

Place: Mumbai
Date: May 9, 2022

BASF India Limited

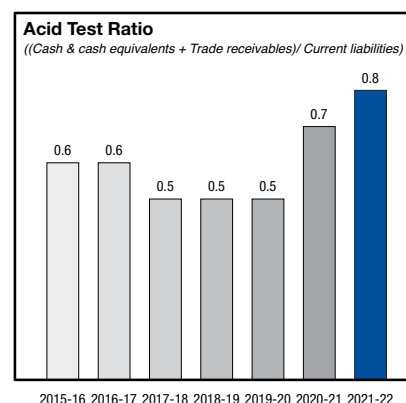
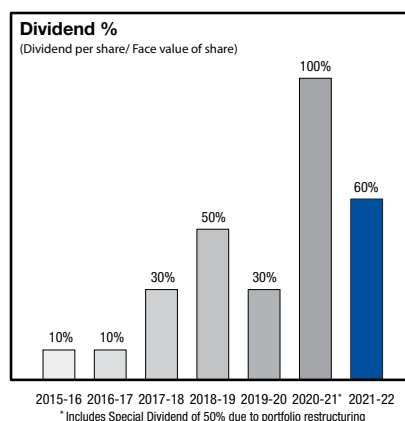
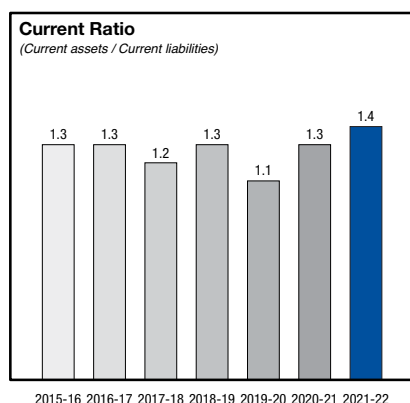
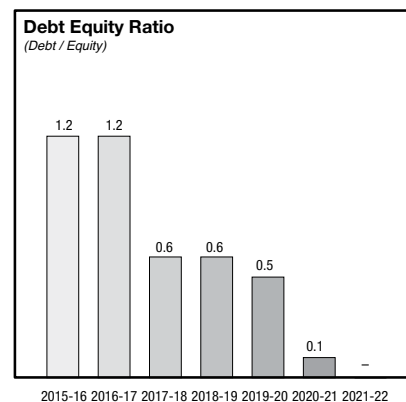
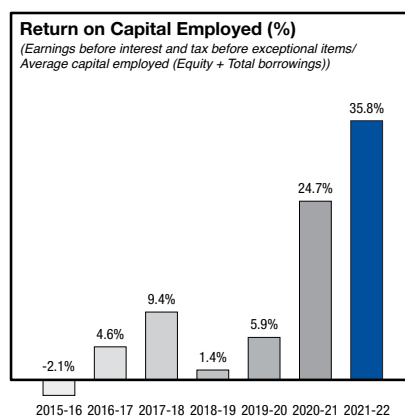
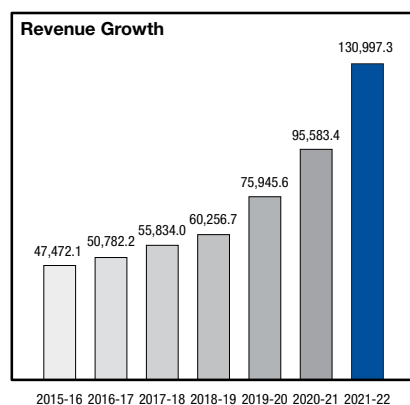
Highlights – At a glance

Rs. in million

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue and Earnings							
Revenue from operations (net of excise duty/GST)	47,472.1	50,782.2	55,834.0	60,256.7	75,945.6	95,583.4	130,997.3
Earnings before interest and tax (EBIT) (before exceptional items)	(544.2)	1,121.6	2,154.2	309.1	1,258.1	4,754.4	7,648.3
Profit/(Loss) before tax (before exceptional items)	(2,024.8)	(294.8)	1,024.6	(542.0)	423.6	4,378.7	7,473.6
Profit/(Loss) after tax	(303.7)	(141.3)	2,465.0	817.2	228.7	5,526.1	5,948.4
Earnings per share (Rs. per share)	(7.0)	(3.3)	56.9	18.9	5.3	127.7	137.4
Capital expenditure, depreciation and amortisation							
Capital expenditure	1,117.8	834.4	679.4	674.5	743.4	647.4	1,316.4
Depreciation and amortisation	1,630.9	1,690.3	1,533.9	1,470.9	1,808.6	1,739.2	1,705.7
Number of employees and personnel cost							
Number of employees at year-end	1,904	1,868	1,804	1,673	1,502	1,315	1,327
Personnel cost	3,275.8	3,219.6	3,514.3	3,764.7	3,625.6	3,449.6	3,806.5
Key Balance Sheet numbers							
Total assets	37,765.6	38,745.5	38,463.6	38,494.8	48,298.9	51,441.1	61,099.3
Borrowings	13,492.2	12,745.5	8,676.9	9,122.1	6,629.5	1,517.7	—
Shareholder's equity	11,160.1	11,022.6	13,438.8	14,128.9	12,439.8	17,861.5	23,360.8
Appropriation of profits							
Dividend amount	43.3	43.3	129.9	216.4	129.9	432.9	259.7
Dividend per share (Rs. per share)	1.0	1.0	3.0	5.0	3.0	10.0	6.0

Notes:

- Financial highlights are given only for seven years on account of non-comparability of data due to Ind AS transition w.e.f 1st April 2015.
- Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
- Revenue from operations has been adjusted with excise duty/ GST for relevant periods for coherent comparison.





Employee safety remains one of the top commitments of your Company. Seen in the above images are the continued vaccination drive at the Innovation Campus Mumbai, as well as first aid and fire safety training provided at the various sites.

Staying Connected
Learn ways to combat isolation

Time to be happy

Pursue activities with new people
Enrol as a volunteer for social causes
Overcome barriers of fear and worry
Practical techniques to improve wellbeing
Learn new skills
Engage in social media wisely

[Click Here To Register](#)
Date: August 17
Time: 3:00 PM - 4:00 PM

Avail cost-free wellbeing and counselling services in multiple languages for you and your family

Use the QR Code to Download Counselor App Available in Android/iOS. Enter BASF Email ID. Password: 14387

Website: <http://global.resourceforyourlife.com> (Use Company Code: BASF)
Email: support@resourceforyourlife.com
FreePhone: 800 800 100 9445 Direct Dial: 080 9638 0031
Speak to a Counselor at your convenience!

BASF

Building Resilient Muscles
Learn techniques to become Mentally Fit

Resilience

This session will focus on:
Accept personal accountability
Blind spots and moods assessment
Cultivate curiosity to view situations differently
Develop a belief system that encourages success

[Click Here To Register](#)
Date: July 15
Time: 3:00 PM - 4:00 PM

Avail cost-free wellbeing and counselling services in multiple languages for you and your family

Use the QR Code to Download Counselor App Available in Android/iOS. Enter BASF Email ID. Password: 14387

Website: <http://global.resourceforyourlife.com> (Use Company Code: BASF)
Email: support@resourceforyourlife.com
FreePhone: 800 800 100 9445 Direct Dial: 080 9638 0031
Speak to a Counselor at your convenience!

BASF

Besides physical safety and health, your Company conducted several remote workshops and webinars focusing on mental health.



As employees have begun returning to office, many took the opportunity to celebrate joyous occasions and festivals together. Seen here are employees at Thane site gathering on the auspicious occasion of Dussehra, Ganesh Puja (left), and employees at Panoli site celebrating Diwali together (middle and right).

Tag your field & take the right action by receiving real time alerts.



Powered by AI &
Backed by Remote Sensing

BASF AgGenie
Farmer's Personal Crop Consultant



BASF
We create chemistry

NOTICE

NOTICE is hereby given that the SEVENTY-EIGHTH (78th) ANNUAL GENERAL MEETING (AGM) of BASF INDIA LIMITED will be held on Wednesday, 3rd August, 2022 at 3.00 p.m., through Video Conferencing / Other Audio-Visual means (“VC”/“OAVM”), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022, including the Audited Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a final Dividend of Rs. 6/- (Rupees Six) per equity share i.e., 60% for the financial year ended 31st March, 2022.
3. To appoint a Director in place of Dr. Ramkumar Dhruva (DIN: 00223237), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To consider and approve the re-appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.: 012754N/N500016), as the Statutory Auditors of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an

Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the re-appointment of M/s. Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016) as the Statutory Auditors of the Company for a further period of 5 (five) consecutive years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2027;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to fix and / or change the remuneration payable to them during their tenure as the Statutory Auditors of the Company, as determined by the Audit Committee in consultation with the said Statutory Auditors;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an

Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder {including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force} and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No: 000010), appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March 2023, amounting to Rs. 16.45 lakhs (Rupees Sixteen Lakhs Forty Five Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, in connection with the said audit, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 & such other Rules as may be applicable to the Company and in terms of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s) or re-enactment thereof), the Company’s Related Party Transaction Policy (as amended from time to time) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, the approval of the Members be and is hereby accorded to the Company for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individually or taken together or series of transactions or otherwise), for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months), with the below mentioned Related Parties of the Company as per the amended SEBI Listing Regulations, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier contracts/ arrangements/ transactions or as fresh and independent transaction(s) or otherwise, provided that such contracts, arrangements and transactions be undertaken on the terms and conditions as may be mutually agreed between the Company and the said Related Parties on arm’s length basis and in the ordinary course of business:

Sr. No.	Name and place of the Related Party	Relationship	Nature of transactions	Value per annum (Rs. in crore) for which existing approval is in place	Value per annum (Rs. in crore) for which approval is being sought
1	BASF SE (Germany)	Parent Company	(a) Sale and/or purchase of chemicals/materials. (b) Availing or rendering of services. (c) Payment of Royalty for Technical Collaboration/ Assistance. (d) Purchase/ Sale of Assets/ Business. (e) Payment of Dividend.	1500	1500
2	BASF Petronas Chemicals Sdn Bhd, (Malaysia)	Affiliate Company	(a) Sale and/or purchase of chemicals/materials. (b) Availing or rendering of services.	1500	2000
3	BASF Hong Kong Limited (Hong Kong)	Affiliate Company	(a) Sale and/or purchase of chemicals/materials. (b) Availing or rendering of services.	5000	5000

Sr. No.	Name and place of the Related Party	Relationship	Nature of transactions	Value per annum (Rs. in crore) for which existing approval is in place	Value per annum (Rs. in crore) for which approval is being sought
4	BASF South East Asia Pte. Ltd (Singapore)	Affiliate Company	(a) Sale and/or purchase of chemicals/materials. (b) Availing or rendering of services.	2500	2500
5	BASF Company Ltd, (Korea)	Affiliate Company	(a) Sale and/or purchase of chemicals/materials. (b) Availing or rendering of services.	2000	2000

RESOLVED FURTHER THAT the Audit Committee and / or the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members;

RESOLVED FURTHER THAT the Audit Committee and / or the Board of Directors of the Company be and are hereby authorised to delegate all or any of the powers conferred, to any Director or any other Officer(s)/ Authorised Representatives of the Company, to do all such acts and take appropriate steps, as may be considered necessary or expedient, after taking necessary approvals, if required to give effect to this Resolution.”

By Order of the Board of Directors
For BASF India Limited

MANOHAR KAMATH
Director – Legal, General Counsel (India)
& Company Secretary

Registered Office:

The Capital, 'A' Wing, 1204-C,
12th Floor, Plot No. C-70,
'G'-Block, Bandra Kurla Complex,
Bandra (East), Mumbai-400051.

CIN: L33112MH1943FLC003972

Dated: 9th May 2022

Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Act read with the Rules, setting out all material facts relating to the Special Business mentioned in this Notice is annexed hereto and forms part of this Notice.
2. Details of the Director seeking re-appointment under Item No. 3 of this Notice is provided at page no. 75 of the Annual Report.
3. In view of the continuing COVID-19 pandemic and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021 and 5th May, 2022, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as "**MCA Circulars**") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12th May, 2020, 15th January, 2021 and 13th May, 2022, respectively issued by the Securities and Exchange Board of India (collectively referred to as "**SEBI Circulars**"), the holding of the Annual General Meeting through VC/OAVM, without the physical presence of the Members has been permitted. In compliance with the provisions of the Companies Act, 2013 ('**the Act**'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('**the Listing Regulations**'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM which does not require the physical presence of the Members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
4. As this AGM is being held through VC/OAVM and physical attendance of the Members has been dispensed with in line with the MCA Circulars and the SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. In accordance with the aforesaid MCA Circulars, the Company has made necessary arrangements for the Members to register their e-mail addresses for receiving the Notice. Members who have not registered their e-mail addresses are requested to register the same as per the process mentioned in the Notes.
6. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and various MCA Circulars, the Company is pleased to provide its Members with the e-voting facility to exercise their right to vote on the proposed resolutions electronically. For this purpose, the Company has appointed M/s. Hemant Shetye, Practising Company Secretary, having Membership No. FCS-2827 & Certificate of Practice No. 1483, Designated Partner of M/s HSPN & Associates LLP, Practising Company Secretaries, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
7. The Company has engaged National Securities Depository Limited ("**NSDL**") as the agency to provide the e-voting facility and the instructions for e-voting are provided as part of this Notice.
8. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-Off Date i.e., 27th July, 2022.
9. Corporate Members intending to authorise their representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
10. The Members of the Company can join the AGM through VC/OAVM 15 minutes before and after the scheduled time of the commencement of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members of the Company on first come first served basis. This will not include large Members (Members holding 2% or more shares of the Company), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of various Committees of the Company, Auditors etc. who are allowed to attend the AGM without any restriction.
11. The attendance of the Members at the AGM through VC/OAVM will be counted for the purpose of determining the quorum under Section 103 of the Act.

12. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 23rd July, 2022 to Wednesday, 27th July, 2022 (both days inclusive) for the purpose of determining the eligibility of the Members entitled to Dividend, subject to the approval of the Members at the AGM.
13. Dividend as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Monday, 8th August, 2022 in respect of shares held in the Company in physical form, to those Members whose names appear in the Company's Register of Members and in respect of shares held in demat form to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the NSDL and the Central Depository Services (India) Limited ("**CDSL**") at the close of business hours on Friday, 22nd July, 2022.
14. Members are requested to submit their queries/requests for clarification, if any, on the Annual Report via e-mail to Mr. Manohar Kamath, Director - Legal, General Counsel (India) & Company Secretary at manohar.kamath@basf.com and/or at investor-grievance-india@basf.com latest by Friday, 29th July, 2022, to enable the Company to furnish the replies at the AGM.
15. Members are requested to notify any change in their address or bank mandate to: (a) their respective Depository Participants in case of shares held in electronic form; or (b) the Company's Registrar & Share Transfer Agent, TSR Consultants Private Limited ("**TSR**") at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400 083, in case of shares held in physical form.
16. Members holding shares under multiple folios are requested to submit their applications to TSR for consolidation of folios into a single folio.
17. Pursuant to the provisions of Section 124(5) of the Act, amounts transferred to the unpaid dividend account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid dividend account, shall be transferred by the Company to the Investor Education and Protection Fund ("**IEPF**") of the Central Government.

Accordingly, the Company has transferred Rs. 8,78,156/- (Rupees Eight Lakhs Seventy Eight Thousand One Hundred and Fifty Six Only) being the unpaid or unclaimed dividend amount of the Company for the financial year ended 31st March 2014, to IEPF on 6th October, 2021 and corresponding 11,619 (Eleven Thousand Six Hundred and Nineteen) equity shares of the Company on 19th October, 2021 to IEPF Authority for the financial year 2013-2014, pursuant to Section 124(5) of the Act, read with the applicable Rules framed thereunder.

The Company has already sent reminders to the Members of the Company requesting them to claim their unpaid or unclaimed dividend amount for the financial year ended 31st March 2015 which will become due for transfer to IEPF in September 2022. As required under the provisions of Section 124(2) of the Act, the Company has uploaded the details of unpaid or unclaimed dividend amounts lying with the Company as on 6th August, 2021 (i.e. date of last AGM of the Company) on the website of the Company (www.basf.com/in) and also filed the same with the Ministry of Corporate Affairs, Government of India.

Those Members who have so far not encashed their dividend warrants for the following financial years, may approach the Company's Registrar & Share Transfer Agent i.e., TSR for the payment thereof, failing which the same will be transferred to IEPF on the respective dates mentioned there against:

Financial Year ended	Dates on which unpaid or unclaimed dividend amount will be due to be transferred to IEPF
31.03.2015	23.09.2022
31.03.2016	23.09.2023
31.03.2017	08.11.2024
31.03.2018	15.09.2025
31.03.2019	24.08.2026
31.03.2020	16.09.2027
31.03.2021	16.09.2028

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('**IEPF Rules**') as amended, in addition to the unpaid or unclaimed dividend amount which is required to be transferred by the Company to IEPF, the corresponding equity shares relating to such unpaid/unclaimed dividend are also required to be transferred to IEPF Account. Therefore, Members are requested

to take note of the aforesaid provisions of the Act and claim their unpaid or unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF Account. Details of unpaid/unclaimed dividend are uploaded on the website of the Company www.basf.com/in for the information of the Members, before transfer to IEPF.

In respect of the unpaid/unclaimed dividend pertaining to the financial years 2009 to 2014, the Company has already transferred the unpaid or unclaimed dividend and the corresponding equity shares to IEPF.

Members are requested to claim the unpaid/ unclaimed dividend pertaining to the financial years 31st March 2015 onwards, due to them, failing which the corresponding equity shares (held either in physical or electronic mode) shall be transferred by the Company to IEPF Account. Members can however, claim both, the unpaid or unclaimed dividend amount and the corresponding equity shares transferred to IEPF Account from the IEPF Authority, by making an application in the manner specified under the IEPF Rules.

18. With respect to the payment of Dividend, the Company provides the facility of remittance of dividend amount electronically through National Automated Clearing House (NACH) to all Members holding shares in electronic and physical form. Members holding shares in physical form who wish to avail NACH facility, may submit their bank details viz., Name of the Bank and Branch, their A/c type and Core Banking A/c No. with 9 digit MICR and 11 digit IFSC code along with the copy of cancelled cheque, to TSR. Requests for payment of dividend through NACH for the year 2021-2022 should be lodged with TSR on or before the book closure end date i.e., Wednesday, 27th July, 2022.
19. The Company's Equity Shares are listed on BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001 and The National Stock Exchange of India Limited, Exchange Plaza, C-1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. The Company has paid the annual listing fees for the financial year 2022-2023 to both the Stock Exchanges.
20. In terms of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, every holder of securities of the Company may, at any time, nominate, in the prescribed manner, a person to whom his/her securities of the Company shall vest in the event of his/her death. Members, who wish to avail of this facility, may fill in the prescribed Form No. SH-13 and forward the same to TSR.
21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
22. Members who desire to take part in the Green Initiative of the Company, are requested to register their e-mail addresses with their Depository Participant(s) in case they hold shares in demat form and with the Company/ their RTA for the shares held in physical form by submitting the Investor Service Request Form - Form ISR1, ISR2 and Nomination form duly filed and signed, as per the specimen signatures registered against the folio, along with the supporting documents stated thereon. On registration, all the communications will be sent to the e-mail address of the Member registered with the Company.
23. An electronic copy of the Annual Report 2021-2022 along with the Notice are being sent to all those Members whose e-mail addresses are registered with the Company/Depository Participant(s) and physical copy of the same is not being provided in line with the aforementioned circulars issued by the MCA and SEBI. Members may also note that the Notice of the 78th AGM and the Annual Report are available on the Company's website www.basf.com/in. The aforesaid documents can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL (agency for providing the e-voting facility) i.e. www.evoting.nsdl.com.
24. The documents referred to in the Notice of the AGM are available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to investor-grievance-india@basf.com or pankaj.bahl@basf.com.
25. As per Regulation 40 of the Listing Regulations, securities of the listed companies can only be transferred in demat form with effect from 1st April 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio

management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or TSR for assistance in this regard.

26. Members may please note that SEBI has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also made it mandatory for submission of PAN in the following cases: (i) Deletion of name of the deceased Member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

Further, the Members are requested to kindly note that as per SEBI circular bearing no SEBI/HO/MIRSSD_RTAMB/PCIR/2021/655 dated 3rd November, 2021, it is mandatory for Members holding shares in physical form to register their PAN, KYC details, Bank particulars and Nomination against their folio no. PAN is also required to be linked to Aadhar No. by the Members to be considered as valid PAN.

Members holding shares in physical form are requested to provide Form ISR1, ISR2 and Nomination Form duly filled and signed along with the hard copy of the following self-attested documents to TSR for registration against their respective folio(s):

- Identity Proof: Copy of PAN card/ Aadhar Card
- Address Proof: Copy of Aadhar Card/ Passport/ client Master List/ Utility Bill not over 3 months old
- Bank Details: Copy of the cancelled cheque stating the name of the Member as account holder
- Contact Details: Mobile no., e-mail id
- Nomination: Please provide Form SH13 duly filled and signed.

In the absence of any of the above information registered against your folio no., your folio no. will be frozen for any updation/ dividend payment in accordance with the aforesaid Circular.

Form ISR1, ISR2 and Nomination forms are available on the website of Company www.basf.com/in and on the website of our Registrar and Transfer Agent at <https://www.tcplindia.co.in> → Investor Services → Downloads → Forms → Formats for KYC.

27. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Members with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the applicable prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the recent Finance Act. The Members are requested to update their PAN with TSR (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

28. A Resident individual Member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail of the benefit of non-deduction of tax at source, by uploading the said declarations on the link <https://easydividend.nexdigm.com/> on or before 15th July, 2022. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident Members may avail of beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F or any other document which may be required to avail the tax treaty benefits by uploading the said declarations on the link <https://easydividend.nexdigm.com/> on or before 15th July, 2022.

However, in case of any technical difficulties in uploading the above referred documents on the above link, Members may kindly e-mail the scanned documents to investor-grievance-india@basf.com, on or before 15th July, 2022.

29. In order to increase the efficiency of the e-voting process, SEBI vide its circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, had enabled e-voting to all the demat account holders by way of a single login credential through their demat accounts/ websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

30. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

INSTRUCTIONS FOR REMOTE E-VOTING

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual Members holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail addresses in their demat accounts in order to access e-Voting facility.

Login method for Individual Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 10px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div>

Type of Members	Login Method
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective e-Voting Service Provider i.e., NSDL where the e-Voting is in progress.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 120177 then user ID is 120177001***

5. Password details for Members other than Individual Members are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those Members whose e-mail ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those Members whose e-mail addresses are not registered with the depositories for procuring User Id and password and registration of e-mail addresses for e-voting for the resolutions set out in this Notice:

1. In case shares are held in physical mode, please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to investor-grievance-india@basf.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor-grievance-india@basf.com. If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e., Login method for e-Voting.
3. Alternatively, Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing the above mentioned documents.

General Guidelines for Members

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to upload their Board Resolution/ Power of Attorney / Authority Letter by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab or send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. in favour of authorised signatories who are authorized to vote, to the Scrutinizer by e-mail at hs@hspnassociates.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 224 430 or send a request at evoting@nsdl.co.in, or contact Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013 at the designated e-mail address: evoting@nsdl.co.in or on toll free no.: 1800 1020 990 /1800 224 430 who will also address grievances connected with voting by electronic means.
4. The remote e-voting period commences on Sunday, 31st July, 2022 (from 9.00 a.m. IST) and ends on Tuesday, 2nd August, 2022 (till 5.00 p.m. IST). Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th July, 2022, may cast their votes electronically. Remote e-voting will not be allowed beyond 5.00 p.m. on Tuesday, 2nd August, 2022 and the e-voting module will be disabled by NSDL thereafter. A Member who has cast his/her vote by using remote e-voting shall be entitled to attend and participate in the AGM of the Company but shall not be allowed to vote on the resolutions at the AGM. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
5. The facility for e-voting will also be made available at the AGM and Members participating in the AGM who have not cast their vote by remote e-voting, will be able to vote at the AGM.
6. Mr. Hemant Shetye, Practicing Company Secretary, having Membership No. FCS-2827 & Certificate of Practice No. 1483, Designated Partner of M/s HSPN & Associates LLP, Practicing Company Secretaries, 206, 2nd Floor, Tantia & Jogani Industrial Estate, J.R. Boricha Marg, Opposite Lodha Excelus, Lower Parel (East), Mumbai - 400011, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

7. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against the resolutions, within 2 (two) working days after the conclusion of the AGM to the Chairman of the Company or any other person duly authorized by him, who shall countersign the same. The result of the voting will be declared within 2 (two) working days after the conclusion of the AGM.
8. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.basf.com/in and on the website of NSDL. The results will also be communicated to the stock exchanges i.e., BSE Limited and The National Stock Exchange of India Limited, where the shares of the Company are listed.
9. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of the AGM i.e., 3rd August, 2022.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is the same as the procedure mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM and have not cast their vote on the resolutions through remote e-voting shall be eligible to vote through e-voting system at the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM through VC / OAVM, but they will not be eligible to vote at the AGM. In case any Member casts his vote through remote e-voting as well as e-voting at the AGM, then the votes cast through remote e-voting will only be considered and the votes cast through e-voting at the AGM will be considered as invalid.
4. Members are requested to follow the instructions, if any, provided during the AGM for e-voting. The details of the person who may be contacted for any grievances connected with the e-Voting on the day of AGM shall be the same as mentioned in para 3 of the preceding section.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL's e-voting system. Members may access the same by following the steps mentioned under Step No. 1: for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in the Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Members are encouraged to join the Meeting through computers / laptops and use internet with a good speed for convenience and better experience.
3. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any of the aforesaid glitches.
4. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request mentioning their name, demat account number/folio number, e-mail id, mobile number via e-mail to Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary at manohar.kamath@basf.com and/ or at investor-grievance-india@basf.com latest by Friday, 29th July, 2022. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
5. Members who need assistance before or during the AGM, can contact NSDL on toll free no.: 1800 1020 990/ 1800 224 430 or contact Mr. Amit Vishal, Asst. Vice President – NSDL at amitv@nsdl.co.in/ evoting@nsdl.co.in

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013.

The following statement sets out all material facts relating to the Ordinary / Special business mentioned in the accompanying Notice dated 9th May, 2022 and shall be taken as forming part of the Notice.

Item No. 4

The Members of the Company at its 73rd Annual General Meeting (“AGM”) held on 28th September 2017 had appointed M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of 5 (five) years, from the conclusion of the said AGM until the conclusion of the AGM to be held in 2022.

Subject to the approval of the Members of the Company, it is now proposed to re-appoint M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants as the Statutory Auditors of the Company for a further period of 5 (five) consecutive years from the conclusion of the ensuing AGM to be held on 3rd August, 2022 till the conclusion of the AGM of the Company to be held in the year 2027.

Credentials:

M/s Price Waterhouse Chartered Accountants LLP, having Registration No. 012754N/ N500016, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1991 and was converted into a limited liability partnership in the year 2014. It has ten branch offices in various cities in India. M/s Price Waterhouse Chartered Accountants LLP is primarily engaged in providing auditing and other assurance services to its clients and is a Member firm of Price Waterhouse & Affiliates, a network of firms registered with the Institute of Chartered Accountants of India having Network Registration No. NRN/E/14. Price Waterhouse & Affiliates is a network of eleven separate, distinct and independent Indian chartered accountant firms, each of which is registered with the Institute of Chartered Accountants of India. M/s Price Waterhouse Chartered Accountants LLP has more than 75 Assurance Partners as at 1st April, 2022. It has a valid peer review certificate and audits various companies listed on stock exchanges in India.

M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants have furnished a declaration to the Company that they are eligible to be re- appointed as Statutory Auditors of the Company, in accordance with the provisions of Section 139, 141 and 142 of the Companies Act, 2013.

The terms and conditions of re-appointment of M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants as the Statutory Auditors of the Company and the proposed fees are as follows:

a. **Term of Re-appointment:** For a further period of 5 (Five) consecutive years from the conclusion of ensuing AGM to be held on 3rd August, 2022 till the conclusion of the AGM of the Company to be held in the year 2027.

b. **Proposed Fees payable to the Statutory Auditors:**

The details of remuneration payable to M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants in connection with the statutory audit and corporate governance certificate of the Company during the period of 5 (five) years are as follows:

Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Statutory Audit Fees including Corporate Governance certification	75,00,000	75,00,000	81,00,000	81,00,000	87,48,000
Audit of Internal Financial Controls	12,50,000	12,50,000	13,50,000	13,50,000	14,58,000
Group Reporting	52,50,000	52,50,000	56,70,000	56,70,000	61,23,600
Tax Audit	12,50,000	12,50,000	13,50,000	13,50,000	14,58,000
Limited Review	37,50,000	37,50,000	40,50,000	40,50,000	43,74,000
Total	1,90,00,000	1,90,00,000	2,05,20,000	2,05,20,000	2,21,61,600

Applicable taxes, travelling and other out-of-pocket expenses incurred by M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants would be in addition to the above-mentioned remuneration.

The fees for services in the nature of statutory certifications and other permissible professional work will be in addition to the fees mentioned above and will be determined by the Board of Directors of the Company in consultation with the said Statutory Auditors and as per the recommendations of the Audit Committee.

The proposed fees payable to the Statutory Auditors are based on knowledge, expertise, experience, time and effort required to be put in by them.

c. Basis for recommendation for re-appointment:

Taking into account the credentials of M/s Price Waterhouse Chartered Accountants LLP and based on the evaluation of the quality of the audit work, the Board of Directors of the Company based on the recommendation of the Audit Committee, unanimously recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of this Notice, except to the extent of their respective shareholding, if any, in the Company.

Item No. 5

M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010), were appointed as the Cost Auditors of the Company to conduct the audit of the cost records of Company's products viz., Insecticides, Dyes, Paints, Varnishes & Chemicals for the financial year 2021-2022. M/s. R. Nanabhoy & Co., Cost Accountants, have conveyed their willingness to act as the Cost Auditors of the Company for the financial year ending 31st March 2023 and have informed the Company that their appointment, if made, would be within the limits provided in Section 141(3)(g) or any other applicable provisions of the Companies Act, 2013.

The Board of Directors of the Company at their meeting held on 9th May, 2022 have appointed M/s. R. Nanabhoy & Co., as the Cost Auditors of the Company for the financial year ending 31st March 2023.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the Members. The remuneration payable to M/s. R. Nanabhoy & Co., Cost Auditors of the Company for conducting the audit of the cost records for the financial year ending 31st March 2023, as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 9th May, 2022, is Rs. 16.45 lakhs (Rupees Sixteen Lakhs Forty Five Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

Accordingly, the consent of the Members of the Company is sought to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March 2023.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of this Notice for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of this Notice, except to the extent of their respective shareholding, if any, in the Company.

Item No. 6

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("**SEBI Listing Regulations**"), effective April 1, 2022, mandate prior approval of the Members by means of an ordinary resolution for all material Related Party Transactions ("**RPT**"), even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceed(s) Rs. 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

Further, SEBI, vide Circular dated 8th April, 2022 has clarified that the omnibus Members' approval for material RPTs of the Company, shall be valid up to the date of the next AGM, for a period not exceeding 15 (fifteen) months (maximum validity of 15 months).

In the financial year 2022-2023 and in the next financial year 2023-2024 until the date of the Annual General Meeting of the Company, the transactions of the Company with the below-mentioned Related Parties, would exceed the applicable materiality thresholds, as provided under the SEBI Listing Regulations, as amended from time to time.

Type, material terms and other particulars of the proposed RPTs required pursuant to Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021 issued by SEBI are mentioned below:

Name of the Related Party	BASF SE (Germany)	BASF Petronas Chemicals Sdn Bhd (Malaysia)	BASF Hong Kong Ltd (Hong Kong)	BASF South East Asia Pte Ltd (Singapore)	BASF Company Ltd (Korea)
Nature of relationship with the Company	Parent Company	Affiliate Company	Affiliate Company	Affiliate Company	Affiliate Company
Nature of transactions	(a) Sale and/or purchase of chemicals/ materials (b) Availing or rendering of services. (c) Payment of Royalty for Technical Collaboration/ Assistance. (d) Purchase/ Sale of Assets/ Business. (e) Payment of Dividend.	(a) Sale and/or purchase of chemicals/ materials (b) Availing or rendering of services.	(a) Sale and/or purchase of chemicals/ materials (b) Availing or rendering of services.	(a) Sale and/or purchase of chemicals/ materials (b) Availing or rendering of services.	(a) Sale and/or purchase of chemicals/ materials (b) Availing or rendering of services.
Material terms and particulars of the Proposed transactions	The related party transactions are in the ordinary course of the business and at arms' length basis. Further the same would be compliant with the Inter-Company Transfer Pricing Guidelines.				
Whether ordinary course of business and at arm's length basis	Yes	Yes	Yes	Yes	Yes
Value per annum (Rs. in crore) for which existing approval is in place	1500	1500	5000	2500	2000
Value per annum (Rs. in crore) of the transaction for which approval is sought (per annum)	1500	2000	5000	2500	2000
Justification as to how this RPT is in the interest of the Company	Transactions for which approval is sought, are done at a price that is compliant with Inter-Company Transfer Pricing Guidelines plus applicable mark-up.				
Percentage of the Company's annual turnover, for the immediately preceding financial year ("FY") - FY 2021-22, that is represented by the value of the proposed material related party transaction	11.45%	15.27%	38.17%	19.08%	15.27%

Accordingly, as per the SEBI Listing Regulations, the approval of the Members is sought for all such contracts/ arrangements/ transactions to be undertaken (whether individually or taken together or series of transactions or otherwise), whether by way of continuation/ extension/ renewal/ modification of earlier arrangements/ transactions or as fresh and independent transaction(s) or otherwise) with the above-mentioned Related Parties of the Company, during the financial year 2022-2023 and in the next financial year 2023-2024 until the date of the AGM of the Company.

The above transactions are in the ordinary course of business of the Company and on an arm's length basis and as such are exempt from the provisions of Section 188(1) of the Companies Act, 2013 and the Rules made thereunder.

The Audit Committee and the Board of Directors of the Company has granted its approval for the RPTs proposed to be entered into by the Company with the aforementioned Related Parties during the financial year 2022-23 and has also noted that the said transactions with the Related Parties are on arms' length basis and in the ordinary course of the Company's business.

Accordingly, your Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 6 of this Notice for the approval of the Members of the Company.

Members may please note that in terms of the provisions of the SEBI Listing Regulations, Related Parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the resolution under Item No. 6 of this Notice.

None of the other Related Parties like Directors, Key Managerial Personnel and their relatives have any conflict of interest with the RPTs for which approval of Members is sought. None of these transactions has the effect of passing any direct/indirect benefit, personally to Directors, Key Managerial Personnel in any manner. None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 6 of this Notice, except to the extent of their respective shareholding, if any, in the Company.

By Order of the Board of Directors
For BASF India Limited

MANOHAR KAMATH
*Director – Legal, General Counsel (India)
& Company Secretary*

Registered Office:
The Capital, 'A' Wing, 1204-C,
12th Floor, Plot No. C-70,
'G'-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.
CIN: L33112MH1943FLC003972
Dated: 9th May 2022